

## 2 South Asia

The South Asian region includes countries with enormous economic potential including India, and the region 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

### <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, and Japan has provided assistance to India for the development of economic infrastructure, mainly in the fields of power and transport.

In 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. In 2016, Prime Minister Modi visited Japan, and in the Japan-India Summit Meeting he welcomed the steady progress of the project for the construction of the high speed railway between Mumbai and Ahmedabad. When Prime Minister Abe visited India in September 2017, notes concerning the provision of grant aid and ODA loans including ¥100 billion for the Project for the Development of Mumbai and Ahmedabad High Speed Rail were signed and exchanged. For example, the high speed railway project is expected to enable travel between Mumbai and Ahmedabad in two hours—which takes at least seven hours on existing express trains and approximately one and a half hours by plane—and the travel cost is estimated to be roughly half of the airfare. The ODA of Japan plays a significant 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, in order to deepen 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) Development of

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 250 million people among the total regional population of approximately 1.7 billion are said to be living in poverty, making it one of the world’s poorest regions.<sup>8</sup> 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.

economic infrastructure in Bangladesh; (ii) Improvement of the investment environment; and (iii) Fostering connectivity. In 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 as a part of that, expressed his expectations for the advancement of the BIG-B initiative, as well as for the enhancement of the exchanges of people and the further promotion of trade and investment between the two countries. In March and July 2017, the governments of Japan and Bangladesh signed the Exchange of Notes for the “Economic and Social Development Programme” worth ¥1 billion and ¥500 million respectively, as a part of Japan’s support for capacity building in the fields of counter-terrorism and improving security in Bangladesh.

As for Japan’s cooperative relationship with Sri Lanka, following the visit from President Sirisena to Japan



In January 2017, then Parliamentary Vice-Minister for Foreign Affairs, Shunsuke Takei, met with State Minister for Foreign Affairs of Bangladesh, Mohammed Shahriar Alam. During the meeting, he expressed gratitude for the safety measures put in place by the Government of Bangladesh in the aftermath of the terrorist attack in Dhaka, and requested for further efforts to ensure the safety of Japanese people in Bangladesh.

Note 8: Source: World Bank website. Population: <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=85>  
Poverty rate: <https://data.worldbank.org/indicator/SI.POV.DDAY?locations=85>

in 2016 to attend the Outreach Meeting of the G7 Ise-Shima Summit, Prime Minister Wickremesinghe visited Japan in April 2017. The two countries decided to further deepen and broaden bilateral cooperation under the “Joint Declaration on the Comprehensive Partnership between Japan and Sri Lanka” announced in 2015. At the same time, Japan has provided a total of ¥45 billion in ODA loans for the Rural Infrastructure Development Project in Emerging Regions as well as the Kalu Ganga Water Supply Expansion Project, and ¥1 billion in grant aid for the Development of the Port of Trincomalee. For example, through the Kalu Ganga Water Supply Expansion Project, about 100,000 households are expected to be newly connected to the water supply system in the Kalutara District and Colombo District in the Western Province, which is lagging behind in the expansion of water supply systems.

Japan continues to extend cooperation in the field of development of infrastructure, including transportation networks such as roads and ports as well as electric power infrastructure, to contribute to quality economic development in Sri Lanka as well as to improvements in the business environment for Japanese companies operating in the country. Considering Sri Lanka’s history of internal conflict and the development status which increases disparities, 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 for regions that are lagging behind in development.

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 extended support for improving the security capabilities of airports and ports, as well as support for internally displaced persons (IDPs) by military operations to eliminate terrorists. Japan is also implementing support to strengthen border control capacity with respect to illegal drug trafficking and international organized crime, and support to provide equipment and products in the fields of peacebuilding, humanitarian assistance, and counter-terrorism. Furthermore, Japan also provides support for the procurement of vaccines needed to prevent the spread of polio, and for capacity building to the Government of Pakistan in the area of electoral processes, so as to facilitate free and fair general elections to be held in Pakistan in 2018.

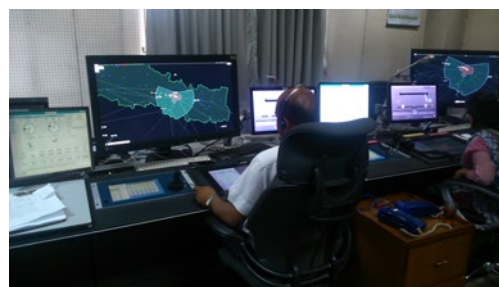
As regards Nepal, where efforts to consolidate and develop its democracy are under way through the transition of the new Constitution, Japan is supporting to improve the governance capacity of the central and local governments, as well as to reflect the needs of residents including the socially vulnerable in government policies. In addition to providing assistance funds to support the School Sector Development Plan, which is an education development plan established by the Government of Nepal to narrow gaps in children’s scholastic abilities and access to education among regions and ethnic groups, Japan also provided support for human resources development by



**Tribhuvan International Airport Modernization Project**  
**The Project for the Development of a Spare Parts Management Center and En-route Radar Control Services**  
 Grant aid (March 2013 - January 2017) Technical cooperation project (February 2014 - )

Air routes are vital means for the transportation of people and goods in Nepal, an inland country. Tribhuvan International Airport located in Kathmandu, the capital of Nepal is the country’s only international airport as well as a hub of domestic flights. However, due to the rapid increase in air traffic and the aging of airport surveillance radar, etc. in recent years, the airport was faced with the imminent challenge of ensuring the safety of its air traffic control.

Given this situation, Japan provided Nepal with grant aid for the “Tribhuvan International Airport Modernization Project” to update existing airport surveillance radar as well as to install new en-route surveillance radar. In addition, technical assistance was also implemented to help the establishment of regulations and guidance on the proper operation of radar installed through the grant aid, to conduct education and training on air traffic control and to develop capabilities of air navigation equipment operation, maintenance and management, thereby enhancing not only infrastructure but also human resource development. These cooperation projects contribute to the enhanced safety and logistic capabilities of the airport, resulting in the economic growth and improvement of the people’s lives in Nepal through the development of socio-economic infrastructure.



Control desk of air route traffic control at Radar Operation Building, Tribhuvan International Airport

The Government of Nepal also plans to have a centralized control over parts supply for all aeronautical navigation facility installed throughout the country by setting up a Spare Parts Management Center at the Tribhuvan International Airport, in order to enable rapid recovery from damages to any aeronautical navigation facility. In response to this plan, Japan is providing technical assistance for management operations as part of the technical cooperation project.

Japan’s air safety assurance technology continues to support flight safety in Nepal.

(As of December 2017)

covering the tuition and other costs required for young government officials from Nepal to obtain degrees in Japanese graduate schools. Furthermore, in response to the massive earthquake that struck Nepal in 2015, Japan dispatched Japan Disaster Relief (JDR) Teams, and provided emergency relief goods, shelter, and commodities amounting to \$14 million (¥1.68 billion) in Emergency Grant Aid through eight international organizations including the International Organization for Migration (IOM), which improved the living conditions of 13,592 evacuated households. In addition, 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, Japan provided an assistance package at a scale totaling \$260 million (over ¥32 billion) towards rebuilding a resilient Nepal, focusing on rebuilding houses (approximately 40,000 homes), schools (approximately 280 schools), and public infrastructure. Japan is also providing a range of technical support to reduce the damage from earthquake disasters.

Japan has been building good relations with Bhutan since the establishment of diplomatic relations in 1986, and celebrated the 30th anniversary of the diplomatic relations between the two countries in 2016. Japan’s economic cooperation towards Bhutan serves as the foundation for friendly relations between the two countries. Japan has been providing support mainly through technical cooperation and grant aid, while respecting Bhutan’s national development plan that focuses on the



In July 2017, then Parliamentary Vice-Minister for Foreign Affairs, Kiyoshi Odawara, paid a courtesy call and exchanged views with Mr. Deuba, Prime Minister of Nepal.

country’s fundamental philosophy of Gross National Happiness (GNH). Japan’s assistance has been steadily bearing fruit in fields including the improvement of agricultural productivity and human resources development, as well as the development of economic infrastructure such as road networks and bridges. In December 2017, Japan signed Exchange of Notes on the “Project for the Construction of Disaster-Resilient Emergency Mobile Network” to boost the robustness of Bhutan’s mobile communications networks when disaster strikes. Japan is supporting Bhutan in building up its functions in the field of disaster risk reduction, with the aim of reducing the risk of natural disasters.



### The Project for Upgrading Primary Girls Schools into Elementary Schools in Southern Rural Sindh The Project for Upgrading Primary Girls Schools into Elementary Schools in Northern Rural Sindh

Grant aid (February 2014 - December 2016, March 2016 - )

While most schools in Pakistan are gender specific, as it is customary for girls to stay at home making it difficult for girls to commute a long distance to attend school, more girls’ schools are actually needed in comparison to boys’ schools. Particularly, most rural areas do not have schools for female students within a commutable distance, which is one barrier to girls attending school.

While the rate of primary school attendance across Sindh is 34%, which is higher than the national average, the rate of attendance by girls (FY2013/14) has remained at 17%. There is a huge discrepancy in the statistics between urban and rural areas of the same province, with an extremely low rate of attendance of just 6% for girls’ primary schools (for ages 10 to 12) in rural areas.

The “Project for Upgrading Primary Girls Schools into Elementary Schools in Southern Rural Sindh” launched in 2014 targeted 29 existing schools (for ages 5 to 9) located in southern rural Sindh. The project consisted of renovation of existing school buildings as well as construction of school buildings for girls’ primary schools. They were completed in November 2016 and classes began in April 2017. Since 2016,



Students studying in a new school building (first year of junior high school) (Photo: Consulate General of Japan in Karachi)

the same project has begun at 25 schools in northern rural Sindh. Upon completion, a combined total of 6,600 female students from both southern and northern Sindh will have a new opportunity for elementary school education.

These projects improve girls’ access to education and contribute to realize a “society in which women shine.”

(As of December 2017)

## ◆ Japan's international cooperation policy in the South Asia Region

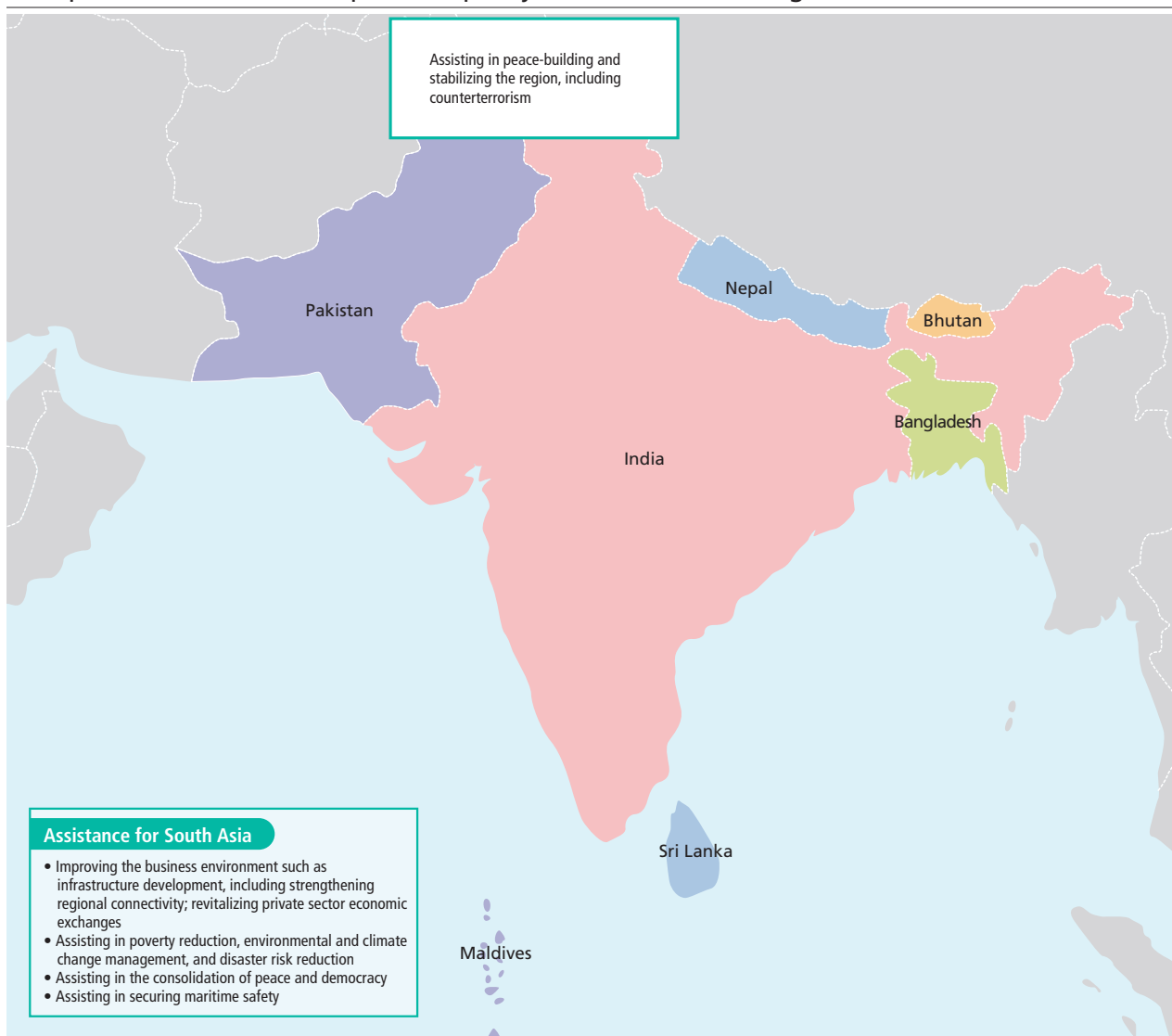


Chart III-9 Japan's Assistance in the South Asia Region

Calendar year: 2016

(Unit: US\$ million)

Rank	Country or region	Grants			Total	Loan aid			(A)-(B)	Total (Net disbursement)	Total (Gross disbursement)
		Grant aid		Technical cooperation		Amount disbursed (A)	Amount recovered (B)				
			Grants provided through multilateral institutions								
1	India	7.89	—	48.62	56.50	1,743.96	792.68	951.28	1,007.78	1,800.47	
2	Bangladesh	24.65	—	42.50	67.15	501.13	107.01	394.13	461.27	568.28	
3	Pakistan	58.38	30.84	23.72	82.10	162.60	52.05	110.55	192.65	244.70	
4	Sri Lanka	13.83	0.67	20.57	34.40	164.63	202.63	-38.00	-3.60	199.03	
5	Nepal	16.13	—	22.49	38.62	35.28	8.77	26.50	65.13	73.90	
6	Bhutan	9.29	—	10.31	19.60	0.19	—	0.19	19.79	19.79	
7	Maldives	5.61	—	2.49	8.09	—	0.55	-0.55	7.54	8.09	
	Multiple countries in South Asia	—	—	0.88	0.88	—	—	—	0.88	0.88	
	<b>South Asia region total</b>	<b>135.78</b>	<b>31.51</b>	<b>171.57</b>	<b>307.35</b>	<b>2,607.79</b>	<b>1,163.70</b>	<b>1,444.10</b>	<b>1,751.45</b>	<b>2,915.14</b>	

Notes:

- Ranking is based on gross disbursements.
- Due to rounding, the total may not match the sum of each number.
- [—] indicates that no assistance was provided.
- Grant aid includes aid provided through multilateral institutions that can be classified by country.
- Aid for multiple countries is aid in the form of seminars or survey team dispatches, etc. that spans over multiple countries within a region.

- Country or region shows DAC recipients but including graduated countries in total.
- 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.
- Negative numbers appear when the recovered amount of loans, etc. exceeds the disbursed amount.