
The Republic of Korea's Country Partnership Strategy for India

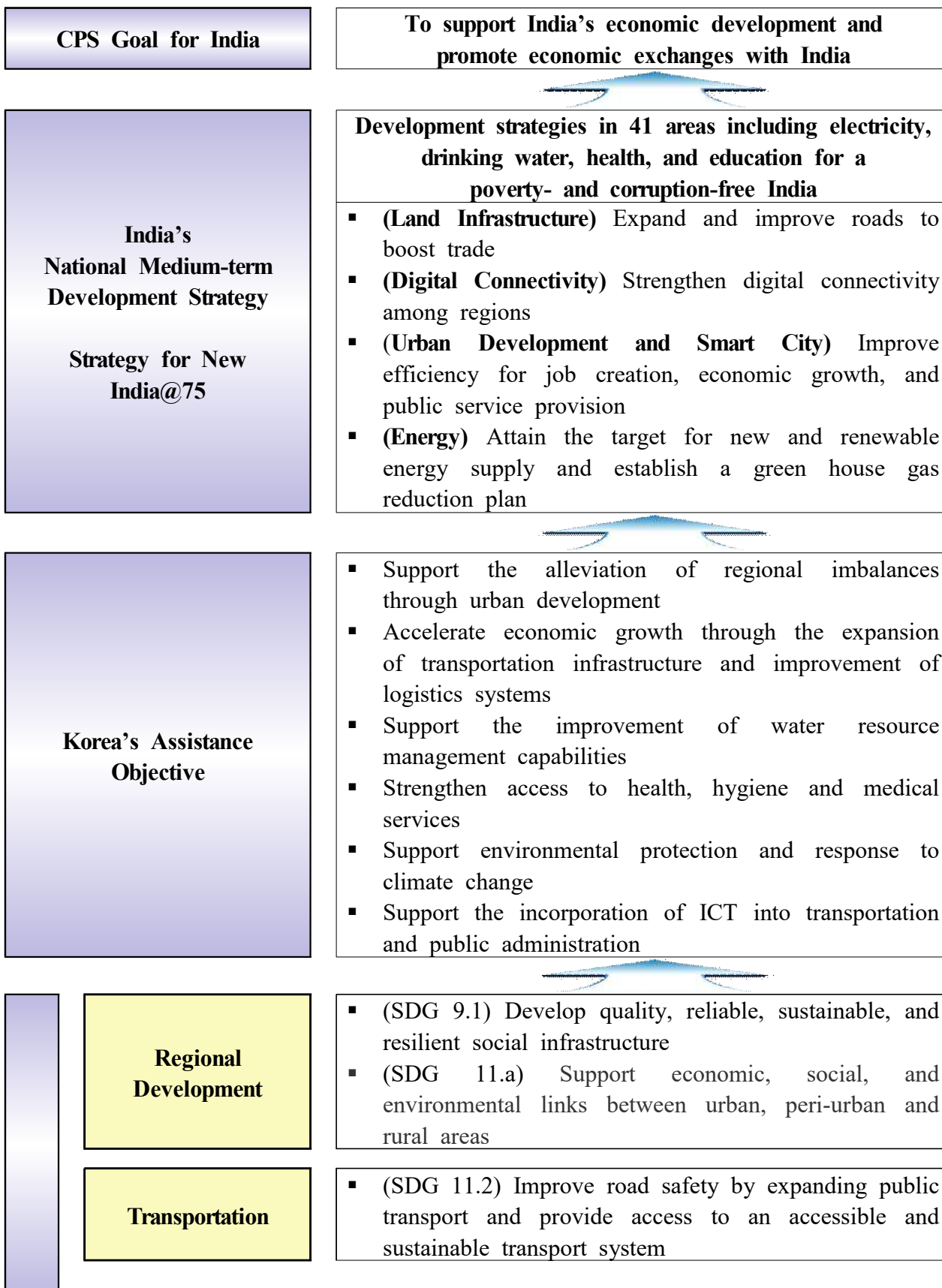
The Government of the Republic of Korea

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I. Overview



Direction of Assistance in Each Priority Area	Water Management and Health/Hygiene	<ul style="list-style-type: none"> ▪ (SDG 6.1) Provide universal and equitable access to safe and affordable drinking water ▪ (SDG 3.4) Reduce premature deaths from non-communicable diseases by one-third through their prevention and treatment, and promote mental health and well-being
	Environment	<ul style="list-style-type: none"> ▪ (SDG 15.3) Combat desertification, restore degraded land and soil, and improve air quality ▪ (SDG 15.4) Ensure the conservation, restoration, and sustainable use of freshwater ecosystems, mountains, forests, and wetlands
	Green Energy	<ul style="list-style-type: none"> ▪ (SDG 7.2) Increase the share of new and renewable energy in the global energy mix ▪ (SDG 7.a) Enhance international cooperation to facilitate access to clean energy research and technologies and promote investment in energy infrastructure and clean energy technologies
	ICT	<ul style="list-style-type: none"> ▪ (SDG 9.c) Increase access to ICT and strive to provide universal and affordable access to the Internet

II. Analysis

[1] Priority Area for Cooperation

- **(Bilateral Agreement Areas)** In May 15, the leaders of the two countries agreed to cooperate in **smart cities, railways, power generation and transmission**, and other areas agreed upon by both sides.
 - **Regional development** has been an ongoing priority in the recipient country's development policies due to its large regional development disparity.
 - The government led by Prime Minister Narendra Modi is also pushing forward with the goal of building **100 smart cities** across India by 2022.
 - ※ Therefore, it is necessary to continue cooperation with a focus on the smart city and railway areas as part of the initial agreement.
- **(Identification of Additional Priority Areas for Cooperation)** Promote additional support for areas with **high development needs in the recipient country** and **Korea's high comparative advantage** in addition to the aforementioned areas.

[2] Reason for the Selection of Development Priorities

1 Regional Development : Regional development and related infrastructure construction are consistently prioritized in **the recipient country's development plans** due to the recipient country's large **regional development disparity**.

* India's regional imbalance in development is extremely severe to the extent that there is a more than tenfold gap in the per-capita GDP of the 33 states and union territories, specifically about USD 7,000 in the State of Goa and USD 680 in the State of Bihar.

○ To promote regional development, the Modi administration announced the "100 Smart Cities Mission" to build **100 smart cities** across India (June 2015).

* The Indian government's policy is to promote the construction of 100 new cities and the regeneration of 500 existing cities by investing up to USD 14 billion. According to the Indian government, 66 smart cities were built by 2021.

○ Considering the postponement of various construction works due to the COVID-19 crisis, India is regarded to have a keen interest in fulfilling the policy by the original completion date of 2022. Therefore, the possibility of cooperation in this area is presumed to be high.

2 Transportation : The recipient country has the world's second-largest road transport network and the world's fourth-largest railway transport network, in addition to **rapidly-growing domestic and overseas air traffic**.

- Transportation is the most crucial infrastructure for economic development, to which INR 2.3 trillion was allocated in the FY 2021/2022 budget (the largest portion of the infrastructure sector).
- Consistent investments in the road sector is required since delays in the construction of new roads are emerging as a chronic issue.

3 Water Management and Health/Hygiene : While India is home to 17 percent of the world's population, it has **only four percent of the world's fresh water** and its **health-related indicators demonstrate severe shortcomings**.

- As about 70 percent of its annual precipitation occurs during the monsoon season, India faces various problems such as water shortages during the dry season and excess water after the monsoon rainfall.
 - * In India, where about 55 percent of the total agricultural land consists of rain-fed fields, pre- and post-monsoon precipitation greatly affects the overall economic operation of the country as well as agricultural production.
- As even India's larger cities face constant problems including the depletion and pollution of ground water due to reckless development, river pollution, lack of sewage treatment facilities, and unstable water supply, the demand for development in this area is expected to be high.
- With various health and nutrition-related indicators on par with those of sub-Saharan African countries, the Indian government has set goals for solving health problems and improving nutritional indicators.
 - Universal Healthcare Coverage (UHC) Index of 55 as of 2017; 145 maternal deaths per 100,000 births; 199 tuberculosis cases per 100,000 people, etc.

* Representative health indicators: Malnutrition (14.5 percent as of 2017), the proportion of children with stunted growth under the age of 5 (39.3 percent as of 2017); the proportion of children with reduced physical fitness (15.7 percent as of 2017), etc.

**The Government of India set goals to solve health problems across all population groups including children by strengthening the “Village Health Hygiene and Nutrition Day” platform, and to reduce the proportion of children with stunted growth to 25 percent of all infants (Strategy for India@75).

④ Environment : The level of air, water, and soil pollution is serious due to reckless development.

- Air pollution causes 1.7 million deaths per year (18 percent of total deaths) in the recipient country, and the consequent annual economic loss is estimated to be USD 36.8 billion (approx. 1.4 percent of GDP).
- As the Indian government is implementing the Clean India policy that promotes environmental improvement projects such as sanitation facility installation, increased garbage treatment, and resource recycling up to 2025, the demand for development cooperation in the environment sector is expected to be high.

⑤ Green Energy : Considering the current status of India, such as the damage caused by climate change and the rapidly-increasing CO2 emissions, the demand for the development of the green energy sector is expected to be high.

- While India is one of the countries that suffer the most from various damages caused by climate change (temperature rise, precipitation decrease, and coastline rise), its carbon dioxide emissions are increasing at a faster rate than major energy consumers such as China and the United States (International Energy Agency).
- As responding to climate change and increasing the proportion of clean energy in the energy mix is one of the main goals of the SDGs, the policy motivation of the recipient country is estimated to be high with regard to support for this sector.

⑥ **ICT** : Korea has traditionally had a **competitive advantage** in this field, with various aid experiences for e-government systems, computerized administrative systems, and **intelligent transportation network systems**.

- As Korea's first EDCF assistance project for India is also highly likely to be an intelligent road transportation network system, this sector has a high potential for expansion.
- The recipient country is also expected to hope for consistent aid in this area for the development of its telecommunications and electronics industries.

III. Proposed Assistance

[1] Regional Development/Smart City

☐ Basic Direction

- Contribute to **balanced regional development** in the recipient country by increasing linkage with the Indian government's regional development plan, including the "100 Smart Cities Mission".
- However, given Korea's limited ODA funds compared to the significant development needs of the recipient country, Korea needs to **prioritize its assistance** on regions with **excellent governance**.

☐ Area-specific Goals (Detailed Implementation Plan)

- **(Smart City Construction)** Support the Indian government's modernization of urban infrastructure and residential facilities by actively participating in the Indian government's **smart city** construction project.
 - Select candidate projects by comprehensively considering the effectiveness of regional development and governance of the recipient region in line with Korea's limited financial resources.

[2] Transportation

☐ Basic Direction

- Support the expansion and renovation of various infrastructure in connection with transportation infrastructure investment plans including India's **railways, roads, ports, and airports**.
- Actively promote **cooperation with multilateral organizations** if necessary, given the nature of transportation infrastructure projects such as large-scale capital investment and long-term projects.

☐ Area-specific Goals (Detailed Implementation Plan)

- **(Support for Transport Infrastructure)** Support the construction and renovation of transportation infrastructure such as railroads, roads, and ports, and transfer various related transportation infrastructure operation and management (O&M) know-how.
- **(Diversification of Financial Sources)** Explore opportunities to collaborate with various financial sources such as the Export-Import Bank of Korea's Economic Development Promotion Fund (EDPF) or Export Finance, in consideration of business conditions, etc.
- **(Strengthening of Cooperation with MDBs)** Explore opportunities for cooperative financing with multilateral organizations by establishing and maintaining a collaborative channel with multilateral development banks (MDBs) that provide active policy-related support in sectors such as logistics and transportation as well as infrastructure construction.

[3] Water Management and Health/Hygiene

☐ Basic Direction

- Support the enhancement of **water resource management and sewage treatment capacity** within the recipient country by assisting the establishment and improvement of water and sewage infrastructure in connection with the recipient country's water resource management plan, etc.
- Promote the identification of projects to support the **improvement of the overall nutritional status** of the Indian people, while **alleviating the vulnerability exposed in India's health care sector** due to the COVID-19 crisis, and supporting the reinforcement of its infectious diseases response capacity.

☐ Area-specific Goals (Detailed Implementation Plan)

- **(Water Management)** Support the strengthening of water resource management capacity by promoting **water and sewage supply expansion projects, water resource management systems, sewage treatment systems, and flood and typhoon control systems, and transferring operational capabilities.**
- **(Health and Hygiene)** Contribute to the **construction of public medical facilities and renovation of existing facilities** and the improvement of the medical equipment supply and systems and environments related to public health and hygiene, and strengthen the **infectious diseases response capacity.**

- **(Collaboration with Other Areas Including Higher Education)** Promote collaboration with other fields (e.g. higher education) for the construction of medical schools in addition to public health care facilities.

[4] Environment

☐ **Basic Direction**

- Measure various pollutants from **air, soil, and water pollution** in the recipient country and actively contribute to the introduction and improvement of various measures to reduce such pollutants.
- Contribute to the enhancement of India's international status as a "responsible donor country" by actively participating in the global community's **response to climate change** as specified through the Paris Agreement in 2015, etc.

☐ **Area-specific Goals (Detailed Implementation Plan)**

- **(Environmental Protection)** Support the establishment of various facilities and policies to **reduce and treat pollutants** in the recipient country.
- **(Circular Economy)** Support the reorganization of management systems to **strengthen the foundation of the circular economy**, including the conversion of waste into fuel and raw materials, and remanufacturing and reuse of waste.

[5] Green Energy

☐ **Basic Direction**

- Lay the foundation for sustainable power generation by building power generation facilities using the recipient country's **various clean energy sources** including solar and wind power.
- **Actively participate in the global community's response** to climate change by **supporting the reduction of green house gases in the recipient country** through the establishment of clean and green energy infrastructure.

☐ **Area-specific Goals (Detailed Implementation Plan)**

- **(Response to Climate Change)** Support the establishment of various infrastructures and policies related to the mitigation of carbon dioxide emissions in the recipient country and adaptation to the effects of climate change, including the promotion of **clean and green energy**.
- **(New & Renewable Energy)** Support the **establishment of infrastructure and development of policies to expand the use and supply of renewable energy** such as solar power and hydrogen energy.

[6] Information and Communications Technology

☐ Basic Direction

- Disseminate Korea's advanced knowhow and experience in building, managing and operating **e-government systems** to the recipient country.

☐ Area-specific Goals by Area (Detailed Implementation Plan)

- Enhance synergy in cooperation with the recipient country based on its excellent technical human resources and **experience in building and operating various e-government systems** in comparison to other lower-middle-income countries.
- Promote the diversification of cooperation areas such as seeking cooperation in other fields related to ICT (e.g. transport-related ICT systems, etc.).
- Support **intelligent transportation systems (ITS)** combined with ICT.

IV. Performance Monitoring Guidelines

Performance Monitoring Guidelines for India

ODA's Master Plan: Strategic Goal and Implementation Plan	Priority Areas	Goal(s)	Expected Outcome(s)	Expected Performance Indicator(s)
<ul style="list-style-type: none"> • (Strategic Goal) Inclusive ODA - (Tasks) Establishment of basic sanitation infrastructure and strengthening of the universal right to health 	Water Management & Health/ Hygiene	<ul style="list-style-type: none"> • To implement improvement projects for waterworks and sewerage infrastructure and drinking water 	<ul style="list-style-type: none"> • Improvement of infrastructure management for the water supply, sewage, and water resources • Establishment of a water management research system 	<ul style="list-style-type: none"> • Increase in waterworks and sewerage penetration and drinking water sanitation • Reduction in flooding and subsequent flood damage
		<ul style="list-style-type: none"> • To establish public sanitation facilities and medical/welfare infrastructure 	<ul style="list-style-type: none"> • Enhancement of the health service environment by constructing medical facilities and strengthening of the capacity of health care personnel 	<ul style="list-style-type: none"> • Increase in the number of medical facilities and medical personnel • Reduction in the incidence of communicable and infectious diseases
<ul style="list-style-type: none"> • (Strategic Goal) Co-prosperous ODA - (Tasks) Support the establishment of infrastructure for the growth of developing countries 	Transportation	<ul style="list-style-type: none"> • To support large-scale infrastructure projects to respond to the growing demand for infrastructure development in developing countries 	<ul style="list-style-type: none"> • Expansion of economic exchanges between regions • Promotion of exports and expanded tourism income 	<ul style="list-style-type: none"> • Increase in traffic between regions • Reduction in average travel time between regions • Increase in the export volume and tourism income
	Regional Development	<ul style="list-style-type: none"> • To support high-value-added infrastructure and urbanization 	<ul style="list-style-type: none"> • Improvement of the living environment in residential areas through the redevelopment of slums • Creation of business towns through the construction of new courts and related business facilities 	<ul style="list-style-type: none"> • Increase in safety and reduced noise in residential areas • Creation of new jobs through business town development

<ul style="list-style-type: none"> • (Strategic Goal) Co-prosperous ODA - (Tasks) Support for the green transition and carbon neutrality in developing countries 	Environment	<ul style="list-style-type: none"> • To establish infrastructure to respond to the impacts of climate change and support related policy establishment 	<ul style="list-style-type: none"> • Mitigation of climate change 	<ul style="list-style-type: none"> • Reduction in greenhouse gas emissions
	Green Energy	<ul style="list-style-type: none"> • To apply eco-friendly business elements to economic and social infrastructure support 	<ul style="list-style-type: none"> • Establishment of new and renewable energy infrastructure 	<ul style="list-style-type: none"> • Sharing of new and renewable energy generation capacity • Reduction in annual greenhouse gas emissions by supporting new and renewable energy projects
<ul style="list-style-type: none"> • (Strategic Goal) Innovative ODA - (Tasks) Support for digitization and smart transition in developing countries 	ICT	<ul style="list-style-type: none"> • To support transportation systems combined with ICT 	<ul style="list-style-type: none"> • Establishment of intelligent transportation systems 	<ul style="list-style-type: none"> • Increase in the duration of provision for real-time traffic information
		<ul style="list-style-type: none"> • To strengthen cooperation in the digital public administration sector 	<ul style="list-style-type: none"> • Establishment of a digital public administration system 	<ul style="list-style-type: none"> • Increase in the proportion of access to digital public administration systems