

Outline of Japan's ODA to Pakistan

1. Back Ground

Japan started ODA to Pakistan in 1954 with providing technical training in line with Colombo Plan, and the first yen loan was extended in 1961. After nuclear test in 1998, Japan took economic measures, suspending new yen loans and grant aid, and in October 2001, the economic measures was discontinued. Japan announced to extend two new yen loan projects to Pakistan on 30th of April 2005, which are the first case since the economic measures was discontinued.

2. Goal and Significance of Japan's ODA

To contribute to consolidating peace and stability in the entire Asia as well as the region by assisting steady development of Pakistan, which is in the process towards moderate and modern Islam and playing a crucial role as a front-line state in "fight against terrorism".

3. Focus Area

Japan's Country Assistance Program for Pakistan was formulated in February 2005 with the following three priority directions.

- securing human security and human development (mainly in the area of education and health)
- development of a sound market economy (agricultural sector, diversification of industries, economic infrastructure)
- achievement of balanced regional socio-economic development (enhance economy in Karachi, development of Peshawar economic area etc.)

4. Overview of Yen Loan to Pakistan

Japan has supported development of infrastructure in Pakistan through yen loans in areas such as transportation and energy. The "Indus Highway Projects" is a symbol of friendship between two countries. (Reference :Total amount of yen loans to Pakistan since 1961 is about 829.3 billion yen.)



(Kohat tunnel, Northern part of the Indus Highway)

"Indus Highway Projects"

Japan extended yen loans totaling 47.6 billion yen to the "Indus Highway Projects" for the construction of the 65% of the total length of the highway (745km of 1,024km) which will connect northern and southern parts of the country. Japan also provided Pakistan with yen loans totaling 12.7 billion yen for constructing Kohat tunnel (about 30km, including access roads) purposing to alleviate traffic congestion in the steep Kohat pass.

New Yen Loan Projects

(total amount: about 16.4 billion yen)

Lower Chenab Canal System Rehabilitation Project

(Total amount of the Project: about 14.7 billion yen, Yen loan: up to about 12.5 billion yen)

Irrigation plays a very important role in Pakistan which lies mostly in arid/semi-arid zone. This project rehabilitates damaged canal system in northern part of the Punjab state and assists empowerment of farmer's organizations to be responsible for operation and maintenance of the canal.

Load Dispatch System Upgrade Project

(Total amount of the Project: about 5.7 billion yen, Yen loan: up to about 3.8 billion yen)

Due to rapid expansion of electric power system in Pakistan, more reliable and accurate dispatch of the power system has been required. This project upgrades a load dispatch system for more stabilized and efficient operation in the electric power system.

5. Grant Aid Cooperation

4.863 billion yen was provided in 2004. Since its beginning in 1970, the total amount of grant aid to Pakistan adds up to 200.886 billion yen.

Projects

–“the Project for the Eradication of Poliomyelitis(¥1.103 billion, 2004)”: The project for supplying vaccine and equipments necessary to eradicate of Poliomyelitis.

–“the Project for the Retrieval of Sewage and Drainage System in Lahore City(¥1.222 billion, 2004)”: The project for supplying drainage pumps, equipments and sludge-suction-vehicle necessary to reduce damage by flood in Lahore city.

–“the Project for Up-gradation of Plastic Technology Centre(¥804million, 2004)”: The project for supplying training-equipments and up-gradation of Technology Centre necessary to develop Plastic Industry in Pakistan.

–“the project for Enhancement of Educational Facilities at Allama Iqbal Open University(¥795million, 2004)”: The project for supplying equipments for producing materials for remote education necessary to improve local education environment in Pakistan.

–Japan pledged 300 million dollars grant aid to assist reducing poverty in Pakistan. (November 2001).

By exchanging notes,30 April, 2005, as for two projects, one is to rehabilitate Taunsa Barrage(¥5.165billion) and the other is to improve water supply system in Faisalabad(¥3.228billion), Japan has accomplished this pledge.

6. Technical Cooperation

In the fiscal year 2003, JICA’s disbursement to Pakistan (including Development Study) amounted to approximately ¥1.799 billion, while the total disbursement to Pakistan amounted to approximately ¥29.797 billion. JICA received 3,985 trainees from Pakistan and dispatched 842 experts to Pakistan as of the end of fiscal year 2003.

Specific Projects

Signing the Agreement on Technical Cooperation between Japan and Pakistan

On 30 April 2005, the Governments of Japan and Pakistan signed the Agreement on Technical Cooperation with the aim to promote smooth implementation of the bilateral technical cooperation.

The on-going technical cooperation program undertaken by JICA include (i) ‘PITAC (Pakistan Industrial Technical Assistance Centre) Phase-2 (2002.9–2006.9)’ which focuses on enhancing the plastic mold technology, (ii) ‘Project for Improvement of Public Administration for Local Governments in Punjab Province (2004.7–2007.7)’ which aims at promoting adult and child literacy, and (iii) ‘Improvement of Public Administration for Local Government in Punjab (2004.8–2006.8)’ which assists capacity building of the local government in the model district.

