

Outline of Japan's ODA to India

1. Back Ground

Japan started ODA to India in 1958 in the form of Yen Loan. This was the Japan's first case of Yen Loan. Since then, Japan has been extending ODA to India mainly in the form of Yen Loans (95% of Japan's ODA to India is Yen Loans) .

2. Goal and Significance of Japan's ODA

Japan hopes to enhance its political and economic relationship with India, the largest democratic nation in the world. Japan also believes that steady development of India is a key to maintaining stability in Asia, and improving the economic condition of the poor, who constitute 30% (about 300 million) of India's population, is important to achieving Millennium Development Goals.

3. Focus Areas

Focus Areas of Japan's ODA to India have been as follows.

- Development of economic infrastructure, mainly in the area of power and transportation.
- Poverty reduction through agricultural, rural development, and so on.
- Environmental protection, through afforestation and improvement of quality of water
- Assisting to improve health and medical care.

(Japan's Country Assistance Program for India is being drafted currently.)

4. Yen Loans

Japan provided 134.5 billion yen (approximately 5,600 crore) Yen Loan to India in 2004. Compared with the previous year, the amount was 7.5% more, and was also the highest ever Yen Loan to India. India has been the largest recipient of Japan's ODA since 2003. The cumulative amount of Japan's ODA to India is 2476.8 billion yen (third largest recipient).

Major projects in 2004

North Karanpura Super Thermal Power Project (I) 15.916billion yen

Constructing a thermal power plant of 1980 MW capacity in **Jharkhand** to alleviate power shortage. This large-scale project will emerge a new symbol of new Indo-Japan cooperation.



Ganga Action Plan Project (Varanasi) 11.184 billion yen

In order to improve quality of water of the River Ganges in Varanasi, which receives 300 thousand tourists and 40 thousand bathers daily, the project provides sewage plant and other facilities. This project was promised by PM Junichiro Koizumi during the India-Japan summit meeting in 2001.

Delhi Mass Rapid Transport System Project (VI) 19.292 billion yen

Delhi Metro is used by citizens of Delhi as a new transportation mode since 2002. Japan has provided total 162.8 billion Yen loans for this project. Japanese time management of construction, safety-first principle in operation and technologies have been introduced. This project has been realized with the cooperation and effort of India and Japan.



Uttar Pradesh Buddhist Circuit Development Project 9.495 billion yen

This is a project to improve tourism-related infrastructure, especially roads, along the Buddhist Circuit including **Kushinagar and Shravasti** to promote tourism. This project symbolizes centuries old bond between India and Japan through Buddhism.

5. Grant Aid Cooperation

Japan provides grant aid to India mainly in the field of improvement of basic human needs, especially in the area of medical services which is the key issue of MDGs. 3.021 billion yen was provided in 2004. Since its beginning in 1977, the total amount of grant aid to India adds up to 84.714 billion yen.

Projects in Medical area

-For eradication of Polio in India, Japan provided through UNICEF total 6.3 billion yen grant aid for procuring polio vaccine and necessary equipments since 1996. As a result of this project, Polio cases decreased from 5881 in 1994 to 132 in 2004.

-Japan extended grant aid for medical equipments at mother and child's hospital in Maharashtra, where health index is especially low (The project for Improvement of Medical Equipment for Sir J.J. Hospital and Cama & Albless Hospital: 759 million yen, 2003). Japan also extended grant aid for creating facility in Kolkata to prevent diarrheal diseases which is a major cause of infant mortality (The Project for Construction of Diarrheal Research and Control Center: 2.134 billion yen).

6. Technical Cooperation

In 2003, Japan provided 1.034 billion yen for technical cooperation to India including development study. The cumulative amount of Japan's technical cooperation to India is 21.966 billion yen. So far, 4342 trainees have been received by Japan, and 609 experts dispatched to India.

Resumption of dispatch of the Japan Overseas Cooperation Volunteers (JOCV)

Dispatch of JOCV remained suspended since 1978, due to policy change of the Government of India since 1978. However, resumption of dispatch of JOCV was confirmed in the India-Japan summit meeting in December 2001, and a new arrangement for the dispatch of JOCV is likely to be concluded in the near future.

ODA projects in 2004 (including ongoing projects from previous years)

