

Japan International Cooperation Agency

JICA's Activities in Bangladesh

August 2018, JICA South Asia Department

- 1. How Bangladesh Should Pave the Way for the Future While Reaching the Ignition Point of Economic Development**
- 2. JICA's Activities in Bangladesh**

1. How Bangladesh Should Pave the Way for the Future While Reaching the Ignition Point of Economic Development

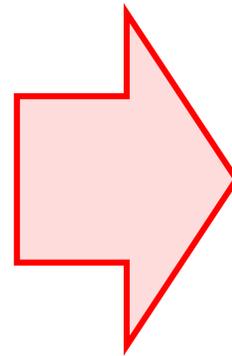
Synopsis of Macroeconomic Situation

Robust macroeconomic situation with high economic growth rate, but challenges remain to achieve sustainable development

- Robust economic growth with more than 6% in recent years based on strong performance of export in Ready-made Garment (RMG) sector
- Achieving lower middle-income country status of the World Bank in 2015 with \$1,190 of GNI/Capita and full-filling the eligibility criteria of graduation from the Least Developed Country (LDC) status of the United Nations for the first time in 2018.

At the same time,

- Possibility of deteriorating current account balance due to growing competition in RMG sector, depletion of natural gas and decrease of remittance from overseas workers
- Possibility of growing public debt if the fiscal balance remains in deficit and the government continues to borrow



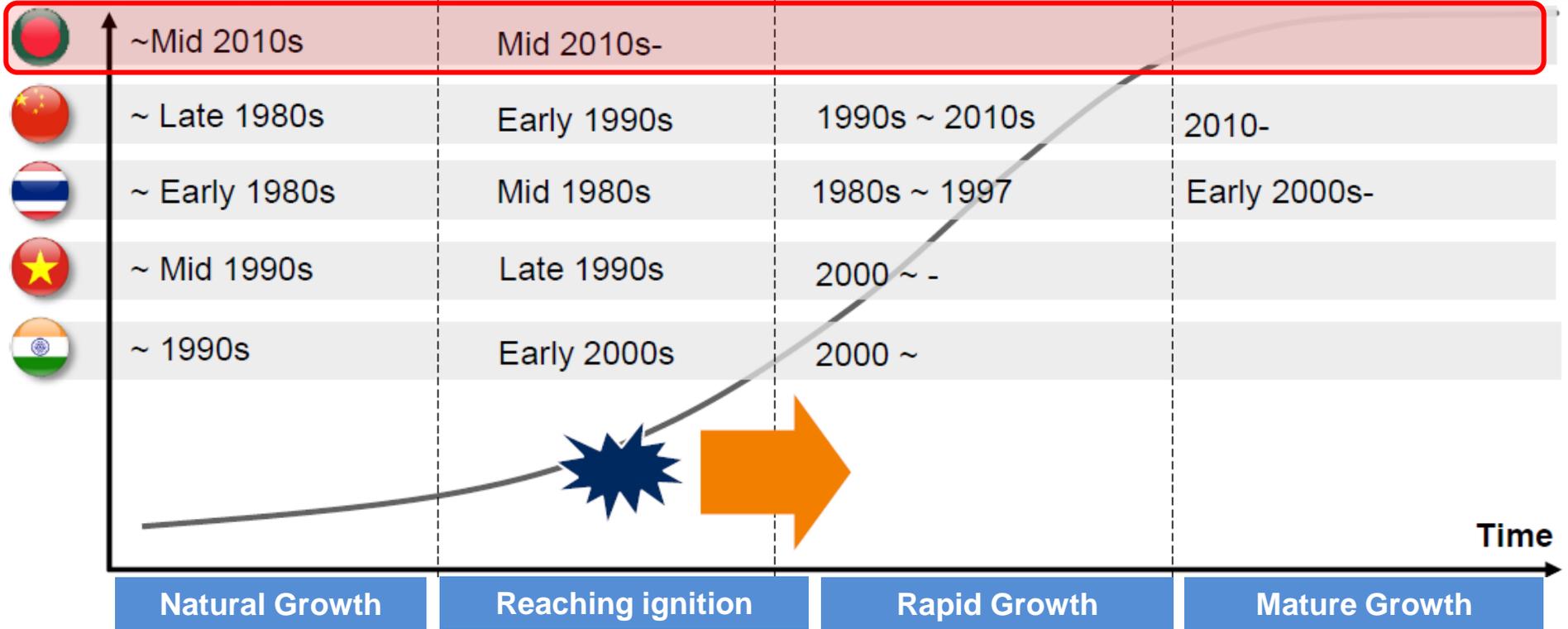
Bangladesh needs to manage macroeconomic situation more capably, including:

- Development of new industries, especially the export-oriented ones
- Tax reform and capacity enhancement of tax collection to increase revenue
- Proper debt management to keep it at sustainable level

JICA Stages of Economic Development and Ignition Point in Economic Growth

Reaching ignition point in mid-2010s with the possibility of robust growth in coming years

Emerging country growth stages



Natural Growth
Economic growth based on the domestic demand and natural resources

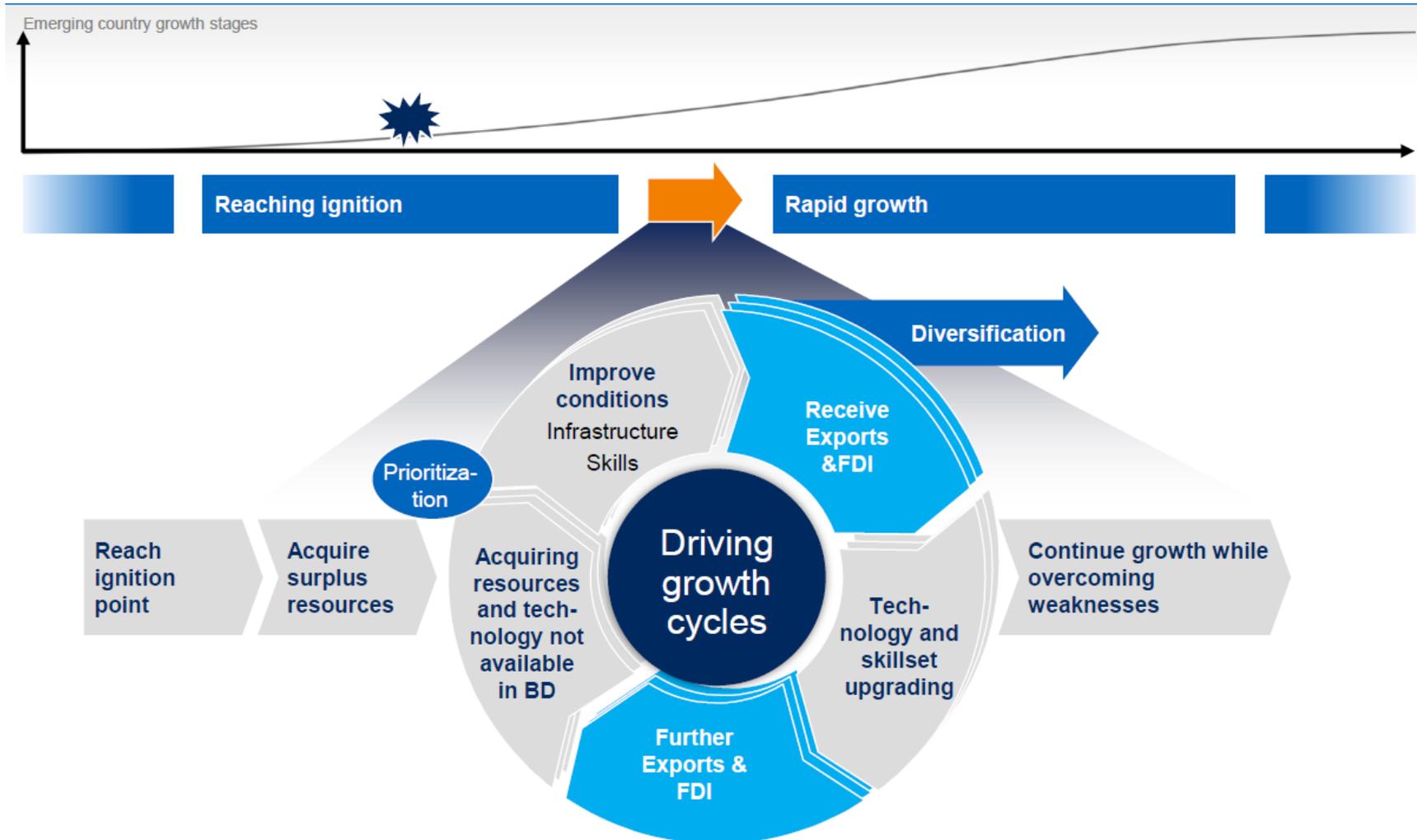
Reaching ignition
Reaching ignition point and accelerating growth led by single/limited industries

Rapid Growth
Robust growth with diversified industrial base characterized by high infrastructure investment and rapid technology progress

Mature Growth
Mature economy characterized by increasing domestic focus based on growing consumer spending

How Bangladesh Should Pave the Way for the Future After Reaching the Ignition Point

The key for Bangladesh to achieve sustainable economic development is if Bangladesh can direct limited resources to (1) develop most potential industries, (2) improve infrastructure and (3) nurture human resources in a balanced manner while promoting FDI & Export

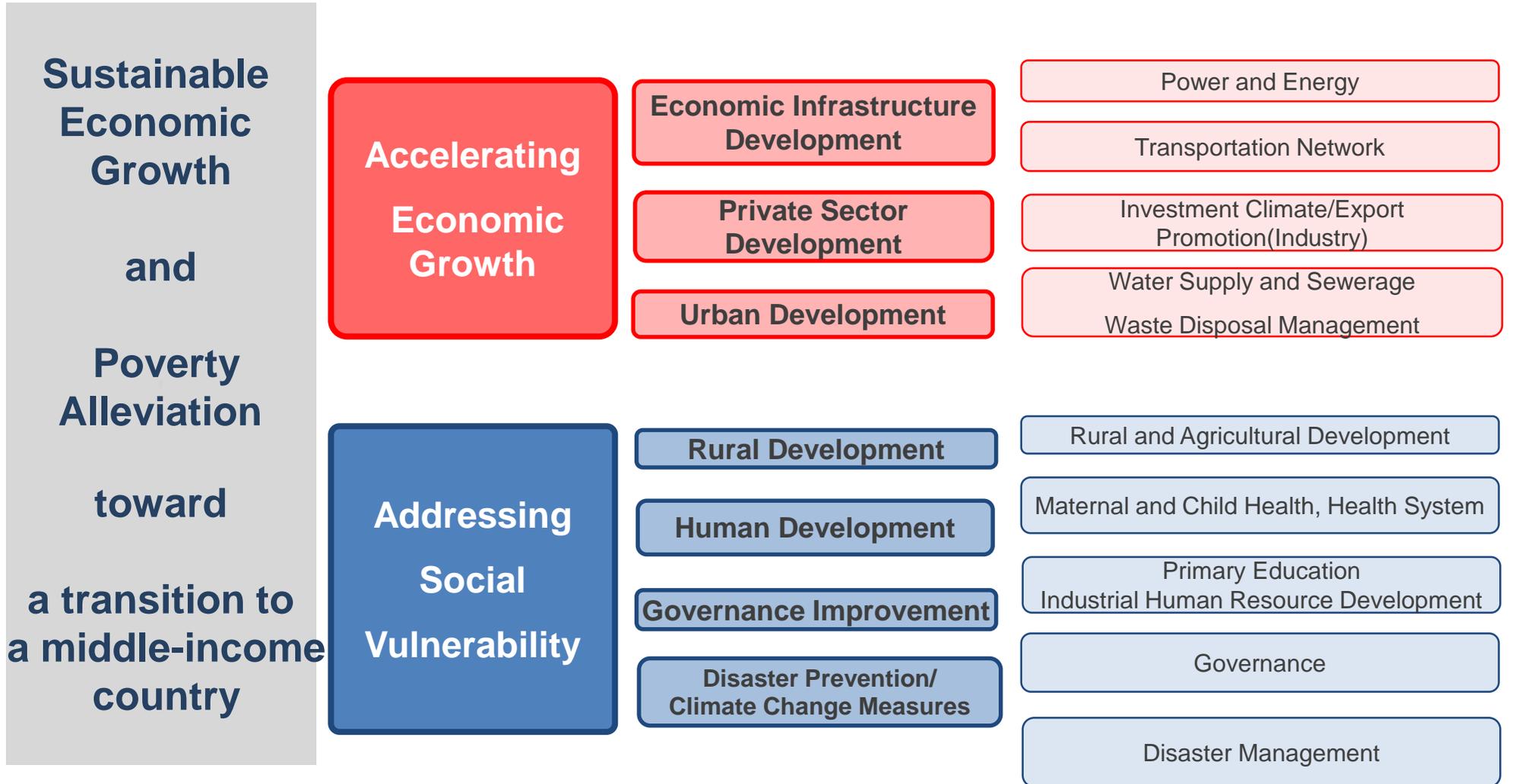


(Source : Developing Study Towards Quality Industrial Growth and Economic Development: JICA: February, 2018)

2. JICA's Activities in Bangladesh

JICA's Cooperation Strategy in Bangladesh

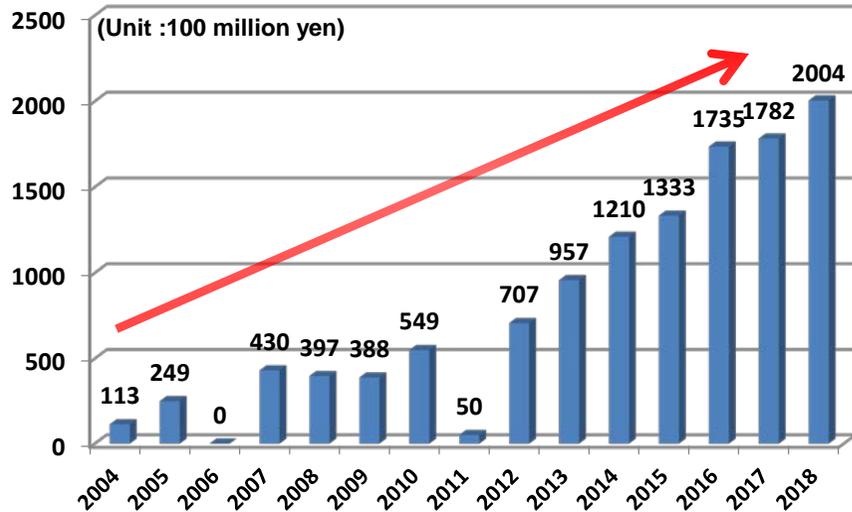
JICA's cooperation approach, focusing on both economic development and social stability under 2 pillars, 7 sectors and 9 programs



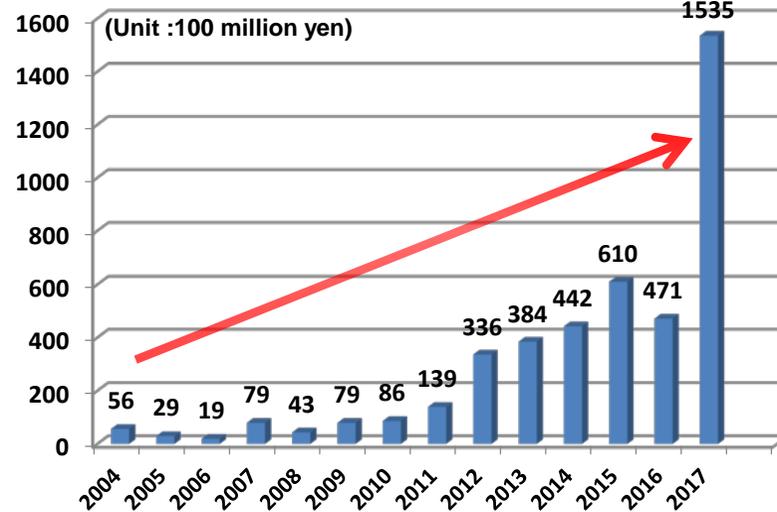
(Reference 1) Scale of Japan's Cooperation to Bangladesh

JICA's cooperation in Bangladesh is expanding since early 2010s with the scale of ODA Loan Projects and Technical Cooperation Projects increasing

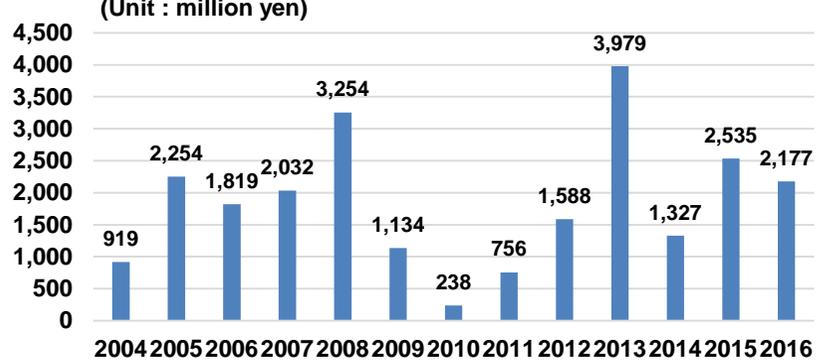
Approved Amount of ODA Loan Projects (2004~2018)



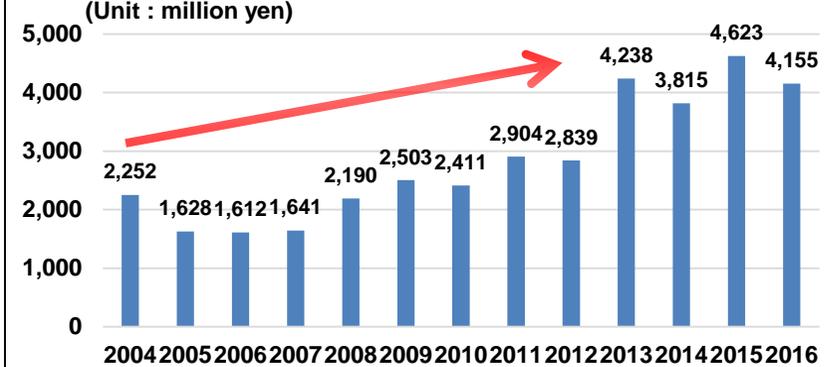
Disbursed Amount of ODA Loan Projects (2004~2017)



Approved Amount of Grant Aid Projects (2004~2016)



Amount of Expenditure Under Technical Cooperation Projects (2004~2016)

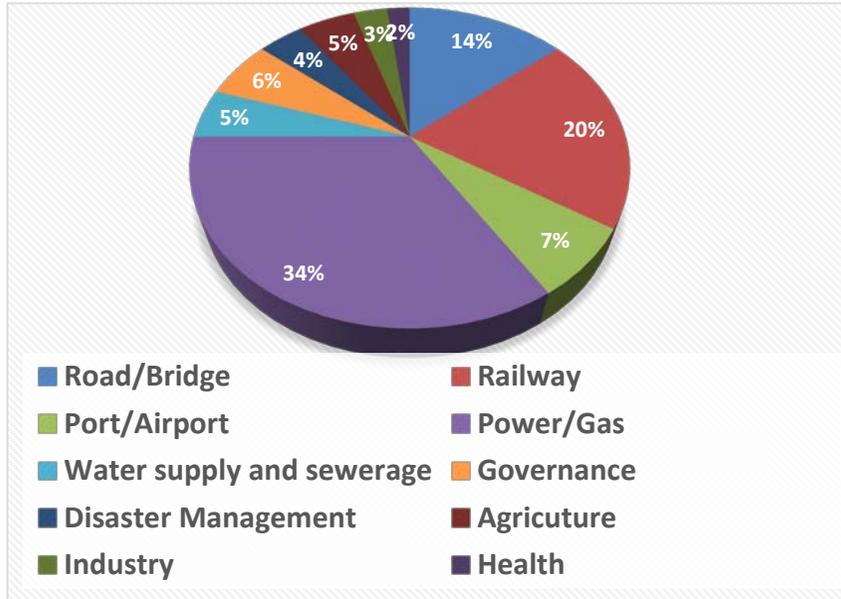


(Source: JICA Annual Report 2017)

JICA (Reference 2) Breakdown of Japan's ODA Loans to Bangladesh

Power, Energy and Transportation Network are major sectors, but Governance, Disaster Management, Industry and other sectors are also expanding in recent years

Sector-wise approved amount of ODA Loans (2004~2018)



Approved Projects since 2016	Approved Amount (100 million JPY)
Japanese Fiscal Year 2016	1,735.38
Dhaka Mass Rapid Transit Development Project (II)	755.71
Matarbari Ultra Super Critical Coal-Fired Power Project (II)	378.21
Cross-Border Road Network Improvement Project (Bangladesh)	286.98
Energy Efficiency and Conservation Promotion Financing Project	119.88
Disaster Risk Management Enhancement Project	169.96
Jamuna Railway Bridge Construction Project (E/S)	24.64
Japanese Fiscal Year 2017	1,782.23
Hazrat Shahjalal International Airport Expansion Project (i)	768.25
The Kanchpur, Meghna and Gumti 2nd Bridges Construction and Existing Bridges Rehabilitation Project (II)	527.3
Dhaka Mass Rapid Transit Development Project (Line 1) (E/S)	55.93
Matarbari Ultra Super Critical Coal-Fired Power Project (III)	107.45
Dhaka Underground Substation Construction Project	204.77
Small Scale Water Resources Development Project (Phase 2)	118.53
Japanese Fiscal Year 2018	2,003.71
Matarbari Port Development Project (E/S)	26.55
Jamuna Railway Bridge Construction Project(I)	372.17
Dhaka Mass Rapid Transit Development Project (Line 5) (E/S)	73.58
Dhaka Mass Rapid Transit Development Project (III)	792.71
Matarbari Ultra Super Critical Coal-Fired Power Project (IV)	673.11
Health Services Strengthening Project	65.59

Recent Activities under Power, Energy and Transportation Network -Development of Moheshkhali / Matarbari Area-

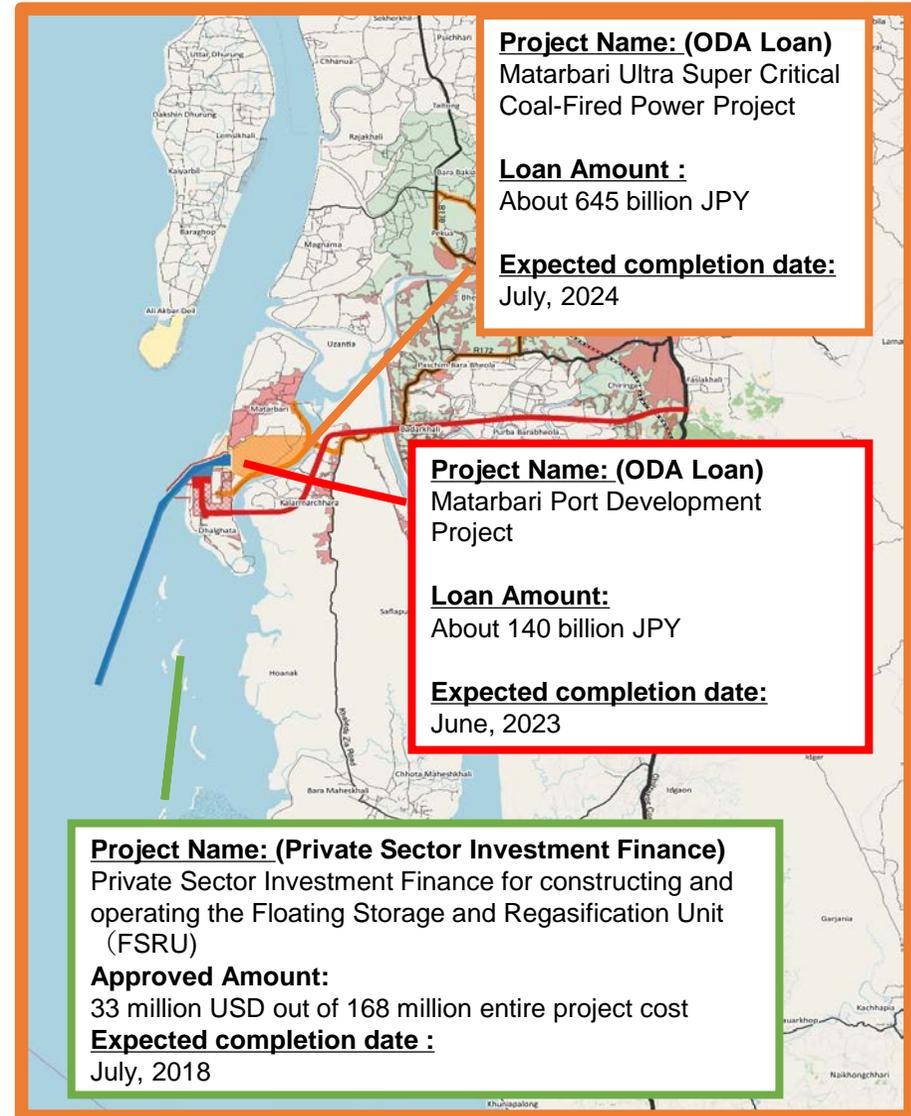
*Integrated Development of Moheshkhali and Matarbari area,
the game changer for the future growth of Bangladesh*

● Background:

- ✓ With the development of Matarbari Power Plants, both the Prime Ministers agreed on **the concept of Bay of Bengal Industrial Growth Belt (Big-B)** in the Summit Talks in 2014 to develop a regional node and hub of value chains in Dhaka-Chittagong-Matarbari belt.

● Future Cooperation:

- ✓ Placing the Matarbari Power Plants and the Seaport as the core infrastructure, JICA considers assistance for the integrated development of the entire area with the Moheshkhali-Matarbari Integrated Infrastructure Development Initiative (MIDI), led by Prime Minister's Office (PMO).



Recent Activities under the Transportation Network -Dhaka Mass Rapid Transit Project (Line 1,5 and 6)

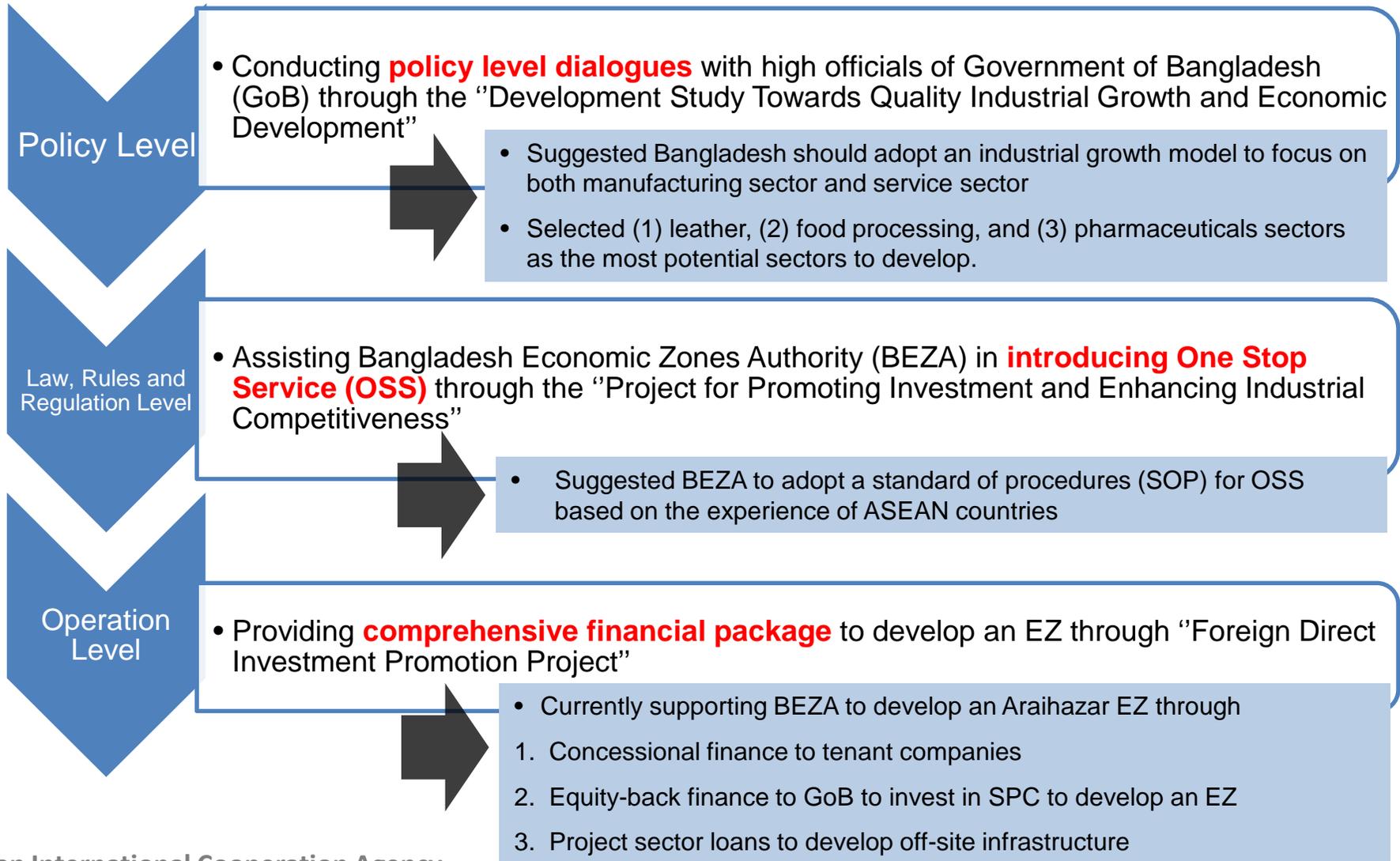
Changing the mode of transportation among 20 million city dwellers in Dhaka with 70km long urban railways under operation in coming years



	Line 6	Line 1	Line 5
2016	Loan Agreement (II)		
2017		Loan Agreement (E/S)	
2018	Loan Agreement (III)		Loan Agreement (E/S)
2019		Loan Agreement (I)	E/S Consultant Selection
2020			
2021			
2022	★ Opening		
2023			
2024			
2025			
2026		★ Opening	
2027			
2028			★ Opening

	Total Length	Stations	Total Project Cost (Billion Yen)
Line 1	31km (11km viaduct / 20km underground)	7 (viaduct) 12 (underground)	650 (Tentative)
Line 5	20km (6.5km viaduct/ 13.5km underground)	5 (viaduct) 9 (underground)	520 (Tentative)
Line 6	20km (All Viaduct)	16 (viaduct)	350

Providing support for GoB from Policy Level to Operation Level through comprehensive approach of Technical Cooperation and ODA Loan



Recent Activities under Governance

-Capacity development of Local Governments-

Promoting local governance and rural development at different levels, the key to robust growth and social stability in Bangladesh

Ministry of Local Government, Rural Development and Cooperative (LGD)

Local Governance Engineering Department (LGED)

8 Divisions

64 Districts

11 City Corporations

319 Municipalities

489 Upazilas

4,550 Unions

Local Governance System and JICA's Support

1. Support for City Corporations

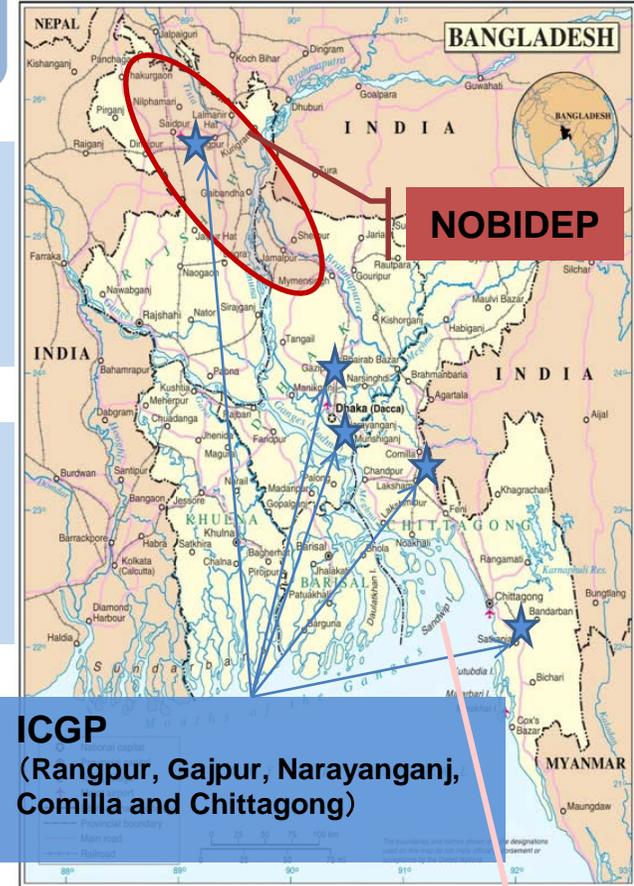
“Inclusive City Governance Project” (ICGP) (Yen Loan)
 “Capacity Development of City Corporation” (Technical Cooperation)

2. Support for Municipalities

“Northern Bangladesh Integrated Development Project” (NOBIDEP) (Yen Loan)
 “Strengthening Paurashava Governance Project” (Technical Cooperation)

3. Support for Upazilas and Unions

“Upazila Governance Development Project (UGD)” (Yen Loan)
 “Integrated Upazila Capacity Development Project” (Technical Cooperation)



ICGP
 (Rangpur, Gajpur, Narayanganj, Comilla and Chittagong)

UGDP (489 Upazilas)

JICA Recent Activities regarding Partnership with Private Sector

JICA supports Japanese private companies to full-fill the development needs in Bangladesh with various supporting menus, including Feasibility Study and Private Sector Investment Finance

Phase of Preliminary Survey ~ Feasibility Study

Phase of Business Expansion

SME·SDGs Business Program

(Preparatory Survey, Feasibility Survey, Verification Survey)

Private Investment / Finance

⇒ **35 Surveys** have been conducted since 2012

Case.
(Agriculture)

BOP Business Survey for Mung Bean Cultivation (Euglena Co.Ltd)

Through the trainings to low-income farmers, Euglena has successfully produced Mung Beans and **exported them to Japan**. Currently the number of contracted farmers are around 8,000, and the production volume has reached 3,000 ton annually, bringing a lot of benefit to them.



Case.
(Education·IT)

Verification Survey for E-Learning Tool, utilizing on the Courses of the Information Technology Engineers Examinations (ITEE) (KJS Co.Ltd)

Feasibility Studies are conducted through the installation of E-Learning course for ITEE at BRAC Universities and other universities. The learning tool has contributed to developing the IT human resources in Bangladesh through the increase of the number of ITEE passer.

Case.
(Health)

East West Medical College and Hospital Project

JICA makes capital contribution to Ship Aichi Medical Service Limited, which was established jointly by East West Medical Hospital (Bangladesh) and Green Hospital Supply Inc (Japan).

This will provide international level of health services to Bangladeshi people, by utilizing **Japanese know-how** in terms of hospital management.



Thank you so much for your kind attention