

# South Asia

Key Aid Strategies

## Cooperation for Long-Term Growth in Asia While Reflecting the Region’s Diversity: Promoting “Quality Growth,” Cooperation for Global Issues, Realizing a Peaceful and Secure Society, and Facilitating Regional Initiatives

The South Asian region, where 1.7 billion people live in an area about the size of Europe, embraces a variety of religions, races, cultures, and languages. Surrounded by the Pacific Ocean, the Middle East and Africa, this region has great potential for growth, but at the same time, contains income disparities and religious conflicts arising alongside development, instability caused by natural disasters, etc.

Stability and growth of the South Asian region are essential to the stability and growth of the whole of Asia. JICA focuses on human security and extends its assistance to suit needs that are specific to each of these countries, while promoting cooperation to strengthen the connectivity among the countries and areas, under the concept of the Indian Ocean-Rim Economic Region.

JICA has set the following four priority areas for its aid programs in South Asia in order to achieve the Sustainable Development Goals (SDGs):

### (1) Promoting “quality growth”

Although the impoverished population in South Asia is decreasing, partly due to the recent economic growth, the region is still home to hundreds of millions of impoverished people, a number second only to Sub-Saharan Africa. Poverty reduction continues to be a common issue across all the countries of South Asia.

In order to support the sustainable poverty reduction through “quality growth,” JICA has been supporting the development of the region by building infrastructure such as transportation systems, electricity, water supply and sewerage services, and also by strengthening political systems and promoting cooperation

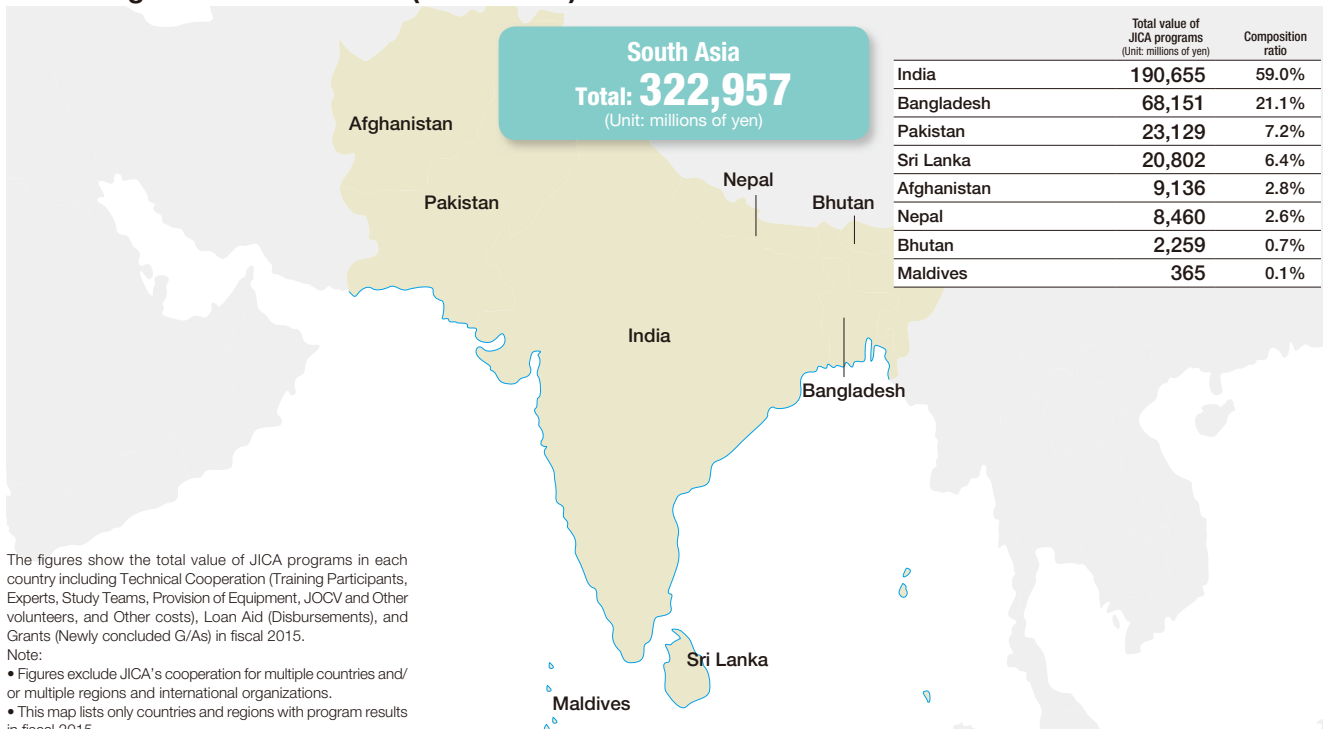
with Japanese private companies.

Also in other fields such as education, agriculture, and rural development, JICA has been making efforts in achieving fair and high-quality growth that enables sustained poverty reduction by delivering projects that take into consideration the socially vulnerable and impoverished segments of the societies.

### (2) Cooperation for global issues

JICA promotes assistance to solve global issues, such as disaster prevention from cyclones, floods, and earthquakes that often occur in the South Asian region, as well as measures against climate change. For example, JICA is supporting polio eradication initiatives in Afghanistan and Pakistan, the last two countries in the world where polio virus remains endemic [→ see the Case Study on page 45].

## JICA Programs in South Asia (Fiscal 2015)



The figures show the total value of JICA programs in each country including Technical Cooperation (Training Participants, Experts, Study Teams, Provision of Equipment, JOCV and Other volunteers, and Other costs), Loan Aid (Disbursements), and Grants (Newly concluded G/As) in fiscal 2015.

Note:

- Figures exclude JICA’s cooperation for multiple countries and/or multiple regions and international organizations.
- This map lists only countries and regions with program results in fiscal 2015.

Concrete Initiatives

Region-Specific Activities and Initiatives

Issue-Specific Activities and Initiatives

Other Activities and Initiatives

### (3) Realizing a peaceful and secure society

JICA is working toward regional peace and stabilization in countries such as Afghanistan and Pakistan as well as in Sri Lanka, which has been shifting to the development stage from the early reconstruction stage, after the quarter-century-long internal conflict that ended in May 2009. JICA is also active in Nepal, which is in the process of nation building. JICA also offers support that enhances gender equality and women's empowerment based on the differing circumstances of each country.

### (4) Facilitating regional initiatives

The South Asian region is a gateway to East Asia and Southeast Asia, adjoins Central Asia, and furthermore is at the center of the Indian Ocean-Rim and Pacific region that links Africa, the Middle East, and the Pacific via sea-lanes. JICA is engaged in projects that will contribute to enhancement of connectivity within the South Asian region and with other regions.

## Country Overviews and Priority Issues

### ● India

India has been increasing its global presence in recent years. Its growing population exceeded 1.2 billion in 2010, and its economic growth rate in fiscal 2015 is expected to surpass China's rate to become the highest in the world, according to the International Monetary Fund (IMF). As evidenced by the visit of Japan's Prime Minister Shinzo Abe to India in December 2015 and announcement of the joint statement titled "Japan and India Vision 2025: Special Strategic and Global Partnership" with the Indian prime minister, a strong relationship between Japan and India is being firmly maintained.

In order to achieve the annual growth rate of 8% during the 12th Five-Year Plan (2012–2017), the Government of India estimates

\$1 trillion of investment is necessary for building infrastructure in this period (the government is currently developing "The New 15-Year Vision"). Meanwhile, to develop India's manufacturing sector, which currently accounts only for 17% of Indian GDP, Prime Minister Modi is also promoting the "Make in India" initiative to lure manufacturers to India, and the "Skill India" initiative to foster skilled professionals in India. To support these initiatives, JICA is promoting development of the investment environment with two pillars of policy reform: support through program loans for investment promotion, and infrastructure development via individual projects and development of industrial corridors.<sup>1</sup>

Furthermore, JICA extends multifaceted support to the socially vulnerable and the poor that require critical attention in the course of social development. As such, in fiscal 2015, JICA signed an ODA Loan agreement for the Jharkhand Horticulture Intensification by Micro Drip Irrigation Project aimed to benefit poor women.

### ● Bhutan

Bhutan is a landlocked country located at the eastern tip of the Himalayas, with a population of about 770,000. Bhutan is known for its commitment to the fundamental concept of Gross National Happiness (GNH) [→ see the Case Study below]. The concept aims to create a society that focuses not only on economic growth but also on people's happiness. Bhutan's average GDP growth rate has been approximately 4% from 2010 to 2014, and this high economic growth was achieved based on supplies of hydroelectric power utilizing the country's abundant water resources. On the

1. "The Delhi-Mumbai Industrial Corridor" and "the Chennai-Bengaluru Industrial Corridor." The former is a Japan-India joint project of regional development to construct a Dedicated Freight Corridor between Delhi and Mumbai through a Japanese ODA Loan, and to develop infrastructure such as industrial parks, logistics bases, power stations, roads, ports, residences, and commercial facilities along the railroad, mainly through private investments. The latter is a Japan-India joint project of a comprehensive regional development plan in the rapidly growing Chennai-Bengaluru area, succeeding the Delhi-Mumbai Industrial Corridor.

#### Case Study **Bhutan: Data Collection Survey Report on Gross National Happiness**

### Exploring the Roots of Happiness in "the Land of Happiness"

In 2015, JICA provided support for the survey by the Government of Bhutan to collect basic information on Gross National Happiness (GNH).

#### Toward Maximization of GNH

Gross National Happiness (GNH) is a concept that attaches importance to each citizen's spiritual wealth, with consideration not only for monetary and material wealth but also for other values such as traditional society, culture, and the environment. Maximization of the GNH is a core concept in the development process of Bhutan.

The GNH surveys are conducted approximately once every five years, targeting all areas of the country, and the latest survey was the third. The number of questions added up to 148, including items on the level of well-being as well as on fundamental information (age, gender, etc.), economic conditions (income and occupation), health condition, level of educa-

tion, and questions related to traditional culture and lifestyle.

The survey was conducted by surveyors visiting each household and interviewing household members. The samples covered a little more than 1% of the total population, and the surveyors reached locations difficult to access, such as households to which they had to walk for hours or areas that were blocked by snow during the winter. The survey results revealed, for example, that those who had answered that they had been either "deeply happy" or "extensively happy" accounted for 55% in urban areas, while only 38% in rural areas, indicating challenges to overcome in measures to improve the GNH, and providing important reference information to making



An interview for the Gross National Happiness Survey.

decisions on which policy fields the country has to tackle.

To get accurate survey results, it is important to secure statistical reliability. In addition to funding the survey, JICA has been dispatching Japanese experts to Bhutan periodically to give advice on survey methods and content.

Based on the results of the survey, JICA elaborates ideas for development cooperation toward maximization of the GNH, the development policy of Bhutan.

other hand, a number of challenges have emerged in recent years, such as issues related to the urban environment due to rapid urbanization, unemployment, regional disparities, and vulnerability to natural disasters.

Based on the priority areas of the Government of Bhutan, JICA is focusing its aid programs on the following three main sectors: (1) improving livelihoods in rural areas by dealing with issues including agricultural and rural development, (2) promotion of economic development, and (3) environmental issues and climate change.

### ● Afghanistan

JICA is implementing projects that contribute to both economic growth and stabilization of households, such as job creation, while taking into account the serious security situation in Afghanistan and taking the maximum necessary safety measures. JICA, together with the Afghan government, has been extending its assistance in priority areas that are closely linked to the improvement of citizens' lives: agricultural and rural development, health and education, and infrastructure development.

In the agricultural and rural development sector, JICA provides support focused on rice cultivation which JICA has supported for years, and enhancement of expertise for maintenance and management of irrigation facilities aiming to improve agricultural productivity along with other issues. JICA also provides support in health and education, for which areas of focus include literacy education, special education, infection control, and maternal and child health [ → see the Case Study below].

In addition, JICA runs the Project for the Promotion and Enhancement of the Afghan Capacity for Effective Development (PEACE), which sends up to 500 government officials and faculty members to Japanese graduate schools, providing opportunities to earn masters or doctoral degrees. This project is a long-term

capacity development project to train future Afghan government executives so that they can play leading roles in policies and technology implementation, especially in our prioritized sectors. JICA has also been cooperating closely with international organizations such as the United Nations Children's Fund (UNICEF) and international NGOs in order to extend its assistance to areas that have been difficult to reach [ → see the Case Study on page 40].

### ● Pakistan

Pakistan has the world's sixth-largest population of approximately 190 million people. Following the September 11 Attacks in 2001, the role of Pakistan in maintaining peace in the region, including Afghanistan, has been highlighted. As a result, the international community has placed increased importance on the stable and sustainable development of Pakistan. The country's large workforce could be a driving force for economic growth, and Pakistan has much potential as an emerging economic market. However, economic growth has been sluggish in recent years because of the unstable political and security conditions as well as unfavorable factors such as the lack of foreign direct investment. Furthermore, the country faces various development issues, such as just under half of its citizens living in poverty. Recently, the Pakistani government has been making positive efforts toward economic and regulatory reforms in facing these challenges.

Consequently, the emphasis of JICA's assistance for Pakistan is centered on three themes: (1) improvement of economic infrastructure, (2) ensuring human security and improvement of social infrastructure, and (3) stabilization and balanced development of the Pakistan-Afghanistan border areas. JICA is placing priority on the assistance for solving energy shortages, which have been a bottleneck for economic activity, and for enabling the domestic manufacturing industry to produce value-added content. In other areas, JICA is supporting the health sector with a focus on polio

#### Case Study Afghanistan and Pakistan: Comprehensive Support for Polio Eradication

### The Last Step toward Polio Eradication

**JICA systematically applies three types of schemes—Grants through collaboration with the United Nations Children's Fund (UNICEF), Technical Cooperation, and ODA Loans—to continuously support polio eradication efforts by both Afghanistan and Pakistan.**

#### The Last Polio-Endemic Countries in the World

Polio is an infectious disease occurring primarily in infants that can result in lifelong paralysis of the limbs. Because polio can be prevented through vaccination, Japan and other members of the international community are focusing efforts on polio eradication as the next eradicable infectious disease after smallpox.

It was reported that there were approximately 350,000 polio victims worldwide in 1988 and only 74 newly infected cases in Afghanistan and Pakistan in 2015, bringing the disease within one step of eradication.

In Afghanistan, in partnership with UNICEF,

JICA has contributed to steady implementation of vaccination initiatives by supporting several rounds of polio vaccination campaigns as well as by providing vaccines and establishing cold chains that are necessary for the Expanded Program on Immunization (EPI) through ODA Grants.

In Pakistan, in addition to the provision of Grants in partnership with UNICEF, JICA has implemented the technical cooperation of the EPI/Polio Control Project, and two ODA Loan projects, the Polio Eradication Project and the Polio Eradication Project (Phase 2). For the ODA Loan projects, JICA adopted an



Training on equipment maintenance and repair for equipment management engineers for EPI in Pakistan.

innovative mechanism in collaboration with the Bill & Melinda Gates Foundation in which the Gates Foundation would repay the loans to JICA for Pakistan if the Government of Pakistan met specific goals set for the projects.

JICA will continue to support the two countries that are taking the last step toward the eradication of polio, making use of a variety of assistance schemes.

eradication and a regular immunization program [ → see the **Case Study on page 45**], the agricultural sector as Pakistan's chief industry, and also building infrastructure and establishing frameworks for water and sewerage systems in urban areas. Furthermore, JICA supports the overall disaster prevention sector in accordance with the National Disaster Management Plan, which JICA assisted in formulating while utilizing Japan's own knowledge. Also, JICA is engaged in anti-terrorism measures for security improvement and support for internally displaced people.

### ● Sri Lanka

Sri Lanka is an island in the Indian Ocean with a population of 20.77 million. Ever since the end of the 26-year conflict in 2009, the country has achieved stable economic growth, maintaining a real GDP growth rate of 6.1% on average, and its GNI per capita has reached \$3,800 in 2015. Sri Lanka set a target to become an upper-middle income country in a short period of time by furthering economic development. However, to achieve sustainable economic growth, further enhancement of infrastructure in areas such as transportation and electricity is necessary.

Based on these needs, JICA is providing assistance to improve infrastructure. Some examples are expansion of an international airport, the gateway to the country; an increase in electricity supply to meet growing demand for electricity in the future; and formulation of the first-ever national master plan in the sewerage sector [ → see the **Case Study below**].

On the other hand, disparity between urban areas and rural areas remains as a serious development challenge in Sri Lanka. JICA is providing support to mitigate such challenges. For instance, JICA provides assistance for the empowerment of women who

have become breadwinners after the conflict in conflict-affected fishing and agricultural villages in the northern region of Sri Lanka. Furthermore, JICA is also involved in productivity and profitability improvement of agricultural and fishing industries, enhancement of health and medical services, and construction of a disaster-resilient society.

### ● Maldives

The Maldives is a small island country comprising of 1,190 islands, with a population of 400,000 in 2014. Per capita GNI was \$6,670 in 2015, the highest in South Asia. However, the economy of the Maldives relies largely on tourism and fisheries, and it is vulnerable to external influences such as natural disasters and the shift in market trends of the world economy.

With the decreasing trend in the fish catch in recent years, JICA has extended its support to draw up a master plan for the fishery sector since October 2014, aiming at the diversification of the fishing industry and the sustainable management of fishery resources. JICA will continue to cooperate with the Maldives, focusing on development of local industries, the environment, climate change, and disaster risk reduction.

### ● Bangladesh

Bangladesh has the eighth-largest population in the world of approximately 160 million people. The country has maintained stable economic growth at an annual average rate of 6% in the past 10 years through development of industries that include garments and apparel. Per capita GNI exceeded \$1,000 in 2014, and the Government of Bangladesh is targeting becoming a middle-income country by 2021. Recently, Bangladesh is emerging as a fascinating market and a destination for investment, due to

#### Case Study

#### Sri Lanka: Initiatives for Alleviation of Traffic Congestion in the Colombo Metropolitan Region

### A Road Network that Supports Economic Development and Connects Cities and Rural Areas

**By improving the transportation network of Colombo, one of the major cities of Sri Lanka, and its surrounding area, JICA supports promotion of economic development and reduction of disparities among regions.**

#### Contributing to Reducing Regional Disparities

In the Colombo Metropolitan Region, with stable economic and population growth in the recent years, the number of vehicles is increasing dramatically and causing chronic traffic congestion. Furthermore, the insufficiency of the existing road network to function as an inter-regional network is becoming a factor for widening disparities between cities and rural areas.

In these circumstances, JICA implemented the ODA Loan project, the Greater Colombo Urban Transport Development Project Phase 2, which consists of construction of an outer circular highway and interchanges in the suburbs of Colombo, and installation of toll facilities. The project provides a route to bypass the city of Colombo and will reduce traffic

congestion. The outer circular highway is also expected to improve access between cities by linking main national roads and the Southern Highway and contribute to the reduction of regional disparities.

At the same time, through the Grant project, the Project for the Development of Intelligent Transport System for Expressways in Sri Lanka, JICA extends assistance for reduction of traffic accidents and improvement of the convenience of expressways by installing the Intelligent Transport System (ITS) on expressways, including the above-mentioned outer circular highway.

In addition to these efforts, to alleviate traffic congestion on the roads connecting Colombo and its suburbs, JICA conducted the Urban Transport System Development Project for Colombo Metropolitan Region and

Suburbs. Based on the detailed research, JICA proposed an improvement plan for urban transport, including plans to develop a public urban transportation system.

In Sri Lanka, road transportation accounts for 90% of land passenger transportation and freight distribution, playing an extremely important role in the country's socioeconomic activities. JICA will continue to support the transportation and traffic sector in future to boost further economic development and reduction of disparity among regions.



The outer circular highway just before opening in September 2015.

its advantages such as rich reserves of low-cost labor and its potential market size. However, the country's investment climate is not necessarily all favorable, due to inadequate infrastructure development in areas such as electricity, transportation, water supply, and sewerage systems.

Based on these needs, and to accelerate the country's economic development, JICA is extending its assistance for building and improving power plants to solve chronic electricity shortages, an urban railroad system to relieve serious traffic congestion in the capital city, a road network and bridges to strengthen intra-regional connectivity, urban infrastructure such as water supply and sewage systems and waste management, and special economic zones for the improvement of the investment environment, toward the realization of the Bay of Bengal Industrial Growth Belt (BIG-B) concept discussed at the Japan-Bangladesh Summit Meeting in 2014.

The country is also highly vulnerable to natural disasters such as cyclones, floods, and earthquakes. Reducing poverty is an enormous challenge, as approximately 25% of the population is impoverished. From the perspective of overcoming the vulnerabilities of Bangladesh's society, JICA is providing assistance to strengthen the country's capability to cope with natural disasters, to improve safety in construction, and also to improve primary science and mathematics education, maternal and child health care, and health systems [→ see the Case Study below]. Furthermore, JICA is providing assistance in building infrastructure in rural areas that have been left behind in economic growth, enhancing local governments' administrative capabilities, as well as giving support to human resources development and anticorruption measures for public officials to improve governance by the Government of Bangladesh.

## ● Nepal

A landlocked state located between China and India, Nepal is one of the poorest countries in South Asia.

After the civil war that Communist Party of Nepal (Maoist) began in 1996 which lasted for 10 years, the peace process has progressed steadily since the signing of a comprehensive peace agreement in November 2006. For further development of the industries with great potential for growth (i.e. agriculture, hydraulic power generation and tourism), JICA provided assistance in infrastructure development, steady transition to democratic state, and poverty reduction in rural areas, under the basic policy of achieving sustainable and equitable economic growth [→ see the Case Study on page 77].

Just as progress was being made in these areas for development of the country, a major earthquake with a magnitude of 7.8 hit Nepal on April 2015, followed by multiple aftershocks, causing tremendous damage. Meanwhile, in the wake of this incident, after seven years of negotiations, a new constitution came into effect in September 2015. Ever since, the situation in Nepal is changing rapidly, as seen in the subsequent change of government and the crisis due to the blockade of border points with India that took rise from the declaration of the new constitution.

In addition to its past and ongoing cooperation, JICA supports the reconstruction of Nepal through funding for public infrastructure that is essential for reconstruction, as well as through restoration and reconstruction planning to realize "build back better" based on experiences with earthquakes in Japan, and technical cooperation for disaster risk reduction and other relevant fields [→ see the Case Studies on pages 91 and 119].

### Case Study Bangladesh: Initiatives to Improve the Earthquake Resistance of Cities

## To Save People's Lives with Earthquake-Resistant Buildings

On April 24, 2013, a building housing a garment factory in Dhaka, the capital of Bangladesh, suddenly collapsed, killing more than 1,100 people. In the wake of this accident, JICA engaged in assisting in improving the safety of the buildings in urban areas of Bangladesh.

### Making the World's Garment Factory Earthquake Resistant

The danger of the building had been warned about, but the factory operated without applying necessary reinforcement measures, leading to its collapse under its own weight. It was a moment when the Bangladeshi garment industry, which accounted for 80% of the country's exports and made the country known as "the world's garment factory," was put at risk.

After the collapse incident, in October of the same year, JICA started the RMG (ready-made garment) Sector Safe Working Environment Program, together with the Government of Bangladesh. JICA provided medium- and long-term loans for improvement of the earthquake resistance of garment factories under the

already-provided ODA Loan Financial Sector Project for the Development of Small and Medium-sized Enterprises. Support was also provided for seismic assessment and earthquake-resistant designs under the ongoing technical cooperation project, the Project for Capacity Development on Natural Disaster-Resistant Techniques of Construction and Retrofitting for Public Buildings. The first seismic retrofitting for a garment factory was completed in 2015.

To further enhance urban safety, JICA launched an ODA Loan project, the Urban Building Safety Project, in December 2015, aiming to improve safety of the buildings in Dhaka and Chittagong, two major cities that account for approximately 15% of the population and 50% of the country's GDP. In addition to



A JICA expert conducting technical training in a seismic retrofitted fire station.

providing medium- to long-term loans through private financial institutions to improve the safety of buildings including garment factories, loan funds will be allocated to the construction of fire service and civil defense headquarters and seismic retrofitting of fire stations.

This project set up the Technical Review Panel, which supervises the design and construction of buildings, to construct buildings with high earthquake resistance that meets the national building code, with an aim to improve the resilience of the cities.