Ex-Ante Evaluation(for Japanese ODA Loan)

South Asia Division 1, South Asia Department

Japan International Cooperation Agency

１．Name of the Project

（１）Country: India

（２）Project: Program for Japan-India Cooperative Actions towards
Sustainable Development Goals in India Phase 2

Loan Agreement: December 21, 2023

２．Background and Necessity of the Project

（１）Current State and Issues of SDGs-related Development in India and the Positioning of the Program

The Government of India established the National Institution for Transforming India Aayog (NITI Aayog) in 2015 as a government think tank institution tasked with designing long-term policy strategies and programs for the federal government and providing relevant technical advice to the federal and state governments. With NITI Aayog as the coordinating lead department, the Government of India has listed initiatives and schemes related to each of the 17 SDG goals and assigned lead ministries for each SDG goals, and is pursuing the government's unified efforts to achieve the SDGs. Concurrently, the Government of India also demonstrated its proactive commitment to achieving the SDGs by presenting its plans for achieving each of the year's thematic goals at the High-level Political Forum on Sustainable Development (HLPF), held at the United Nations in July 2017, as a Voluntary National Review country. Under the 2020 HLPF, the Government of India established an action plan for the next 10 years, prioritized according to the characteristics of local issues, and committed to measuring the degree of achievement of the SDGs in each region. In addition, in January 2018, NITI Aayog designated 112 of the 766 districts across India that are lagging behind in progress towards achieving the SDGs as Aspirational Districts (AD), and launched the Aspirational Districts Programme (ADP) to promote efforts in five slow-developing field (health & nutrition, education, agriculture & water rsources, financial inclusion & skill development and basic infrastructure) to achieve the SDGs throughout the country. Then, in her FY 2023 budget speech, Finance Minister Sitharaman announced the launch of the Aspirational Blocks Program (ABP) to extend and promote the ADP's achievements to the blocks, which are administrative entities one level below the districts.

However, according to monitoring by the Sustainable Development Solutions Network (SDSN), a network of non-profit organizations established by the United Nations, India's SDG achievement score in 2022 was 60.3, lower than the average score for the Asian region of 65.9, and ranked 121st out of 163 countries in the world. The status of achievement for each of the 17 goals also remains unachieved, with the exception of Goal 12 (sustainable consumption and production) and Goal 13 (climate change), indicating that there are many challenges to achieving the SDGs in India.

According to the SDSN analysis, India's achievement of the SDGs is considered to be the slowest among the G20 countries in achieving many of the goals, and the country's achievement of the SDGs plays an important role in achieving the global SDG goals.

In response to this situation, the Government of India introduced an online dashboard through the ODA loans "Program for Japan-India Cooperative Actions toward Sustainable Development Goals in India" (hereinafter referred to as the "Phase 1") (Loan Agreement signed in January 2019, amount agreed 15 billion yen) to rank the states' progress toward achieving the SDGs and monitor their efforts. All policy actions set out in the Phase 1 policy matrix were implemented as planned, and India's SDG achievement score by SDSN improved from 59.1 (2018) to 60.1 (2021). The "Program for Japan-India Cooperative Actions toward Sustainable Development Goals in India Phase 2" (hereafter referred to as "the Project") will build on the achievements of Phase 1 and further strengthen efforts toward achieving the SDGs. The scope of support will be expanded to include not only the ADP but also the ABP to facilitate the implementation of policies related to the achievement of the SDGs, and to strengthen people-to-people exchange and partnership between Japan and India, as well as to realize a society that "leave no one behind" through the achievement of the SDGs in India, thus it is positioned as a high priority project.

（2）Japan's and JICA's Policy Cooperation and Operations toward the SDGs

Country Assistance Policy for India (March 2016) ,formulated by the Government of Japan, stipulates that Japan will provide assistance that contributes to poverty reduction and social sector development, in order to make India's rapid economic growth sustainable. The Project is positioned as related to "agriculture and rural development Program," "improvement of basic social services program," and "water supply, sewage, sanitation, and pollution prevention program" under the priority area of "supporting sustainable and

inclusive growth." In addition, the Policy's other matters to be considered include "under the programme-based approach, policy matrices are mutually agreed through close and continuous policy dialogue; monitoring and review are conducted; and projects are guided by its progress. This will enhance a sense of ownership by the recipient country, and Japan will gradually promote the programme-based approach, as appropriate."

In the JICA Country Analysis Paper for India (March 2018), "contribution to the national development program of the Government of India" is listed as one of the JICA's approaches to contributiing to the development agenda, and the Paper states that JICA will consider contributing to higher-level policies by providing feedback to India's government agencies on its field experience in ODA loans projects through program loans and other means. The Project is in lie with these policies.

The Project is also consistent with the diverse JICA Global Agenda (JICA's Strategies for Global Developmet). Specifically, the Project aligns with each of the priority clusters in the agendas of Private Sector Development, Agriculture and Rural Development, Health, Improving Nutrition, Education, Governance, and Sustainable Water Resources Management and Water Supply. Furthermore, the Project will promote "mainstreaming the SDGs in development cooperation" and "support for the SDGs promotion systems in developing countries," which are specific initiatives stated in the Japanese government's SDGs Implementation Guiding Principles. The Project's activities to strengthen Japan-India exchange and partnership will also contribute to the "multi-layered connectivity" that is a pillar of the "Free and Open Indo-Pacific Partnership (FOIP)" initiative.

（3）Other Donors' Activities

The World Bank, in its "Country Partnership Framework for India FY18-22", specified the following as priority areas: i) promoting resource-efficient growth; ii) enhancing competitiveness and enabling job creation; and iii) investing in human capital. The Bank provides assistance for India's economic growth as well as for themes such as health and education, where India falls behind in the SDGs.

The Asian Development Bank, in its "Country Partnership Strategy 2018-2022", states that it will assist India's efforts to achieve the SDGs, and set three pillars comprising: i) boosting economic competitiveness to create more and better jobs; ii) providing inclusive access to infrastructure networks and services; and iii) addressing climate change and increasing climate resilience.

3．**Project Description**

（1）Project Objective

The Project aims to contribute to promotion of SDGs in India especially in social development by supporting the efforts by the Government of India to strengthen policy framework and implementation mechanism, thereby supporting India in achieving SDGs by 2030.

（2）Project Site / Target Area

All India

（3）Project Beneficiaries（Target Group）

Residents of 112 AD and 500 AB

（4）Project Components

The Project targets the ADP, which the Government of India has been working on since January 2018, and the ABP, which the Government of India has been working on since February 2023. Based on the efforts in Phase 1, a policy action and policy matrix will be set for each fiscal year to be achieved, and the achievement of the policy actions will be monitored by both the Government of India and JICA to promote the achievement of the policy actions. Typical achievement goals and policy actions in the policy matrix are shown in the table below. In addition to supporting the implementation of existing Indian government policies, the Project will also work to strengthen the Japan-India partnership through the horizontal sharing of best practices gained in Phase 1 (including consideration of their use in JICA projects), seminars for knowledge sharing of AD and AB government officials promoting pioneering initiatives, and forums with experts from industry, government, and academia. The Project will also examine the effectiveness of the ADP and ABP's distinctive policy approachs to raising the level of achievement of the SDGs by ranking the efforts of each region, and promoting competitiveness and voluntarism among regions. Based on these efforts, NITI Aayog will compile policy recommendations for achieving the SDGs in India and strengthen its policy formulation function in collaboration with relevant ministries.

Theme	Achievement goals (2030)
	Main policy actions during the term of the Project (FY2023/24 to FY2025/26)
Overall / Global Parntershi ps	・ Promote implementation of SDG-related policies and strengthen evaluation and monitoring systems for the Project
	・ Strengthen the capacity of government agencies through promoting exchange and knowledge sharing, and deepen Japan-India relations

	· Strengthen the policy advocacy function based on Phase 1 results
	· Analyze the degree of contribution to the improvement of SDG-related indicators through the implementation of the ADP and the ABP
	· Conduct Japan-India exchange and human resource development programs for executing agencies and administrative officials of AD and AB
	· Compile best practices/lessons learned, consider their deployment in other regions, and make policy recommendations and consultations with relevant ministries and agencies.
Health and Nutrition	· Strengthen the local healthcare system
	· Promote efforts to improve maternal and child nutrition and regular health check-ups
	· Develop a roadmap for all pregnant women to receive antenatal and postnatal care, and establish such a care system.
	· Develop a proposed roadmap to achieve 100% of pregnant women receiving regular check-ups and establish a system to continue the activities.
Education	· Improve learning outcomes through continuous learning in primary and secondary education
	· Create a school environment that is accessible to all, including girls and children with disabilities
	· Develop a proposed roadmap to achieve 100% of students proceeding from primary to secondary education, and establish a structure to continue the activities
	· Develop a plan to manage the operation and maintenance of sanitary toilets installed in educational facilities and establish a maintenance and management system
Agriculture and Water Resources	· Strengthen farmer profitability by increasing production of diversified and high value crops.
	· Introduce measures to expand production of value-added crops based on analysis by the executing agencies, and provide necessary support by the executing agencies.
	· Share draft recommendations for strengthening the functions and improving the organizational sustainability of agricultural producers organizations with the target areas for support by executing agency.
Financial	· Expand opportunities for young people to acquire skills training

Inclusion and Skill Development	· Improve financial inclusion and social security coverage
	· Develop a roadmap for increasing the employment rate of young people who have received skills training, based on the results of the gap analysis and stakeholder requests.
	· Develop a roadmap for expanding financial inclusion and financial literacy and enhancing opportunities for economic growth
Basic Infrastructure	· Improve Internet penetration
	· Expand the number of households with access to water supply (including public taps, etc.)
	· Promote collaboration among relevant ministries and agencies and implement initiatives based on the action plan.
	· Develop a roadmap to achieve 100% water supply connection rate.

（5）Estimated Project Cost

  Japanese ODA loan: 15,301 million Yen

（6）Schedule

   Financial support for the Project begins on April 1, 2021, after the completion of the Phase 1 loan. The loan execution is divided into three tranches, with the first tranche covering policy actions from April 2021 to December 2023, with loan execution scheduled for March 2024. The second and third tranches are similarly targeted for policy actions upto December 2024 and December 2025, respectively, with loan executions scheduled for March 2025 and March 2026. Disbursement of each tranche will be made upon confirmation of achievement of policy actions by the Program Monitoring Committee (PMC), which consists of the executing agency, JICA, and relevant ministries and agencies. The Project will be completed upon completion of the third loan tranche (scheduled for March 2026).

（7）Project Implementation Structure

　　1）Borrower: President of India

　　2）Guarantor: N/A

　　3）Executing Agency: National Institution for Transforming India Aayog (NITI Aayog)

　　4）Operation and Maintenance System: N/A

（8）Collaboration and Sharing of Roles with Other Donors

　　1）Japan's Activity

　　　N/A

　　2）Other Donors'Activity

　　　The United Nations Development Programme (UNDP) in collaboration with

NITI Aayog has already conducted an evaluation review of the ADP in 2020; UNDP has confirmed its interest in future cooperation and will consider with the executing agency and UNDP any possible collaboration in evaluation and monitoring and dissemination of best practices.

（９）Environmental and Social Consideration, Gender Category

　１）Environmental and Social Consideration

　　　① Category: C

　　　② Reason for Categorization: The negative impact on the environment from the Project is considered negligible under the "JICA Guidelines for Environmental and Social Considerations" (promulgated in April 2010).

　２）Cross-Sectoral Issues

　　　① Climate change related projects: The Project will contribute to climate change adaptation as its policy action (basic infrastructure) will promote the connection of each household to water supply, thereby ensuring a stable water supply even during droughts, which are expected to worsen due to the future effects of climate change.

　３）Gender Category: ■GI（S）　Gender Informed (Significant)

<Details of Activities/Reason for Categorization>

　Specific actions, indicators, etc. to improve the rate of antenatal check-ups are confirmed and agreed in the policy matrix. The policy matrix also includes gender specific data on school enrollment rates from primary to secondary education, which will be monitored for girls' enrollment rates. In addition, the policy matrix includes improving the rate and quality (cleanness) of toilets for girls in schools, which is expected to improve the school environment for girls. For these reasons, the Project is classified as a "gender activity integration project".

（１０）Other Important Issues

　In Phase 1, through the technical assistance related to Japanese ODA loan the following initiatives were undertaken in the five priority areas to facilitate the achievement of the policy actions: 1) holding Japan-India forums to share best practices and lessons learned by experts from industry, government and academia, including Japanese companies; 2) monitoring of the Project in collaboration with the executing agency, and 3) capacity building of AD and AB. The Project will continue to support holding of Japan-India forums and capacity building as in Phase 1 by utilizing the loan account technical

assistances. The Project will also strengthen its efforts to promote people-to-people exchange and cultivate pro-Japanese groups through training programs for Indian administrative officials. In addition, value-adding efforts will be made to expand the development effects of past and ongoing projects by utilizing the best practices of the Project and to strengthen the policy advocacy function.

4 . Targeted Outcomes

（1）Quantitative Effects

1) Outcomes (Operation and Effect Indicators)

Indicator	Baseline (Actual value in June, 2023)	Target (March, 2026) 【At the time of Project completion】
【Health & Nutrition】		
Percentage of pregnant women giving birth in a medical facility	68.1%	75.0%
Persentage of pregnant women receiving antenatal check-ups more than 4 times	86.8%	92.0%
【Education】		
Percentage of students who progress from primary to secondary education regardless of gender	79.2% (of which, girls 79.0%)	85.0%
Percentage of schools with sanitary toilets for girls	91.7% (but including out-of-order or unhygienic toilets)	95.0%
【Agriculture & Water Resources】		
Percentage of value-added crop production in total crop production	25.7%	30.0%
【Financial Inclusion & Skill Development】		
Employment rate of young people who have completed skills training	45.2%	50.0%
Number of enrollees per 100,000 people in government accident insurance	16,228	35,000

【Basic Infrastructure】		
Percentage of areas with Internet access	71.5%	80.0%
Percentage of households with access to water supply (including public taps, etc.)	78.5%	90.0%

（2）Qualitative Effects

Strengthening the monitoring system of the Indian central government's achievement of the SDGs; Enhancing Japan-India cooperation in SDG-related areas, including technical inputs from Japan, Capacity building of central government officials in the field of SDGs, as well as officials of administrative agencies in each state, district, and block, and the Promotion of human exchange between Japan and India through training programs and Japan-India forums, etc.

（3）Internal Rate of Return

The internal rate of return is not calculated, as it is a ProgramType ODA loan project.

5. External Factors and Risk Control

（1）Preconditions: None
（2）External Factors: None

6. Lessons Learned from Past Projects

The results of the ex-post evaluation of the Climate Change Program Loan (I through III) for the Republic of Indonesia indicated that the number of operational and effectiveness indicators should be limited to minimize administrative costs caused by collecting data beyond what is sustainable for the domestic process in the recipient country, as well as that indicators should be chosen to measure the results of the Project, rather than to monitor the achievement of policy actions. In addition, continued policy dialogue on project monitoring and the technical assistance for additional capacity building are considered key elements for ensuring the success of the Project.

In the Tamil Nadu Investment Promotion Program (evaluation in FY2017), an ODA loan for India, policy monitoring and coordination among stakeholders including Japanese companies were conducted through loan account technical assistance, and such technical assistance was found to be effective from the perspective of confirming smooth progress and promoting execution of policy actions.

In the Project, operational and effectiveness indicators should be those that

can be monitored periodically by the lead ministries and agencies, and the number should be limited, and the results to be achieved as a result of policy actions should be set as indicators. While following the implementation structure of Phase 1, a PMC consisting of the executing agency and relevant ministries and agencies will be established to monitor the Project. In addition, as described in 3. (1) and (9), it is considered to strengthen the organizational capacity of local administrative bodies and foster young govermnt officials through ODA loan account technical assistance, strengthen human exchange and collaboration between Japan and India by holding forums for opinion exchange, and smoothly implement policy actions and policy inputs by expanding synergies and development effects with past and ongoing projects.

７. Evaluation Results

The Project aims to support India's achievement of the SDGs by promoting the implementation of various SDG-related policies and strengthening the implementation structure, which is consistent with India's development agenda and policies, as well as Japan's and JICA's Policy Cooperation and analysis. The Project will support the introduction and expansion of the Government of India's SDGs achievement monitoring mechanism to regions where it is not yet in place, and will support the ADP and ABP to improve the bottom line of efforts in districts and blocks identified as particularly slow in achieving the SDGs, as part of the government's initiatives across India. The Project will contribute to 11 SDG goals (1,2,3, 4, 5, 6, 8, 9, 10, 11, and 13) through support to five fields (health & nutrition, education, agriculture & water resources, financial inclusion & skill training, and basic infrastructure), and also to Goal 17 through improvement of implementation method and systems. Therefore, there is a high need to support the implementation of the Project.

８. Plan for Future Evaluation

（１）Indicators to be Used
　As described in 4. (1) to (3)
（２）Future Evaluation Schedule
　At the time of the Project completion

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