ROLE OF JICA IN INDIA'S DEVELOPMENT OPPORTUNITIES AND CHALLENGES

October, 2017

Takema Sakamoto
Chief Representative, JICA India Office
1. India - Japan Relations
2. Activities of JICA
3. Gender Sector
4. Water Sector
5. Forestry Sector
6. Human Resource Development
7. Quality Infrastructure
8. Metro Projects
9. Western Dedicated Freight Corridor (WDFC)
10. Mumbai Ahmadabad High Speed Rail (MAHSR)
11. Energy Sector
12. Business Environment Improvement
13. Key message – towards “Sustainable Development”
1. India - Japan Relations
History of India - Japan Relations

Traditionally amicable & strong - Interdependency -

- Introduction of Buddhism to Japan from India.
  In 752, an Indian monk Bodhisena (बोधिसेन) performed eye-opening of the Great Buddha built in Tōdai-ji Temple, Nara Prefecture, Japan.

- In Meiji Era, India's cotton stimulated the textile industry development in Japan. (Up to 10% of import amount from India at the end of Meiji Era.)

- In 1948, at the International Military Tribunal for the Far East in Tokyo after WWII, Indian Justice Radhabinod Pal became famous for his fair judgement.

- In 1951, then Prime Minister Jawaharlal Nehru refused to attend the San Francisco Peace Conference from a broader perspective, and at the time of establishing official diplomatic relations in 1952, India waived all reparation claims against Japan tolerantly.

- Indian iron ore supported the steel industry development in Japan (Up to 30% of import amount from India in 1960.)

- In 2011, 46-member team of NDRF (the Indian National Disaster Response Force) operated search and rescue operations in Onagawa Town, Miyagi Prefecture, just after the Great East Japan Earthquake.
India - Japan Political Relations

- Both established **Special** Partnership.
- For India, Japan is the **largest** donor of ODA.
- For Japan, India is the **largest** and **oldest** recipient of ODA.

- 1952.4 Established official diplomatic relations
- 1958 Japan's first ODA Loan in the world extended to India.
- 2000.8 "**Japan-India Global Partnership in the 21st Century**"
- 2005.4 Japanese PM Koizumi visited India. Annual based PMs mutual visits started.
- 2006.12 "**Joint Statement Towards Japan-India Strategic and Global Partnership**"
- 2014.9 Indian PM Modi visited Japan. "**Tokyo Declaration for Japan-India Special Strategic and Global Partnership**"

**Strategic and Global Partnership**

a) Doubling Japan’s foreign direct investment in India within five years.

b) Doubling the number of Japanese companies in India within five years.

c) JPY 3.5 trillion (Rs. 2 trillion) of public and private investment and financing to India from Japan, including ODA, within five years.

- 2015.12 Japanese PM Abe visited India (Delhi and Varanasi).
- 2016.11 Indian PM Modi visited Japan (Tokyo and Hyogo).
2. Activities of JICA
What is “JICA”?

✓ JICA is a **governmental agency** of Japan that coordinates official development assistance (ODA)
✓ JICA is the **world’s largest** bilateral development agency
✓ India is the **largest and the oldest partner** of JICA

ODA (Official Development Assistance)

- bilateral assistance
- multilateral assistance
- international authority

Grant

- Technical Cooperation
- Grant Aid*

ODA Loan / PSIF (Private Sector Investment Finance)

* Part of grant aid is provided by the Ministry of Foreign Affairs.
Accumulated Commitment by FY2016/17:
- JPY 4.9 trillion in total
  (equivalent to about Rs. 3 lakh crore)

Operational Results in FY2016/17:
Commitment: JPY 308.8 billion
  (equivalent to about Rs. 16,000 crore)
Disbursement: JPY 206.1 billion
  (equivalent to over Rs. 10,000 crore)

Terms and conditions: (as of 11th Oct, 2017)
- General terms: Interest rate 1.2%, repayment period 30 years (including 10 years grace period)
- STEP: Interest rate 0.1%, repayment period 40 years (including 12 years grace period)
3. Women Empowerment
Women Empowerment

Addressing women empowerment through gender mainstreaming approach in various projects for Inclusive Development

<table>
<thead>
<tr>
<th>Sector</th>
<th>Projects (Examples)</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry</td>
<td>• Biodiversity Conservation and Greening Project in Tamil Nadu (Loan) &lt;br&gt;• Swan River Integrated Watershed Management Project in Himachal Pradesh (Loan)</td>
<td>Enhancing Self Help Group activities; micro-credit, vocational training.</td>
</tr>
<tr>
<td>Health</td>
<td>• The Project for Improvement of the Institute of Child Health and Hospital for Children, Chennai (Grant) &lt;br&gt;• Tamil Nadu Urban Health Care Project (Loan)</td>
<td>Improving maternal health.</td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td>• Sanitation Facilities (Public Toilet) Study in India</td>
<td>About 1,400 public toilets were built to reduce the open defecation.</td>
</tr>
<tr>
<td>Transport (Metro)</td>
<td>• Delhi Mass Rapid Transport System Project (Loan)</td>
<td>Coach for women only was introduced.</td>
</tr>
</tbody>
</table>
## Women Empowerment

<table>
<thead>
<tr>
<th>Grassroots activity</th>
<th>Twinning NGO partnership</th>
<th>Technical training in Japan</th>
<th>BOP Business program</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Through the volunteer approach, support primary health care and youth activities)</td>
<td>(Empowering girls and women through NGO supported activities)</td>
<td>(Improvement of reproductive and maternal health by enhancing capacity of medical professionals)</td>
<td>(Strengthening nutrition through supplementary food for children and women, Sanitary products for women in rural area)</td>
</tr>
</tbody>
</table>
Women Empowerment – Way forward

Tokyo Declaration for Japan-India Special Strategic and Global Partnership (Sep 2014)
Recognized necessity of women empowerment by both Prime Ministers

Gender Profile Survey (Mar 2015)

Data Collection Survey on Women Empowerment (Jul 2016)

Data Collection Survey on Gender Mainstreaming in Irrigation (Feb 2016)

Support on Gender Mainstreaming in Forestry Management (Mar 2016)

Gender Mainstreaming across the sectors in India
4. Water Sector
Our Works

Non-revenue water (NRW) reduction
To reduce non-revenue water, through trial renewal of water pipes and meters in pilot areas in technical cooperation (TC) projects, and through spreading out / scaling up in ODA loan projects. Capacity development is also addressed.

Projects throughout the country
In major cites, such as Agra, Varanasi, Bengaluru, Hyderabad, Jaipur and Delhi
Total number of beneficiaries:
Water Supply: approx. 30 million people
Sanitation: approx. 15 million people

Rejuvenation of rivers
Assistiance for rejuvenation of the Ganga River and Yamna river over the last 20 years toward hygienic environment.

<table>
<thead>
<tr>
<th></th>
<th>Before (%)</th>
<th>After (%)</th>
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<tbody>
<tr>
<td>Curtorim</td>
<td>45.1</td>
<td>18.0</td>
</tr>
<tr>
<td>Khadpaband</td>
<td>58.7</td>
<td>34.4</td>
</tr>
<tr>
<td>Moira</td>
<td>53.0</td>
<td>36.1</td>
</tr>
</tbody>
</table>

Goa’s case of NRW Reduction

Assistance Policies

1. Improving water and sewerage infrastructure in major cities and industrial areas

2. Utilizing Japanese knowledge, experience, and advanced technology
   - Introduction of SCADA • GIS system
   - Advanced wastewater treatment
   - Cooperation with municipalities of Japan, with Tokyo City in Delhi and with Yokohama City in Jaipur

3. Enhancing Sustainability
   - Enhancing O/M capacity
   - Securing financial stability by ensuring the collection of water tariff
   - Enhancing of public awareness for safety water and sanitation
Water Sector  Comprehensive assistance in major cities by utilizing Japanese knowledge

Issues

1. Demand/supply gap
   - Only a few hours of water supply can be provided per day, even in urban areas.
   - Further increase in demand is inevitable due to the growth of population and economic development.

2. Financial vulnerability in water-supply corporations
   NRW* ratio is 52% in Delhi and 51% in Bengaluru, compared to 4.4% in Tokyo and 8.9% in Fukuoka.
   *the difference between the water distribution volume and the billed volume.

3. Environmental, sanitary and health issues
   - Decrease of groundwater levels and contamination of water by toxins such as arsenic and fluorine.
   - Contamination of rivers due to lack of sewerage system, leading to health hazards such as diarrhea and hepatitis.

Low Quality of Service
- Intermittent water supply: Only 1-6 hours of supply in major cities.
- Low water pressure: The need of electric water pumps.
- Water contamination: Infiltration of wastewater into the water pipes.

A vicious circle

Vulnerable financial structure
- Water tariff: Rs.6/kL~36/kL.
- Charge collection ratio: Below 50% in some cities.
- Non-revenue water ratio: Over 40%.

A countermeasure for non-revenue water: water leakage detection.
Consideration of further assistance based on data collection survey on toilet facilities in India

Outline of the Survey

Survey target: All of India
Objective: Updating information about gender and sanitation in India needed for deriving suggestions for further efforts.

Current Situation of Toilets in India

1) India as the biggest open defecation country in the world
   • India accounts for 60% of the world population practicing open defecation.
   Open defecation population worldwide: 104 crore, India: 62 crore

2) Infectious diseases due to open defecation, especially in children
   • Diarrheal diseases and its complications account for 17% of cause of death of children under five, most caused by oral infection of bacteria in excretion.
   • India has largest number of deaths (5.4 lakh) caused by diarrhea in the world.

3) Serious security and health issues for women, due to lack of toilets
   • Due to open defecation in hidden places or night times, many women face serious security issues such as sexual offence.
   • Lack of clean and safe toilets lead to refraining from defecation for a long period of time, resulting in health problems of the digestive system.

4) Indian Government’s intensify efforts for improvement of sanitation
   • Government of India aim to achieve an Open-Defecation Free (ODF) India by 2019.
Improving water and sewerage infrastructure mainly in metropolitan areas and industrial areas

- Strengthening O&M capacity for Delhi Water Supply Improvement Project
- Amritsar Sewerage Project
- Yamuna Action Plan Project
- Agra Water Supply Project
- Non-revenue Water Reduction for Jaipur Water Supply Project (Completed)
- Rajastan Rural Water Supply and Fluorosis Mitigation Project (Nagaur)
- Goa Water Supply and Sewerage Project
- Capacity Development Project for Non-Revenue water (NRW) Reduction in Goa (Completed)
- Project for Pollution Abatement of River Mula-Mutha in Pune
- Delhi Water Supply Improvement Project
- Ganga Action Plan Project (Varanasi)
- Guwahati Water Supply Project
- Guwahati Sewerage Project
- West Bengal Piped Water Supply Project (Purulia)
- Orissa Integrated Sanitation Improvement Project
- Hussain Sagar Lake and Catchment Area Improvement Project (Completed)
- Hogenakkal Water Supply and Fluorosis Mitigation Project
- Kerala Water Supply Project (completed)
- Bangalore Water Supply and Sewerage Project (Completed)
- Tamil Nadu Urban Infrastructure Project

The Study for Formulation and Revision of Manuals on Sewerage and Sewage Treatment (Completed)

Double line: Technical Assistance
Single line: Yen Loan
5. Forestry Sector
Issues

1. Forestry Management
   • Forestry coverage in India is 21.3% (2015), which is lower than the national target (33%) and world average (31%).
     • The population depending on forest is 200 million, and most of them are below poverty line. (2011)
       →Supported by JICA assisted project’s IG Activities

2. Biodiversity
   • There are four biodiversity hotspots in India among world’s 35 hotspots.
     (East Himalaya, West Ghats, India-Burma, Nicobar)
   • There are many protection areas in India.
     (102 National Parks, 515 Wildlife Sanctuaries)
   • Capacity development of Forest Department is essential in order to preserve sustainable biodiversity and harmonious environment.
Forestry Sector
Implementing Income Generation (IG) Activities for Forest Dwellers too

Progress

JICA is the largest donor in the forestry sector in India.

■ ODA Loan
• Cumulative commitment since 1990 stands at JPY 246.5 billion (approx. Rs. 12,000 crore or about USD 2.2 billion) in the forestry sector. (as of Aug. 2017)
• Supporting the policy of the Government of India on Joint Forest Management: participatory forest management targets sustainability and the following four points are the core areas of JICA’s cooperation according to different features of each state:
  ① Sustainable Forest Management
  ② Livelihood Security
  ③ Institutional Strengthening and Capacity Building
  ④ Technology based Management and Monitoring
• Disaster prevention and preparedness components are included in Uttarakhand Forestry Resources Management Project in addition to forestry related components (L/A: April 2014)

■ Technical Cooperation
• Capacity Development for Forest Management and Personnel Training Project (2009.3-2014.3)
• Project for Natural Disaster Management in Forest areas in Uttarakhand (2017.3-2022.3)
JICA is the largest donor in forestry sector in India.

1. Environment, climate change, biodiversity
   - Afforestation and reforestation in nearly 3 million ha, improved forestry function, diversified biodiversity activities and accelerated research activities
   - Supported Eco/Environment awareness activities

2. Poverty alleviation
   - Community development and IG activities uplifted people’s life

3. Women empowerment
   - Self Help Group (SHG) activities were implemented in all projects and IG activities and micro finance are incorporated

4. Disaster prevention/water resource conservation
   - Ground water level was improved.

5. Utilizing Japanese knowledge
   - Implemented technical cooperation on capacity development
   - Promoted collaboration with local governments (Akita, Oita and Okinawa)
6. Human Resource Development
Technical cooperation for “capacity development” includes the training of Indian officials and the dispatch of JICA experts.

<table>
<thead>
<tr>
<th>Total Number of (until FY 2016)</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainee from India</td>
<td>7,587 persons</td>
</tr>
<tr>
<td>Japanese Experts / Survey team</td>
<td>8,218 persons</td>
</tr>
<tr>
<td>Japan Oversea Cooperation Volunteer</td>
<td>203 persons</td>
</tr>
</tbody>
</table>
1. National Integrated Human Resource Development Program in Manufacturing by **Fostering Visionary Leaders** through five (5) courses

   - Course for Senior Manager Level
   - Course for Middle Management Level
   - Course for CEOs
   - Course for SMEs (Vendors of OEMs & Tier 1-2)
   - Course for Village Development and new business development

2. Implementation **in collaboration with Government, Industry and Academia**

Prof. Shiba, the JICA expert, was conferred decorations both in India and Japan. Over 1800 CEOs and senior/middle-level managers have participated the programme.
Under CSM

“Godrej Edge Digi, Direct Cool Refrigerator Range” won India Design Mark(2014) and Japan Good Design Award(2015)

- localized to the Indian market (Larger Vegetable Space, Larger Shelf Space, Larger Freezer Space, Larger Space for big water bottles)
- the graphic on its exterior shows a strong awareness for the Indian cultural sphere.
- the lowest energy consumption in India
- 24 hour cooling retention despite power cut with StayCool Technology
- the anti-bacterial property of Silver ions

The members of its design and production team are the training module director and demonstrators of JICA CSM Training course.
7. Quality Infrastructure
Quality Infrastructure

Quality of Works (Image Photos)

JICA’s case

Non-JICA’s case
Quality Infrastructure

✓ (increasing aging infra.) x (risk of degradation) = ⚠️
✓ US experienced “aged era” for bridges from 1980s, Japan entered from 2010s. (c.f. America in Ruins)
✓ Massive future set-back cost may be derived.

⇒ High quality infrastructure as a risk mitigation solution

The transition of bridge construction in US and Japan

The cost for bridge maintenance in US
Quality Infrastructure

Salient Features
to be expected under “Quality Infrastructure (QI)”;

- **Stable / Reliable**
- **Sustainable**
- **Long-term / Resilient**
- **With a lot of Beneficiaries / Inclusive**

c.f. Guidebook on Quality Infrastructure Development and Investment (APEC 2014)
Quality Infrastructure

Key Elements

for appropriate project *selection/prioritization*, *procurement* and *implementation* management:

- **Life Cycle Cost**
  - VfM, Durability, Maintainability

- **Envir. and Social Considerations**
  - PAP, Gender, Vulnerable Persons, Universal Service

- **Safety Assurance**
  - Both in Construction and Operation Stages

_c.f. APEC Guidebook (2014)_
8. Metro Projects
JICA is supporting metro projects in 6 major cities in India

**Ahmedabad Metro**
- Total Length: 38 km
- Project Cost: JPY 246 Billion (about Rs. 12,000 crore)
- Completion Year: 2020

**Mumbai Metro**
- Total Length: 33 km
- Project Cost: JPY 347 Billion (about Rs. 17,000 crore)
- Completion Year: 2020

**Bangalore Metro**
- Total Length: 42 km
- Project Cost: JPY 307 Billion (about Rs. 15,000 crore)
- Completion Year: 2017

**Chennai Metro**
- Total Length: 43 km
- Project Cost: JPY 378 Billion (over Rs. 19,000 crore)
- Completion Year: 2020

**Delhi Metro**
- Total Length: 349 km
- Project Cost: JPY 1,274 Billion (about Rs. 60,000 crore)
- Completion Year: 2017

**Kolkata Metro**
- Total Length: 14 km
- Project Cost: JPY 140 Billion (about Rs. 7,000 crore)
- Completion Year: 2020

**Cooperation on Metro Projects**
Safe, Timely, Comfortable Move for Better Life

- **Safe** operation
- **Timely & Stable** (with reliability, efficiency and comfort)
- Considerations for **environmental harmonization, operation and maintenance**, managerial/financial **sustainability**
- Coordination with various stakeholders for better operation /service

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"Quality Infrastructure"

- Not for the tangible asset development, but for **“Safe, Timely & Stable” Operation**.
- Value for money with reliable technology for minimum Life Cycle Cost (**LCC**) and maximum Economic & Social impact (**Social Innovation**) toward **Inclusive, Sustainable and Resilient** growth!
9. Western Dedicated Freight Corridor (WDFC)
The **backbone of DMIC** (Delhi-Mumbai Industrial Corridor)

WDFC (Delhi–Mumbai: 1,500 km) will focus on:

1. construction of **new dedicated freight lines**
2. installation of **automated signal & telecommunication**
3. introduction of **electric locomotives** with high-speed & high-capacity transportation

Construction is underway (Almost all tendering are completed)
<table>
<thead>
<tr>
<th></th>
<th>DFC</th>
<th>NOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum speed</td>
<td>100 km / h</td>
<td>30 - 40 km / h (approximately)</td>
</tr>
<tr>
<td>Transport time (Delhi – Mumbai)</td>
<td>20 hours (approximately)</td>
<td>48 - 72 hours</td>
</tr>
</tbody>
</table>
10. Mumbai-Ahmadabad High Speed Rail (MAHSR)
MAHSR

- **Joint Feasibility Study** (F/S) conducted by JICA and Ministry of Railway from Dec. 2013 to July. 2015.
- Both sides confirmed the use of **Japanese high speed rail technologies** (i.e. the **SHINKANSEN system**) and experiences, in line with the result of the joint F/S at the Japan-India Summit Meeting (December 2015).
- In the latest Japan-India Summit Meeting (September 2017), the two Prime Minister welcomed:
  1. Steady progress, including the **project commencement at the Sabarmati Station**, witnessing the **construction commencement of training institute in Vadodara**
  2. Provision for a soft **ODA loan amounting to JPY 100 billion**
  3. Business matching efforts to establish Japan-India cooperation for advancing “**Make in India**” and **technology transfer** HSR projects
- JICA has been providing with utmost **technical support** (for CD);
  - Formulation of **technical standards**,
  - **Safety certification** measures,
  - Strengthening the **institutional capacity of NHSRCL**
  - Urban development planning of stations and surrounding areas for **enhancement of the connectivity** and **non-fare revenue**, etc.
11. Energy Sector
Operation result

- **9.3GW** of generation capacity (3% of Indian total Capacity)
- **1.0GW** of Renewable Energy
- **85 Projects**
- **JPY 1.3 Trillion (≒ Rs. 80,000 crore, US$ 1.2 bil.)** (30% of JICA’s total cooperation in India)

- **ODA Loan**

- **Technical Cooperation**
  Study for Updating Exhausted Coal Thermal Power Plant

**Good Practice**

**SIMHADRI THERMAL POWER STATION PROJECT**

- 97% of Capacity Factor
- 11.9% of total power supply in Andhra Pradesh in 2009
- 2005 “International Project Management Award”

**Good Practice**

**HARYANA TRANSMISSION SYSTEM PROJECT**

- Transmission loss: 2.2% (lowest in India) <<< original 2.7%
Global Trend

- Discussion in International Arena (UNFCCC COP21, WEO etc)
  - Improving Energy Efficiency (Including to shut down low efficient TPPs)
  - Further utilization of Renewable Energy (RE)

India’s Trend

- Electricity demand with rapid economic growth
  - No subcritical TPPs from 2017
  - 175 GW of RE by 2022
  - Pumped Storage for grid stabilization

JICA’s Thought

- High Efficient TPPs with Environmental Facilities (USC)
- T&D Loss Reduction (Low Loss)
- Renewable Energy (Through IREDA)
- Grid Stabilization Technologies (Pumped Storage, Integrated System)
Recent ODA Loan Projects:

- Haryana Transmission System Project (2007)
- Haryana Transmission Upgradation Project (2013)
- Maharashtra Transmission System Project (2007)
- Bangalore Distribution Upgradation Project (2006)
- Tamil Nadu Transmission System Improvement Project (2012)
- Odisha Transmission System Improvement Project (2015)
- Transmission System Modernization Project in Hyderabad (2006)
- AP Rural High Voltage Distribution System Project (2010)
- Bakreswar Thermal Power Station Project (2002)

(More than two States)
- Rural Electrification Project (2005)
12. Business Environment Improvement
TNIPP (Tamil Nadu Investment Promotion Program)

- **Program Description:**
  - To further improve the investment climate through strengthening the policy framework and developing urban infrastructure such as roads, power, water and sanitation, thereby attempting to increase foreign direct investments in the state for sustainable growth.
  - Government of Tamil Nadu and JICA jointly monitor progress of action plans in the agreed policy matrix. Based on achievement, JICA disburses the loan amount by dividing into three tranches (corresponding to each fiscal year action plan).

- **Loan Amount and Disbursement:**
  - JPY 13 billion (≒ Rs. 650 crore)
    (7 billion for 1st tranche and 3 billion for 2nd & 3rd tranche)

- **Program Duration:**
  - 3 years (FY2012/13 - 2015/16)

- **Achievement:**
  - A comprehensive action plan for ease of doing business has been elaborated.
  - Global Investors Meet was held in September 2015.
  - Development of industry related infrastructure (e.g. sub-station, road, water supply) has been accelerated.

★ TNIPP (Phase 2) was signed in March 2017, after the success of Phase 1.
★ GIPP( Gujarat Investment Promotion Program) was also signed in September 2017, following TN’s success.
### Concept of Investment Promotion Program Loan

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>1st Fiscal Year</th>
<th>2nd Fiscal Year</th>
<th>3rd Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy A (Ex. Business procedure)</td>
<td>• Action A</td>
<td>• Action A’</td>
<td>• Action A’’</td>
</tr>
<tr>
<td>Policy B (Ex. Human resource)</td>
<td>• Action B</td>
<td>• Action B’</td>
<td>• Action B’’</td>
</tr>
<tr>
<td>Policy C (Ex. Small scale infrastructure)</td>
<td>• Action C</td>
<td>• Action C’</td>
<td>• Action C’’</td>
</tr>
</tbody>
</table>

Evaluation of the policy action in each fiscal year

Achieved → Disbursement

Acceleration!
13. Key Message towards “Sustainable Development”
Towards sustainable development

Sustainable Development

Economical Development

Private Sector Participation

Business Environment Improvement

Inclusive Development

World Bank “Doing Business 2017”
130 rank / 190 countries

(1) Infrastructure development
(2) Policy/institutional improvement
(3) Human resource development
Major Points of Indian Budget 2017-2018

Growth and Inflation
■ GDP outlook by Economic Survey, GoI  
  FY2017: 6.75~7.5% (FY2016; 6.5~6.75%)
■ Inflation outlook: Below 5%  
  (RBI’s Target: band between 4%±2points)

Fiscal Policy
■ Budget Deficit (GDP Ratio) : 3.5%(FY2016), 3.2% (FY2017), 3.0% (FY2018), 3.0% (FY2019)
■ Focusing on Rural Development (11.8%↑) and Infrastructure (10.5%↑)
■ Introduction of GST (GST was introduced in July 2017)
■ Corporate Tax Reduction: For SMEs, tax rate reduction by 5 percent point to 25%

Agenda for FY2017  -Transform, Energize, and Clean India (TEC India)
■ Transform the quality of governance and quality of life of our people;
■ Energize society (e.g. enable youth and vulnerable to unleash their true potential;
■ Clean the country from the evils of corruption, black money and non-transparent political funding

Infrastructure
◆ Budget for Infrastructure : Rs. 3.9 lakh Cr (10.5%↑)  
  (c.f. Former 12th five year plan envisaged over Rs. 10 lakh Cr/year averagely.)

More fund mobilization for Growth/Infrastructure !  
(But budget has restriction…)
PPP model expanded rapidly in infrastructure sectors, such as road, port and power projects, especially in 2000s

- Significant rates/portions in several sectors, such as road and power, were implemented by PPP.
- Several schemes such as BOT-Toll and BOT-Annuity models have been developed.

PPP seems to have been facing difficult situations in 2010s

- Shortage of “bankable projects”.
- Challenges for designing proper Public-Private risk / burden sharing.

Ease of Demand/Supply gap is the biggest challenge

- Infrastructure development needs are still gigantic. (Rs. 55.7 lakh crores during 2012–2017)
- Govt envisaged a large amount of private sector infrastructure investment, i.e. Rs. 5 lakh crores yearly (= 48% of Rs. 55.7 lakh crores during 2012–2017), to be realized.
- Role of Public to attract private sector’s investment is significantly important and growing.
  
  ex. *Investment related infrastructure development by Public, Proper P-P risk sharing, through VGF, EBF, off-taker risk standby finance, proper HAM, etc...*
Fastest growing large economy in the world
“In this cloudy global horizon, India is a bright spot.”
(IMF 2015.3)

Largest population in the world (in 2024)
Over 60% are at working-age (15-59 years) and over 50% are less than 25 years old

Growing Indian market

“Tokyo Declaration for Japan-India Special Strategic and Global Partnership”
Over Rs. 2 lakh crore of public and private investment and financing to India from Japan in 5 years.

Special Bilateral relationship

Japanese companies are now targeting India as the promising business destination
> No.1 promising business destination of Japan’s oversea business (JBIC 2014, 2015, 2016)
> Over 70% of the Japanese companies in India planning business expansion (JETRO 2016)

Various Schemes of JICA

JICA’s function for business environment improvement
> Infrastructure development,
> Support for legal system development and internationally standardized contract management,
> Human Resource Development,
> Support to Develop PPP (Public Private Partnership) Projects, etc.

Risk factors still exist.
The challenges remain to reduce the business risks.
infrastructure, laws & regulations, etc

Positivity of Private Sector

Risks still exist
Thank you!
धन्यवाद

     http://www.jica.go.jp/india/english/office/others/presentations.html

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