

	<p>[Background] In Nepal, the net enrollment rate for primary education has achieved over 90 percent, however, the NER's gap among ethnic groups, gender and regions have been pointed out. Also repetition and dropout rates are still high due to multiple, complicated problems such as ①learning environment (insufficient number of schools and classrooms) ②quality (the low quality of teacher skills, etc.) ③management (lack of communication between center and local). The "School Sector Reform Plan" (SSRP) formulated by the Government of Nepal with cooperation of the donor group has been under implementation since 2009. In the health sector, the maternal mortality rate and infant mortality rate remains high, despite of its overall trend of improvement. Access to basic healthcare in rural areas and prevention of disease alone is insufficient. The Government of Nepal has conducted sector reform called "Nepal Health Sector Program (NHSP) II" by decentralization and expansion of basic health services. The Nepal Government and donors are actively cooperating in both the education and health sectors through a sector-wide approach.</p>	<p>[Japan's Assistance Policy] In the education sector, Japan conducts support bearing in mind the "New Education Policy 2011-2015". To achieve the MDGs, focus is set on support to basic education, in which Japan has a rich experience. Japan extends assistance to enhance educational opportunities by supporting both infrastructural development, such as class rooms and improvement of school management, targeting those who have limited access to education due to their ethnicity, caste and gender etc. Also, to proceed educational administration decentralization and school management based on local needs for improvement in enrollment rates and dropout rates, community participatory school management improvement model is disseminated. Using a growing sector-wide approach (SWAPs) in the education sector, Japan tries to enhance its cooperation achievement by centering on school management improvement. To mainstream the achievement in the sector, Japan started to identify actual operational conditions of the pool fund, which has its limitation on specific usage, to explore the possibility of contributions to the pool funds. In the health sector, aiming at improving malnutrition, which is the root of disease, Japan is focusing on school health initiatives by coordinating collaboration with basic education. Also, Japan is focusing on activities at grassroots level through dispatching Japan Overseas Cooperation Volunteers and extending cooperation to NGO activities. Re-structuring of the Program and the focus of support for specific areas to create synergy among projects, is considered a necessity.</p>										
<p>[Development Issue] 1-2 Improvement service of education and health</p>	<p>Program</p>	<p>Program Summary</p>	<p>Project</p>	<p>Scheme</p>	<p>Implementation period</p>						<p>Assistance amount (100M Yen)</p>	<p>Note</p>
	<p>Education for All (EFA) Program</p>	<p>Implement support to construct classrooms to improve educational environment, comfort and safety. Also, to improve the enrollment rate/ reduce dropout rates, Japan supports to improve school management by aiming at the expansion of education opportunity and promulgation at primary level, as well as uplifting the quality of education.</p>	<p>Project for Basic Education Improvement in Support of School Sector Reform in Nepal</p>	<p>GA</p>	<p>Before JFY 2012</p>	<p>JFY 2013</p>	<p>JFY 2014</p>	<p>JFY 2015</p>	<p>JFY 2016</p>	<p>JFY 2017</p>	<p>9.30</p>	
			<p>Support for Improvement of Primary School Management Project (Phase 2)</p>	<p>TCP</p>							<p>4.00</p>	
			<p>Education Advisor</p>	<p>EXP</p>								
			<p>Grassroots Technical Cooperation Project (2 projects)</p>	<p>GHGA</p>							<p>0.10</p>	
			<p>JOCV for Education Sector (5 no.s)</p>	<p>JOCV</p>								
	<p>Community Health Improvement Program</p>	<p>Extend efforts to improve malnutrition, which causes disease, by focusing on proceeding interaction between school health and basic education. Further, to promote medical services in rural areas, Japan supports maternal and child health, community health improvement, and the fight against infectious diseases at grassroots level to uplift the health condition of the entire community.</p>	<p>Grant Aid for Japanese NGO's Project (3 projects)</p>	<p>JNGA</p>							<p>1.36</p>	
			<p>Grassroots Human Security Grant Aid (2 project)</p>	<p>GHGA</p>							<p>0.11</p>	
			<p>Grassroots Technical Cooperation Project (1 project)</p>	<p>JPP</p>								
			<p>Reducing Child Malnutrition through Social Protection</p>	<p>ML</p>							<p>2M USD</p>	<p>ADB (Japan Fund for Poverty Reduction)</p>
			<p>Increasing access to and utilisation of integrated SRH, MNCH and HIV Services by Vulnerable Women in Kailali, Dang, Nawalparasi and Kavre Districts of Nepal</p>	<p>ML</p>							<p>0.19M USD</p>	<p>International Planned Parenthood Federation (IPPF) Japan Trust Fund</p>
			<p>JOCV for Health Care/Medical Care (5 no.s)</p>	<p>JOCV</p>								

Improvement of Governance	Program for Strengthening Government Administrative Capabilities	to improve and strengthen governance institutions' system and development planning and implementation capability. At the local level, improve local government's capacity for project implementation and better service delivery. Japan supports the model of participatory development planning and implementation based on local needs to be put into practical use and its dissemination by strengthening capacity of human resources at field level and local government administrative service. Furthermore, both individual and communities' protection and their capacity to be improved specially focusing on those who are traditionally socially disadvantaged and conflict affected.	Participatory Watershed Management and Local Governance Project	TCP							5.30		
			Strengthening Community Mediation Capacity for Peaceful and Harmonious Society Project	TCP								2.80	Re-mentioned
			Public Procurement Management Advisor	EXP									
			JOCV for Governments capacity building (14 nos.)	JOCV									
			Grant Aid for Japanese NGO's Project (1 project)	JNGA								0.09	
			Establishing Women and Children Service Centers	ML								0.75MUSD	ADB (Japan Fund for Poverty Reduction)
			Capacity Building for the Promotion of Legal Identity Among the Poor in Nepal	ML								2.0MUSD	ADB (Japan Fund for Poverty Reduction)
Support for Targeted and Sustainable Development Program for Highly Marginalized Groups	ML								2.7MUSD	ADB (Japan Fund for Poverty Reduction)			

3 Building of social infrastructure and institutions for balanced and sustainable economic growth

[Background] There is only one arterial road that supports distribution to the capital city from the terai region and Indian border. And this route is frequently damaged by landslides during the annual rainy season, creating dire consequences for the economy. Also, road networks and bridges in rural areas are under-developed, and 40% of existing roads become flooded and impassable at river crossings during the rainy season. Establishment of a route linking India, Kathmandu, and China, improvement of urban traffic in the area of the capital city, and development of roads and bridges in remote areas are the priority issues. An air route network is also important for Nepal which is surrounded by precipitous mountains. Establishment of an air traffic control system is important for air safety. Regarding the power supply, despite the fact that hydroelectric generation contributes to 99% of its power, Nepal currently relies on run-off river type of hydropower plants. The demand for power is rapidly increasing (yearly increase of 8%) and it outstrips supply especially during the dry season when river flow decreases, resulting in load shedding of up to 16 hours per day. Power shortages seriously effects not only industrial/ economic growth, but also emergency medical services and public security, and constricts the improvement of people's lives. To tackle this situation, construction of reservoir-type hydropower plants that can respond to peak power demand in the dry season has become a big issue. Urban environmental issues are becoming increasingly serious due to rapid urbanization which puts living environments into critical conditions. Especially, the water supply situation is getting worse. In addition, a safe water supply system has not been developed due to inadequate maintenance of water treatment facilities and water quality management. As a result, waterborne diseases such as diarrhoea caused by unsanitary water account for more than half the number of infant mortalities. In this context, strengthening the water supply has become an issue.

[Japan's Assistance Policy] Japan will support on strengthening of connectivity with neighbor countries through improvement of arterial highway and bridges in rural area. This will also benefit the improvement of living standards through vitalization of social economic activities on corridors. Also, support on long-term operation and maintenance, including disaster prevention on existing roads and traffic improvement in the Kathmandu Metropolitan area will be conducted. In addition, since air is also a very important means of transportation, support for strengthening of air traffic control will be given. In the field of power, rapidly increasing demand for electricity and seasonal disparity of power supply have serious consequences on people's living standard and economic growth in Nepal. Japan has been conducting development studies on the Hydroelectric Project, and electric power distribution for a stable power supply, as well as soft types of support for power development plan formulation, support for capacity building of maintenance, with environmental and social considerations. With respect to the urban environment, Japan supports the water supply in the Kathmandu Valley because it is the center of social, economic, industrial, and administrative activities, it has a high population growth rate, and the gap between supply and demand for water is serious. In addition, in light of the serious lack of sewage treatment capacity, Japan also considers the development of a sewerage system. Japan also extends support to semi-urban areas, where, since the population growth is also significant, large gaps between water supply and its demand exist, and the capacity of water supply is also vulnerable.

Program	Program Summary	Project	Scheme	Implementation period						Assistance amount (100M Yen)	Note
				Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017		
Transport Infrastructure	As the establishment of an arterial road network is urgently needed, Japan will support on improving the transportation system in the urban area through improvement of arterial highways and disaster prevention on the highways. Also, as part of the peace process support,	Project for Construction of Sindhuli Road (Section III)	GA							90.06	
		Project of the Operation and Maintenance of the Sindhuli Road	TCP							4.00	
		Project for Countermeasure Construction for the Landslides on Sindhuli Road (Section II)	GA							9.01	

[Development ...]

<p>issue] 3-1 Development of social environment and infrastructure</p>	Development Program	construction of rural transport infrastructure will be considered for improvement of access and regional development in poverty-stricken/ hilly areas. In addition, Japan will also consider support to ensure safe and stable air route.	Project for the Improvement of Community Access	GA									9.90		
			Tribhuvan International Airport Modernization Project (Surveillance System)	GA									9.89		
				SV for Establishment of Social and Economic Infrastructure (2nos)	SV										
		Power Generation and Transmission Capacity Improvement Program	The Program aims at increasing the power supply to correspond to the increasing demand, improvement of capacity in power distribution, and improvement of power efficiency.	Hydropower Planning Advisor	EXP										
				Nationwide Master Plan Study on Storage-type Hydroelectric Power Development	TCDP									2.50	
				Tanahun Hydropower Project	LA									151.37	
				Micro-Hydropower Improvement Project in Western Area in Nepal	PS										
				Support for Sustainable Energy Management Reforms	ML									1.5MUSD	ADB (Japan Fund for Poverty Reduction)
		Urban environment Improvement Program	To improve citizens' access to quality water and support capacity development of stakeholders involved in water supply management, operation maintenance, and technical guidance.	Melamchi Water Supply Project	LA								54.94		
				Water Policy Advisor	EXP										
				The Project for Capacity Development on Water Supply in Semi-urban Area	TOP									2.83	
				Hydro-microbiological Approach for Water Security in Kathmandu Valley, Nepal	STC									3.00	
				Pro-poor Urban Regeneration Pilot Project	ML									2.99MUSD	World Bank, Japan Social Development Fund
				SV for improvement of urban environment (1 nos.)	SV										
				Grassroots Technical Cooperation Project (1 project)	JPP										
	<p>[Development issue] 3-2 Private Sector Development</p>	<p>【Background】 In the past 10years, Nepalese Economy has been growing steadily with its average GDP growth rate at around 4%, due mostly to the remittance income which comprises around 20% of GDP. However, its GDP per capita is still relatively low. Meanwhile, GDP structure is largely formed by agricultural sector, which comes at around 35%, while manufacturing sector has been stagnating and potential industries that could boost the economy has not been fully exploited. Moreover FDI inflows as a percentage of GDP is relatively lower than that of other South Asian counterparts. In addition, unemployment rate of the youth in urban areas is high and generating enough employment opportunities by developing private sectors is a pressing issue.</p>		<p>【Japan's Assistance Policy】 The government of Nepal has set a priority on promotion of foreign investment by establishing an investment board as well as announcing a 'Nepal Investment Year 2012/13'. Japan will support Nepal by providing advice on relevant policies to promote FDI and also to improve investment environment in the country. In addition, to promote domestic industries, Japan will support to develop potential industries such as agriculture and tourism in rural areas by improving the environment for such industries to be thrived. These programs are potentially focused on a particular area, where other projects and programs are implemented and where we could expect synergistic effects.</p>											
		Program	Program Summary	Project	Scheme	Implementation period						Assistance amount	Note		
						Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017	(100M Yen)			
	Private Sector Development Program		The program aims to vitalise rural economy and to promote trade and investment by improving business environment, through various supports to promote SMEs and cottage industries as well as to	Foreign Investment Advisor	EXP										
				JOCV for Private Sector Development	JOCV										

		formulate relevant policy/regulation.	SV for Private Sector Development	SV									
[Development issue] 3-3 Sustainable development in a way that gives consideration to natural environment and disaster prevention.	[Background] Nepal has rich water resources and huge potential for clean energy development such as hydropower. However, due to the under-development of hydropower facilities, electrification has not proceeded. Furthermore, forest cover has been reducing by about 2% per year due to logging in order to provide day-to-day energy in remote villages. In the urban areas, insufficient solid waste management causes sanitary problems and green house gas. Though the risk of GLOF is increasing, adaptation measures are not sufficient due to the lack of personnel resources. Also, despite the fact that the risk of earthquake has grown in recent years, earthquake disaster counter-measures are not progressing, even in the Kathmandu Valley where political and economic central functions are concentrated.			[Japan's Assistance Policy] Nepal became a 'cool earth partnership' country in March 2009, and the project related to the mitigation and adaptation of climate change will be formulated. With regard to the mitigation, CDM projects such as the utilization and dissemination of clean energy ie hydropower, reducing the green house gas by proper management of solid waste and plantation will be considered. With regard to adaptation, the dissemination of disaster management skills and capacity development of the government in order to tackle all water induced disasters caused by GLOF will be considered. In addition, Japan will also consider cooperation to reduce the damage caused by earthquake, especially in the Kathmandu Valley, which is expected to occur in the future.									
	Program	Program Summary	Project	Scheme	Implementation period						Assistance amount (100M Yen)	Note	
					Before JFY 2012	JFY 2013	JFY 2014	JFY 2015	JFY 2016	JFY 2017			
	Environment, climate change and disaster prevention program	The program aims at the introduction of renewable energy for climate change mitigation and adaptation, reduction of greenhouse gasses and improvement of disaster prevention technology.	Forest Preservation Program	GA								6.00	
			SV for environmental field (1 no.s)	SV									
Grassroots Technical Cooperation Project (1 project)			JPP										
Pilot Program for Seismic School Safety in the Kathmandu Valley			ML								1.5MUSD	World Bank, Japan Policy and Human Recourees Development	
	Improving Gender-Inclusive Access to Clean and Renewable Energy in Bhutan, Nepal and Sri Lanka	ML								3MUSD	ADB (Japan Fund for Poverty Reduction)		
[Development issue] 4 Others	Public participation ODA		Civil Participation (SV for activating the society) (1 no.s)	SV									

Legend: [PS] = Preparatory Survey, [DD] = Detailed Design by TARTOL, [TCP] = Technical Cooperation Project, [TCDP] = Technical Cooperation for Development Planning (and Development Study), [EXP] = Expert, [EQ] = Equipment, [CTR] = Country-focused Training, [TR] = Issue-based Training / Training Program for Young Leaders, [JOCV] = Japan Overseas Cooperation Volunteers, [SV] = Senior Volunteers, [TEXP] = Third-country Expert, [TTR] = Third-country Training, [STC] = Science and Technology Cooperation on Global Issues, [JPP] = JICA Partnership Program, [xx-TA] = Technical Assistance implemented by organizations other than MOFA and JICA, [GA] = Grant Aid (other than specific grant aid schemes listed below), [NPGA] = Non-Project Grant Aid, [GHGA] = Grassroots Human Security Grant Aid, [JNGA] = Grant Aid for Japanese NGO's Projects, [CGA] = Cultural Grant Aid, [GCGA] = Grassroots Cultural Grant Aid, [LA] = Loan Aid (ODA Loan), [ML] = Multilateral Cooperation, [TARTOL] = Technical Assistance Related To ODA Loan, Solid Line [-----] = Schedule, Dash Line [- - - -] = Tentative Schedule