

The Southwest Asian region has approximately 1.8 billion people and has maintained a high economic growth rate in recent years, offering an attractive market and production base to Japanese companies and attracting attention as an investment destination. It is also a strategically important region because of its location on critical sea lanes that connect Japan with the Middle East and Africa.

At the same time, the Southwest Asian region still faces many development issues, including infrastructure development, the development of primary education and health and medical care systems, the reform of legal institutions, response to natural disasters, the consolidation of democracy, and actions on the environment and climate change. In particular, poverty reduction is a major challenge, with approximately one-third of the world's poor accounted to be living in this region.¹⁰

Japan has traditionally maintained friendly relationships with the countries of Southwest Asia and has been providing assistance to the region as its largest partner for many years. Harnessing the region's economic potential, Japan provides assistance in a wide range of areas such as socio-economic development, democratization and consolidation of democracy, peacebuilding, and humanitarian and recovery efforts after natural disasters.

Japan's Efforts

India has been one of the largest recipients of Japan's yen loans. Japan has supported India for the development of economic and social infrastructure, including in the fields of electric power and transportation, the improvement of the investment environment, and human resources development, which would contribute to enhancing connectivity and strengthening industrial competitiveness. In addition, in support of its sustainable and inclusive growth, Japan plays a significant role in India's growth through support for various fields, including support of the forestry sector with the aim of not only dealing with climate change but also improving livelihoods through effective utilization of forest products, support for the development of health and medical systems, and poverty reduction (see "Stories from the Field" on page 80 on the Campus Development Project of Indian Institute of Technology, Hyderabad).

In March 2023, Japan and India exchanged notes for yen loans with a total amount of approximately ¥883 billion. These loans finance road construction to improve



Conducting maintenance work on a wind turbine in the State of Andhra Pradesh, India (Photo: JICA)

connectivity, the construction of facilities designed to strengthen the healthcare system, the construction of a high-speed rail linking Mumbai and Ahmedabad, railway construction in Patna city, forest and biodiversity conservation for tackling climate change, infrastructure development to increase agricultural production and farmers' incomes, and government actions toward the SDGs. On the occasion of the Japan-India Summit Meetings in March and September 2023, the two leaders confirmed that they would continue to promote the "Project for the Construction of Mumbai-Ahmedabad High Speed Rail" as a flagship project of Japan and India. Once the project is completed, the travel time between Mumbai and Ahmedabad is expected to be shortened to approximately two hours, while it currently takes at least five hours and 20 minutes by express train (see "Featured Project" on page 40 for the "Mumbai Trans-Harbour Link Project").

As recent years have witnessed remarkable development in Bangladesh and an increasing number of Japanese companies operating in the country, the "Comprehensive Partnership" between the two countries was upgraded to a "Strategic Partnership" on the occasion of Prime Minister Hasina's visit to Japan in April 2023. Japan promotes development cooperation under this partnership along with the "Bay of Bengal Industrial Growth Belt (BIG-B)" initiative, which consists of the three pillars: (i) development of economic infrastructure, (ii) improvement of the investment environment, and (iii) enhancement of connectivity. Furthermore, the new plan for a "Free and Open Indo-Pacific (FOIP)," announced by Prime Minister Kishida in March, presented, as a concrete example of contributions to multi-layered connectivity, the idea of regarding northeastern India and Bangladesh,

¹⁰ United Nations Development Programme (UNDP) website (note that Afghanistan is included in South Asia)
<https://hdr.undp.org/content/2023-global-multidimensional-poverty-index-mpi#/indicies/MPI>

etc. as a united economic sphere, and developing an industrial value chain linking the Bay of Bengal to northeastern India to facilitate regional growth. Thus, Japan engages in development cooperation in a way to contribute to realizing this idea. In 2023, Japan approved six yen loan projects totaling approximately ¥400 billion to Bangladesh, including the “Matarbari Port Development Project (II).” Moreover, Japan provides grant aid to Bangladesh for human resources development of young government officials.

In light of the displaced persons fleeing from their homes in Rakhine State, Myanmar, to Bangladesh due to the deteriorating security situation, Japan has expressed its appreciation to the Government of Bangladesh for accepting the displaced persons for a prolonged period, reaffirmed at summit and other meetings its intention to offer continued support and reduce the burden on host communities, and delivered various forms of support to benefit both the host communities and displaced persons. In January 2022, in addition to the support already provided to the camp for the displaced persons in Cox’s Bazar District, Japan, ahead of other countries, provided Emergency Grant Aid of \$2 million in total for displaced persons who are relocated to Bhasan Char. Since then, in cooperation with international organizations such as the United Nations High Commissioner for Refugees (UNHCR), the United Nations World Food Programme (WFP), and the International Organization for Migration (IOM), Japan has continued to support both the camp in Cox’s Bazar and Bhasan Char, aiming to improve the living conditions of displaced persons through the provision of humanitarian assistance including food, water and sanitation, health, shelter, and protection, as well as education and skills training. Meanwhile, under the Grant Assistance for Japanese NGO Projects, Japanese NGOs have provided assistance for improving women’s livelihoods and protecting children in the communities hosting displaced persons. Japan also supports the Japan Platform (JPF)¹¹ to improve hygiene and sanitation, provide medical treatment, and protect women and children. Japan’s grant aid to these displaced persons from January 2022 to June 2023 amounts to approximately ¥6.6 billion.

Sri Lanka, which is located at a key point along sea lanes connecting Asia with the Middle East and Africa, has traditionally been a country that is friendly to Japan. Japan has been working on strengthening cooperation with Sri Lanka in areas such as enhancing connectivity and the maritime sector, toward the realization of a FOIP. Japan also continues to support the regions where development has lagged behind due to the impact of past conflicts and provides them with assistance in areas such as livelihood improvement, industrial and human resources development with a focus on the fishery and agricultural sectors, and natural disaster response. Given

that the country has been facing a crisis due to shortages of necessities such as food, medicine, fertilizer, and fuel since the economic crisis occurred in April 2022, Japan has assisted the country in addressing the humanitarian crisis and decided to provide ¥5 billion in grant aid in the health and medical sector in February 2023.

The Maldives, like Sri Lanka, is located strategically along the sea lanes of the Indian Ocean and has traditionally been a country that is friendly to Japan. In view of this, Japan has been strengthening cooperation with the country toward realizing a FOIP. In 2023, Japan provided the Maldives, which faces security vulnerabilities as an island nation, with grant aid to improve law enforcement capacity through the supply of fireboats and coast guard equipment.

With the world’s fifth largest population, and its geopolitical importance as the interface between Asia and the Middle East, Pakistan plays a vital role in the international community’s efforts to eradicate terrorism. The stable development of Pakistan is important from the perspective of peace and stability in the surrounding regions, as well as in the international community as a whole. In response to the flood damage in Pakistan since June 2022, the International Conference on Climate Resilient Pakistan was held in January 2023, where Japan pledged an additional assistance of approximately \$77 million even after 2023 in areas such as disaster risk reduction, health, and agriculture for the reconstruction and further development of Pakistan. As part of the assistance, Japan decided to provide support for the renovation of a disaster-affected elementary school (see “Featured Project” on page 98 for efforts in Pakistan). In addition, even in 2023, Japan provided grant aid to support vaccinations for polio eradication in Pakistan, where wild poliovirus remains endemic. Furthermore, Japan provided grant aid to support the human resources development targeted at young government officials (see Part III, 3 (2) on page 73 for details of support to Pakistan related to polio).



Japanese experts inspecting the status of the construction of local waterworks to improve water supply services in Nepal (Photo: JICA)

¹¹ See the glossary on page 137.

The establishment of democracy, stability, and prosperity in Nepal, a country that has had traditionally friendly relations with Japan is important for Japan to ensure the stability of the entire Southwest Asia region, which is also politically and economically important to Japan. Since the major earthquake in Nepal in 2015, under the theme of “Build Back Better,” Japan has provided support for the renovation and reconstruction of bridges, hospitals, and other public infrastructure facilities, as well as houses and schools. Japan also carries out a range of technical cooperation activities related to strengthening the government capacity in disaster risk reduction and ensuring the compliance with the national building code. In 2023, Japan provided grant aid to support the development of human resources

with a focus on young government officials and to build a tertiary medical facility, which will serve as a hub for medical care, covering a wide geographic area (see “Master Techniques from Japan to the World” on page 135 for initiatives of Japanese companies in Nepal).

Japan’s development cooperation toward Bhutan has achieved steady results, especially in the improvement of agricultural productivity, development of economic infrastructure such as road networks and bridges, and human resources development. In 2023, Japan provided yen loans as financial support to implement, among other things, measures to promote green growth with renewable natural resources, and to build a self-reliant and sustainable nation with an optimal balance between rural and urban development.

Featured Project



Aiming to Expand the Garment Industry Market through Human Resources Development

Project for Skills Development and Market Diversification (PSDMD) of Garment Industry of Pakistan

Technical Cooperation (May 2016 – December 2022)

Pakistan




In Pakistan, the textile industry is the largest industry in the manufacturing sector, accounting for approximately 10% of gross domestic product (GDP) and 50% of total exports. On the other hand, many of the export products are low-value-added products, such as cotton yarn, cotton cloth, and towels, and therefore the challenge is to improve production skills to strengthen its competitiveness in the international market. In addition, while women play an active role in the textile industry in other countries, the number of women working in textile factories in Pakistan is limited. There is a need to develop human resources capable of producing high-value-added products, while promoting women’s participation in economic activities through vocational training and other measures.

In light of this situation, Japan supported the development of human resources who could contribute to adding high value to Pakistan’s garment products, placing an emphasis on including a large number of women in training. Japan worked to improve



Fashion show by a target vocational training institute (Photo: JICA)



A Japanese expert providing technical assistance to teachers at a target vocational training institute (Photo: JICA)

the quality of training courses at vocational training institutes in the cities of Lahore and Faisalabad, and Japanese experts provided technical assistance on fashion designing, pattern making, sewing, and quality control. Furthermore, Japan encourages the target institutes to build cooperative relationships with private companies so that graduates of the institutes can be introduced to the partner companies. This partnership promotes the supply of high-skilled human resources to the industry, as well as graduates’ employment.

As a result, 1,160 women received training during the project period. Approximately 47% of them found employment in companies, and the monthly income of the beneficiaries increased by 25,000 Pakistan Rupees (PKR) (approximately ¥13,000), which is equivalent to 70% of the average household income before the project. Many other graduates also use the skills they learned to earn some income at home and improve their livelihoods.

Japan will continue to support the development of the major industries and the promotion of women’s participation in economic activities in Pakistan.