

JAPAN'S SUPPORT TO SAARC (PRIORITY AREAS AND POLICIES)

1. ASSISTANCE TO ADDRESS CLIMATE CHANGE AND TO PROTECT ENVIRONMENT

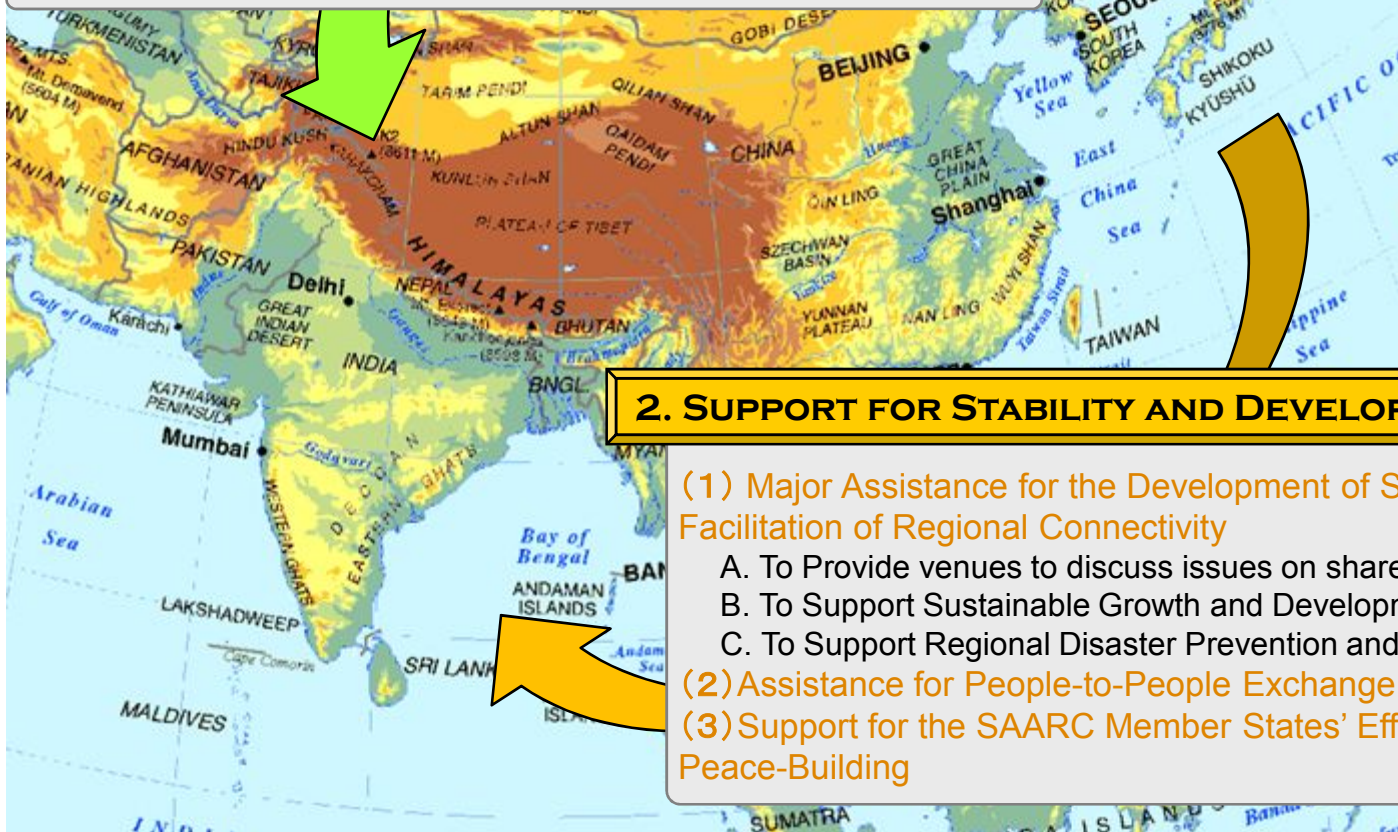
Japan implements variety of supports for SAARC Member States which make efforts to address climate change and to protect environment as urgent issues in South Asia. Japan announced the Fast Start Financing Package under the "Hatoyama Initiative", which amounts to about 150 million dollars of assistance for about 3 years from 2012.

3. JAPAN'S SAARC POLICY

The stability and development in South Asia directly affect the peace and stability of the international society. Japan attaches great importance to the role of SAARC and actively supports it through promoting regional connectivity and enhancing SAARC-Japan relationship.

2. SUPPORT FOR STABILITY AND DEVELOPMENT IN SOUTH ASIA

- (1) Major Assistance for the Development of SAARC Member States and Facilitation of Regional Connectivity
 - A. To Provide venues to discuss issues on shared concerns
 - B. To Support Sustainable Growth and Development of SAARC Member States
 - C. To Support Regional Disaster Prevention and Disaster Reduction System
- (2) Assistance for People-to-People Exchange
- (3) Support for the SAARC Member States' Efforts for Democracy and Peace-Building



1. ASSISTANCE TO ADDRESS CLIMATE CHANGE AND TO PROTECT ENVIRONMENT

Based on the Copenhagen Accord, Japan seeks to expeditiously adopt a comprehensive new legal document that establishes a fair and effective international framework in which all major economies participate.

Recognizing that combating climate change requires the mobilisation of large-scale funding, Japan has announced to provide fast start financing worth about 15 billion US dollars in total up to 2012 under the "Hatoyama Initiative". Japan has already supported projects to introduce low-carbon energy such as solar power generation and continues to assist the region's concerted efforts to address climate change.

Afghanistan

- Project for Introduction of Clean Energy by Solar Electricity Generation System (Grant Aid: \$7 million, FY09)

Pakistan

- Project for Introduction of Clean Energy by Solar Electricity Generation System (Grant Aid: \$4.8million, FY09)

India

- Capacity Development for Forest Management and Personnel Training Project (ODA Loan: \$52.41 million, FY08)
- Micro, Small and Medium Enterprises Energy Saving Project (ODA Loan: \$300 million, FY08)
- Sikkim Biodiversity Conservation and Forest Management Project (ODA Loan: \$53.84 million, FY09)

Sikkim State's View

Nepal

- Forest Preservation Programme (Grant Aid: \$6.0million, FY09)
- Project for Introduction of Clean Energy by Solar Electricity Generation System (Grant Aid: \$6.6 million, FY09)

Plan for Solar Electricity Generation System

Bhutan

- Science and Technology Research Partnership for Sustainable Development (SATREPS) "The Study on GLOFs (Glacial Lake Outburst Floods) in the Bhutan Himalayas" (FY09-12, 3 years)

Bangladesh

- Programme for Improvement of Solid Waste Management in Dhaka City toward the Low Carbon Society (Grant Aid: \$12.15 million, FY08)
- New Haripur Power Plant Development Project (II) (ODA Loan: \$222.1 million, FY08)
- Central Zone Power Distribution Project (ODA Loan: \$97.15 million, FY08)
- Bheramara Combined Cycle Power Plant Development Project (Engineering Services) (ODA Loan: \$22.09 million, FY09)
- Rural Electrification Upgradation Project (ODA Loan: \$132.41 million, FY09)

Image of completion of Solid Waste Management in Dhaka City

Sri Lanka

- Disaster Management Capacity Enhancement Project Applicable to Climate Change (Technical Cooperation, FY08-)
- Project for Capacity Development of CDM Promotion in Sri Lanka (Technical Cooperation, FY09-)
- Project for Introduction of Clean Energy by Solar Electricity Generation System (Grant Aid: \$8.6 million, FY09)

Maldives

- Project for Clean Energy Promotion in Malé (Grant Aid: \$10 million, FY09)

2. SUPPORT FOR STABILITY AND DEVELOPMENT IN SOUTH ASIA

(1) Major Assistance for the Development of SAARC Member States and Facilitation of Regional Connectivity (A)

A. To Provide venues to discussion issues on shared concerns

Japan has contributed total \$4.73 million to the SAARC-Japan Special Fund to implement a variety of programmes, namely, symposia and expert meetings on social-economic issues, especially energy and disaster reduction, which effectively promote SAARC's regional connectivity within SAARC region and SAARC-Japan relationship.

Programs by the SAARC-Japan Special Fund (FY2008-09)

Afghanistan:

- Workshop on Mitigating Problems Associated with House holds Headed by Females
- Seminar on Promotion of Agro technology

Nepal:

- Capacity Building for SAARC Secretariat and Regional Center

Bhutan:

- SAARC Expert Group Meeting to develop the SAARC Regional Strategy on Communicable Diseases
- Meeting of the Technical Committee on Environmental Forestry

Japan:

- The 2nd Japan-SAARC Symposium "Energy and Connectivity" at Islamabad
- Promoting Regional Cooperation for Disaster Risk Reduction and Management (Asian Disaster Reduction Center)
- Research on "Review of Electricity Laws and Regulatory Framework of SAARC Member States" (SAARC Energy Center)
- The 3rd Japan-SAARC Symposium "Promoting Energy Cooperation in South Asia" at Delhi

Pakistan:

- Workshop for Youth on Promoting Regional Harmony

India:

- Meeting of the Regional Task Force to Implement the SAARC Conventions relating to Trafficking of Women and Children and Promotion of Child Welfare in South Asia

Bangladesh:

- SAARC Expert Group Meeting on Climate Change
- Sharing of Knowledge and Technology of Vegetable Crops and Exchange of Germplasm

Maldives:

- SAARC Youth Camp

Sri Lanka:

- SAARC Film Festival



**The 3rd Japan-SAARC Symposium
"Promoting Energy Cooperation in South Asia"
@Delhi, Jan. 2010**

The two-day symposium was on seven thematic areas, including Framework of Promoting Energy Cooperation, Regional Approach to Energy cooperation, Challenges in SAARC Energy Cooperation Initiatives, Findings of the Pre-feasibility Studies Conducted Earlier, Issues and their Mitigation in Promoting Energy Trade, Regional Framework for Energy Efficiency and Conservation, Climate Change and Impacts on Energy Cooperation and Policy Discussions.

The participants of the symposium presented recommendations, such as providing access to affordable energy supplies, collaboration among the SAARC Member States in harnessing the indigenous energy resources and procuring energy supplies from other regions, promoting renewable energy projects, initiating the concept of establishing a South Asian energy club.

(1) Major Assistance for the Development of SAARC Member States and Facilitation of Regional Connectivity (B)

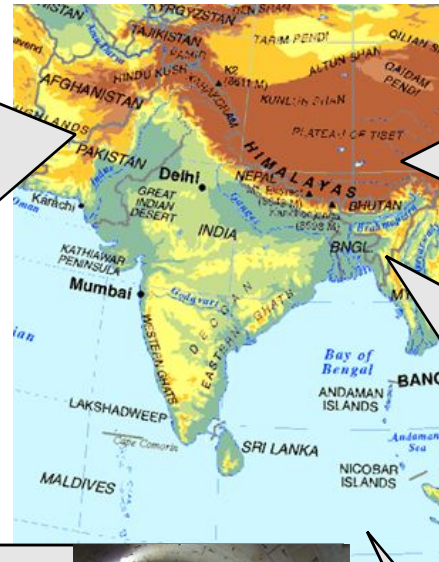
B. To Support Sustainable Growth and Development of SAARC Member States

Japan supports building the infrastructure, such as roads, railways, energy and irrigation, in order to foster regional connectivity in South Asia region for its sustainable growth and development.



Nepal

- Project for the Improvement of Kathmandu-Bhaktapur Road (Grant Aid: \$26.89 million, FY08)
- Project for Construction of Primary Schools in Support of Education for All(Phase II) (Grant Aid: \$8.7 million, FY08)
- Project for Construction of Sindhuli Road(Section III) (Grant Aid :\$0.5 million, FY08)
- Project for Construction of Sindhuli Road(Section III) (Grant Aid :\$43.33 million, FY09)
- Project for the Improvement of Community Access (Grant Aid :\$9.90 million, FY09)
- Food Security Project for Underprivileged Farmers (Grant Aid :\$4.9 million, FY09)



Bhutan

- Reconstruction of Bridges (Phase III)(Grant Aid: \$24.94 million, FY09)
- Improvement of Machinery and Equipment for Construction of Rural Agriculture Road Phase II (Grant Aid: \$5.97 million, FY09)



Bangladesh

- Eastern Bangladesh Rural Development Project (ODA Loan: \$78.24 million, FY08)
- Chittagong City Outer Ring Road Project (ODA Loan: \$90.96 million, FY09)
- South Western Bangladesh Rural Development Project (ODA Loan: \$142.46 million, FY08)



India

- Chennai Metro Project (ODA Loan: \$217.51 million, FY08)
- Hyderabad Outer Ring Road Project (Phase 2) (ODA Loan: \$420.27 million, FY08)
- Delhi Mass Rapid Transport System Project (Phase 2)(IV) (ODA Loan: \$777.53 million, FY08)
- Guwahati Water Supply Project (ODA Loan: \$294.53million, FY08)
- Hogenakkal Water Supply and Fluorosis Mitigation Project (Phase 2) (ODA Loan: \$170.95 million, FY08)
- Kerala Water Supply System Project (III) (ODA Loan: \$127.27 million, FY08)
- Dedicated Freight Corridor Project (Phase 1) (ODA Loan: \$26.06 million, FY09)
- Delhi Mass Rapid Transport System Project (Phase 2) (V) (ODA Loan: \$336.4 million, FY09)
- Kolkata East-West Metro Project (II) (ODA Loan: \$234.02 million, FY09)
- Chennai Metro Project (II) (ODA Loan: \$598.51million, FY09)
- Dedicated Freight Corridor Project (Phase 1)(II) (ODA Loan: \$902.62 million, FY09)
- Rengali Irrigation Project (III) (ODA Loan: \$30.72 million, FY09)



Delhi Mass Transport System Project , Subway Tunnel



Sri Lanka

- Southern Highway Construction Project(II) (ODA Loan: \$174.99 million, FY08)
- Energy Diversification Enhancement Project (Engineering Service) (ODA Loan: \$8.20 million, FY08)
- Greater Colombo Urban Transport Development Project (Phase2)(I) (ODA Loan: \$57.18 million, FY08)

(1) Major Assistance for the Development of SAARC Member States and Facilitation of Regional Connectivity (C)

C. To Support Regional Disaster Prevention and Disaster Reduction System

- Japan-SAARC Symposium on Disaster Reduction at Kobe, Japan, Jan. 2010
- Assistance to UNDP Earthquake Risk Reduction Program “Earthquake Risk Reduction and Recovery Preparedness Program for South Asia Region” (Grant Aid for Disaster Prevention and Reconstruction) has been implemented in Bangladesh, Bhutan, India, Nepal and Pakistan (Mar. 2007- Dec. 2009)
- Assistance to Program for Construction of Multipurpose Cyclone Shelters in the Area Affected by the Cyclone Sidr (Grant Aid, 9.58million, FY08)



Japan-SAARC Symposium on Disaster Reduction

(REFERENCE)

RECOMMENDATIONS OF THE 3RD SAARC-JAPAN SYMPOSIUM ON “PROMOTING ENERGY COOPERATION IN SOUTH ASIA”

New Delhi, 7-8 January 2010

While appreciating the growing energy requirement for socio-economic development in the region, increasing regional demand for energy security and cooperation among the SAARC Member States and their deep concerns on the issues of global warming and climate change, the participants of the 3rd Japan-Symposium on “Promoting Energy Cooperation in South Asia” held on January 7-8, 2010 recommended that:

- 1 Enhancing energy supplies is essential to accelerate economic and social developments and to improve the Human Development Indices of the SAARC Member States. Providing access to affordable energy supplies to the teaming millions living below the poverty line is the way forward to alleviate poverty in the SAARC region. This can be achieved through the optimal utilization of the indigenous energy resources for the SAARC Member States and sharing these resources through cross border energy infrastructure.
- 2 Recognizing the need for collaboration among the SAARC Member States in harnessing the indigenous energy resources and procuring energy supplies from other regions to meet their increasing energy needs, a “SAARC Regional Energy Framework Agreement”, be put in place. Promoting cross border investments in energy sector among the SAARC Member States, investment protection and arbitration mechanisms, sharing of technology, experiences and best practices should form

an integral part of this Agreement. Policies that involve the private sector as strategic partners should also be evolved. The existing regional policy development mechanisms need to be effectively utilized for coordination and harmonization of SAARC Member States’ energy policies.

- 3 The SAARC Member States should promote renewable energy projects, such as wind, solar and biomass using the latest technology, to reduce the dependence on imported fuel.
- 4 Energy efficiency and demand side management in the electricity sector are the other two important areas that merit attention of the SAARC Member States.
- 5 A regional forum should be established where the professionals engaged in energy sector including those in regulatory bodies, generation, transmission, distribution and exploration utilities could regularly meet and exchange views, ideas, technologies and success stories. This will promote institutional networking and linkages within the SAARC region, which is essential to operationalize the regional level programs. To start with, the Sikkim University may initiate the concept of establishing a South Asian energy club, as a forum for engaging energy sector professionals to exchange views, ideas, technologies and success stories.
- 6 The SAARC Development Fund (SDF) should be increasingly utilized for regional energy projects. Besides the commitments from the SAARC Member States the SDF could draw the financial support from international financial institutions to finance regional projects.
- 7 Cross border energy trade is taking place between India, Nepal, Bhutan and Sri Lanka and also between

Pakistan and Afghanistan. This has to be consolidated by broadening the scope and coverage including through regional power and gas interconnections. Establishing a regional power trading mechanism would be beneficial in this context and help in promoting regional power trade, as in Southern African Power Pool.

- 8 There is an imperative need to assess global warming led climate change and its impact on the energy resources in the region. Scientific studies should be carried out with the assistance of environment and glaciology experts to assess the extent of erosion and melting of glaciers which feed the main river systems in South Asia. Help of energy experts be sought to study, strategize and address the energy security concerns of the SAARC Member States.
- 9 The role of civil society including academics and media in discussions, debate and analysis on issues of energy in the context of regional cooperation/development in South Asia has been very critical and crucial. This has led to many regional cooperation and development projects and ideas in the past. This South Asian tradition has to be consolidated further by organizing regional symposia, workshops and conferences more frequently in the different SAARC Member States.
- 10 The SAARC Member States may consider incorporating a chapter each on Energy Efficiency to reduce energy consumptions and use of renewable energy technologies for reducing the dependence on fossil fuels as part of the school curriculum.
- 11 Japan may actively facilitate intra and inter-regional dialogue and cooperation through continuing SAARC-Japan Symposia.

(2) Assistance for People-to-People Exchange

Japan has implemented extensive people-to-people exchange program to cultivate young people as the future bridge between SAARC and Japan by promoting mutual understandings among SAARC member states and between SAARC and Japan.

A. Japan-East Asia Network of Exchange for Students and Youths (JENESYS)

Through the JENESYS Program, Japan contributed approximately \$7 million to the SAARC-Japan Special Fund (103 persons for FY07, 246 persons FY08, 107 persons for FY09, Total 456 persons).



INVITATION PROGRAM FOR HUMAN RESOURCES IN THE FIELD OF SCIENCE AND TECHNOLOGY



Ironworks Tour



Final Presentation

HIGH SCHOOL STUDENTS INVITATION PROGRAM



Welcome Reception



Home-stay



Trip to Hiroshima



Study Tour

INVITATION PROGRAM FOR LEARNERS AND TEACHERS OF JAPANESE LANGUAGE



Flower Arrangement



Visit to a Japanese Language School

B. Example of Training of the Experts

• The Project for Human Resource Development Scholarship (Grant Aid: \$2.94 million, FY08): Japan provides assistance for about 20 young administrative officials and others from Bangladesh who study abroad in Japan to get master's degree in Japanese graduate schools.

(3) Support for the SAARC Member States' Efforts for Democracy and Peace-Building

Japan continues to support the SAARC Member States that have made progressive efforts for democracy and democratization in order to promote further efforts.



Pakistan

- Programme for the Sustainable Development through Peace Building and Economic Recovery in North West Frontier Province (Grant Aid: \$12.1 million, FY09)



Afghanistan

- **Japan's New Assistance Package (announced in Nov. 2009):** Japan will provide assistance of approximately 80 billion yen urgently needed in Afghanistan. Shifting up from the existing pledge of a total of approximately two billion US dollars, Japan will provide assistance up to an amount in the region of five billion US dollars in about five years from 2009, based on the future situation of Afghanistan.

(1) Support in enhancing Afghanistan's capability to maintain security

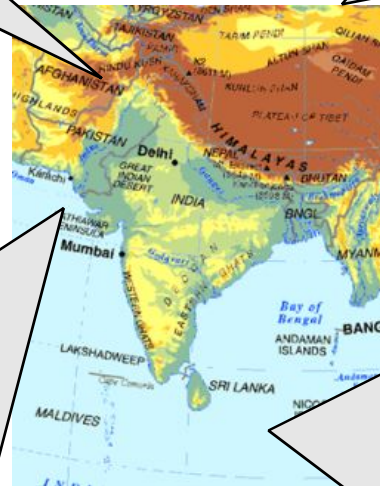
Japan will pave the way for the Afghans to take their own security responsibilities by such assistance as supporting the National Police

(2) Assistance for reintegration of grass root level soldiers

Japan will provide financial assistance to programs such as vocational training and rural development programs for job creation.

(3) Assistance for Afghanistan's sustainable and self-reliant development

Japan will provide assistance in areas such as agriculture and rural development, infrastructure development (including energy), education, health and other basic human needs based on Afghanistan's needs.



Nepal

- Study Tour and Orientation on Constitution Making and Management of Parliament (Technical Cooperation)
- Capacity Development of Election Officers (Technical Cooperation)
- Support Civil Code and related Laws (Technical Cooperation)



Sri Lanka

- Provincial / Rural Road Development Project (ODA Loan: \$131.21 million, FY09)
- Eastern Province Water Supply Development Project (ODA Loan: \$49.04 million, FY09)
- Project for Improvement of Anuradhapura Teaching Hospital (Phase II) (Grant Aid: \$3.9 million, FY08)
- The Project for the Improvement of Central Functions of Jaffna Teaching Hospital (Grant Aid: \$22.98 million, FY09)
- Project for Reconstruction of 5 Bridges in Eastern Province (Grant Aid: \$0.29 million, FY09)
- Emergency Grant Aid (\$4.1 million, FY09)
- Non-Food Relief Item Assistance under PKO (\$0.47 million, FY09)
- Emergency Humanitarian Grant Aid through Japan Platform (JPF) (\$2.5 million, FY09)
- Project for Demining in Northern Sri Lanka (Grant Assistance for Grassroots Human Security Projects) (3 projects for total about \$2.2 million since Jan. 2009)