Japan-India Friendship: Activities of JICA in India

Ahmedabad Management Association (AMA)
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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**"

  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).
- 2017.9 Japanese PM Abe visited India (Commencement ceremony of HSR in Ahmedabad)
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

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**ODA**  
(Official Development Assistance)

- **Grant**
- **bilateral assistance**
- **ODA Loan / PSIF** (Private Sector Investment Finance)
- **multilateral assistance**
- **international authority**  

**Grant Aid**

**Technical Cooperation**

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* Part of grant aid is provided by the Ministry of Foreign Affairs.
India is JICA’s Largest Partner in the World

Accumulated Commitment by FY2017/18:
- JPY 5.3 trillion in total
  (equivalent to over Rs. 3 lakh crore)

Operational Results in FY2017/18:
Commitment: JPY 398.4 billion
  (equivalent to about Rs. 24,000 crore)
Disbursement: JPY 264.3 billion
  (equivalent to over Rs. 16,000 crore)

Terms and conditions: (as of Jan. 2018)
- General terms: Interest rate 1.5%, repayment period 30 years (including 10 years grace period)
- STEP: Interest rate 0.1%, repayment period 40 years (including 12 years grace period)

Grant Aid
Two on-going projects in Varanasi & Bengaluru

Technical Cooperation
- Results in FY 2016/17
  JPY 16.0 billion (about Rs. 850 crore)
About 1100 Japanese experts to India
About 250 Trainee from India to Japan

Japanese Volunteers
Japanese NGO activities
Partnerships with Private-Sector Activities

Major Sector (FY2008/09-2017/18)
- Transport 64%
- Energy 9%
- Water 12%
- Agri & Forestry 6%
- Others 9%

Citizen Partnership / Public-Private Partnership

Soft Loan
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>
</table>
| Forestry              | • Biodiversity Conservation and Greening Project in Tamil Nadu (Loan)  
• Gujarat Forestry Development Project (Loan)  
• Swan River Integrated Watershed Management Project in Himachal Pradesh (Loan) | Enhancing Self Help Group activities; micro-credit, vocational training.                            |
| Health                | • The Project for Improvement of the Institute of Child Health and Hospital for Children, Chennai (Grant)  
• Tamil Nadu Urban Health Care Project (Loan)                                                                                 | Improving maternal health.                                                                         |
<p>| Water and Sanitation  | • Sanitation Facilities (Public Toilet) Study in India                                                                                              | More than 1,500 public toilets were built to reduce the open defecation.                            |
| Transport (Metro)     | • Delhi Mass Rapid Transport System Project (Loan)                                                                                                  | Coach for women only was introduced.                                                              |</p>
<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)

Support on Gender Mainstreaming in Rajasthan Water Sector Livelihood Improvement Project (Apr 2018 - Mar 2019)

Gender Mainstreaming across the sectors in India
4. Water Sector
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 3% in Tokyo. *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.

Lack of Water and Sewerage Infrastructure

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.

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

Unpaid tariff, water theft etc.

A countermeasure for non-revenue water: water leakage detection.
Our Works

Non-revenue water (NRW) reduction
To reduce non-revenue water, renewal of water pipes and meters and installment of SCADA / GIS system are implemented. 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
Assistance for rejuvenation of the Ganga River and Yamna river over the last 20 years toward hygienic environment.

Goa’s case of NRW Reduction

<table>
<thead>
<tr>
<th>Location</th>
<th>Before (%)</th>
<th>After (%)</th>
</tr>
</thead>
<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>

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
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: 90 crore, India: 52 crore

2) Infectious diseases due to open defecation, especially in children
   - Diarrheal diseases and its complications account for 9% of cause of death of children under five, most caused by oral infection of bacteria in excretion.
   - India has the largest number of under-five deaths (1.2 lakh) due to 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.
Rural water supply and fluorosis mitigation project in rural areas

Major issues in rural area

• Shortage of safe drinking water
• Widespread fluorosis

 Dependence on fluorine contaminated groundwater

| Change!!! | Safe surface water should be supplied |

Hogenakkal Water Supply and Fluorosis Mitigation Project
2008 – 2017

• Supply of safe drinking water from Cauvery river to Dharmapuri and Krishnagiri Districts, Tamil Nadu

(before)

• 20% of population were having fluorosis
• Huge loss of time and energy for women to secure water

Girls smiling with white teeth
After getting them treated

No more need to walk a long distance to get water

Treatment of dental fluorosis under the project
Improving water and sewerage infrastructure mainly in metropolitan areas and industrial areas

- **Delhi Water Supply Improvement Project**
- **Ganga Action Plan Project (Varanasi)**
- **Amritsar Sewerage Project**
- **Yamuna Action Plan Project**
- **Agra Water Supply Project**
- **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 (Completed)**
- **Kerala Water Supply Project (completed)**
- **Bangalore Water Supply and Sewerage Project**
- **Tamil Nadu Urban Infrastructure Project (Completed)**
- **Double line: Technical Assistance Single line: Yen Loan**

Water Sector

Comprehensive assistance in major cities by utilizing Japanese knowledge

- Strengthening O&M capacity for Delhi Water Supply Improvement Project (Completed)
- Non-revenue Water Reduction for Jaipur Water Supply Project (Completed)
- Rajasthan 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
- The Study for Formulation and Revision of Manuals on Sewerage and Sewage Treatment (Completed)
- Strengthening O&M capacity for Delhi Water Supply Improvement Project

Improving water and sewerage infrastructure mainly in metropolitan areas and industrial areas

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5. Forestry Sector
Issues

1. Forestry Management
   - Forestry coverage in India is 21.5% (2017), which is lower than the national target (33%) and world average (31%).
   - The population depending on forest is approx. 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). The number of endangered species is increasing due to environmental pressure and human’s intervention.
   - There are many protection areas in India (102 National Parks, 515 Wildlife Sanctuaries) and these areas need to be conserved with associated ecosystem services.
   - Capacity development of Forest Department needs to be strengthen essentially in order to preserve sustainable biodiversity and harmonious environment.

3. Disaster Management
   - Flooding and landslide disaster in mountainous region occur frequently and need to be mitigated by improving the quality of forest.
JICA is the largest donor in the forestry sector in India.

**ODA Loan**
- Cumulative commitment since 1990 stands at JPY 257.6 billion (approx. Rs. 15,500 crore or about USD 2.4 billion) in the forestry sector. (as of Mar. 2018)
- Supporting the policy of the Government of India on Joint Forest Management: participatory forest management targets sustainability and the following four major 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)
Major Impacts

JICA is the largest donor in the 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
   - Integrated Eco/Environment awareness activities through Children’s Forest Program

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

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

4. Disaster prevention/water resource conservation
   - Ground water level and agriculture production were improved.

5. Utilizing Japanese knowledge
   - Implemented technical cooperation on capacity development
   - Promoted collaboration with local governments (Akita, Oita and Okinawa)
Example of Visible Impacts in Afforestation:
Tamil Nadu Afforestation Project

Uttar Pradesh Participatory Forest Management and Poverty Alleviation Project
Satellite picture (Majholi)
2012 2016

Actual picture (Majholi)
2012 2016
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>
Champions for Societal Manufacturing (CSM) Project

[Technical cooperation/Ongoing]

1. National Integrated Human Resource Development Program in Manufacturing by **Fostering Visionary Leaders** through five (5) courses

   - Course for Senior Manager Level
   - Course for SMEs (Vendors of OEMs & Tier 1-2)
   - Course for Middle Management Level
   - Course for CEOs
   - 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 5000 CEOs and senior/middle-level managers have participated the programme.
“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)
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

- **Delhi Metro**
  - Total Length: 349km
  - Project Cost: JPY 1,274 Billion (about Rs. 60,000 crore)
  - Completion Year: 2018

- **Mumbai Metro**
  - Total Length: 33 km
  - Project Cost: JPY 621 Billion (about Rs. 23,000 crore)
  - Completion Year: 2021

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

- **Kolkata Metro**
  - Total Length: 14 km
  - Project Cost: JPY 140 Billion (about Rs. 7,000 crore)
  - Completion Year: 2021

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

“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)
### Western Dedicated Freight Corridor (DFC) Project

**Electric Traction System**

**Double Stack Container Wagon**

<table>
<thead>
<tr>
<th></th>
<th>DFC</th>
<th>NOW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum speed</strong></td>
<td>100 km / h</td>
<td>30 - 40 km / h</td>
</tr>
<tr>
<td>(approximately)</td>
<td></td>
<td>(approximately)</td>
</tr>
<tr>
<td><strong>Transport time</strong></td>
<td>20 hours</td>
<td>48 - 72 hours</td>
</tr>
<tr>
<td><strong>(Delhi – Mumbai)</strong></td>
<td>(approximately)</td>
<td></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).
- **Follow-Up Study** conducted by JICA from Mar. 2016 to Feb.2018
- 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.
The impact of HSR on development of India!!

Safe, comfortable and punctual HSR

- Boost economic development
- Stimulate regional development
  - mitigate excessive concentration on large cities
  - lead to balanced economy
- Promote “social innovation” by introducing Japan’s;
  - Technology
  - Discipline
  - Perfection
  - Teamwork Concept!
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.)** (roughly 25% of JICA’s total cooperation in India)

- **ODA Loan**

- **Technical Cooperation**

**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”

**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**

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

- Haryana Transmission System Project (FY2007)
- Haryana Distribution Upgradation Project (FY2013)
- Madhya Pradesh Transmission System Modernisation Project (FY2011)
- Madhya Pradesh Transmission System Strengthening Project (FY2015)
- Bangalore Distribution Upgradation Project (FY2006)
- Tamil Nadu Transmission System Improvement Project (FY2012)
- Odisha Transmission System Improvement Project (FY2015)
- Transmission System Modernization Project in Hyderabad (FY2006)
- AP Rural High Voltage Distribution System Project (2010)

Legend
- Generation
- Transmission and Distribution

(More than two States)
- Rural Electrification Project (FY2005)
- New and Renewable Energy Development Project (FY2011, FY2014)
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.

After the success of TNIPP, TNIPP Phase 2 (Mar. 2017) and GIPP (Sep. 2017) were signed!
Ongoing Investment Promotion Program (IPP)s

TNIPP Phase 2
Loan signing: March 2017

Program Duration: FY2016/17 – FY2018/19

Loan Amount: JPY 22,145 million
(Roughly INR 1,300 Cr.)

Policy Area: Infrastructure Development/
Skill Development/ Single window system/ MSME promotion

Gujarat Investment Promotion Program (GIPP)

Loan signing: September 2017

Program Duration: FY2016/17 – FY2018/19

Loan Amount: JPY 16,825 million
(Roughly INR 1,000 Cr.)

Policy Area: PPP promotion/ Industrial Development/ Single window system/
Administrative process/ Skill development/ Infrastructure Development
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. JICA’s Activities in Gujarat
JICA’s Activities in Gujarat

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- **Dedicated Freight Corridor Project** → page.37-38
- **High Speed Railway** → page.40-41
- **Gujarat Investment Promotion Program (GIPP)** → page.48
- **Gujarat Forestry Development Project**
- **Ship Recycling Environment Improvement Project**
  ✓ 2017-2022 / Alang, Sosiya
- **Intelligence Transport System for Gujarat by Zero-Sum**
  ✓ 2013-2015 / Ahmedabad
- **Vocational Education Support for the Visually Impaired**
  ✓ 2013-2016 / Ahmedabad (BPA)
- **AMA Japanese Course by JOCV**
  ✓ 2015-2017
  ✓ The course is coming back soon!!
14. Key Message towards “Sustainable Development”
Towards sustainable development

Sustainable Development

Economical Development

Private Sector Participation

Business Environment Improvement

(1) Infrastructure development
(2) Policy/institutional improvement
(3) Human resource development

Inclusive Development

World Bank “Doing Business 2018” 100 rank / 190 countries
Major Points of Indian Budget 2018-2019

Growth and Inflation
■ GDP outlook by Economic Survey, GoI
  FY2018; 7.0~7.5% (FY2017; 6.75%) (8% Target)

Fiscal Policy
■ Budget Deficit (GDP Ratio): 3.5% (FY2017) → 3.3% (FY2018) → 3.0% (FY2020)
■ Focusing on Rural Development and Infrastructure (20.8% ↑)

Agenda for FY2018
■ Launching National Health Protection Scheme - Coverage upto 5 lakh for over 10 crore families
■ Expanding Minimum Support Price (MSP) for major crops at least at one and a half times the cost
■ Expanding Reduced Corporate Tax for SMEs: Companies upto annual turnover 250 Crore Rupees

Infrastructure
◆ Budget for Infrastructure: Rs. 5.9 lakh Cr (20.8% ↑)
  c.f. Former 12th five year plan envisaged over Rs. 10 lakh Cr/year averagely.
  USD4.5 lack Cr demand for investment by 2040 (Economic Survey 2017-18) for National Highway, DFC, HSR, Water and Sanitation, Smart City, DRR…

More fund mobilization for Growth/Infrastructure!
(But budget has restriction…)

<table>
<thead>
<tr>
<th>Economic Growth Outlook</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GoI</td>
<td>Feb. 2017</td>
<td>6.5~6.75%</td>
<td>6.75~7.5%</td>
</tr>
<tr>
<td>RBI</td>
<td>Feb. 2018</td>
<td>6.9%</td>
<td>6.5%</td>
</tr>
<tr>
<td>IMF</td>
<td>Jan. 2018</td>
<td>7.1%</td>
<td>6.7%</td>
</tr>
<tr>
<td>WB</td>
<td>Jan. 2018</td>
<td>7.1%</td>
<td>6.7%</td>
</tr>
<tr>
<td>ADB</td>
<td>Sep. 2017</td>
<td>7.1%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>
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. (USD 4.5 lakh Cr by 2040)
- GoI 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
> Promising business destination of Japan’s oversea business (No.1 in JBIC 2014 - 2016)
> Roughly 70% of the Japanese companies in India planning business expansion (JETRO 2017)

JICA can facilitate Private sector participation for Sustainable Development

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.

Various Schemes of JICA

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

Positive Attitude of Private Sector

Risks still exist
Thank you!

आभार

धन्यवाद

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

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