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JICA Dispatches Team for Pakistan's Economic Evaluation

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The Japan International Cooperation Agency (JICA) has sent a five-member team to Pakistan to assess its macroeconomic conditions, engaging with local authorities and financial institutions. This article explores the mission's objectives, Pakistan's economic challenges, and the implications of JICA's involvement, emphasizing the need for sustainable reforms over reliance on foreign aid.

On July 16, 2025, JICA's team arrived in Islamabad to conduct a comprehensive review of Pakistan's economic landscape, as reported by Profit Pakistan. The mission, focused on evaluating fiscal stability and growth potential, will meet with officials from the Ministry of Economic Affairs (MEA) and financial bodies like the State Bank of Pakistan (SBP). JICA, a key provider of Official Development Assistance (ODA) since 1954, aims to inform future aid strategies in sectors like infrastructure, health, and education, per its website. "This assessment is crucial for aligning our support with Pakistan's needs," said a JICA spokesperson, highlighting the agency's 70-year commitment to Pakistan's development.

Pakistan's economy, burdened by a \$8 billion power sector debt and 39% poverty rate, per the Pakistan Institute of Development Economics (PIDE), faces structural challenges. The JICA team's visit follows a \$7 billion International Monetary Fund (IMF) bailout in 2024, which imposed stringent reforms. Posts on X, including @Profitpk, suggest the assessment may scrutinize Pakistan's compliance with these measures. However, reliance on foreign evaluations risks sidelining local priorities, with critics arguing that past aid, like JICA's \$2.39 billion grant for airport security in 2024, often serves donor interests over long-term growth.

The mission's findings could shape JICA's future loans and grants, critical for a nation where 60% of the population is under 30, per JICA's data. Yet, Pakistan's history of mismanaging aid—evidenced by the Utility Stores Corporation's (USC) closure—raises doubts about reform efficacy. JICA's focus on human security and economic diversification must prioritize accountability to avoid perpetuating dependency. Pakistan needs

homegrown solutions, not just foreign assessments, to harness its potential and ensure stability in a geopolitically vital region.