

2. South Asia

The South Asian region includes countries with enormous economic potential, particularly India, the world's largest democracy, and has been increasing its presence in the international community. South Asia is strategically important to Japan because of its location on a land route and sea lane that connect East Asia with the Middle East, and is also crucial for addressing global environmental issues. In addition, the region is of great interest to Japan and the rest of the international community in regard to the role it plays in international efforts against terrorism and extremism.

At the same time, the South Asian region still faces many issues that must be addressed. These issues include a lack of basic infrastructure such as roads, railroads, and ports, as well as growing population, low school enrollment rate in primary education, underdeveloped water and sanitation facilities, inadequate healthcare and medical systems, insufficient maternal and pediatric healthcare, the lack of countermeasures against infectious diseases, and unconsolidated rule of law. Poverty reduction is a particularly challenging problem. Approximately 500 million people among the total regional population

of more than 1.6 billion are said to be living in poverty, making it one of the world's poorest regions.⁸ South Asia is the second most important region, behind Africa, in achieving the SDGs.

Japan provides assistance with a focus on improving socio-economic infrastructure in order to harness the economic potential of South Asia as well as to alleviate the growing gap between the rich and the poor.

Meanwhile, in July 2016, a terrorist attack in which Japanese people involved in international cooperation projects were killed occurred in Dhaka, Bangladesh. Japan will advance international cooperation projects without giving in to terrorism in the South Asia region as well; therefore securing the safety of people involved in international cooperation projects is an urgent issue. It is necessary to steadily advance the new safety measures for people including those who are involved in international cooperation projects, which MOFA and JICA formulated and announced together with the relevant ministries and agencies, etc. at the end of August in the same year, with cooperation of the governments of partner countries.

<Japan's Efforts>

With India, a key player in South Asia, Japan promotes cooperation in a wide range of fields based on the "Special Strategic and Global Partnership." These include economic cooperation as well as cooperation in the fields of politics and security, economy, and academic exchanges. India has been the largest recipient of Japan's ODA loans in recent years. Japan has provided assistance to India for its development of economic infrastructure, mainly in the field of power and transport. At the Japan-India Summit Meeting in September 2014, Japan expressed its intention to realize ¥3.5 trillion of public and private investment and financing, including ODA, to India over five years. These efforts are aimed at doubling Japan's direct investment in India and the number of Japanese companies in India within five years.

In December 2015, Prime Minister Abe visited India,

and he and Prime Minister Modi confirmed that Japan's Shinkansen (bullet train) system would be introduced to the high-speed railway between Mumbai and Ahmedabad. The total commitment of ODA loans to India in FY2015 reached the highest ever provided to India. It is expected that these elements would contribute to further deepening cooperative economic relations between Japan and India.

In November 2016 Prime Minister Modi visited Japan, and in the Japan-India Summit Meeting he welcomed the steady progress of the project for the high-speed railway between Mumbai and Ahmedabad, and the two leaders inspected the Shinkansen factory in Hyogo Prefecture, etc., and expressed high hopes for the project as a symbol of the "new era in Japan-India relations." The ODA of Japan plays a major role in the growth of India, through infrastructure development, measures to combat poverty, development of the investment environment, human resources development, etc.

With Bangladesh, where there has been remarkable growth and where an increasing number of Japanese companies have been conducting business in recent years, the "Comprehensive Partnership" was launched in May 2014 in the course of a series of mutual visits by dignitaries in that same year, namely, Minister for Foreign Affairs Fumio Kishida's visit to Bangladesh in March, Prime Minister Sheikh Hasina's visit to Japan in May, and Prime Minister Abe's visit to Bangladesh in September. In May, Japan announced its commitment to provide up to ¥600 billion of assistance to Bangladesh in approximately four or five years from 2014. In order to



Prime Minister Abe shakes hands with Prime Minister Modi of India during his visit to Japan in November 2016. (Photo: Cabinet Public Relations Office)

Note 8: According to "The Millennium Development Goals Report 2015," the proportion of people living on less than \$1.25 a day is 17% (2015). This is the second highest number after Sub-Saharan Africa.

deepen the bilateral relations, Japan is strengthening policy dialogue and promoting economic cooperation under the Bay of Bengal Industrial Growth Belt (BIG-B) initiative, whose three pillars are: (i) Developing economic infrastructure in Bangladesh; (ii) Improving investment environment; and (iii) Fostering connectivity.

In May 2016, Bangladesh Prime Minister Hasina visited Japan to attend the Outreach Meeting of the G7 Ise-Shima Summit and Prime Minister Abe stated that “Japan will continue to support Bangladesh in realizing its vision of becoming a middle income country by 2021” and then as a part of that expressed his expectations for the advancement of the BIG-B initiative through the provision of ODA loans (a total of approximately ¥173.5 billion), which includes support for the Jamuna Railway Bridge Construction Project and the Dhaka Mass Rapid Transit Development Project, as well as for the enhancement of the exchange of people and the further promotion of trade and investment between the two countries.



Prime Minister Abe talks with Prime Minister Hasina of Bangladesh at the ASEM Summit Meeting held in Mongolia in July 2016. (Photo: Cabinet Public Relations Office)

In response to the fact that Japanese people involved in international cooperation projects were killed in the terrorist attack in Dhaka that occurred on July 1, 2016 (local time), in the Japan-Bangladesh Summit Meeting held on July 15, Prime Minister Abe stated that the Japanese victims were all involved in development assistance, and the loss of their lives is extremely regrettable and then declared that Japan will continue its ODA for Bangladesh to carry on the spirit of the victims. Furthermore, he said that Japan asks Bangladesh for a thorough investigation of the facts, sharing of related information, and strict punishments for the perpetrators, and that Japan also hopes for full-fledged cooperation to ensure the safety of Japanese people residing in and traveling to Bangladesh and to prevent recurrence. In addition, in order to verify Japan's efforts to date again and establish new safety measures, MOFA and JICA together with the related ministries and agencies, etc. launched the Council on Safety Measures for International Cooperation Projects under the Minister for Foreign Affairs. The Council held a total of five meetings, and then announced new safety measures for people involved in international cooperation projects, etc. at the end of August.

Following Prime Minister Abe's first visit to Sri Lanka as incumbent Prime Minister of Japan in 24 years in September 2014, Japan and Sri Lanka have continued to deepen and

expand cooperative relations in a range of areas after the new administration was inaugurated in January 2015. In October 2015, Prime Minister Ranil Wickremesinghe visited Japan, and the two leaders issued the Joint Declaration on Comprehensive Partnership. This Joint Declaration outlined three initiatives pertaining to: (i) Promotion of investment and trade; (ii) Cooperation on the National Development Plan; and (iii) National reconciliation and peacebuilding. The Joint Declaration expressed a commitment to promote maritime cooperation as well as human resources development and people-to-people exchange.

Furthermore, in May 2016 Sri Lanka President Sirisena visited Japan to attend the Outreach Meeting of the G7 Ise-Shima Summit and Prime Minister Abe stated that “Japan would also strengthen cooperation with Sri Lanka through the initiative Expanded Partnership for Quality Infrastructure” and then declared that Japan intended to provide ODA loans amounting to approximately ¥38 billion for the construction of a national power transmission and distribution network and the development of water supply facilities in Anuradhapura District, and stated that Japan would promote the development of Colombo port and its vicinity through public and private sector cooperation.

Japan continues to extend cooperation in the field of development of infrastructure, including transportation and power infrastructure, to contribute to further economic development in Sri Lanka as well as to improvements in the business environment for Japanese companies operating in the country. Considering the history of internal conflict and the development status of Sri Lanka, Japan continues to extend cooperation useful for national reconciliation and provide assistance to cope with natural disasters, including livelihood improvement and industrial development with a focus on the agricultural sector in Emerging Regions.

Pakistan plays a vital role in the international community's initiatives to eradicate terrorism, and Pakistan's cooperation is critically important for the stability of Afghanistan. Japan has thus far implemented \$1 billion of assistance pledged at the Pakistan Donors Conference in Tokyo co-hosted by the World Bank in April 2009. Furthermore, Japan has extended support for improving the security capabilities of airports and ports, as well as support for persons who have been internally displaced by military operations to eliminate terrorists.

Japan is also implementing support to strengthen border control capacity with respect to the illegal drug trafficking and international organized crime and support to provide equipment and products in the peacebuilding, humanitarian assistance, and counter-terrorism fields.

The Sharif administration that was established in June 2013 is putting efforts into improving security, and was working on rebuilding its economy and public finance under the new IMF program approved in September 2013 (three years, \$6.64 billion), completing this program in September 2016. Furthermore, in May 2016, Japan provided an ODA loan of approximately ¥6.3 billion as support for the eradication of polio through the loan

conversion mechanism in cooperation with the Bill & Melinda Gates Foundation from the private sector.

As regards Nepal, where efforts to consolidate and develop its democracy are under way via a process of establishing a new constitution, Minister for Foreign Affairs Fumio Kishida held talks with Minister for Foreign Affairs Mahendra Bahadur Pandey, who visited Japan in October 2014 and March 2015. Foreign Minister Fumio Kishida announced that Japan would offer continuous assistance for Nepal's democratization efforts, and further expand and strengthen cooperation on an array of fields including policies. In recent years, bilateral relations have been rapidly deepened, as exemplified by the holding of the first Japan-Nepal political dialogue between the Ministries of Foreign Affairs. The launch of this dialogue was agreed in the Japan-Nepal Foreign Ministers' Meeting in October 2014.⁹ In response to the massive earthquake that struck Nepal in April 2015, Japan dispatched Japan Disaster Relief (JDR) Teams, and provided Emergency Relief Goods and Emergency Grant Aid amounting to \$14 million (¥1.68 billion). In addition, Japan announced an assistance package at a scale totaling \$260 million (over ¥32 billion) that focuses on rebuilding houses, schools, and public infrastructure. Japan is extending all possible assistance to help rebuild a resilient Nepal, applying the "Build Back Better" concept formulated at the UN World Conference on Disaster Risk Reduction in Sendai to Nepal's

medium- to long-term reconstruction process.

Furthermore, in September 2016 Nobuo Kishi, State Minister for Foreign Affairs of Japan visited Nepal to attend the ceremony for the 60th Anniversary of the Establishment of Diplomatic Relations between Japan and Nepal and declared Japan's policy to provide ODA loans for the project to construct the first tunnel in Nepal at Nagdhunga mountain pass which is located on the highway connecting the capital Kathmandu to major cities.



Architectural engineers receive residential construction training supervised and implemented by Japan in Chautara, Sindhupalchowk District in the eastern part of Nepal as part of the "Program for Rehabilitation and Recovery from Nepal Earthquake." (Photo: Kazutaka Isaka / JICA Nepal Office)

India

The Project for Future Researchers at IITH to Enhance Network Development with Scholarship of Japan

Technical assistance financed under JICA's Finance and Investment Account (January 2012 –)

In India which is continuing its rapid economic development, the training and development of human resources who have the knowledge and skills to take the lead on research and development to advance technological innovation and meet the needs of the industrial world is an important issue. In this context, India asked Japan for assistance regarding the enhancement of higher educational institutions in the area of science and engineering. In response to this, on the occasion of Prime Minister Abe's visit to India in 2007, Japan agreed to initiate a working group to study and explore possible collaboration in setting up a new Indian Institute of Technology (IIT). In the following year of 2008, it carried out a range of support, in particular the development of a new campus and equipment procurement using an ODA loan, for IIT Hyderabad (IIT-H), which had been opened in 2008 as the tenth IIT in India.

Through the Project for Future Researchers at IIT-H to Enhance Network Development with a Scholarship of Japan which has been under way since 2012 under the objective of the construction of a Japan-India industry-academia network, Japan implements a scholarship program for receiving students from IIT-H into doctorate (or Master's) courses at Japanese universities, dispatches advisors to encourage human resources exchanges, implements internships, and encourages and supports joint research.

Of these measures, the dispatch of the advisors to encourage human resources exchanges has been implemented for a long period and has earned high praise from the president of the university and the professors at IIT-H. As a result, communications between the Indian Institute of Technology and universities in Japan have become very smooth. In addition appropriate support is routinely being given to people who wish to come to Japan to

study or conduct research in Japan, which is greatly contributing to fostering a sense of affinity with Japan among the students. The total number of students who have got scholarships and studied in Japan to date has reached 50 (including 44 who went on to the doctorate course). The students who have completed these courses have chosen various career paths such as getting work at Japanese companies or continuing to do further research.

Internships carried out with the cooperation of Japanese companies are one of the special features of this project. To date a total of 12 students (including the students currently studying in Japanese universities) have deepened their practical work experience by entering the workplaces of Japanese companies and encountering Japan-style labor practices as technicians. Furthermore, the number of cases of joint research with universities and companies in Japan which are supporting the Indian Institute of Technology is also growing steadily. Currently 11 of these research projects are under way.

Moreover, IIT-H is also continuing initiatives to construct a stronger and continuous Japan-India industry-academia network, including implementation of the Joint Research Funds Provision Program, which offers opportunities to obtain large-scale research funds programs. (As of November 2016)



The Joint workshop with the students of the University of Tokyo (Photo: JICA FRIENDSHIP Project)

Note 9: Held the first time in March 2015 and the second time in June 2016.

Japan's international cooperation policy in the South Asia Region

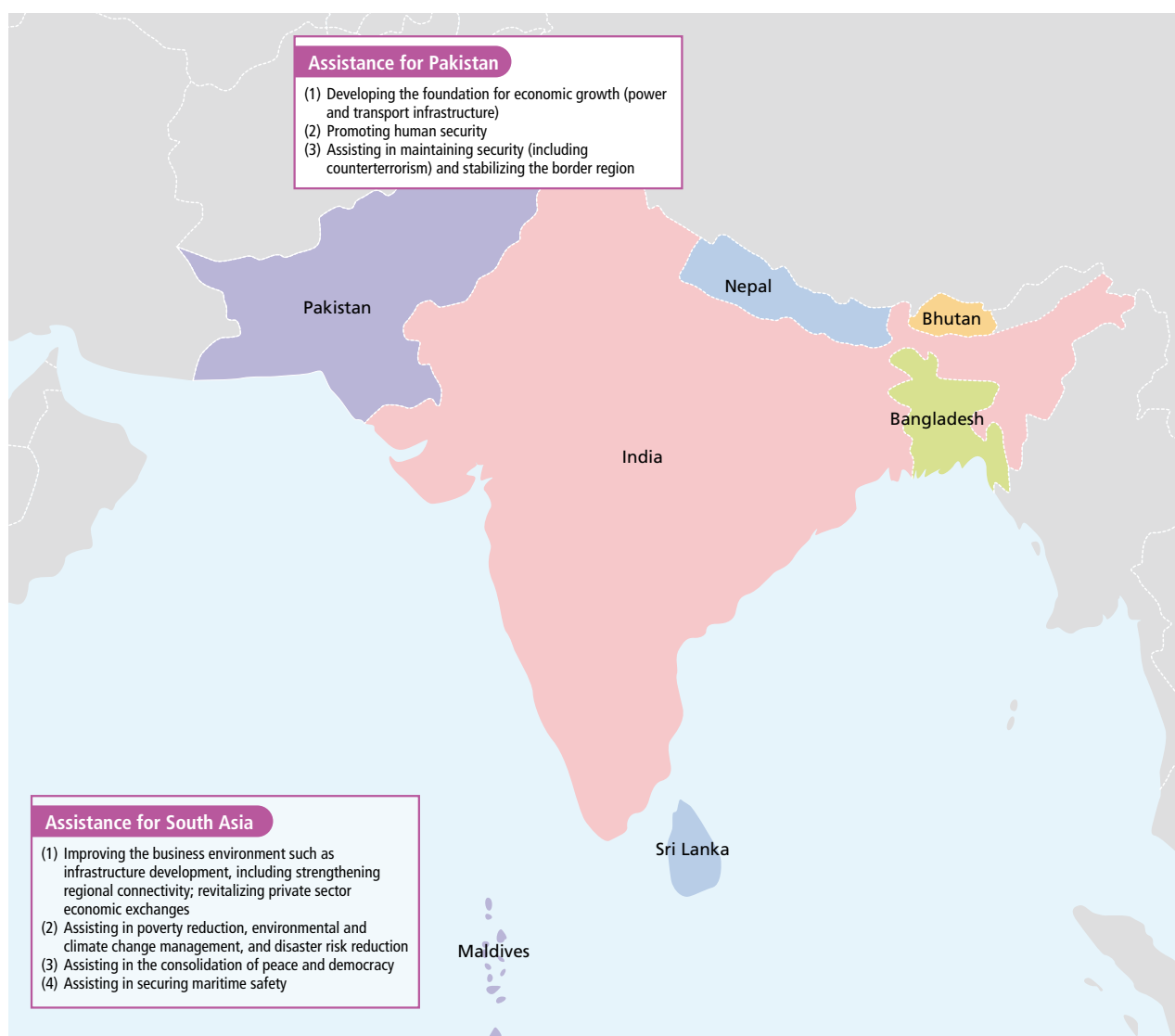


Chart II-9 Japan's Assistance in the South Asia Region

Calendar year: 2015

(US\$ million)

Rank	Country or region	Grants			Total	Loan aid			Total (Net disbursement)	Total (Gross disbursement)
		Grant aid	Grants provided through multilateral institutions	Technical cooperation		Amount disbursed (A)	Amount recovered (B)	(A)-(B)		
1	India	4.84	—	35.86	40.70	1,497.56	670.61	826.95	867.65	1,538.26
2	Bangladesh	8.93	—	34.37	43.30	422.07	90.21	331.86	375.16	465.36
3	Sri Lanka	20.01	6.17	18.16	38.17	168.83	173.57	-4.74	33.43	207.00
4	Pakistan	45.04	15.43	16.68	61.71	113.78	75.93	37.86	99.57	175.50
5	Nepal	23.19	15.00	24.48	47.67	9.03	7.89	1.15	48.82	56.70
6	Bhutan	5.52	—	9.60	15.12	0.88	—	0.88	16.00	16.00
7	Maldives	5.12	—	2.15	7.27	—	—	—	7.27	7.27
	Multiple countries in South Asia	—	—	1.13	1.13	—	—	—	1.13	1.13
South Asia region total		112.64	36.60	142.43	255.06	2,212.16	1,018.20	1,193.96	1,449.02	2,467.23

*1 Ranking is based on gross disbursements.

*2 Due to rounding, the total may not match the sum of each number.

*3 [—] indicates that no assistance was provided.

*4 Grant aid includes aid provided through multilateral institutions that can be classified by country.

*5 Aid for multiple countries is aid in the form of seminars or survey team dispatches, etc. that spans over multiple countries within a region.

*6 Country or region shows DAC recipients but including graduated countries in total.

*7 Disbursements under "Multiple countries in South Asia" utilize figures based on the OECD-DAC criteria, and therefore, include disbursements for multiple countries, including Afghanistan, and for multiple countries, including Myanmar.

*8 Negative numbers appear when the recovered amount of loans, etc. exceeds the disbursed amount.