International development assistance continues to play a significant role in supporting socio-economic development of Nepal. Lately, the development cooperation contributes about 20 percent in the annual budget and it is the major financing source for development projects implemented through the Government of Nepal. In this respect, development partners’ information is equally important for planning, coordinating and effective utilization of the development assistances. As Nepal has planned to graduate from the status of “Least Developing Country” by 2022, effective utilization of development cooperation is further challenging.

The Ministry of Finance is putting its best efforts to enhance aid effectiveness through greater transparency and efficient utilization of development assistances. For this, it has been using various tools such as the operation of Aid Management Platform (AMP), publication of key reports such as the Development Cooperation Report, and launching of new aid policy, the Development Cooperation Policy, 2014. The present Development Partners’ Profile, which carries the updated and up to date information of development partners’ cooperation in Nepal, is yet another effort by the Ministry of Finance in this path.

The Profiles of Development Partners which cover key features such as aid mechanism, diplomatic relations, cooperation, partnership, list of completed and ongoing projects are crucial for effective development cooperation and management. This information allows strengthening coordination, as well as harmonization among development partners and also facilitates ample information for economic diplomacy. I am confident that the information contained in this Profile will be useful for all who keep interest in development cooperation management in Nepal.

I would like to thank all development partners for their support in preparing this valuable document. In a way, the present Profile is a compilation of the information that has been supplied by the development partners.

I thank all colleagues at the International Economic Cooperation Coordination Division for their hard work in bringing this Profile to this stage.

August 2014
Singhadurbar

Madhu Kumar Marasini
Joint Secretary
International Economic Cooperation Coordination Division
Ministry of Finance
# TABLE OF CONTENTS

Preface i  
List of Abbreviations iv  

**Bilateral Development Partners**  
Australia 1  
China 7  
Denmark 12  
Finland 16  
Germany 20  
India 27  
Japan 35  
Korea 41  
Kuwait Fund for Arab Economic Development 45  
Netherlands 48  
Norway 54  
Switzerland 58  
Saudi Arab: Saudi Fund for Development 63  
United Kingdom 66  
United States of America 70
Multilateral Development Partners

Asian Development Bank 76
European Union 82
Food and Agriculture Organization 85
Global Environment Facility 89
Global Fund 93
International Fund for Agricultural Development 97
International Finance Corporation 101
International Labour Organisation 103
International Monetary Fund 107
OPEC Fund for International Development 109
SAARC Development Fund 111
United Nations Children Fund 115
United Nations Development Programme 121
United Nations Educational, Scientific and Cultural Organization 125
United Nations Population Fund 139
United Nations High Commissioner for Refugees 142
UN Women 144
United Nations World Food Programme 149
World Bank 159
World Health Organization 163
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AMP</td>
<td>Aid Management Platform</td>
</tr>
<tr>
<td>Ausaid</td>
<td>Australian Government Overseas Aid Program</td>
</tr>
<tr>
<td>BMIS</td>
<td>Budget Management Information System</td>
</tr>
<tr>
<td>CIDA</td>
<td>Canadian International Development Agency</td>
</tr>
<tr>
<td>CIF</td>
<td>Climate Investment Fund</td>
</tr>
<tr>
<td>DPs</td>
<td>Development Partners</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>EDCF</td>
<td>Economic Development Cooperation Fund</td>
</tr>
<tr>
<td>EIB</td>
<td>European Investment Bank</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FMIS</td>
<td>Financial Management Information System</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GAVI</td>
<td>Global Alliance for Vaccines and Immunisation</td>
</tr>
<tr>
<td>GEF</td>
<td>Global Environment Facility</td>
</tr>
<tr>
<td>GFATM</td>
<td>Global Fund to fight AIDS, Tuberculosis and Malaria</td>
</tr>
<tr>
<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IECCD</td>
<td>International Economic Cooperation Coordination Division</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agriculture Development</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>JFA</td>
<td>Joint Financing Arrangement</td>
</tr>
<tr>
<td>JFPR</td>
<td>Japan Fund for Poverty Reduction</td>
</tr>
<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
</tr>
<tr>
<td>KFAED</td>
<td>Kuwait Fund for Arab Economic development</td>
</tr>
<tr>
<td>KfW</td>
<td>Kreditanstalt für Wiederaufbau</td>
</tr>
<tr>
<td>KOICA</td>
<td>Korea International Cooperation Agency</td>
</tr>
<tr>
<td>KFAED</td>
<td>Kuwait Fund for Arab Economic Development</td>
</tr>
<tr>
<td>MCC</td>
<td>Millennium Challenge Corporation</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MOF</td>
<td>Ministry of Finance</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>---------</td>
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<tr>
<td>NARC</td>
<td>Nepal Agricultural Research Council</td>
</tr>
<tr>
<td>NDF</td>
<td>Nordic Development Fund</td>
</tr>
<tr>
<td>NETO</td>
<td>North Atlantic Treaty Organization</td>
</tr>
<tr>
<td>NLSS</td>
<td>Nepal Living Standards Survey</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>OECD-DAC</td>
<td>Organisation for Economic Cooperation and Development - Development Assistance Committee</td>
</tr>
<tr>
<td>OFID</td>
<td>OPEC Fund for International Development</td>
</tr>
<tr>
<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
</tr>
<tr>
<td>PBA</td>
<td>Program Based Approach</td>
</tr>
<tr>
<td>PFM</td>
<td>Public Financial Management</td>
</tr>
<tr>
<td>SSRP</td>
<td>School Sector Reform Program</td>
</tr>
<tr>
<td>SWAp</td>
<td>Sector Wide Approach</td>
</tr>
<tr>
<td>SDC</td>
<td>Swiss Agency for Development and Cooperation</td>
</tr>
<tr>
<td>SNV</td>
<td>Stichting Nederlandse Vrijwilligers</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNCDF</td>
<td>United Nations Capital Development Fund</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
</tr>
<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
</tr>
<tr>
<td>UNEP</td>
<td>United Nations Environment Programme</td>
</tr>
<tr>
<td>UNHCR</td>
<td>United Nations Office of the High Commissioner for Refugees</td>
</tr>
<tr>
<td>UNHABITAT</td>
<td>United Nations Human Settlements Programme</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations Children Fund</td>
</tr>
<tr>
<td>UNISDR</td>
<td>United Nations International Strategy for Disaster Reduction</td>
</tr>
<tr>
<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
</tr>
<tr>
<td>UNOHCHR</td>
<td>United Nation Office of High Commissioner for Human Rights</td>
</tr>
<tr>
<td>UNPFN</td>
<td>United Nations Peace Fund</td>
</tr>
<tr>
<td>UN Women</td>
<td>United Nations Development Fund for Women</td>
</tr>
<tr>
<td>UNWFP</td>
<td>United Nations World Food Programme</td>
</tr>
<tr>
<td>USAID</td>
<td>U.S. Agency for International Development</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
</tbody>
</table>
Bilateral Development Partners
1. General Introduction to Development Cooperation Partnership

The Commonwealth of Australia is a country in the southern hemisphere comprising its mainland, the major island of Tasmania and numerous other islands in the Indian and Pacific Oceans. Australia is the world's smallest continent and sixth largest country by total area. Australia's population includes Aboriginal and Torres Strait Islander people and migrants from some 200 countries. In over 60 years of planned post-war migration, Australia has welcomed more than 6.5 million migrants, including more than 660,000 refugees. During this time, the population tripled from about 7 million to just over 21.3 million. Approximately 60 per cent of the population in Australia is concentrated in and around the mainland state capitals of Sydney, Melbourne, Brisbane, Perth, and Adelaide.

Australia's system of government is based on the liberal democratic tradition, which includes religious tolerance and freedom of speech and association. Its institutions and practices reflect features of British and North American models but are uniquely Australian.

The Federal Government is based on a popularly elected Parliament with two chambers, the House of Representatives and the Senate. Each has virtually equal powers to approve the passage of legislation. The Prime Minister is appointed by the Governor-General, who by convention under the Constitution must appoint the parliamentary leader of the party, or coalition of parties, which has a majority of seats in the House of Representatives. This majority party or coalition becomes the government, with Ministers appointed from both chambers to serve in the Cabinet or outer ministry. The other major political party or coalition is called ‘the opposition’.

Members of the House of Representatives seek re-election each time there is a federal election. Senators are elected for a six-year term and in an ordinary general election, only half of the Senators face the voters. Australia’s six states and two territories also have their own legislative bodies.

The Australian Government has committed to scale up its overseas development assistance to 0.5 per cent of Gross National Income (GNI).

2. Introduction to Aid Mechanism

The Department of Foreign Affairs and Trade (DFAT) is the Australian Government Department responsible for managing Australia’s overseas aid program. DFAT’s role is to advance the interests of Australia and Australians internationally through strengthening Australia’s security; enhancing Australia’s prosperity; and delivering an effective and high quality aid program. Australia’s development assistance focuses on economic growth and
human development, and is guided by the Millennium Development Goals, the internationally agreed targets for poverty reduction. DFAT provides advice and support to the Minister for Foreign Affairs on development policy, and plans and coordinates development and economic growth activities in partnership with developing countries. DFAT leads and coordinates Australia’s responses to humanitarian disasters and represents Australia in international development forums. DFAT’s head office is in Canberra. DFAT also has representatives in 95 Australian diplomatic missions overseas.

3. Nepal-Australia Relations/Membership

Australia and Nepal celebrated 50 years of diplomatic relations in 2010, though Australia’s relationship with Nepal predates the establishment in 1960 of diplomatic links.

There are around 26,000 people of Nepalese ancestry in Australia, according to the 2011 census. Approximately 18,000 Australian tourists visited Nepal in 2012.

4. Nepal- Australia Economic and Technical Cooperation

Australia’s assistance to Nepal is delivered through the Government of Nepal and in partnership with other donors and multilateral organisations. Total Australian ODA to Nepal in 2012/2013 was AUD 35.9 million compared to AUD 13.1 million in 2008/2009. This includes an indicative country allocation of AUD 34.7 million and an additional AUD 1.2 million from other Government Departments.

This increase reflects Australia’s strengthening bilateral ties with Nepal. Priority areas for Australia's development assistance to Nepal are in line with Nepal's poverty reduction strategy and include basic education, health, livelihoods, strengthening and improving governance, peace building and human resource development. In support of a more aligned approach to aid delivery, Australia is providing its assistance for Health and Education through the Government of Nepal’s system, and support to these sectors has increased in recent years.

In Nepal, Australia is mostly known for its strategic and seminal assistance in natural resource management through community forest users groups. This assistance provided over a period of 40 years pioneered a successful community development model that has been replicated throughout Nepal as well as in other countries.

Australia has also contributed to human resource development through the provision of scholarships. Support has also been provided to key service delivery sectors and peace building activities that address the root causes of conflict, such as issues of governance, poverty and discrimination.

5. Past Economic and Technical Cooperation

- Blood Bank Project
- T. B. Control Project
- Civil Aviation
- Transfer for Airways Facilities
- Nepal-Australia Forestry Project Phase I, II, III, IV and V
- Nepal Australia Community Resource Management and Livelihood Project (NACRMLP)
- Projects under SACAS (South Asia Community Assistance Scheme)
- Effective & Efficient Management & Administration in Nepal (Staff College)
- Situation Analysis of HIV/AIDS in Nepal
- Agricultural Research (ACIAR)
• Nepal Vitamin “A” Program Year I and II (training component)
• Strengthening of the National Vitamin A and Expansion of the Community Based Integrated Management of Childhood Illness program.
• Third Livestock Development Project
• Management of Footrot in Small Ruminants (ACIAR)
• Rights Democracy and Inclusion Fund (RDIF) Phase I
• Nepal Water for Health (NEWAH)
• Micro Enterprise Development Program (MEDEP) Phase I and Phase II
• HIV AIDS Harm Reduction Program for Injecting Drug Users (through UNDP).
• Education for All

6. Ongoing Economic and Technical Cooperation

6.1. Education and Scholarships

Since 2007/08, Australia has supported the Government of Nepal’s Education For All (EFA) Program and its follow-on program, School Sector Reform Plan (SSRP), through pool funding arrangement. Australia provided a total of AUD 19 million in grant assistance to the program over the period 2009/10 to 2013/14, and plans to invest a further $4 million in SSRP from 2014 to 2016. The Program aims to improve quality, access and promote inclusion of more than 3.8 million children attending public schools. Australia is also the second largest global donor to the Global Partnership for Education which has provided $120 million towards SSRP.

The Australian Government has been providing scholarships to Nepali citizens since the 1960s, and Australia Awards since 1997. Overall 383 students have benefited from Australia Awards in Nepal. The program aims to improve the human resource capacity of Nepal through skill development in priority areas. Between 2007 and 2012, a total of 209 Australia Awards were provided to Nepal, comprising 91 long-term awards and 118 short-term awards. These awards focused on areas of importance to the development of Nepal, including education, health, livelihoods/poverty alleviation, and governance, and international relations. Thirty-five Nepali Australia Award recipients (13 are women and 9 are from traditionally marginalised groups) will commence post graduate studies (26 Masters and 9 PhDs) in Australia commencing in 2014, as well as four Regional Water Awards. Australia has global inclusion requirements for Australia Awards and in 2012, 42 per cent of long-term Australia Awards awardees were female (short of the 50% target).

6.2. Health

Australia joined the pool funding arrangement to support the implementation of Nepal Health Sector Program (NHSP) in 2008/09 and contributed AUD 6.6 million for the first phase of the program. Australia has continued its support for the second phase and is contributing AUD 26 million over five years (2010-2015) to strengthen Nepal’s public health system and particularly support improved nutrition, child survival rates and maternal health with a focus on the poor and excluded. The overall objective of NHPS II is to increase people’s access to and utilisation of quality health services. Together with 42 other countries, Australia is a signatory to the International Health Partnership. Nepal and Cambodia are the only two signatory countries from Asia.

6.3. Governance and Peace Building

Australia funded the construction of Nepal’s Election Education Information Center, which was completed in 2012. This Center is used to promote democratic norms and the importance of elections. The Australian Civilian Corps placed two advisers with the UNDP’s Election Support Program within the Election Commission
of Nepal to provide technical support over the November 2013 Constituent Assembly elections.

Australia supports a World Bank managed multi-donor trust fund designed to strengthen the Government of Nepal’s public financial management institutions. The Public Financial Management-Multi Donor Trust Fund (PFM-MDTF) was established in 2011. Its main aim is to strengthen Public Financial Management (PFM) in Nepal and is designed to support a wide range of activities based on priorities set by the Government of Nepal and development partners. The total commitment to the PFM-MDTF from the four contributing donors is USD11.56 million of which Australia has contributed USD2.99 million.

6.4. Rural Development

Australia co-funds the Micro Enterprise Development Program (MEDEP) which is a joint Government of Nepal and UNDP initiative that aims to contribute to poverty reduction and employment generation through micro-entrepreneurship development. MEDEP particularly targets support to poor women, youth and individuals from socially marginalized groups. Building on the success of three previous phases, Australia will contribute AUD 33.1 million from 2013-18. MEDEP IV will expand and strengthen the Government of Nepal’s own Micro Enterprise Development for Poverty Alleviation (MEDPA) program to endow Nepal with a sustainable institutional setup managed by the Ministry of Industry for the delivery and support of micro-entrepreneurship extending beyond the life of MEDEP.

Through the Australian NGO Cooperation Program, Australia assists accredited Australian NGOs and community groups by supplementing funds provided by Australian community to implement community development activities. The Australian Embassy in Kathmandu also supports local NGOs to undertake small-scale grass-root projects through the Direct Aid Program (DAP).

Between 2005/06 and 2013/14, approximately AUD 14.7 million has been spent on 111 development projects through the Australian NGO Cooperation Program.

Similarly between 1989/90 and 2013/14, about 302 projects valuing approximately AUD2.16 million have been funded under DAP.

6.5. The Australian Volunteer Program in Nepal

The Australian Volunteer Program currently comprises of the Australian Volunteers for International Development (AVID) and its youth stream, the Australian Youth Ambassadors for Development (AYAD).

Under AVID, volunteers work with local people to share knowledge, develop sustainable skills and build the capacity of individuals, organisations and communities in line with the priorities of the Government of Nepal, the Government of Australia and the Millennium Development Goals.

The AYAD program provides an opportunity for young professional Australians, up to the age of 30, to make a contribution to development through the transfer of knowledge and skills. They are placed within a range of host organisations that include government as well as non-government organisations. Their assignments are for 12 months, and they work in sectors that are consistent with the country program priorities including education, health, livelihoods and humanitarian needs. The contributions made by AYAD are positively acknowledged by host organisations.
Between 1999 and 2010, 121 AYADs have been placed in Nepal. Between 2010 and 2014 three VIDA volunteers have been placed with the Ministry of Health and Population, the Ministry of Education and the Ministry of Home Affairs.

In 2012-13, a total of 30 volunteers including 28 AYADS were on assignment in Nepal.

### 6.6. Regional and Other Programs

Nepal also benefits from a number of regional initiatives, facilities and programs. Australia has a regional strategy for South Asia which focuses on trade integration, cross-border water management and energy issues. There are a range of programs with partners like the South Asian Association for Regional Cooperation, the International Centre for Integrated Mountain Development, GIZ, the Asian Development Bank and the World Bank which addresses these issues in Nepal and across the region.

Australia is a regular provider of Humanitarian Assistance in Nepal. In between 2008 and 2009, Australia provided at least AUD2 million towards emergency aid for the Koshi flood victims, food aid to the Bhutanese Refugees, the establishment of the National Emergency Operations Centre at the Ministry of Home Affairs and developing Community level Disaster Risk Reduction capacity in Eastern Nepal.

In 2012, Australia provided $3.6 million to the World Food Program as part of core funding which helped meet the food supply needs of 35,000 Bhutanese refugees, and emergency food relief to Nepalis whose immediate food supply had been disrupted due to humanitarian crises.

The record of ongoing cooperation based on Aid Management Platform (AMP) and other records of the Ministry of Finance is as follows;

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project Start Date</th>
<th>Commitment Amount - Dollar US</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Grant Aid</td>
</tr>
<tr>
<td>School Sector Reform Program (SSRP)</td>
<td>1/4/2011</td>
<td>17,150,899</td>
</tr>
<tr>
<td>Nepal Health Sector Programme NHSP-II</td>
<td>30/12/2010</td>
<td>23,488,400</td>
</tr>
<tr>
<td>Micro-Enterprise Development Programme (MEDEP) III</td>
<td>30/5/2009</td>
<td>12,190,510</td>
</tr>
<tr>
<td>Micro-Enterprise Development Programme (MEDEP) IV</td>
<td>1/8/2013</td>
<td>29,179,820</td>
</tr>
<tr>
<td>Direct Aid Program</td>
<td>1/7/2013</td>
<td>162,612</td>
</tr>
<tr>
<td>Nepal Water for Health Program</td>
<td>31/5/2010</td>
<td>6,504,480</td>
</tr>
<tr>
<td>Australian Youth Ambassadors for Development (AYAD) and Volunteering for International Development from Australia (VIDA)</td>
<td>1/6/2011</td>
<td>2,555,719</td>
</tr>
<tr>
<td>Reintegration of Children/Youth formerly associated with Armed Forces and Armed Groups and Children Affected by Armed Conflict in Nepal – Phase IV</td>
<td>22/03/2011</td>
<td>1,042,728</td>
</tr>
<tr>
<td>Project Title</td>
<td>Project Start Date</td>
<td>Commitment Amount - Dollar US</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Technical Assistance for scaling up the nutrition (SUNITA)</td>
<td>5/5/2011</td>
<td>1,758,738</td>
</tr>
<tr>
<td>Towards A Centre of Excellence at Tilganga Institute of Ophthalmology (Nepal)</td>
<td>7/3/2011</td>
<td>2,698,961</td>
</tr>
<tr>
<td>Monitoring and Reporting Mechanism on Grave Violations Against Children in Armed Conflicts (Global)</td>
<td>1/12/2011</td>
<td>2,710,200</td>
</tr>
</tbody>
</table>

7. Future (Pipeline) Economic and Technical Cooperation

DFAT, is currently preparing a new strategy to guide Australian support for economic growth and human development for Nepal.

8. Miscellaneous

In August 2012, Parliamentary Secretary for Foreign Affairs Richard Marles travelled to Nepal to have discussions with the Government of Nepal on steps being taken to consolidate peace, stability and democracy.

During the national elections that were held in November 2013, two Parliamentary observers, Senator Kroger and Senator Stephens, as well as observers from the Australian Embassy were invited by the Election Commission of Nepal to send observers to visit polling and counting centres during the election and reported arrangements were fair, open to all and transparent.
1. General Introduction to Development Cooperation Partnership

China is a developing country. Over the years, while focusing on its own development, China has been providing aid to the best of its ability to other developing countries with economic difficulties, and fulfilling its due international obligations.

In the 1950s, soon after the founding of the People's Republic of China, although it was short of funds and materials, China began to provide economic aid and technical assistance to other countries, and gradually expanded the scope of such aid. Since China adopted the reform and opening-up policies in the late of 1970s, its economy has been developing rapidly, with the overall national strength growing notably. However, China remains a developing country with a low per-capita income and a large poverty-stricken population. In spite of this, China has been doing its best to provide foreign aid, to help recipient countries to strengthen their self-development capacity, enrich and improve their people's livelihood, and promote their economic growth and social progress. Through foreign aid, China has consolidated friendly relations and economic and trade cooperation with other developing countries, promoted South-South cooperation and contributed to the common development of mankind.

Adhering to equality and mutual benefit, stressing substantial results, and keeping pace with the times without imposing any political conditions on recipient countries, China's Foreign aid has emerged as a model with its own characteristics.

2. Introduction to Aid Mechanism

The Government of the People's Republic of China regards providing assistance to other developing countries with economic difficulties as its international obligation. In providing such assistance to other developing countries, China aims to help recipient countries to strengthen their self-development capacity, enrich and improve their people's livelihood, promote their economic growth and social progress, and enhance economic and trade cooperation with other developing countries.

Financial resources provided by China for foreign aid mainly fall into three types: Grants (aid gratis), Interest-free loans and Concessional loans. The first two come from China's state finances, while concessional loans are provided by the Export-Import Bank of China as designated by the Chinese government. China offers foreign aid in eight forms: complete projects, goods and materials, technical cooperation, human resource development cooperation, medical teams sent abroad, emergency humanitarian aid, volunteer programs in foreign countries, and debt relief.
Furthermore, after the bilateral Agreement of Economic and Technical Cooperation signed between the Government of recipient country and China, the Ministry of Commerce (MOFCOM) of China is responsible for carrying out all forms of aid to the recipient countries.

3. Nepal–China Relations/Membership

The history of Nepal-China relations can be traced back to the 5th century when sages and saints engaged themselves in visiting far and wide in the pursuit of knowledge and peace. The marriage of Bhrikuti to the Tibetan King, Song Sang Gampo in the Tang Dynasty and the White Pagoda temple in Beijing constructed under the guidance of Nepalese architect Arniko in Yuan Dynasty, have, inter alia, provided testimony to the historical relations between Nepal and China.

Nepal and the People's Republic of China established diplomatic relations on 1 August 1955. Nepal-China relations have always remained good and cordial, and the traditional friendship and friendly cooperation have continued developing. Two countries always understand, support and help each other on the basis of the Five Principles of Peaceful Co-existence, which can be described as a model of peaceful co-existence between nations with different social systems.

4. Nepal-China Economic and Technical Cooperation

China has been assisting Nepal in her efforts for socio-economic development since the establishment of diplomatic relations between the two nations. The first “Agreement between China and Nepal on Economic Aid” was signed in October 1956. Ever since then, China has been providing financial and technical assistance to Nepal, which has greatly contributed to Nepal's development, especially in infrastructure building, establishment of industries, human resource development, health, education, water resources, sports, etc. The total volume of China’s assistance under bilateral agreements in 2013 is about 430 million RMB.

For more than 50 years, China's assistance to Nepal has been mainly for road, transport, health, sport, water resources and social development and services sectors etc. That contributes an active role for promoting the economic development.

There is a Ministerial level mechanism – China-Nepal Joint Committee on Economic and Trade Cooperation to discuss various bilateral issues such as economic and technical cooperation, trade and other issues. The meeting is provisioned to be held every year in each country in rotation.

5. Past Economic and Technical Cooperation

These are the projects that have been completed by the Chinese Cooperation.

Road and Transport

1. Arniko Highway
2. Arniko Highway (Rehabilitation)
3. Kathmandu Bhaktapur Road
4. Prithvi Highway and Surface Pitch Paving
5. Narayanghat-Mugling Road
6. Gorkha Narayanghat Road
7. Kathmandu-Bhaktapur Trolley Bus
8. Kathmandu Ring Road
9. Pokhara-Baglung Road
10. Seti River Bridge at Pokhara
11. Syaphrubesi Rasuwagadhi Road Project

**Industries**

1. Bansbari Leather and Shoes Factory
2. Hetauda Cotton Textile Mills
3. Harisidhi Brick Factory
4. Bhaktapur Brick Factory
5. Industrial Gloves and Apron Manufacturing at Bansbari
7. Lumbini Sugar Mills

**Water Resources**

1. Sunkoshi Hydroelectricity Plant
2. Pokhara Water Conservancy and Irrigation Project (Multipurpose)
3. Sunkoshi Vicinity Electricity Transmission Project
4. Sunkoshi-Kathmandu Electricity Line Transmission Project

**Health**

1. B.P. Koirala Memorial Cancer Hospital, Bharatpur.
2. Civil Service Hospital
3. National Ayurveda Research Centre

**Sports**

1. Sports Complex at Kathmandu and Lalitpur
2. Construction of Sports Facilities for the 8th South Asian Federation Games in 1999 (Swimming pool, shooting gymnasium, plastic-runway, floodlight, electric-score board, and various sport equipment etc.)
3. Repair of Lighting System in the Sports Complex

**Other Construction Projects**

1. National Trading Complex
2. Warehouse at Kathmandu and Birgunj
3. City Hall in Kathmandu.
4. Birendra International Convention Centre
5. Consolidating Seti River Bridge in Pokhara
6. A three-month arch bridge training course for 15 Nepalese engineers
7. Pokhara Sedimentation Pond
8. Provision for one set of the Television rebroadcast for NTV
9. Mobile X-ray Machine for Birgunj Dry Port
10. Nepal Television Metro Channel Station Expansion and Improvement
11. Polytechnic Institute in Banepa
12. Air-cargo inspection system in Tribhuvan International Airport
13. Khasa-Kathmandu Optical Fiber Project
14. National Trust for Nature Conservation Research Centre
15. Tube-Well and Water Treatment Plant of Civil Service Hospital
16. Clean Vehicles and Equipments to Kathmandu Metropolitan City

Goods and Materials

In last more than 50 years, China has provided Nepal with a large amount of goods and materials under grant assistance, including medical equipment, sports goods, election materials, waste handling machinery, agriculture machinery, security equipment, etc.

6. Ongoing Economic and Technical Cooperation

Currently, following projects/program are undergoing with grant/loan assistance from China:

1. Upper Trishuli 3A Hydropower Project – Power Station and Transmission Line Projects (Concessional Loan)
2. Food Assistance (Grant) in Northern 10 bordering Districts
3. Kathmandu Ring Road Improvement project with flyover bridges – Grant.
4. Tatopani Frontier Inspection Station Project -Grant
5. Acquisition of Aircrafts under the Chinese Government Grant Assistance
6. Procurement of Aircrafts under the Chinese Government Concessional Loan
7. National Armed Police Force Academy Project-Grant

There are following human resource development cooperation schemes with China:

1. Technical Training and Refresher Courses
   In order to promote and exchange the advanced experiences in management and of various fields' technologies, the government of China provided various refresher courses and training courses-multilateral training and bilateral trainings every year.

2. Scholarship
   More than 100 Nepali students enjoy the chances to study in China under the scholarship supported by the Government of China every year.

There are following technical cooperation schemes with China:

1 Technical cooperation projects
   In the past, China has undertaken more than 30 technical cooperation projects in Nepal, including medical technology cooperation, sports technical cooperation, TV station technical cooperation, etc.
2. Medical Team Project
   The Eighth Chinese medical team (consists of 17 members) is now working in B. P. Koirala Memorial Cancer Hospital in Chitwan.

7. Future (Pipeline) Economic and Technical Cooperation

There have been few requests made to the Government of China to provide assistance to the following projects:

1. Kathmandu Ring Road Improvement Project- Phase II
2. Pokhara International Regional Airport
3. Bahrabise-Larcha Road Upgrading Project
4. Ten (10) Schools Project in North hilly region
5. China-Nepal Agriculture Technical Cooperation Project
6. Timure Frontier Inspection Station Project
7. Rasuwagadi Dry Port
8. Instillation of Solar Energy in Singhadurbar
1. General Introduction to Development Cooperation Partnership

Denmark is one of the four Nordic countries, the other being Finland, Norway and Sweden. Its area is 43,098 sq km. Denmark has a population of 5,627,235 (2014). The life expectancy is 78 years for men and 81.9 years for women. It joined NATO in 1949 and the EEC (now the EU) in 1973.

Economy

For hundreds of years, Denmark has been an agrarian based economy but has today developed into a society where services are the dominant economic activity. At the turn of the millennium, almost three fourths of the labor force was working in the service sector. Services include private services in the form of trade, transport, finance, business services and personal services as well as public services. Denmark, now, has a modern, prosperous and developed market economy, ranking 21st in the world in terms of GDP (PPP) per capita and 10th in nominal GDP per capita.

Political System

Denmark is a Constitutional Monarchy with a Queen as the Head of State but in an essentially ceremonial role and a Prime Minister as the Head of Government. The cabinet holds executive powers and is appointed by the Prime Minister and approved by the Parliament. Under the Danish constitution no government can remain in office with a majority against it. This is called negative parliamentarism. Denmark has a unicameral parliament called Folketing (“Peoples House”), which has 179 seats, including 2 from Greenland and 2 from the Faroe Islands. The Faroe Islands and Greenland are part of the Kingdom of Denmark but they both have comprehensive home rule arrangements and they have their own Parliaments. The members of the parliament are elected for a term of 4 years. The Election is based on a proportional system.

2. Introduction to Aid Mechanism

A new strategy for Danish Development cooperation, “The Right to a Better Life – Strategy for Denmark’s Development Cooperation” focuses on the following priorities:

1. Human rights and democracy
2. Green growth
3. Social progress
4. Stability and protection
Furthermore, every year the Danish Government presents to the Parliament its plan and priorities for Danish Development assistance for the coming five year period. Recent plans include:

- Priorities of the Danish Government for Danish Development Assistance 2014 – 2018

**Strategy for Development Cooperation**

“The Right to a Better Life” is the name of the new strategy for Denmark’s development cooperation. The goal of the strategy is to fight poverty with human rights and economic growth.

The new strategy for Denmark’s development cooperation “The Right to a Better Life”, creates the foundation for an effective Danish development cooperation which aims to combat poverty and promote human rights. Economic growth is central to the strategy, but growth should be green and promote social progress in order for it to contribute to improving the lives of poor people and their ability to create a better life for themselves. All people have the right to a life with equal opportunities. Human rights are therefore the backbone of the strategy. They will also will guide the implementation of concrete development interventions.

The strategy focuses on ownership, results and transparency in the management of our development cooperation. Danish development cooperation must be dynamic and adjusted to the local context in partnership with our priority countries, international actors, the private sector and civil society organisations. Denmark aims to have a global engagement in its development policy, but our concrete efforts will be focused on the poorest countries, where needs are greatest and where we can best make a difference.

Denmark contributes large amounts to developing countries and has for many years complied with the UN request that a developed country should give at least 0.7% of its gross domestic product as development assistance. In 2012, the total amount came to 2.692 billion USD which equals 0.84% of GDP. The country has selected 15 program countries including Nepal for long term program cooperation. In addition, Denmark also provides substantial amounts of development assistance to a number of other countries such as Afghanistan. 72% of Danish aid flows to bilateral cooperation while 28% to multilateral organizations. Out of 410 million USD allocated to Asia, Nepal received 41.4 million USD (2012).

3. Nepal - Denmark Relations/Membership


4. Nepal - Denmark Economic and Technical Cooperation

An economic cooperation programme was started in 1973 with a loan assistance of Danish Kroner 20 million for the dairy development schemes. In 1980, Danish Government converted all outstanding loans into grants.

A technical cooperation agreement between the two countries was signed in July 1988. This agreement expired in October 1995. Another Development Cooperation Agreement between Government of Nepal and the Government of Denmark was signed in October 1995. Presently, the focus areas for Denmark’s development assistance to Nepal are: Inclusive economic growth, renewable energy, human rights, democracy and good governance and support to the peace process.
The partnership policy for 2013-2017 takes its point of departure in the post-conflict context of Nepal. The overall objectives for Denmark’s partnership with Nepal are twofold:

1. Contribute to the consolidation of peace and to strengthen respect for human rights and deepen democracy
2. Contribute to reducing poverty.

The objectives will be achieved by reaching tangible results within two strategic focus areas:

a. Peacebuilding, human rights and democracy, e.g. through support to relevant Peace Trust Funds, relevant national actors working for promoting and strengthening respect for human rights, and to local government and democratic institutions etc.

b. Green and inclusive economic growth, e.g. through support to the development of agricultural value chains, rural infrastructure, to improving access to renewable energy in rural areas etc.

5. Past Economic and Technical Cooperation

<table>
<thead>
<tr>
<th>SN</th>
<th>Project</th>
<th>Period</th>
<th>Amount</th>
<th>Implementing Authority</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Secondary Education Support program (SESP)</td>
<td>2003-2009</td>
<td>DKK 283.9 m grant</td>
<td>Ministry of Education</td>
<td>National reform program for secondary education -special activities are being implemented in poorest 10 districts special activities are being implemented in poorest 10 districts</td>
</tr>
<tr>
<td>2.</td>
<td>Energy Sector Assistance Programme (ESAP I and II) including Kailali-Kanchanpur Rural Electrification Project</td>
<td>1999-2012</td>
<td>DKK 341 m</td>
<td>A E P C / N E A / ESAP</td>
<td>The main objective of the project was to provide access to renewable energy through off grid system (micro-hydro, solar etc.) and develop an on-grid electrification distribution structure in the remote area through Kailali-Kanchanpur Rural Electrification Project for 50,000 households</td>
</tr>
<tr>
<td>4.</td>
<td>Strengthening the Capacity of the National Human Rights Commission of Nepal (SCNHRC)</td>
<td>2009-11</td>
<td>US$ 393,700</td>
<td>NHRC and UNDP</td>
<td></td>
</tr>
<tr>
<td>SN</td>
<td>Project Title</td>
<td>Period</td>
<td>Amount</td>
<td>Implementing Authority</td>
<td>Remarks</td>
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<tr>
<td>----</td>
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</tr>
<tr>
<td>5.</td>
<td>Local Governance and Community Development (Program (LGCDP)</td>
<td>2008-12</td>
<td>US$ 12,072,902</td>
<td>MoFALD</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>UN Joint programme of support to LGCDP</td>
<td>2009-12</td>
<td>US$ 862,350</td>
<td>UNDP</td>
<td></td>
</tr>
</tbody>
</table>

6. **Ongoing Economic and Technical Cooperation**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project Start Date</th>
<th>Project Completion Date</th>
<th>Commitment Amount- Dollar US</th>
</tr>
</thead>
<tbody>
<tr>
<td>School sector Reform Program (SSRP)</td>
<td>27/11/2009</td>
<td>31/12/2014</td>
<td>34,494,004</td>
</tr>
<tr>
<td>Nepal Peace Trust Fund</td>
<td>27/02/2007</td>
<td>31/01/2013</td>
<td>3,449,400</td>
</tr>
<tr>
<td>DBP (Danida Business Program)</td>
<td>Ongoing</td>
<td>Ongoing</td>
<td>-</td>
</tr>
<tr>
<td>UNNATI (Inclusive growth programme in Nepal)</td>
<td>01/01/2014</td>
<td>31/12/2018</td>
<td>66,123,188</td>
</tr>
<tr>
<td>PRG (Peace, Rights and Good Governance)</td>
<td>01/01/2014</td>
<td>31/12/2018</td>
<td>33,300,000</td>
</tr>
<tr>
<td>NRREP (National Rural and Renewable Energy Programme)</td>
<td>07/12/2013</td>
<td>07/12/2017</td>
<td>34,500,000</td>
</tr>
<tr>
<td>Developing Capacities for Effective Aid Management and Coordination</td>
<td>2011</td>
<td>2014</td>
<td>1,583,600</td>
</tr>
</tbody>
</table>

7. **Future (Pipeline) Economic and Technical Cooperation**

Denmark is committed to maintaining to present level of Development assistance to Nepal about DKK 200 million (approximately NRs 2.6 billion) per year.

8. **Miscellaneous**

Mr. Soren Pind, Minister for Development Cooperation of Denmark made an official visit to Nepal in April, 2010, and met, among others, Mr. Surendra Pandey, Minister of Finance. Mr. Christian Friis Bach made an official visit to Nepal in April 2013 and met with representatives from Government of Nepal and civil society.
1. General Introduction to Development Cooperation Partnership

Finland won its complete independence in 1917. Its area is 338,145 square km. It has 5,326,000 populations as of 2008. Finnish life expectancy is 78 years. The head of the state is the President while the head of the government is the Prime Minister. President is elected by popular vote for a six-year term. Finland has unicameral parliament or Eduskunta which has 200 seats and members are elected by popular vote on proportional basis to serve four-year terms.

Finland is a highly industrialized and largely a free market economy with the per capita income 38,658.29 US dollars in 2012. Its key economic sector is manufacturing—principally the wood, metals, engineering, telecommunications and electronic industries.

2. Introduction to Aid Mechanism

Finland for some time has been paying growing attention to Asia. She has a long tradition as a donor in Asia and has been active in a number of developing countries, most notably in Nepal and Vietnam. Finland uses the instruments of development cooperation, trade and security policy, as well as other national policies in a coherent manner. In bilateral and multilateral cooperation, Finland stresses that improving the necessary conditions for trade should be one of the main components of poverty reduction strategies.

Development Cooperation Principles of Finland:

- The basis of Finland's development policy is that all people have an equal right to affect and participate in both the planning of their development and the activities involved in the implementation of development plans.
- Even people who live in extreme poverty have rights, and support should be given to strengthening their ability to work to improve their lives.

Finland’s Development Policy has four areas of emphasis:

1. A democratic and accountable society that promotes human rights
2. An inclusive green economy that promotes employment
3. Sustainable natural resources management and environmental protection
4. Human development.

The share of development cooperation of GNI is estimated to be 0.53% in 2012. The amount of development cooperation has remained stable during the last few years.
3. Nepal-Finland Relations/Membership

Nepal and Finland established diplomatic relations on 21 September 1974. The relations between the two countries have been marked by friendship, cordiality and cooperation. Finnish Embassy was opened in Kathmandu at the Chargé d’Affaires level in 1992. The Embassy has been upgraded with the appointment of its Ambassador from September, 2011. Nepal has no residential Embassy in Helsinki. The Nepalese Embassy in Copenhagen is concurrently accredited to Finland.

4. Nepal-Finland Economic and Technical Cooperation

In 1982, Bilateral Economic Cooperation was initiated with the grant assistance of 6000 MT. of chemical fertilizers. Finland’s assistance to Nepal has increased and widened in recent years. Finland also provides assistance through international agencies such as UNDP, FAO, IFAD, WMO, OHCHR, WWF and ICIMOD.

Education, forestry and water sectors have formed the core of the Finnish development programme in Nepal. Nepal is one of Finland’s long-term partner countries. Mozambique, Tanzania, Ethiopia, Zambia and Kenya in Africa, Nepal and Vietnam in Asia are the Finland’s long-term partner countries.

Finland has been supporting Nepal’s development since early eighteens. Today the Finnish aid portfolio to Nepal amounts to approximately 25 million Euros annually (3,375 billion Nepali rupees). The main sectors Finland is involved in are education and human rights and democracy, rural water supply and sanitation and forestry. In addition to that Finland is financing several NGO-projects in the country implemented by Nepali NGO’s or Finnish and Nepali NGO’s jointly.

High level policy dialogues have been continued. Finnish Minister for Foreign Trade and Development, Dr. Paavo Vayrynen visited Nepal on the invitation of the then Nepalese Finance Minister and had talks with Nepalese leaders during the first week of February, 2009. Prime Minister Pushpa Kamal Dahal ‘Prachanda’ visited Finland in April 2009 and Deputy Prime Minister and Foreign Minister Sujata Koirala in March 2010. Ms. Heidi Hautala, Minister for International Development of Finland visited Nepal in December 2-6, 2011 Nepal-Finland bilateral consultations were held in Kathmandu in 16-17 January 2013.

5. Past Economic and Technical Cooperation

1. Commodity aid of 26000 MT. of fertilizer
2. Pokhara Rural Electrification Project (Phase I) (FM 25.175 million
3. Pokhara Rural Electrification Project (Phase II)
4. Technical assistance for preparing the Master Plan for Forestry Sector
5. Fourth Telecommunication Project (FM 39.00 million)
6. Computer Billing and Accounting Project
7. Pre-Feasibility Study of Hetauda-Kathmandu Direct Link Road
8. Integrated Watershed Management (Kulekhani and Phewa)
9. Preparation of detailed engineering and of Kaligandaki A Hydro Project
10. Lumbini Rural Water Supply (Phase I & Phase II)
11. Eastern Nepal Topographic Mapping Project
12. Assistance to Nepal Television
13. Fifth Telecom Development Project
14. Biratnagar Diesel Power Plant
15. Multi-fuel Diesel Power Plant Phase-II
16. Khimti Hydropower Transmission Line Project
17. Topographic Mapping Project
18. Environmental Labelling for Export Industries for Nepal
20. Strengthening Environment Administration and Management – Phase I
21. Strengthening of Environmental Administration and Management at the Local Level [SEAM,N]
22. Strengthening the Capacity of the National Human Rights Commission of Nepal (SCNHRC)

6. **Ongoing Economic and Technical Cooperation**

<table>
<thead>
<tr>
<th>SN</th>
<th>Project Title</th>
<th>Project Start Date</th>
<th>Planned Completion Date</th>
<th>Commitment Amount Dollar US</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Grant</td>
</tr>
<tr>
<td>1</td>
<td>School Sector Reform Program (SSRP)</td>
<td>2009</td>
<td>2016</td>
<td>28.6m</td>
</tr>
<tr>
<td>2</td>
<td>Rural Village Water Resource Management Project Phase- II</td>
<td>2010</td>
<td>2015</td>
<td>17.5m</td>
</tr>
<tr>
<td>3</td>
<td>Sanitation and Water for all (Unicef)</td>
<td>2011</td>
<td>2015</td>
<td>12.7m</td>
</tr>
<tr>
<td>4</td>
<td>Forest Resource Assessment in Nepal</td>
<td>2009</td>
<td>2014</td>
<td>6.4m</td>
</tr>
<tr>
<td>5</td>
<td>Rural Water Supply and Sanitation Project in Western Nepal [RWSSP-WN] I</td>
<td>2008</td>
<td>2013</td>
<td>15.2m</td>
</tr>
<tr>
<td>6</td>
<td>Rural Water Supply and Sanitation Project in Western Nepal [RWSSP-WN] II</td>
<td>2013</td>
<td>2018</td>
<td>17.0m</td>
</tr>
<tr>
<td>7</td>
<td>Forestry resource assessment project</td>
<td>2009</td>
<td>2014</td>
<td>6.1m</td>
</tr>
<tr>
<td>8</td>
<td>Nepal Peace Trust Fund</td>
<td>2010</td>
<td>2014</td>
<td>4.5m</td>
</tr>
<tr>
<td>9</td>
<td>Strengthening Implementation of the Women, Peace and Security Agenda in Nepal: Towards Implementation of the National Action Plan on UNSCRs 1325 and 1820 (UNWWomen)</td>
<td>2013</td>
<td>2015</td>
<td>1.7m</td>
</tr>
<tr>
<td>10</td>
<td>Improved capability of the Government of Nepal to respond to the increased risks related to the weather-related natural disasters caused by climatechange</td>
<td>2013</td>
<td>2015</td>
<td>0.6m</td>
</tr>
<tr>
<td>SN</td>
<td>Project Title</td>
<td>Project Start Date</td>
<td>Planned Completion Date</td>
<td>Commitment Amount Dollar US</td>
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</tr>
<tr>
<td>11</td>
<td>Strengthening of Environmental Administration and Management (SEAM) III</td>
<td>2012</td>
<td>2014</td>
<td>3.9m</td>
</tr>
<tr>
<td>12</td>
<td>Multistakeholder forestry program 2011-2015</td>
<td>2012</td>
<td>2016</td>
<td>13.2m</td>
</tr>
<tr>
<td>13</td>
<td>Technical Assistance Support for Leasehold Forest and Livestock Program</td>
<td>2009</td>
<td>2014</td>
<td>-</td>
</tr>
<tr>
<td>14</td>
<td>Strengthening the Capacity of the National Human Rights Commission of Nepal (SCNHRC)</td>
<td>2009</td>
<td>2014</td>
<td>0.5m</td>
</tr>
</tbody>
</table>

7. **Future (Pipeline) Economic and Technical Cooperation**

1. Finland is committed to provide assistance about 26m USD annually in 2015 and 2016.
2. Rural Village Water Resources Management Project (RVWRMP) phase III is under process.

8. **Miscellaneous**

Nepal-Finland bilateral consultations were held in Kathmandu in 16-17 January 2013. The Nepalese delegation was headed by Mr. Rajan Khanal, Officiating Secretary, Ministry of Finance and the Finnish delegation by Mr. Pekka Puustinen, Deputy Director, General, Department for the Americas and Asia, Ministry for Foreign Affairs. Recently in March 2014, the Finnish Foreign Ministry, Under Secretary of State Mrs. Anne Sipiläinen who is in-charge of the implementation of the Finnish aid programme globally visited Nepal. During her visit she met ministers and high level civil servants of Nepal, members of the diplomatic corps, civil society representatives and human rights activists. The main purpose of her visit is to become acquainted with the political and socio-economic situation in Nepal as well as with the Finnish aid portfolio in the country.
1. General Introduction to Development Cooperation Partnership

As Europe's largest economy and most populous nation, Germany remains a key member of the continent's economic, political, and defense organizations. Germany has a bicameral Parliament. The Federal Assembly or Bundestag currently has 622 seats; elected by popular vote under a system combining direct and proportional representation. A party must win 5% of the national vote or three direct mandates to gain representation; members serve four-year terms. The last elections for the Federal Assembly were held on 22 September 2013. The Christian Democratic Union (CDU), the Christian Social Union of Bavaria (CSU) and the Social Democratic Party (SDP) were able to form a grand coalition, with Dr. Angela Merkel of the CDU continuing as the Chancellor and Frank-Walter Steinmeier of the SPD becoming Foreign Minister. The second Assembly is the Federal Council or Bundesrat (69 votes; state governments are directly represented by votes; each has 3 to 6 votes depending on population and are required to vote as a block). There are no direct elections for the Bundesrat; composition is determined by the composition of the state-level governments; the Bundesrat therefore has the potential to change any time one of the 16 states holds an election.

Germany's affluent and technologically powerful economy - the fourth largest in the world - had been hit hard by the financial crises. The growth of the GDP dropped to -4.7% in 2009. Germany has, however, recovered well from the turmoil of the financial crises with a booming economy and high GDP growth rates, achieving a growth of 3.6% and 2.8% in 2010 and 2011, respectively. Whereas GDP growth rates declined to 0.7% in 2012 and 0.4% in 2013, for 2014 economists predict a GDP growth of 1.6%. This year and in coming years, the greatest boost to economic growth will come from the domestic economy paired with a traditionally strong export, mainly to France as Germany’s most important trade partner followed by the Netherlands, China, the US and the UK.. There are many reasons why Germany’s economy is back on track: the recovering global economy, wage restraint, continuous efforts by the industry, and employment policy reforms. German companies are among the world’s largest, most technologically advanced and most competitive producers of steel, cement, chemicals, machinery, vehicles, machine tools, electronics, as well as shipbuilding and textiles.

There are, however, potential threats to the future economic development. The modernization and integration of the eastern German economy continues to be a costly long-term process. In addition, Germany's aging population has pushed social security outlays to a level exceeding contributions from workers. Structural rigidities in the labor market - including strict regulations on laying off workers and the setting of wages on a national basis - resulted in an increasing unemployment rate since the end of the oil crises in the 1970s. The recent economic upswing has nevertheless reduced unemployment from approx. 4.2 million to 3 million and some industries already lack skilled workers (e.g. Engineers, IT). Furthermore, the current instability of the Euro-System due to high level of indebtedness of some member states (mainly Greece, Portugal and potentially Spain) overshadows the positive German economic development and the entire recovery of the EU development.
2. Introduction to Aid Mechanism

The development policy of the Federal Republic of Germany is an independent area of German foreign policy. It is formulated by the Federal Ministry for Economic Cooperation and Development (BMZ), currently headed by Dr. Gerd Müller (CSU). The German government sees development policy as a joint responsibility of the international community, with Germany making effective and high-profile contributions. Through a clear international division of labour and sound consultation and coordination with other donors, the German government aims to enhance the effectiveness of German development policy in line with the tenets of the Paris Declaration on Aid Effectiveness. The Federal Republic of Germany has undertaken to play an active part in helping to achieve the goals laid out in the Millennium Declaration, the Monterrey Consensus and the Johannesburg Plan of Implementation. The inter-ministerial Program of Action 2015 is the central instrument used by the German government to translate this commitment into practice. The Program of Action provides a political framework, how donor coordination takes place and points the way forward for German development policy. Actions are, above all, guided by the principle of Human Rights and pursue the following aims:

- Sustainable poverty reduction
- Reducing structural deficits
- Encouraging civil society involvement
- Making private sector activities deliver for development
- Enhancing the effectiveness of German development cooperation
- Improving visibility

In each of these fields, the German government aims to promote development that corresponds to the general principles of sustainability. This is only possible if development cooperation is based on a holistic approach: it must be ascertained that all development interventions have a positive impact on social, economic, ecological and political development. The Program of Action 2015 lays out the framework within which Germany makes its contribution to achieving the goals of the Millennium Declaration and the Millennium Development Goals derived from it. The priority areas for action embrace:

- Education
- Rural Development
- Good Governance
- Climate Protection
- Sustainable Economic Development

Whether or not, and to what extent Germany engages in development cooperation with a country depends on the development orientation of the country in question and on the prevailing conditions within the country. The BMZ analyzes these on the basis of a list of criteria which form the basis of all country-specific decisions of the BMZ (decisions regarding the volume of funds pledged, topics for government negotiations, priority areas of cooperation, etc.). The five criteria are as follows:

- How poor is the country?
- Could the German development cooperation help to protect global public goods, for example the climate, world health, peace?
- Is government policy focused on development and is the government endeavoring to implement
reforms?

- What added value can Germany offer compared with other donors?
- Are there long-standing historical and political links with the country?

The Ministry of Foreign Affairs handles all humanitarian aid as well as contributions to UNICEF and UNHCR. About two-thirds of German ODA is provided through the budget of BMZ. The BMZ does not implement projects and programmes itself. They are implemented on the behalf of BMZ by Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation, GIZ), KfW Entwicklungsbank (KfW Development Bank) with its subsidiary Deutsche Investitions- und Entwicklungsgesellschaft (DEG, German Investment and Development Company) and Centrum für Internationale Migration und Entwicklung (Center for International Migration and Development, CIM). Besides BMZ, also the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) is administering ODA funds for Nepal out of climate funds.

3. Nepal-German Relations/Membership

Diplomatic relations between the Government of Nepal and the Federal Republic of Germany were established in 1958. The Federal Republic of Germany has been maintaining an Embassy in Kathmandu since 1963, after diplomatic relations with the Kingdom of Nepal had been formally established in 1958. The close and friendly partnership that evolved between our two countries has an even longer history going way back into the 19th century. Since then the relations between Nepal and Germany have been growing on the basis of friendship and mutual cooperation.

4. Nepal-German Economic and Development Cooperation

Nepal and the Federal Republic of Germany established diplomatic relations on April 4, 1958. German development co-operation with Nepal started in 1961. In 1961, the Federal Republic of Germany first provided technical cooperation for the establishment of the Technical Training Institute at Thapathali. In 1964, it provided soft loans to the Nepal Industrial Development Cooperation (NIDC). All German Cooperation is now on grants basis.

The Federal Republic of Germany is one of the major donors for Nepal’s development efforts. It is also Nepal’s third largest export partner after India and the US. Since 1962, Germany has been assisting Nepal in the fields of power generation, agriculture, town development, preservation of monuments and temples, tourism, education and culture, solid waste management, promotion of small business projects, etc. These are areas, which make long-term impacts on Nepal’s overall development.

In view of Nepal’s development since 2006, the German government has significantly increased its funding for development cooperation with Nepal. This aims to help combat poverty in the country and assist its recovery in the aftermath of the civil war. As agreed in 2012 by both Governments, the bilateral cooperation targets three areas in particular: promotion of health care systems, sustainable economic development and trade, as well as renewable energies and energy efficiency. As was further agreed, Germany will phase out its support in the local governance sector and programmes to support the peace process by the end of 2014.

Germany pledged a total of 42.2 million Euro for the period from 2012 and 2013.

Bilateral cooperation in the area of economic development and trade supports the stimulation of socially
balanced economic growth mainly in the Mid and Far West regions, the implementation of the Nepal Trade Integration Strategy and efficient and transparent tax collection and administration. Cooperation in the energy sector focuses on the promotion of energy efficiency in the design of a national energy strategy, the establishment of an energy efficiency center and support to key organizations within the Nepalese renewable energy and biomass sector. Fostering sustainable access to electricity for rural villages and access to credit financing for off-grid micro hydropower development is also part of the cooperation portfolio. In the health sector, Germany supports the public health system through the respective joint donor programme and provides advice with regard to the introduction of a health insurance, quality improvement, sexual and reproductive health and rights as well as HIV prevention for drug users.

Effective 1 January 2011, German international technical cooperation (GIZ) operates as a merged entity of former DED, InWEnt and GTZ. GIZ – on behalf of the BMZ - implements capacity-building programmes in the priority areas of bilateral cooperation.

KfW provides grants and hence facilitates the German financial cooperation in the fields of energy (solar solutions, biogas, and transmission lines), health (contribution to the health pool) and economic development (new programme to start in 2014).

Germany is also a long-standing supporter of ICIMOD (natural resource management and climate change adaptation in trans-boundary landscapes and REDD+ Himalaya Partnership) and SAARC (trade promotion network).

Besides the two major players GIZ and KfW, further organizations have shown substantial activity in Nepal. The Deutscher Akademischer Austausch Dienst (German Academic Exchange Service, DAAD) offers scholarships and long-term training programs not only for German but also for Nepali students. The Physikalisch-Technische Bundesanstalt (National Metrology Institute providing scientific and technical services, PTB) supports Nepal in the field of quality infrastructure. Via the CIM (Centre for International Migration), Germany provides several “Integrated Experts” to different institutions in Nepal (e.g. to the Nepal-German Chamber of Commerce and Industry). In addition, the German Embassy runs a small-scale project fund to various institutions and groups in Nepal. The Senior Expert Services (SES) supports projects with highly qualified retired experts which come to Nepal on short-term missions for voluntary activities. There are also various NGOs and German political foundations (e.g. Friedrich-Ebert-Stiftung) active in Nepal.

**Annual Consultation and Negotiation**

In Nepal, the BMZ pursues a biennial commitment cycle. Following the consultations on bilateral development cooperation in 2012, Germany has subsequently allocated a total amount of EUR 42.2 million for new and ongoing projects for 2012/2013. The areas of focus are Health, Renewable Energy and Energy Efficiency as well as Promotion of Sustainable Economic Development and Trade. German support to the peace process and Governance and Civil Society will gradually phase out by the end of 2014. In the latest round of government consultations, that were held in Kathmandu from 28 to 30 April 2014, both Governments agreed to continue this course of consolidation and to further cooperate in the three focal areas mentioned above. The next bilateral government negotiations and new commitments are planned for the last quarter of 2014.

5. **Past Economic and Technical Cooperation**

- Line of Credit for NIDC Phase I to V
- Line of Credit to Agriculture Development Bank
• Hollow Bricks Production Action Program
• Bhaktapur Development Project
• Banepa Town Development Project
• Snow and Glacier Hydrology
• Manuscript Preservation Department of Archaeology
• Reconstruction of Bridge including Bhainse along Tribhuvan Highway
• Devighat-Dhading 33 kV line project
• Small Business Promotion Project (SBPP)
• Technical Training Center, Thapathali
• Training Center, Hetauda
• Gandaki Agricultural Development Project
• Supply of Materials for Tribhuvan University
• Promotion of Tourism
• Study on Magnesite Deposit
• Study on Fertilizer Factory
• Feasibility Study on Kankai Project
• Supply of Seed Processing plant
• Feasibility Study on Hydropower Stations
• Feasibility Study on Bagmati Project
• Supply of Agricultural Inputs
• Livestock Farm, Lame Patan
• Tinau Watershed Palpa
• Technical Support for RNAC
• Advisory Services to the Postal Services
• Agricultural Manpower Development Project
• Dhulikhel Development Project
• Project Assistance for the Development of Mines & Geology
• Support for the productive utilization of small hydropower plants
• Industrial Enterprise Development Institute
• Integrated Business Promotion Service
• Support of the Nepalese Geological service
• Small Farmers Development Project
• Dhading Development Project
• Himal Cement Factory
• Support of Agricultural Input Cooperation
• TC to Livestock Department
• Food for Work
• Marsyangdi Hydropower Project.
• NGO Fund Project (TC)
• Income Tax Administration Consolidation Project (TC)
• Improvement of the Situation of Children Labourers (TC)
• Churia Forest Development Project (TC)
• Urban Development through Local Efforts I phase (TC)
• Upgrading of Malekhu-Dhading Besi Road and Trishuli and Tripal Khola bridges (FC)
• Load Dispatch Centre (FC)
• Middle Marsyangdi Hydroelectric Project (FC)
• Middle Marsyangdi Hydroelectric Program- Neighborhood Support Program (FC)
• Improvement of Livelihoods in Rural Areas (ILRA; FC and TC)
6. **Ongoing Economic and Technical Cooperation**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project Start Date</th>
<th>Commitment Amount - Dollar US</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grant Aid</td>
<td>Loan</td>
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<tr>
<td>Nepal Peace Trust Fund</td>
<td>27/02/2007</td>
<td>2,530,364</td>
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<tr>
<td>Supporting Nepal’s WTO accession</td>
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<td>Support to Peace Process (STPP)</td>
<td>31/03/2008</td>
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<tr>
<td>Inclusive Development of the Economy (INCLUDE) Programme</td>
<td>06/02/2009</td>
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<tr>
<td>Revenue Administration Support Project (RAS)</td>
<td>01/09/2008</td>
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<tr>
<td>Health Sector Support Programme (HSSP)</td>
<td>24/09/2009</td>
<td>-</td>
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<tr>
<td>Nepal Energy Efficiency Programme (NEEP)/Support to Energy efficiency</td>
<td>06/10/2010</td>
<td>-</td>
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<tr>
<td>Energising Development (EnDev) Nepal</td>
<td>01/09/2008</td>
<td>-</td>
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<tr>
<td>HIV prevention for Injecting Drug Users (Harm Reduction)</td>
<td>01/04/2011</td>
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<tr>
<td>Improvement of Livelihoods in Rural Areas (ILRA)</td>
<td>24/09/2009</td>
<td>4,240,853</td>
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<td>Sub-national Governance Programme, Nepal (SUNAG)</td>
<td>01/05/2011</td>
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<tr>
<td>Urban Development through Local Efforts Programme (UDLE)</td>
<td>31/03/2008</td>
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<td>Poverty Alleviation in Selected Rural Areas of Nepal (PASRA)</td>
<td>31/03/2008</td>
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<td>Kreditanstalt für Wiederaufbau (9)</td>
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<td>Town Development Fund Project (phase III)</td>
<td>201,994,642</td>
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<td>Biogas Support ProgramPhase IV</td>
<td>24/06/2003</td>
<td>8,141,996</td>
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<td>Nepal Peace Trust Fund</td>
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<td>Load Dispatch Center Extension</td>
<td>04/12/1997</td>
<td>-</td>
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<tr>
<td>Middle Marsyangdi Hydroelectric Project</td>
<td>23/02/1999</td>
<td>201,994,642</td>
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<tr>
<td>Sector Program Health and Family Planning</td>
<td>09/07/2008</td>
<td>15,760,441</td>
</tr>
<tr>
<td>Project Title</td>
<td>Project Start Date</td>
<td>Commitment Amount - Dollar US</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>--------------------</td>
<td>--------------------------------</td>
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<tr>
<td>Energy Sector Assistance Programme Phase II (ESAP II)</td>
<td>15/03/2007</td>
<td>11,558,336</td>
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<tr>
<td>Nepal District Health Programme</td>
<td></td>
<td>5,144,562</td>
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<tr>
<td>Town Development Fund Project (phase II)</td>
<td>30/11/2000</td>
<td>6,449,407</td>
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</tbody>
</table>

- Town Development Fund II and III (FC)
- Bio-gas Support Program IV (FC)
- Inclusive Development of the Economy (INCLUDE; FC and TC)
- Trade Promotion Programme (TPP, TC)
- Health Sector Support Program (HSSP, FC and TC)
- HIV prevention for highly risk groups of injecting drug addicted people (Harm Reduction Project HRP, TC)
- Solar Support Program (FC)
- Neighborhood Support Program (FC)
- NPTF (FC and TC)
- MMHEP (FC)
- Load Dispatch Center (FC)
- Supporting the measures to strengthen the Peace Process (STPP; FC and TC)
- Post-project implementation support for the Tax Authorities of Nepal (RAS; FC and TC)
- National Energy Efficiency and Renewable Energy support program (FC)
- Nepal Energy Efficiency Programme (NEEP, TC)
- Subnational Governance (SUNAG; FC and TC)

7. **Future (pipeline) Economic and Technical Cooperation**

1. Nepal Energy Efficiency Programme, new phase (TC)
2. Inclusive Development of the Economy (FC)

8. **Miscellaneous**

1. Regional support programmes for ICIMOD and SAARC (by GIZ)
2. Energizing Development (EnDev, TC)
3. Personnel Cooperation, comprising experts sent to Nepal by GIZ and CIM
4. Projects supported by the small Scale Fund administered by the German Embassy
5. Numerous Projects by German NGOs
1. General Introduction to Development Cooperation Partnership

India, formally called the Republic of India, is the country that situated in Southern Asia, bordering the Arabian Sea and the Bay of Bengal, between Burma and Pakistan. India is one of the most populous nations and seventh largest countries of the world. India has a long history and is considered the world's largest democracy and one of the most successful in Asia. It is a developing nation and has only recently opened its economy to outside trade and influences. As such, its economy is currently growing and when combined with its population growth, India is one of the world’s most significant countries.

The programme of India-Nepal Economic Cooperation started in 1951 with the construction of an air-strip at Gaucher. Gradually, the volume of assistance began to increase and it became necessary to establish a full-fledged Indian Aid Mission in Kathmandu in 1956. The Indian Aid Mission was renamed as India Cooperation Mission in October 1966. India’s association in the economic development of Nepal was more in nature of cooperation than just aid in terms of money and that this cooperation underlined the emotions involved in India in the well being and friendship with the people of Nepal. An 80-strong India Cooperation Mission was exclusively devoted to Indian-assisted mega development projects in Nepal. Presently the India Cooperation Mission is transformed as a part of the Embassy of India as its Economic Cooperation (EC) Wing.

2. Introduction to Aid Mechanism

India’s economic cooperation engagement with Nepal has grown manifold in the past few years, particularly since the restoration of multiparty democracy in the country. India remains steadfast in its commitment to extend assistance for Nepal’s economic rehabilitation and political stabilization. The existing developmental engagement stands to be further strengthened with the ushering in of a new era of hope and peace in Nepal.

Basically India is providing assistance to Nepal on connectivity projects, large infrastructure projects to continue to be taken up aligned with Nepal’s development priorities and at the same time, small, grassroots level, and community-based projects to be further strengthened and expanded.

Apart from this, India has also provided budgetary support IRs. 100 crore in FY 2006-2007 as one-time payment of the Goi contributions for economic assistance to Nepal. Similarly, soft credit line of US$ 100 million for infrastructure development projects has also been provided.

Small Development Projects Scheme

Indian Economic Cooperation was diversified to focus on grassroots projects in 1990s. In January, 2002
Prime Minister of India, Shri Atal Bihari Vajpayee committed INRs.50 crore (NRs.80 crore) for executing Small Development Projects (costing upto NRs.3 crore) in the sectors of education, health, and community development. An agreement was signed between GOI and GON on November 7, 2003 to facilitate implementation of “Small Development Projects Scheme (SDPS)” for a period of two years. The agreement was renewed on June 29, 2006, on 6 August 2008 and on August 6, 2011 for the next three years period.

Small Development Projects are considered on the request of individuals, organisations, NGOs and autonomous bodies linked to Government of Nepal (GON) and are executed after specific concurrence of GON. The projects are implemented through local bodies of GON viz. District Development Committee (DDC), Municipality, Divisional office of Department of Urban Development and Building Construction (DUDBC). Embassy of India does not release funds directly to the beneficiary organisation. Funds are released to the local body of GON in the district in four installments based on progress reports received from the local body. An overseeing committee consisting of executing agency (DDC etc.), concerned district office (education, health etc.), local community leaders, and beneficiary organisation is constituted to ensure quality and timely implementation of the project. Implementation of the project is closely monitored by the Embassy through on site inspection by the officials.

The projects to be funded from this scheme also include rural electrification, rural roads and other infrastructure upto NRs. 5 crores.

3. Past Economic and Technical Cooperation

1. Construction of first highway linking the Kathmandu Valley with the plains in 1953
3. Koshi Barrage (1963)
4. Devighat Hydropower and Irrigation Project (1983)
5. Surajpur Power Project, Katya Power Project and Pushrekola Project
6. Institute of Forestry (1950s)
7. Railways at Janakpur (1996)
8. Most Part of the East –West Highway (1966)
9. Key Section of Tribhuvan University (1960)
10. Ex. Servicemen Welfare Schemes
11. East-West Optical Fibre Cable Project
   • Laying of 858 Km of Optical Fibre Cable on East West Highway (from Bhadrapur in east to Nepalgunj in west) and Setting up of 80 stations with SDH equipment.
   • MOU between GOI and GON for development of telecommunication infrastructure in Nepal was signed on April 12, 2002.
   • Project handed over to Nepal Telecom on 22.11.04.
   • Formal inauguration done on 9.1.06
   • Cost of project is IRs.74 crore.
   • The network is functioning in a trouble free manner and has brought a landmark change in telecommunication in Nepal transforming the lifestyle of Nepal's citizens especially those living in remote areas.
All the 22 bridges in three packages (I, II and III) were completed and handed over to GON, Department of Roads in February, 2001 (21 bridges) and in January, 2002 (one bridge).

13. B. P. Koirala Institute of Health Sciences, Dharan

<table>
<thead>
<tr>
<th>Cost of Project (INRs. In crores)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of construction</td>
<td>56.57</td>
</tr>
<tr>
<td>Medical Equipment</td>
<td>12.08</td>
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<tr>
<td>Medical Faculty Support</td>
<td>49.05</td>
</tr>
<tr>
<td>GOI contribution for setting up of a Corpus Fund</td>
<td>2.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>120.00</td>
</tr>
</tbody>
</table>

- MOU between GOI and GON for setting up of a 50 seat medical college and a 350 bed hospital to serve as a teaching hospital attached to the medical college was signed on March 10, 1994.
- The institute building was formally handed over to nation by PM of Nepal on September 9, 1999.
- Complete construction (including hostel buildings) was completed in 2001.
- The hospital alone has been responsible for transforming Dharan from a small town to a Metropolitan city with superb institutional facilities in medicine, engineering and nutrition. The Institute building was formally handed over to GON in September 1999.
- The College Block constructed at the premises of the hospital with the GOI assistance of NRs 10.97 crores handed over to BPKIHS on 11 March 2014.

14. Development of 1000 shallow tube wells in Dhanusha and Mahottari

- MoU for development of 1000 Shallow Tube Wells in Dhanusha and Mahottari Districts signed on between GOI and GON on April 3, 2008
- GOI provided assistance of NRs. 8.87 crore for the project. The project implemented by Ground Water Resources Development Board, GoN is complete and handed over to the beneficiaries.

15. Nepal Bharat Maitri Vidyalaya, Pokhara:

- Agreement for the project was signed between GOI and GON on 24.8.2006 and exchange of letters for automatic renewal of the agreement signed on 13.9.06.
- The school building constructed with Govt. of India grant assistance of NRs. 8.04 crores was inaugurated on 22 May 2011 with a view to provide quality education to the children of over 1,24,000 Ex-Servicemen in Nepal, out of which 13,919 live in Kaski District alone.

16. Development of 22 farmers managed deep tube well irrigation systems in Jhapa, Sunsari, Saptari and Siraha:

- Agreement for the project signed between GOI and GON on January 6, 2004.
- Project Cost was NRs.7.39 crore.
- Project implemented by Ground Water Resources Development Board, Ministry of Water Resources, Government of Nepal was handed over the beneficiaries on 12 February 2009.
4. **Ongoing Economic and Technical Cooperation**

1. **B. P. Koirala Institute of Health Sciences, Dharan (Faculty support ongoing)**
   - Another MoU was signed on September 12, 2002 for extension and modification of earlier bilateral MOU and continuation of partnership between two governments for further development of BPKIHS.
   - In 2010-2011, Govt. of India provided INR 5 crores for Indian Faculty Support to BPKIHS. This includes deputation of top Indian medical specialists from India's premier medical institutions.
   - Since, 2013-14, India is also providing an annual funding of INR 1 crore to BPKIHS for five years towards partially covering hiring of Indian faculty for the introduction of super specialty courses by BPKIHS and or any other programme specifically for promoting ties/exchanges with India.

2. **Establishment of 200 bed Emergency and Trauma Centre at Bir Hospital, Kathmandu:**
   - Tentative cost: INR 100 crores.
   - MOU for the project was signed on July 30, 2003 between GON and GOI.
   - GOI has also set up Nuclear Imaging Medicine Centre and provided medical expertise to train Bir Hospital doctors in Nephrology.
   - GOI has also built a 5 storied OPD complex with the capacity to accommodate 2500 out-patients.
   - Trauma Centre with 200 bed capacity and five operation theatres will be an 8 storey building.
   - This will be the second trauma centre of its kind amongst SAARC countries, first one being AIIMS, New Delhi.
   - The Trauma Centre will be equipped with all the modern medical equipment of international standards.
   - The Trauma Centre building has been handed over to GoN. Procurement of some Medical Equipment and construction of Operation Theatres are under process.

3. **Establishment of Manmohan Memorial Polytechnic at Biratnagar:**
   - A tripartite agreement between GOI, GON and Manmohan Memorial Foundation (MMF), the setting up of modalities for implementation of the project was signed on 30.6.2003.
   - This is the first polytechnic of its kind in Nepal providing technical education in three engineering streams and several vocational courses to make the people of that area self reliant.
   - The project was inaugurated by the Prime Minister of Nepal on 2 November 2009. The fully residential institute has a capacity of providing education to almost 500 students at a time. Regular Diploma courses in Electrical, Electronic and Mechanical Engineering commenced from November 6, 2008.
   - Total cost of project is NRs. 40 crores
   - GOI is extending a faculty support to the Polytechnic for a period of 5 years. A 6-member Indian faculty team is positioned at MMP for the fifth academic year.

4. **Establishment of a Polytechnic at Hetauda, Makwanpur district**
   - Government of India has approved the proposal for the construction of a government polytechnic at Hetauda which will impart mid-level technical courses in four engineering fields.
   - Land measuring 32 acre has been acquired by the Government of Nepal for the project.
   - A Memorandum of Understanding between the two countries for the implementation of the project was signed during the visit of President of Nepal to India in February 2010.
The estimated cost of the project is expected to be NRs. 40 crores.
Consultant for the project has already been appointed.
The Detailed Engineering Report for the project is yet to be approved.

5. Construction of a Dharamshala at Pashupati Temple Complex.
   - MoU for the project signed between GOI and the Pashupati Area Development Trust (PADT) on 10.3.2004.
   - Estimated cost of the project is about NRs. 27 crore.
   - Consultants for preparation of tender documents and supervision of the project have been appointed by GoI.
   - GOI is in the process of appointing contractor for the project shortly for execution of the project.

6. Upgradation of 26 km road from Dakshinkali – Kulekhani Dam
   - MoU for the project signed with Ministry of Infrastructure and Transport on 29.4.2010.
   - Estimated cost of the project is NRs. 15 crore.
   - Construction of the road has been completed.
   - Work on the construction of drainage and slop stabilization for the durability and sustainability of the road is on-going.

7. Installation of 2700 Shallow Tube Wells
   - GoI has agreed to provide NRs. 25.67 crores for installation of 2700 Shallow Tube Wells in various districts of Nepal.
   - MoU for the project is to be signed shortly.

8. Integrated Border Check-Posts:
   - Integrated check-posts are proposed at four points on Indo-Nepal border namely (i) Raxaul-Birganj, (ii) Sunauli-Bhairahawa, (iii) Jogbani-Biratnagar and (iv) Nepalganj Road-Nepalgunj.
   - MOU for setting up of the check-posts was signed between GOI and GON on August 3, 2005 which it is valid till completion of the project.
   - Setting up of ICP at Raxaul-Birgunj and Jogbani-Biratnagar has been taken up in Phase I, while the remaining ICPs would be taken up under Phase II.
   - Estimated cost of the ICPs segment falling is Nepal is NRs. 4.32 billion.
   - ICPs would have state-of-the-art infrastructure and will facilitate integrated customs and immigration for the smooth cross-border movement of people and goods.

9. Terai Roads Project:
   - MoU for preparation of DPR for development of road and bridges infrastructure in Terai region of Nepal under India-Nepal Economic Cooperation was signed between GOI and GON on June 27, 2006.
   - During the visit of the External Affairs Minister of India to Nepal in January 2010, both the Governments signed a Memorandum of Understanding for the development and construction of roads in the Terai area of Nepal.
• Phase-I of the project covers 19 roads with a total length of 605 Km being constructed with Indian assistance of approximately NRs. 1100 crores.
• Work on the Phase I is going on
• Phase-I will be followed by Phase-II and will cover about 845 kilometers of roads.

10. Rail Links:

• Work on Jayanagar – Bardibas and Jogbani –Biratnagar has been taken up in Phase I of the project.
• Estimated cost of the Phase I is NRs. 10.4 billion.
• Phase I will follow Phase II covering the remaining rail-links.

11. Second EXIM line of credit ($250 Million) is signed. Road and Energy Sector projects will be implemented.

Irrigation Projects

• Saptakoshi Hydro Power Multipurpose Project
• Construction of Marginal Embankments along the banks of Lalbakeya River
• Construction of Marginal Embankments along the banks of Bagmati River
• Construction of Marginal Embankments along the banks of Kamla and Khando Rivers

Scholarship Schemes

• Around 200 Scholarships are given for studying BE/B.Tech in top engineering colleges in India and also for B.Sc., B. Pharma and B.Sc (Dairy Tech) under Compex Nepal Scholarship.
• Around 100 scholarships are there to undertake undergraduate courses such as BBA/BCA/ Others; 5 scholarships for undertaking Music/Fine Arts courses and three scholarships for studying Hospitality and Management under General Cultural Scholarship Scheme.
• 120 Scholarships for undertaking post graduate courses in disciplines like MBA/MCA and other PG level courses, 10 seats for M.Sc (Ag) and 8 seats for Ph.D under Silver Jubilee Scholarship Scheme.
• With the aim of providing comprehensive and integrated training to in-service candidates of GoN/ Public Sector nominees of GoN, 30 seats are allotted to Nepal under the Technical Cooperation Scheme (TCS) of the Colombo Plan and 150 seats under the Indian Technical and Economic Cooperation (ITEC) programme for GoN employees/private people.
• The Golden Jubilee Scholarship Scheme was implemented for the first time in 2002-03 under which 200 scholarships are awarded to Nepalese students studying in MBBS, BE/B.Tech and other undergraduate courses in Nepal.
• Under the Mahatma Gandhi Scholarship Scheme, initiated in 2003-04, 2000 scholarships are being provided every year to students of Class-XI and XII studying in Nepal.
• The Dr. Homi J. Bhaba Scheme launched in 2004-05, provides 40 scholarships to Nepalese students for studying ME/M.Tech in India.
• Under a scheme, implemented in 2005-06, 33 Nepalese students are provided scholarships for studying in Army Public Schools, in India.
**Grassroots Projects**

**Health Sector**

**Goitre Control Programme**

- Since 1973, GoI has provided assistance of NRs. 68.58 crores for Goitre Control Programme to GoN. As a result, rate of Goitre in Nepal has decreased from 55% in 1965 to 0.4% in 2007.
- MoU for providing assistance of NRs. 6.9 crore is to be signed shortly.

**Eye Care Programme**

- Government of India has been providing assistance to Nepal Netra Jyoti Sangh (NNJS) for Eye Care Programme since 2001.
- Under the programme assistance about NRs. 210 million has been provided and over one lakh people so far have been cured of Cataract and Trachoma. optical devices/spectacles have been provided to over 37,000 school going children. a fully equipped mobile eye care van was also gifted to NNJS in 2009.
- Currently, Govt. of India is providing assistance of NRs. 33.90 million to NNJS for conducting 15,000 cataract surgeries through mobile screening camps in various districts of Nepal.

**Assistance for Diabetic Care Programme**

- Government of India is providing grant assistance of NRs. 50 million to Gandhi Global Family Nepal for diabetic care programmes
- Under the programme, GGFN will organize 11 Diabetic Health Camps free of cost for patients in various districts of Nepal.
- Over 30,000 patients will be benefited from diabetic basic lab test screening and provision of free advance Diabetic Diagnostic Test and medicines for 6 months.

India’s support for Constituent Assembly-cum-Parliament Elections:

- For the smooth conduct of the Constituent Assembly – cum – Parliament Elections in November 2013 at the request of GoN, GoI provided vehicles of different types to GoN and to Election Commission of Nepal amounting to NRs. 905 million.

5. **Future (pipeline) Economic and Technical Cooperation**

- Establishment of Nepal Police Academy at an estimated cost of NRs. 640 crores
- Construction of Nepal –Bharat Maitri U. Thant Auditorium at Lumbini at an estimated cost of NRs. 26 crore

**Small Development Projects**

<table>
<thead>
<tr>
<th>Total Number of Projects</th>
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<tbody>
<tr>
<td>450</td>
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</tbody>
</table>
Completed Projects
Ongoing projects
Total Schools/Campus
Ambulances donated since 1994
School buses donated since 1994
District Covered

Total Outlay (Small, Intermediate and Large Projects NRs 65 billion)
1. General Introduction to Development Cooperation Partnership

Geography: Japan is located in Eastern Asia, island chain between the North Pacific Ocean and the Sea of Japan, east of the Korean Peninsula.

History: In 1603, a Tokugawa Shogunate (military dictatorship) ushered in a long period of isolation from foreign influence in order to secure its power. For 250 years, this policy enabled Japan to enjoy stability and a flowering of its indigenous culture. Following the Treaty of Kanagawa with the United States in 1854, Japan opened its ports and began to intensively modernize and industrialize. After its defeat in World War II, Japan recovered to become an economic power and a staunch ally of the US. While the emperor retains his throne as a symbol of national unity, actual power rests in networks of powerful politicians, bureaucrats and business executives. The economy experienced a major slowdown starting in the 1990s following three decades of unprecedented growth, but Japan still remains a major economic power, both in Asia and globally.

Political System: Japan has a constitutional monarchy with a parliamentary government. Administratively Japan is divided into 47 prefectures. The Emperor is the symbol of the country and the Prime Minister is the head of the government. The House of Representatives consist of 480 members elected for a period of 4 years, and the House of Councilors consists of 242 members elected for a period of 6 years.

Economy: Government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (about 1% of GDP) helped Japan advance with extraordinary rapidity to the rank of second most technologically-powerful economy in the world after the US and third-largest economy after the US and China, measured on a purchasing power parity (PPP) basis.

One notable characteristic of the economy is working together of manufacturers, suppliers, and distributors in closely-knit groups called keiretsu. A second basic feature has been the guarantee of lifetime employment for a substantial portion of the urban labor force. Both features are now eroding rapidly.

Industry: The most important sector of the economy is heavily dependent on imported raw materials and fuels. The tiny agricultural sector is fairly subsidized and protected on some items, with crop yields among the highest in the world. Usually self-sufficient in rice, Japan must import about 60% of its requirements of other grain and fodder crops.

For three decades, overall real economic growth had been spectacular: a 10% average in the 1960s, a 5% average in 1970s and a 4% average in 1980s. Growth slowed markedly in the 1990s, averaging just 1.7%, and in 2002 and 2003, Japan faced reduction of its economic size, but from 2004, the growth began to improve again. Japan's
huge central and local government debt, which totals more than 170% of GDP, and the aging of the population, are two major long-run problems.

2. **Introduction to Aid Mechanism**

Japan provides Official Development Assistance (ODA). On August 2003, the Government of Japan has revised the ODA charter. Revised ODA charter emphasized on “poverty reduction”, “sustainable growth”, “addressing global issues” and “peace-building” and also considering current international development issues, such as gap between the have and have not, ethnic and religious conflicts, armed conflicts, terrorism, suppression of human rights and democracy, environmental issues, infectious diseases and others.

Japan also has considered the Asia as one of the priority regions for its assistance. The Government of Japan has been extending its ODA through various schemes such as;

1. **Grant Aid**: Under this scheme Japan provides Grant Aid for General Projects, Non-Project Grant Aid, Grant Aid for Debt Relief, Cultural Grant Aid, Grant Assistance for Grassroots Human Security projects, Grant Aid for Underprivileged Farmers (2KR), Food Aid (KR), Emergency Grant Aid, etc.

2. **Technical Assistance**: Under this scheme Japan dispatches Experts and Volunteers, implement training programs for capacity building of human resources, and conduct Development Studies and Technical Cooperation Projects, and provide various equipment, etc.

3. **Contribution through multilateral institutions**: such as UN Agencies and multilateral finance institutions.

4. **Loans**: Japan provides ODA loans. The ODA loans, also known as yen loans, extend funds for development for long periods at low interest to developing countries. The Government of Japan obtains the request proposals from the recipient nation in its fiscal year basis based on their need and requirement in accordance with the priority areas of the ODA assistance. On the basis of the above-mentioned charter, objectives and priority issues, the Government of Japan determines whether to accept the request for extending ODA assistance. JICA was reborn as New JICA from October, 2008; JBIC (Yen Loan window) was merged to JICA. Now, New JICA operates all ODA – bilateral and multilateral assistance through Grant, loan and technical cooperation. But the budget for bilateral loans is controlled by the Ministry of Finance, and aid through international organizations is handled by the Ministry of Foreign Affairs and Ministry of Finance.

3. **Nepal-Japan Relations/Membership**

Nepal and Japan established diplomatic relations in 1956. In 1968, Embassy of Japan and in 1978, JICA Office were established in Nepal. Both Nepal and Japan are the members of the United Nations, the World Bank Group and the Asian Development Bank. Since 1969, Japan has been supporting Nepal for social and economic development activities. At present, Japan assistance has covered almost every sector of the Nepalese economy.

4. **Nepal-Japan Economic and Technical Cooperation**

At present, Japan is one of the major donors of Nepal. Since 1969, Japan has been involved as a development partner for the social and economic development program of Nepal. Loan assistance and Grant assistance started from 1969 and 1970, respectively. From 1970, Japan has started to provide Technical Cooperation with the dispatch of Japan Overseas Cooperation Volunteers (JOCVs).
5. **Past Economic and Technical Cooperation**

Some major projects implemented under Japan’s ODA in Nepal in various fields are as follows:

### Social Sector

<table>
<thead>
<tr>
<th>SN</th>
<th>Project</th>
<th>Grant Assistance</th>
<th>Technical Assistance (Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Construction of the National Tuberculosis Center</td>
<td>1987 J¥ 1,431 million</td>
<td>1987-2005</td>
</tr>
<tr>
<td>4</td>
<td>Expansion of Kanti Children’s Hospital</td>
<td>1984, 1993-1994 J¥ 2,065 million</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Improvement of Storage Facilities of Iodized Salt</td>
<td>2000-2001 J¥ 1,453 million</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Community Based Alternative Schooling Project</td>
<td>2004-2010</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Support for Improvement of Primary School Management</td>
<td>2008-2011</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>School Health and Nutrition Project</td>
<td>2008-2012</td>
<td></td>
</tr>
</tbody>
</table>

### Agriculture

<table>
<thead>
<tr>
<th>SN</th>
<th>Project</th>
<th>Grant Assistance</th>
<th>Technical Assistance (Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Center for Quality Improvement Center (Irrigation)</td>
<td>1984-1985 J¥ 750 million</td>
<td>1995-1998</td>
</tr>
<tr>
<td>8</td>
<td>Food Aid (KR)</td>
<td>2003-2010 J¥ 3,000 million</td>
<td>-</td>
</tr>
<tr>
<td>SN</td>
<td>Project</td>
<td>Grant Assistance</td>
<td>Technical Assistance</td>
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<td>------------------------------------------------------------------------</td>
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<tr>
<td></td>
<td></td>
<td>Year</td>
<td>Amount</td>
</tr>
<tr>
<td>9</td>
<td>Community Development and Forest / Watershed Conservation Project – I &amp; II</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>Agricultural Training and Extension Improvement Project</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Economic Infrastructure

<table>
<thead>
<tr>
<th>SN</th>
<th>Project</th>
<th>Loan Assistance</th>
<th>Grant Assistance</th>
<th>Technical Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Year</td>
<td>Amount</td>
<td>Year</td>
</tr>
<tr>
<td>1</td>
<td>Kulekhani Hydroelectric Project</td>
<td>1975, 1978</td>
<td>¥ 4,005 million</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Kulekhani No. 2 Hydro Power Station Project</td>
<td>1981, 1983</td>
<td>¥ 12,150 million</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Udayapur Cement Plant Project</td>
<td>1987</td>
<td>¥ 18,770 million</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Kulekhani Disaster Prevention Project</td>
<td>1990, 1996</td>
<td>¥ 6,194 million</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Kaligandaki “A” Hydroelectric Project</td>
<td>1996</td>
<td>¥ 16,916 million</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Expansion and Development of the Medium-Wave Radio Broadcasting Network</td>
<td>-</td>
<td>-</td>
<td>1988-1989</td>
</tr>
<tr>
<td>8</td>
<td>Reconstruction of Bridges in Kathmandu</td>
<td>-</td>
<td>-</td>
<td>1990-1992</td>
</tr>
<tr>
<td>9</td>
<td>Improvement of Kathmandu Water Supply Facilities</td>
<td>-</td>
<td>-</td>
<td>1992-1993</td>
</tr>
<tr>
<td>10</td>
<td>Construction of Water Induce Disaster Prevention Technical Center</td>
<td>-</td>
<td>-</td>
<td>1993</td>
</tr>
<tr>
<td>11</td>
<td>Construction of New Bagmati Bridge at Thapathali</td>
<td>-</td>
<td>-</td>
<td>1993-1994</td>
</tr>
<tr>
<td>SN</td>
<td>Project</td>
<td>Loan Assistance</td>
<td>Grant Assistance</td>
<td>Technical Assistance (Year)</td>
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<tr>
<td></td>
<td></td>
<td>Year</td>
<td>Amount</td>
<td>Year</td>
</tr>
<tr>
<td>12</td>
<td>Modernization of Tribhuvan International Airport</td>
<td>-</td>
<td>-</td>
<td>1993-1994</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1994</td>
</tr>
<tr>
<td>13</td>
<td>Improvement of Intersections in Kathmandu City</td>
<td>-</td>
<td>-</td>
<td>2000-2001</td>
</tr>
<tr>
<td>14</td>
<td>Improvement of Water Supply Facilities in Urban and Semi-urban Centres</td>
<td>-</td>
<td>-</td>
<td>2005</td>
</tr>
<tr>
<td>15</td>
<td>Construction of Banepa-Sindhuli Road (Section I, IV, II)</td>
<td>-</td>
<td>-</td>
<td>1996-2008</td>
</tr>
<tr>
<td>16</td>
<td>Construction of Kawasaki Sub-Station</td>
<td>-</td>
<td>-</td>
<td>2007-2008</td>
</tr>
<tr>
<td>17</td>
<td>Project for the Improvement of Kathmandu-Bhaktapur Road</td>
<td>2008-2012</td>
<td>¥ 2689 million</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Introduction of Clean Energy by Solar Electricity Generation System</td>
<td>2010-2012</td>
<td>¥ 660 million</td>
<td></td>
</tr>
</tbody>
</table>

Environment

<table>
<thead>
<tr>
<th>SN</th>
<th>Project</th>
<th>Loan Assistance</th>
<th>Grant Assistance</th>
<th>Technical Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Year</td>
<td>Amount</td>
<td>Year</td>
</tr>
<tr>
<td>1</td>
<td>Community Development and Forestry / Watershed Conservation Project</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>The Study on the Solid Waste Management in Kathmandu Valley</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Phewa Lake Environment Awareness and Capacity Building</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

6. Ongoing Economic and Technical Cooperation

a Technical Cooperation Projects:
- Strengthening the Monitoring and Evaluation System in Nepal Phase II (SMES2)
- School Health Nutrition Project
- Participatory Watershed Management and Local Governance Project
- Gender Mainstreaming and Social Inclusion Project
- Strengthening Community Mediation Capacity for Peaceful and Harmonious Society
- Promoting Peace Building and Democratization through the Capacity Development of Media Sector
- The project for strengthening the capacity of Court Expeditious and Reliable Dispute Settlement.
- Public Procurement Support project.
- Support for the Election Commission, Nepal.
• The Project for Capacity Development on Water Supply in Semi-urban Areas (WASMIP).
• Support for Improvement of Primary School Management Phase II
• Operation and Maintenance of Sindhuli Road
• The Project for the Master Plan Study on the High Value Agriculture Extension and Promotion in Sindhuli Road Corridor (SRCAMP).
• The project for the Development of Spare parts Management Center and En-route Radar Control Services (TCP)

b. **Grant Aid Project:**
• Banepa-Sindhuli Road Construction Project (Section III)
• Project for the Construction of new Kawasoti Sub-station
• TIA Modernization Project (Surveillance System)
• Grant Aid for Debt Relief (DRF)
• Food Aid Project (KR)
• Food Security Project for Underprivileged Farmers (2KR)
• Non- Project Grant (NPG)
• Countermeasures construction for the landslide on Sindhuli Road Section II Community Access Improvement Project (Rural Road Bridge Construction)
• Forest Preservation Program
c. **Japanese ODA Loan Project:**
• Melamchi Water Supply Project (Water Treatment Plant)
• Tanahu Hydropower Project
• Project for Basic Education Improvement in Support of the School Sector Reform

7. **Miscellaneous**

1. General Introduction to Development Cooperation Partnership

I. After World War II, The Republic of Korea was set up in the southern half of the Korean peninsula while a communist regime was constituted in the north. An armistice truce was signed in 1953 after three-year Korean War.

II. Korea developed rapidly from the 1960s, fueled by high savings and investment rates, and a strong emphasis on education. As the world's 15th largest economy, Korea has emerged as a success story in many ways. In 2012, Korea trade volume amounted to US$ 1 trillion, ranking 8th in the world. Korean GDP stands at US $ 1,197.5 billion (2013). GDP growth rate in 2013 was 2.8%. Its per capita GNI was US$ 24,000 (2013)

III. Korea transformed from one of the poorest countries to one of the developed countries. Its journey from recipient to donor country became one of the successful examples in the world. Korea became the 24th member of the Development Assistance Committee (DAC) of the OECD (Organization for Economic Cooperation and Development) in 2010. Similarly, Korea also hosted High Level Forum on Aid Effectiveness, 2012 in Busan.

IV. Korea has a land area of 99,617 sq km including 290 sq km of water. Population is 48,955,203 (2013) with a growth rate of 0.43% (2013) and average life expectancy is 81 year. As much as 98% of the Korean people are literate. It is administratively divided into 1 Special city(Seoul), 6 Provinces, 6 Metropolitan cities, 1 Special self-governing province(Jeju) and 1 Special self-governing city(Sejong).

V. President is the head of the state and the Prime minister directs and supervises ministries under the president's order. President is elected by popular vote for a single five-year term. Korea has a unicameral National Assembly called Kukhoe which is composed of 298 members serving four-year terms; 244 by popular vote from local constituencies, 54 by proportional representation system.

2. Introduction to Aid Mechanism

The Republic of Korea's development cooperation can be classified into three categories: (1) bilateral grants, (2) bilateral loan and (3) financial subscriptions and contributions to international organizations. Korea's development cooperation focuses on sharing the experiences learned over the course of its own socio-economic development with partner countries.

KOICA, since its establishment in 1991, has been implementing grant aid and technical cooperation programs under the auspices of the Ministry of Foreign Affairs. KOICA implements two types of grants: grant aid, which includes the provision of equipment and project aid, and technical cooperation, which includes development
studies, Fellowship Program, DEEP Program (country specific development experience exchange program) and the dispatch of Korean experts and Korea Overseas Volunteers (KOVs).

Meanwhile, the bilateral soft loans or Economic Development Cooperation Fund (EDCF) loans are managed by the Export-Import Bank of Korea. With regard to multilateral cooperation, the Ministry of Foreign Affairs and Ministry of Finance and Economy are responsible for contributions to UN organizations and subscriptions to international development bank, respectively.

3. Nepal - Republic of Korea Relations/Membership

Nepal and the Republic of Korea established the diplomatic relations on 15 May 1974. Since then, both countries have enjoyed excellent bilateral relations. Both countries have enhanced bilateral cooperation through concluding the Agreement on Korean Youth Volunteers in January 1992, EDCF Agreement in September 1997, the Agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income in October 2001, Air Services Agreement in March 2005, the Culture Agreement in April 2005. In 2007, the Nepalese and Korean Governments signed MOU on EPS (Employment Permit System) for recruiting Nepalese workers according to the Korean labour related Law.

Both Korea and Nepal are the members of the United Nations, the World Bank Group and the Asian Development Bank.

4. Nepal - Republic of Korea Economic and Technical Cooperation

To strengthen the friendly and cooperative relationship between Korea and Nepal, the Korean government has made efforts to assist with the socio-economic development of Nepal through various development programs implemented by the Korea International Cooperation Agency (KOICA) since 1991. In the beginning, KOICA’s assistance to Nepal was in the form of Korea Overseas Volunteers (KOVs) and various fellowship programs. Korea supported approximately USD 70.99 million to Nepal between 2007 and 2011, of which USD 37.23 million was provided in concessional loans and USD 33.76 million in grants.

In this context, priority has been given to human resources development which will serve as a basis of national development. KOICA has now also given priorities in Health, Education and Agriculture sector in the form of program type aid for the purpose of more efficient and results-oriented assistance. Today, Nepal has been selected as one of the core countries among 26 countries for Korea’s ODA, hence KOICA’s budget for Nepal will increase significantly in coming years.

a. Project / Program

The project aid is one of KOICA’s main programs, which supports construction of hospital, schools, vocational training centers, and etc. KOICA also offers training and expertise to support the development of partner countries. While selecting project, KOICA focuses on the areas where Korea’s expertise and experience can make important contributions. These areas include education and vocational training, health and medical care, public administration, agriculture and fisheries.

b. DEEP (Development Experience Exchange Program) Program

KOICA has initiated the DEEP program as a technical cooperation, under which it plans to support in capacity
development of human resource as well as of organization for three consecutive years. The activities under DEEP includes not only short term training in Korea but invitation of Korean expert, field workshops in Nepal, online consultation, support for the pilot programs and etc.

c. Fellowship Programme

Training opportunities are also available in Korea in different disciplines such as agriculture, community development, good governance, Korean language, health, communications, housing and public works and general economics. KOICA also organized Country Specific fellowship program for Nepal in water Resource management, Judicial Development Program and Economic Development Strategy for high level officials. The Government of Republic of Korea has provided 70 to 80 seats annually to Nepal. These trainings vary from short term for a week or usually for 3 weeks to long term such as masters programs in Korea. Till now 50 government officers from different ministries have completed Masters Degree from Korea in different subjects. In 2013, total 106 government officers from different ministries participated in various KOICA fellowship program.

d. Volunteer Services

Agreement for providing middle level technical personnel from Korea to work as volunteers in Nepal was concluded on January 24, 1992. At present, 52 Korean volunteers are working in different areas. Korea also provides expert services such as ICT expert, medical doctors, rural development experts etc. The Korean volunteer services have been mainly focused on Education, Health, Rural Development and ICT sector.

e. Korean NGOs

It has been quite some years that increasing numbers of Korean NGOs are actively involved in development works in different areas of Nepal. Health, education, social welfare, child education, poverty reduction and community development are some of the main areas that Korean NGOs are focusing. For example NGOs like Service for Peace, Good Neighbors, Save the Children, Habitat for Humanity, Dail Foundation, and Good Hands are carrying out different activities in Nepal.

5. Past Economic and Technical Cooperation

- Sericulture Development Project (1978-1992)
- Khopasi Sericulture Center Construction (1993-1995)
- Sericulture-training center at Itahari (1996)
- Preliminary study of Kanti Rajpath improvement (1998-1999)
- Computerization Project at the Ministry of Foreign Affairs (2001)
- Establishment of Korea-Nepal Friendship Hospital Project (2006~2008)
- Support to 45 Korean NGOs Activity in Nepal
- Soft loan for Modi Khola Hydroelectric Project (1997, Loan)
- Korea-Nepal Institute of Technology, Tamnagar, Butwal(2008 – 2011)
6. **Ongoing Economic and Technical Cooperation**

- Establishment for the ICT Center IOE, Pulchowk Campus, TU (2010 – 2014)
- Health Services Improvement in Tikapur, MOHP (2011 – 2014)
- Establishment of Technical Training Center at Kathmandu University (2011 – 2014)
- Disaster Recovery Center at Hetauda (2013 – 2015)
- Invitation of Trainees (120 participants in 2014).
- Dispatch of Advisors
- Dispatch of Volunteers (67 volunteers for 2014)
- Assistance to Korean NGOs in Nepal (6 cases)
- Food for New Village, WFP, Nepal.
- Maternal and Neonatal Health Care for the Unreached Population of Nepal, UNICEF
- Chameliya Hydropower Project (Loan)

7. **Future (pipeline) Economic and Technical Cooperation**

- MDG’s Development Effectiveness Enhancement Project, UNDP (2014-2016)

8. **Miscellaneous**

- Increase ODA to Nepal as it is one of the priority countries for Korea.
- Support Nepal in achieving MDG by 2015
- Support Nepal in achieving rapid socio-economic development.
1. General Introduction to Development Cooperation Partnership

Situated in the Middle East, Kuwait borders the Persian Gulf, between Iraq and Saudi Arabia. Britain took face of the Foreign relations and defense for the ruling Kuwaiti AL-SABAH dynasty from 1899 until independence in 1961. Kuwait was attacked and overrun by Iraq on 2 August 1990. Following several weeks of aerial bombardment, a US-led UN coalition began a ground assault on 23 February 1991 that liberated Kuwait in four days. Kuwait spent more than USD 5 billion to repair oil infrastructure damaged during 1990-91.

Kuwait observes hereditary Monarchy; prime minister and deputy prime ministers are appointed by the monarch. Council of Ministers are appointed by the Prime Minister and approved by the monarch. The country has unicameral National Assembly or Majlis al-Umma (50 seats; members elected by popular vote to serve four-year terms).

Kuwait is a small, rich, relatively open economy with proved crude oil reserves of about 96 billion barrels- 10% of world reserves. Petroleum accounts for nearly half of GDP, 95% of export revenue, and 80% of government income. Kuwait’s climate limits agricultural development. Consequently, with the exception of fish, it depends almost wholly on food imports. About 75 % of potable water must be distilled or imported. Kuwait continues its discussion with foreign oil companies to develop fields in the northern part of the country.

2. Introduction to Aid Mechanism

The Kuwait Fund for Arab and Economic Development (KFAED) was established on December 31, 1961 in order to extend loans and aid to Arab and other developing countries. The KFAED is an autonomous public body having an independent legal identity. It is administered by a Board of Directors whose members are appointed by HH the Crown Prince and the Prime Minister, and the Chairman of the Board. The Prime Minister has delegated this authority to the Minister for Finance. The management of the Fund is the responsibility of the Director General, who is appointed by the Chairman of the Board. One or more Deputies to the Director General assist him in the management of the Fund.

In order to discharge its functions, the Fund was given broad freedom of movement, and the right to follow any of the courses outlined in the Law and its Statutes.
According to the recent statistics, the Fund’s paid-up capital since its foundation amounts to KD 2,000 million. Total loan disbursement extend amounted to KD 3,077 million. The Fund has granted 595 loans since its inception and extended technical assistance on 196 occasions to different countries and organisations, which have benefited 96 countries in Africa, Asia, Europe and Latin America.

In pursuing its objectives and goals, KFAED’s exclusive concern is to serve the interest of the countries with which it cooperates and to promote friendly relations between them and Kuwait. Over a period of 40 years, the Fund has played an effective role in strengthening the ties of co-operation and friendship between Kuwait and other countries.

Kuwait foreign assistance, channeled mainly through Kuwait Fund, average and annual equivalent of 4% or more of Kuwait’s GNP. As such, Kuwait is one of the few countries in the world whose aid budgets exceed the U.N. target of 0.7% of GNP. No commitment fee is charged on Kuwait Fund Loans.

3. Nepal-Kuwait (KFAED) Relations/Membership

Nepal and Kuwait established diplomatic relation on 25 February 1972. Nepal has sent its first residential Ambassador to Kuwait in December, 2009. Nepal embassy is facilitating aid and other matters with KFAED.

4. Nepal-KFAED Economic and Technical Cooperation

Economic cooperation between two countries started in January 1976 with the signing of the Loan Agreement amounting KD 5 million (USD 18.5 million) for the Kulekhani Hydro-Project. So far Kuwait’s involvement is limited only in the water resources sector in 4 projects with a total amount of assistance around KD.11.42 million.

In 1979 Kuwait provided a supplementary loan of KD 2 million (USD 7.4 million) to meet the increased executing cost of the same project under the agreement signed on 25 January 1985. Kuwait has also provided KD 2.875 million for the civil works and consultancy component of the Marsyangdi Power Project. The Fund has extended total loan amount of KD 11.425 million as of 31 December 2002.

The total loan amount of KD 1.55 million (USD 5.05 million) has been provided for the execution of Praganna Kulo Irrigation Project in the Dang District of the Mid-Western Development Region in 1998. The loan is used for the construction and rehabilitation of irrigation canal and the intakes. The loan closing date for the project was July 15, 2005. Recently the Government of Nepal has decided to request KFAED to cancel the un-utilized loan. In the last year, 22 March 2013, KFW has agreed to provide a loan assistance of 5 million KD (18 Million USD) for Budhiganga Hydropower Project to be developed in Acham District. The loan closing date is December 2018 AD for this project.

5. Past Economic and Technical Cooperation

- Kulekhani Hydroelectric Project (Phase 1)
- Kulekhani Hydroelectric Project (Phase 2)
- Marsyangdi Hydroelectric Power
- Praganna Kulo Irrigation Project
6. Ongoing Economic and Technical Cooperation

Sitapaila–Dharke Road Project (Feasibility study)
Budhiganga Hydropower Project

7. Future (pipeline) Economic and Technical Cooperation

Co-financing for Community Managed Irrigated Agriculture Sector Project (CMIASP)

8. Miscellaneous

In 2010, Deputy Prime Minister Ms. Sujata Koirala visited state of Kuwait leading a Nepali delegation comprising representative of Ministry of Foreign Affairs, Ministry of Labor and Ministry of Finance. There was a meeting held with KFAED in DPM level and with the representative of Ministry of Finance, where the matters related to potential areas of cooperation and projects were discussed. As a result, few projects are being undertaken by KFAED. Financing for Budhiganga Hydropower Project is one of the latest involvement of the fund in our development endeavor.
1. General Introduction to Development Cooperation Partnership

The Netherlands has a total area of 41,526 sq. km. Its climate is temperate; marine; cool summers and mild winters. The population is estimated at 17,034,544 in 2012 with a growth rate of 0.40%. Life expectancy at birth stands at 81.10 years.

History and Culture: The religion ratio remains as Roman Catholic 31%, Protestant 21%, Muslims 4.4%, others 3.4% and unaffiliated 40% (1998). Dutch is the national language. Literacy rate is 99% of the total population. Political System: The Netherlands is a constitutional Monarchy with a two tier parliament, the Staten General. The First Chamber of 75 members is elected by the provisional council every four years and has powers to accept or reject legislation. The Second Chamber of 150 members is elected by proportional representation every four years.

Economy: The Netherlands has a prosperous and open economy, which depends heavily on foreign trade. The economy is noted for stable industrial relations, moderate unemployment and inflation, a sizeable current account surplus, and an important role as European transportation hub. Industrial activity is predominantly in food processing, chemicals, petroleum refining, and electrical machinery. A highly mechanised agriculture sector employs not more than 4% of the labour force but provides large surpluses for the food processing industry and for exports. Exports and imports of goods and services together total more than 100% of nominal GDP. Rotterdam is Europe’s largest port; its industrial and distribution activities alone generate annual added value of some 10% of Dutch GNP. Trade is instrumental to the manufacturing sector, which is dependent on imported materials. GDP is US $ 481.1 billion (as of 2004 est.) with real growth rate of 1.2%. GDP per capita is US $29,500 as of 2004. Services sector holds 73.1% of the GDP. Exports stand at $293.1 billion f.o.b. whereas imports stand at $252.7 billion f.o.b.

Diplomatic and Economic Relations

Nepal and the Netherlands established diplomatic relations in April 1960. Economic co-operation started after 1976 with the involvement of Dutch Volunteers (technicians/engineers) to assist in various development sectors. HMG/Nepal and the Government of the Netherlands signed an Agreement concerning the Employment of Netherlands Volunteers in May 1983 in Nepal for economic development co-operation. Besides the services of the volunteers, the Netherlands has been providing financial co-operation in various areas since the economic co-operation started. Hence, its previous office 'SNV–Organisation of Netherlands Volunteers' in Nepal has been changed into 'SNV–Netherlands Development Organisation' since December 1989.

Every year around 500 applications for fellowships are received and routed by the Netherlands Consulate to
International Educational Institutes and Universities in the Netherlands. On average, per year 60 qualified Nepalese are accepted in the Fellowship Programme for post-graduates and other higher studies.

Treaties:

May 16, 1983: A Bilateral Agreement between Government of Nepal (Ministry of Finance) and the Royal Netherlands Government (Ministry of Foreign Affairs/Royal Netherlands Embassy/New Delhi) was signed, and SNV Netherlands Development Organisation started working on behalf of the Government of the Netherlands in Nepal,

May 08, 1988: Official Letters for the extension of above Agreement between the two governments exchanged,

July 08, 1995: Agreement on Technical Assistance in drafting Biodiversity Profiles in Nepal signed,

June 10, 1998: Agreement regarding Air Transport between Nepal and the Netherlands signed.

2. Introduction to Aid Mechanism

Since 1975 the level of Dutch ODA has always been maintained above 0.7% of its GNP. The level of aid has decreased to some extent as compared to 1980s when it averaged 1.0% of GNP. However, the level of aid was maintained around 0.8% of GNP throughout the decade of 90s except in 1994 when it came down to 0.76% - which was still above the OECD DAC target.

3. Nepal-Netherlands Economic and Technical Cooperation

SNV Netherlands Development Organisation has been in Nepal since 1980. In Nepal, the Netherlands assistance has been made available for Environment, Forestry, Energy, Community Development, Infrastructure Development, Institutional Development, Good Governance and Capacity Building. The Government of the Netherlands channels this financial and technical support via SNV Netherlands Development Organisation in Nepal. Besides the two Bilateral Programmes (1) Biodiversity Sector Support Programme (BSSP) and (2) Renewable Energy Sector Support (RESS) programme, SNV is also involved in Private Sector Development Programmes and represents in Nepal the NMCP (Netherlands Management Consultants Programme) as well as a number of (smaller) NGOs from the Netherlands and Spain. Additional to the Official Bilateral Cooperation, there is support from co-financing agencies like - ICCO and Novib to non-governmental partner organisations in Nepal.

4. Past Economic and Technical Cooperation

i. The Government of the Netherlands provided Rs.17.62 million for the construction of Health posts with staff quarters in different parts and locations in Nepal. The programme was started in 1976 and ended in 1989.

ii. Trail Bridge Building Programme (TBBP, 1986 – 1993): Objectives: Construction of 20 Trail Bridges; training of at least 50 Overseers and other local technicians; research on the use of local types of bridges; make inventories of various types of local bridge designs; support decentralisation policy of GON, and document the programme and conduct data studies. Programme areas: Five districts (Humla, Jumla, Kalikot, Mugu and Dolpa) of Karnali Zone. Budget: Euro - 2,540,352

iii. Karnali Local Development Programme (KLDP 1a, 1b, 1993 – 1998) with Ministry of Local Development (MLD): Objective: The main objective of the programme was to assist the target
population from the programme area in improving their socio-economic standards and level of self-reliance within an ecologically sound environment. Programme areas: Humla, Jumla, Kalikot, Mugu and Dolpa districts of Karnali Zone. Budget: Euro - 4,425,855 same

- Worked to strengthen district based NGOs to assist village groups in analyzing problems and potentials, and taking initiatives to address them; and
- Strengthened the capacity of the District Development Committees (DDCs) and Village Development Committees (VDCs) to plan, monitor, co-ordinate, and support development in which local initiatives are integrated in the second and third phases (II and III phases). Programme areas: Ilam, Panchthar and Taplejung districts of Mechi Zone. Budget: Euro - 9,184,009

Objectives: BETRESP was an income generating programme jointly implemented by SNV/Nepal and the Ministry of Agriculture/Department of Agriculture to support the poor farmers by raising bee-farming and extension programmes. Programme areas: Chitwan, Gorkha and Syangja districts Budget: Euro – 932,679.

vi. Makalu - Barun National Park and Conservation Area project (MBNPC I & II, 1988 – 2002) under Ministry of Forests and Soil Conservation (MFSC): Objectives: The main aim was to protect the rich biodiversity of the area while promoting community development and income generating activities for the local population.Budget : Euro – 4,748,875

vii. Biogas Support Programme (BSP I, II and III) in 66 districts of the country under the Ministry of Science and Technology (1992 –1997, 1997 - 2003): Objectives: To further develop and disseminate biogas as a main stream – Renewable Energy Technology in rural areas of Nepal. To this extent, the programme aimed particularly to improve the sustainability of the sector as a whole, planning activities at macro (institutional strengthening), meso (company support) and micro optimized biogas benefit) level. Budget: Euro – 8,155,563

viii. Bardia Integrated Conservation Project with Ministry of Forests and Soil Conservation/Department of National Parks and Wildlife Conservation: (BICP, 1995 – 2000); Objectives: To conserve the rare and endangered animal species that resides with the Royal Bardia National Park area and to alleviate poverty through sustainable development in the buffer zone of the park. Budget: Euro – 1,327,128


x. Praja Community Development Programme (PCDP I and II 1996 – 2003) with Ministry of Local Development (MLD) /District Development Committee (DDC): Objectives: The long term objectives of both (I and II phases) were to enhance an ecologically suitable use of natural resources by the Praja communities under a gender sensitive process of strengthening their social and economic situation, including external relations. Programme areas: Five Village Development Committees (VDCs) of Chitwan district. They are Shaktikhor, Siddhi, Korak, Kaule and Lothar VDCs. Budget: Euro - 1,005,645

xi. Agro-forestry and Community Development programme (AFCDP I, 1990 – 1995, and AFCDP II, 1996–2001) with KMTNC under Ministry of Forests and Soil Conservation (MoFSC): Objectives: The project aimed to involve the local communities in nature conservation and community development. The project was implemented by KMTNC. Programme areas: Seven Village Development Committees of Kaski district in Annapurna Conservation area. Budget: Euro - 1,339,737

Ministry of Forests and Soil Conservation (MoFSC): Objectives: Support and manage Hills Leased Forestry and Forage Development to help the local community. Budget: Euro - 2,099,946

xiii. District Partners Programme (DPP, 1998 – 2001) with District Development Committees of four districts (Humla, Jumla, Mugu and Dolpa) of Karnali Zone under Ministry of Local Development (MLD): Objectives: Enhance the capacities of DDCs and VDCs to plan, co-ordinate, and monitor development activities based on the needs, and in collaboration with (representatives) the district population; make Entrepreneurs (men and women) and CBOs increasingly capable to exploit selected economic opportunities in such a way that income is generated and natural resources are sustainably managed; and enhancement of capacity of district based NGOs to contribute to sustainable development based on the needs in collaboration with the population of selected VDCs. Programme areas: Four districts (Humla, Jumla, Mugu and Dolpa) of Karnali Zone. Budget: Euro – 3,365,007

xiv. Tsho – Rolpa Glacier Lake Outburst Flood Risk Reduction Project (TRGLOFRDP, 1997 – 2004) with Department of Hydrology and Meteorology under the Ministry of Science and Technology (MoST): Objectives: To lower the water level in the Tsho-Rolpa Glacier Lake by a minimum of 3 meters to immediately and tangibly reduce the risk of a Glacier Lake Outburst Flood (GLOF). Budget: Euro – 2,855,510

xv. Local Governance Strengthening Transition Programme (LGSTP, 2001 – 2003) under Ministry of Local Development: Objectives: Capacity development of District Development Committees (DDCs) in Karnali and Mechi Zones. Hence, LGSTP was to support social mobilization to build social organisation and raise awareness in communities, empowering people to participate in political process and decisions that affect their lives, demand transparent and effective local government, enlarge their livelihood choices and opportunities. And also to help develop their capacity to mobilize resources. Budget: Euro – 1,596,941

Besides the above completed projects, the Royal Netherlands Government / Neda/ Embassy / SNV have made financial and technical assistance available for the following programmes/projects directly or indirectly:

ii. CARE - Remote Area Basic Needs Programme (1998 – 2002); Budget: Euro – 975,627
iii. CVICT phase II (1997 – 1998); Budget: Euro – 363,024
iv. GRINSO Bonded Labour Programme (1996 – 1999); Budget: Euro – 316,915
v. Hindukush Region, ICIMOD Evaluation and ICIMOD GIS Publication (1996 – 2001); Budget: Euro – 1,269,564
vi. Institutional Strengthening Education (1999); Budget: Euro – 142,467
ix. Kanchenchenga Conservation Project (1998); Budget: Euro – 272,268
x. LWC Shelter Repair & Maintenance for Bhutanese Refugees (1998 – 1999); Budget: Euro – 135,443
xi. River Management Master Plan project (1998); Budget: Euro – 181,512
xii. Enhanced Support for HIV Preventing Programme I through SC/US (1995 – 1999); Budget: Euro – 1,113,577,
xiii. SC/US IMED (1991 – 1998); Budget: Euro – 824,196,
xv. Water Sector Support Programme (1997); Budget: Euro – 304,033,
xvi. Social Development Programme (1999); Budget: Euro – 390,317,
xvii. And, many other small projects in respect of social, economic, cultural, educational and human rights importance,
5. Ongoing Economic and Technical Cooperation

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Project Start Date</th>
<th>Commitment Amount-Dollar US</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Grant Aid</td>
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<tr>
<td>Biogas Support ProgramPhase IV</td>
<td>24/06/2003</td>
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<td>4,374,966</td>
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<td>Western Terai Landscape Complex project (WTLCP)</td>
<td>16/08/2005</td>
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<td>Climate and Carbon Funding in Renewable Energy Sector in Nepal</td>
<td>01/04/2010</td>
<td>-</td>
<td>174,159</td>
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<td></td>
<td></td>
<td></td>
<td>174,159</td>
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<tr>
<td>Support to Decentralising Renewable Energy (in Nepal)</td>
<td></td>
<td>-</td>
<td>-</td>
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<tr>
<td>Sustainable Sanitation and Hygiene for All (SSH4A)</td>
<td></td>
<td>-</td>
<td>-</td>
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<tr>
<td>(Improving) Functionality of Water Supply Services in Nepal</td>
<td></td>
<td>-</td>
<td>326,634</td>
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<tr>
<td>High Value Agriculture Project (HVAP) in Hills and Mountains Areas</td>
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<td>High Impact Tourism Training for Jobs and Income (HITT) Programme</td>
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<td>Domesticated Forest Products Value Chain Development Programme (DFPVC)</td>
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<td>Great Himalayan Trail Development Project (GHTDP)</td>
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<td>SNV Regional and Corporate Programmes (SNV)</td>
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<td>Pro Poor Reduction of Emissions from Deforestation and Destruction of Forests (REDD)</td>
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<tr>
<td>High Value Crops Programme (HVCP)East</td>
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<td>204,238</td>
</tr>
</tbody>
</table>

6. Future (pipeline) Economic and Technical Cooperation

i. Continuation of the bilateral Biodiversity Sector Support Programme, 2002 – 2009 (under Budget Neutral Extension) with Ministry of Forests and Soil Conservation as mentioned above in the ongoing section.

ii. Continuation of the bilateral Renewable Energy Sector Support programme, 2003 – 2009 with Alternative Energy Promotion Centre (AEPC) under the Ministry of Environment and Science and Technology (MoEST), as mentioned above in the ongoing section,

Development Organisation that has been already working in Nepal for the last 27 years in the most remote and difficult areas and districts of the country. This new ‘Country Agreement’ shall replace the old Agreement signed in May 16, 1983 in Kathmandu between Government of Nepal and the Government of the Netherlands. SNV Netherlands Development Organisation is the first International Development Organisation to work in co-operation with the Government of Nepal in such very remote, difficult and isolated areas of Karnali zone in the mid-west and Mechi zone in the east.

iv. Defining and Preparing of Project Proposals (based on the new ‘Country Agreement’) on Advisory Services, capacity building, promotion and formulation of quality trainings and transfer of technical know-how as required at the centre, regional and district levels of the country for economic development co-operation and poverty reduction in the following sectors.

- Renewable energy
- Water and Sanitation
- Forestry Programme (Biodiversity) including Non Timber Forest Products
- Tourism, and
- Cash Crops

v. Defining, preparing and finalizing any other Project Agreements (as required and defined by SNV in close consultation with GoN/MoF) based on the Project Proposals with clearly identified and defined sectors, strategy, working modality of the development co-operation, budget on advisory services and activities, region and also defining of the responsibilities of the partners (GoN/MoF, counterpart ministries, private sectors and SNV) in the Project Agreements for implementation.

7. Miscellaneous

Along with the above various economic development co-operation programmes and projects, the Government of the Netherlands has been providing development assistance and support to the Government of Nepal through various Multilateral Donor Organisations like ADB, United Nations, WFP and ICRC for refugee settlements and various other humanitarian, human rights and economic development works directly from The Hague, The Netherlands.
1. General Introduction to Development Cooperation Partnership

The Kingdom of Norway is one of the Scandinavian countries situated at the northern coast of Western Europe. It is surrounded by the Norwegian Sea and the North Sea on the West, North and the South, and is bordered with Finland, Sweden and Russia on the East. Norway is a constitutional monarchy with a parliamentary democratic system of governance. The Head of State is His Majesty King Harald V of Norway whereas the Prime Minister Erna Solberg is the head of the government. It has a modified unicameral Parliament or Storting (169 seats; members are elected by popular vote by proportional representation to serve four-year terms). Norway has 19 counties as administrative divisions.

Norway consists of a total area of 385199 sq. km. Its population is 5 136 700 inhabitants (as of October 2013 est.) with a annual population growth rate is 0.99% (2010 est.) The average life expectancy at birth is 83.2 years for women and 78.9 for men. (2010 est.). The literacy rate is 100 percent.

The Norwegian economy is generally characterized as a mixed economy - a capitalist market economy with a clear component of state influence. The government controls key areas, such as the vital petroleum sector, through large-scale state enterprises. The country is richly endowed with natural resources - petroleum, hydropower, fish, forests, and minerals. Norway is the second-largest net exporter of gas and the seventh-largest exporter of oil in the world. The industry accounts for a third of state income (2008 figures). GDP (purchasing power parity (ppp) of Norway is $282 billion and the GDP per capita (ppp) is $55 398 (2013 est.). Norway’s main industries are petroleum and gas, maritime industry, seafood, energy and ICT. Exports stands at $147,6 billion and imports at $86,4 billion in 2010 (est.) Though a European country, Norway is not a member of the European Union (EU), but participates in the EU common market as a signatory to the European Economic Area (EEA) an agreement between the countries of the EU, and the European Free Trade Association (EFTA).

2. Introduction to Aid Mechanism

Norwegian development cooperation started in Nepal as a people to people relationship, with active participation of non-governmental agencies and academia. As such, Norwegian assistance is channeled through the Government, multilateral agencies and non-governmental organizations as well. It expanded into private joint venture cooperation in the field of hydropower. Out of the total Official Development Assistance to Nepal, approximately 75% is channeled through the Embassy in Kathmandu. The remaining 25% is channeled through the Ministry of Foreign Affairs and Norad in Oslo and covers humanitarian support, peace and reconstruction, support through Norwegian NGOs, research and FK Norway.
3. Nepal-Norway Relations/Membership

Nepal and Norway established diplomatic relations on January 26, 1973. Since then, Nepal and Norway have been enjoying a good, friendly and cordial relationship. Norway opened a residential embassy in Kathmandu on January 12, 2000. Norway aims at assisting Nepal in reaching its objectives of sustaining peace, reducing poverty, and building an inclusive society based on democratic principles, human rights, and social and economic equity. The cooperation is based on shared dedication to achieve the Millennium Development Goals (MDGs).

4. Nepal-Norway Economic and Technical Cooperation

Bilateral development cooperation was established with the signing of a memorandum of understanding in 1996. Norway and Nepal signed in September 2013 a new Memorandum of Understanding (MoU) for bilateral cooperation covering the period from 2013-2017. The MoU determines that Norway will concentrate its assistance to the sectors of democracy and inclusive governance, education and energy, both on and off grid. Cross-cutting issues such as environment, gender equality and anti-corruption are of high priority.

5. Past Economic and Technical Cooperation

Norway is a strongly committed partner in the peace process. With support from Norway, the 17,000 former Maoist combatants are now either integrated back in civil society or given the opportunity to pursue a career in the Nepal Army. With support from the Royal Norwegian Embassy and other contributors, over 3000 former child soldiers and 1000 other disqualified soldiers were released from the UN-monitored camps. By facilitation dialogue between the political youth parties, these parties are now committed to contribute to a democratic and non-violent political climate. Norway has contributed to election support in cooperation with the UNDP and the Carter Center. Norway is also one of the donors to the Nepal Peace Trust Fund.

Through the support to Local Governance and Community Development Programme (LGCDP) 26,000 local planning committees counting 548,000 members have been set up. Norway as a donor to LGCDP puts emphasis on the inclusion of women, children and vulnerable groups. Norway is strongly engaged in the fight against corruption.

As regards on-grid energy Norway has a strong commitment to hydro power development, with establishing the Khimti plant as one its biggest projects. Norway has also contributed to several feasibility studies, among others in Upper Tama Koshi. In off-grid energy Norway has, together with other donors (Denmark, UK and Germany) and the Nepali Government, contributed to the previous Energy Sector Assistance Programme (ESAP) and is currently a contribution to its successor, the National Rural and Renewable Energy Programme (NRREP).

Norway has worked closely with other donors to reach the targets for the education programme School Sector Reform Programme (SSRP) since 2009. Norway is in particular committed to increasing the access to education for girls and children with disabilities.

Political participation of women and equal representation of women in all state mechanisms is closely followed up by supporting two alliances: one through the civil society alliance and one through the political women’s alliances. By being an active member of the Peace Support Working Group on Women, Peace and Security, Norway has contributed by ensuring that projects are not duplicated and policy level discussion takes place with the government authorities related to women, peace and security.
Norwegian support to human rights for sexual minorities through, among others the Blue Diamond Society, has contributed to instutionalise non-discrimination means of these groups. Norway contributes through different international and national players to document and bring to light violations of human rights. One of them being INSEC.

6. Ongoing Economic and Technical Cooperation

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Agreement partner</th>
<th>Implementing institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sediment handling and headwork design of hydro power stations</td>
<td>Hydro Lab Pvt. Ltd.</td>
<td>Hydro Lab Pvt. Ltd.</td>
</tr>
<tr>
<td>School Sector Reform 2009 -2013</td>
<td>Nepal Ministry of Finance</td>
<td>Nepal Ministry of Education</td>
</tr>
<tr>
<td>Support to Human Rights, Strategic Plan of INSEC</td>
<td>INSEC - Informal Sector Service Center</td>
<td>INSEC - Informal Sector Service Center</td>
</tr>
<tr>
<td>Support to discharge of disqualified maoist combattants</td>
<td>UNDP - UN Development Programme</td>
<td>UNDP - UN Development Programme</td>
</tr>
<tr>
<td>Nepal Electricity Transmission Expansion and Supply Improvement Project</td>
<td>ADB - Asian Development Bank</td>
<td>Nepal Electricity Authority</td>
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<tr>
<td>Promoting National Integrity System TI-Nepal</td>
<td>Transparency International - local office</td>
<td>Transparency International - local office</td>
</tr>
<tr>
<td>Support to BDS for HR, media and core fund</td>
<td>Blue Diamond Society</td>
<td>Blue Diamond Society</td>
</tr>
<tr>
<td>Sankalpa - Empowerment of Women for Political and Social Justice</td>
<td>Sankalpa Foundation</td>
<td>Sankalpa Foundation</td>
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<tr>
<td>IPWA Ensuring Equal Representation in Policy and Decision Making</td>
<td>ODC - Organisation Development Centre</td>
<td>IPWA - Inter Party Women's Alliance</td>
</tr>
<tr>
<td>Transmission infrastructure phase II</td>
<td>ASDB - Asian Development Bank</td>
<td>Nepal Electricity Authority</td>
</tr>
<tr>
<td>Support to Transitional Justice efforts in Nepal</td>
<td>Danida - Danish International Development Agency</td>
<td>ICTJ - International Centre for Transitional Justice</td>
</tr>
<tr>
<td>Reconciliation in host communities where ex-combatants have settled</td>
<td>GTZ - Deutsche Gesellschaft fur Technische Zusammenarbeit</td>
<td>GTZ - Deutsche Gesellschaft fur Technische Zusammenarbeit</td>
</tr>
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<td>Cultural heritage conservation “Bhaidegah Temple”</td>
<td>Sanskritik Sampa Samrakshan Samuha</td>
<td>Sanskritik Sampa Samrakshan Samuha</td>
</tr>
<tr>
<td>Electoral Support to Nepal - UNDP</td>
<td>UNDP - UN Development Programme</td>
<td>UNDP - UN Development Programme</td>
</tr>
<tr>
<td>Project Title</td>
<td>Agreement partner</td>
<td>Implementing institution</td>
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<td>------------------------------------------------------------------------------</td>
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<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Enhancing media support for reduction of violence against women</td>
<td>Sancharika Samuha</td>
<td>Sancharika Samuha</td>
</tr>
<tr>
<td>Governance Training to Local Government in Nepal -LDTA</td>
<td>GTZ - Deutsche Gesellschaft für Technische Zusammenarbeit</td>
<td>GTZ - Deutsche Gesellschaft für Technische Zusammenarbeit</td>
</tr>
<tr>
<td>Energize Nepal (ENEP)</td>
<td>Kathmandu University</td>
<td>Kathmandu University</td>
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<tr>
<td>Vocational training feasibility study</td>
<td>Kathmandu University</td>
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<tr>
<td>Local Governance and Community Development Program (LGCDP)</td>
<td>Government of NEPAL</td>
<td>Government of NEPAL</td>
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<tr>
<td>Short term support to Butwal Technical Institute</td>
<td>Butwal Technical Institute</td>
<td>Butwal Technical Institute</td>
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<td>Capacity Building of Nepali Electro Mechanic Industries</td>
<td>Nepal Hydro and Electric Pvt Limited</td>
<td>Nepal Hydro and Electric Pvt Limited</td>
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<tr>
<td>Strengthening the Rule of Law and Human Rights in Nepal-UNDP</td>
<td>UNDP - UN Development Programme</td>
<td>UNDP - UN Development Programme</td>
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<tr>
<td>Private sector electricity supply and access</td>
<td>Butwal Power Company (Nepal)</td>
<td>Butwal Power Company (Nepal)</td>
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<tr>
<td>Using media to promote regional peace and development</td>
<td>The Southasia Trust</td>
<td>The Southasia Trust</td>
</tr>
<tr>
<td>Supporting Nepal’s Constitution Building Process-IDEA</td>
<td>IDEA - International Institute for Democracy and Electoral Assistance</td>
<td>IDEA - International Institute for Democracy and Electoral Assistance</td>
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<tr>
<td>Support to UNDAF implementation - UNRCO</td>
<td>UNDP - UN Development Programme</td>
<td>UNDP - UN Development Programme</td>
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<tr>
<td>Capacitating and Facilitating Collaborative Leadership - Youth Leaders</td>
<td>LEAD International Pvt Ltd</td>
<td>LEAD International Pvt Ltd</td>
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<tr>
<td>Support to ICIMOD for the period 2013-2017</td>
<td>ICIMOD - International Centre for Integrated Mountain Development</td>
<td>ICIMOD - International Centre for Integrated Mountain Development</td>
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</table>

7. **Future (Pipeline) Economic and Technical Cooperation**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>In 2014 Norway intends to increase its contribution to the energy sector by initiating a new Energi+/SE4ALL agreement with the Nepalese government and in cooperation with relevant donors. Also, Norway will support transmission through the ADB-led project ‘Nepal Electricity Transmission Expansion and Supply Improvement Project’.</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>Norway intends to continue the support to the education sector, mainly through the SSRP successor.</td>
</tr>
<tr>
<td><strong>Democracy and inclusive government</strong></td>
<td>Norway intends to continue the support to peace and reconciliation, democracy and good governance through, among other things, election support and the ongoing project ‘Strengthening the Rule of Law and Human Rights in Nepal’.</td>
</tr>
</tbody>
</table>
1. General Introduction to Development Cooperation Partnership

Situated in Central Europe, east of France and north of Italy, Switzerland is a landlocked country and in the crossroads of northern and southern Europe; along with southeastern France, northern Italy, and southwestern Austria, it has the highest elevations in the Alps. The Swiss Confederation was founded in 1291 as a defensive alliance among three cantons. In succeeding years, other localities joined the original three. The construction process of Switzerland lasted some 550 years and the country became complete only in 1815 when the last cantons joined the Confederation. The Swiss Confederation promulgated its first constitution in the year 1848. Switzerland’s sovereignty and neutrality have long been honored by the major European powers, and the country was not involved in either of the two World Wars. The political and economic integration of Europe over the past half century, as well as Switzerland’s role in many UN and international organizations, has strengthened Switzerland’s ties with its neighbors. However, the country did not officially become a UN member until 2002. Switzerland remains active in many UN and international organizations, but retains a strong commitment to neutrality.

Switzerland is a peaceful, prosperous, and stable modern market economy with low unemployment, a highly skilled labor force, and a per capita GDP larger than that of the big Western European economies. The Swiss in recent years have brought their economic practices largely into conformity with the EU’s to enhance their international competitiveness. Switzerland remains an attractive country for investors.

2. Introduction to Aid Mechanism

Nepal is a priority country for the Swiss government. Switzerland looks back on a history of over 50 years of development cooperation in Nepal and has been traditionally engaged in the rural areas of Nepal with livelihood and infrastructure activities. Since 2005, peace and human rights activities have been combined with development activities to enhance the effectiveness of the Swiss support to reduce political and social conflicts in Nepal.

The Swiss engagement in Nepal is guided by the 10 Principles for Good International Engagement in Fragile States and Situations (DAC 2007), the Accra Agenda for Action, the general orientation of the Paris Declaration on Aid Effectiveness and Busan Commitments (Dec 2012). The present Swiss cooperation strategy for Nepal (2013-2017) focuses on the work of the Swiss Foreign Ministry applying a whole-of-government approach. It provides the strategic orientation for the activities of the Swiss Government to support inclusive democratic state-building and to promote human security and socio-economic development in Nepal.

The Swiss programme is implemented through a Conflict Sensitive Programme Management approach, and
gender and disadvantaged group equity is an integral part of planning, implementation and monitoring of all Swiss implemented and funded activities in and for Nepal. Switzerland has established sound cooperation with other major donor agencies by participating in a number of sector wide approaches (SWAPs) such as peace promotion (NPTF) or rural infrastructure (district roads and trail bridges), as well as the promotion of the Basic Operating Guidelines (BOGs) together with the United Nations (UN). The development partners participating in the BOGs Group jointly assess the development space and coordinate pro-actively the measures necessary to ensure its continuation and expansion.

Switzerland provides 60% of its funding to national programmes that benefit all regions of the country. In addition, 40% of the development cooperation is implemented in two geographic cluster areas, namely in central Nepal in Ramechhap, Okhaldhunga, and Khotang; and in western Nepal in the districts of Dailekh, Achham, Jajarkot and Kalikot.

3. Nepal-Swiss Relations/Membership


The first office was opened by Swiss Association for Technical Assistance (SATA) in the ’50s, and formally became a Cooperation Office of the Swiss Agency for Development and Cooperation (SDC) in the ’80s. On the occasion of 50 years of development cooperation between the governments of Nepal and Switzerland in 2009, the Government of Switzerland opened an Embassy in Nepal, into which the Swiss Cooperation Office (SDC) as well as an ongoing peace building support programme is integrated.

4. Nepal-Swiss Economic and Technical Cooperation

The Swiss Cooperation Strategy for Nepal 2013-2017 is the binding framework for the planning and implementation of programs and projects by all official Swiss agencies in Nepal. The Cooperation Strategy provides the main thrusts for the Swiss engagement in Nepal over a period of 5 years, taking into account the changing context and building upon the relevant experiences and lessons learnt from the last 4-5 years.

5. Past Economic and Technical Cooperation

- Cheese and Diary (1956-64)
- Jiri Multipurpose Development (1958-71)
- Tibetan Resettlement (1963-74)
- National Construction Company (1970-73)
- Veterinary Parasite Control (1971-73)
- Village Development (1967-74)
- Hotel Village Tara Gaon (1970-76)
- Pauwa Cheese Factory (1977-85)
- Balaju Yantrasala (1978-82)
- Lamosangu-Jiri Road Construction (1974-85)
- Lamosangu-Jiri Road Maintenance Project (1985-95)
- Reconstruction of Lahan & Dharan Technical School
- Integrated Hill Dev. Project (1975-90)
- Suspension Bridge Programme
- Salleri-Chyalsa Small Hydro Project (1963-74)
- Narayani Irrigation Development Project (1987-94)
- National Family Planning (1989-92)
- Palpa Development Programme (1978-95)
- Fresh Vegetable and Vegetable Seed Production (1982-96)
- Charnawati Rehabilitation Project (1978-91)
- Institute of Education, Kirtipur Maths Dept (1987-91)
- Institute of Engineering (1985-1991)
- Potato Research and Development (1977-96)
- Research Center for Applied Science and Technology (1977-81)
- Road Maintenance and Rehabilitation Project
- Balaju Technical Training Center
- Jiri Technical School (JTS)
- Technical Education & Vocational Training Development Project (CTEVT)
- Bridge Building at Local Level Program (1989-2001)
- Strengthened Maintenance Division Programme (1993-2006)
- Small Industries Promotion Programme (SIPP) (01.04.1996 – 30.06.2006)
- HIV/AIDS Prevention and Reproductive Health Project (01.07.2000 – 31.05.2007)
- Training Institute for Technical Instructions (TTTI) (01.10.1990 -31.08.2007)
- Training for Employment (TfE) (01.11.2007 – 31.10.2010)
- RDTA (Tuki Association Support) Dolakha
- TASK (Tuki Association Sunkosi) Sindhupalchowk
- PARDYP (ICIMOD) (01.10.1996 -30.06.2006)
- Anti-corruption Project with TIN (01.05.1998 – 15.01.2006)
- Employment for Youth through Franchising Skill (2002-2011)
- Vertical Shaft Brick Kiln Project (2001-2011)
- Buffer Zone Development Project(01.03.2009 – 28.02.2011)
- Prevention of Torture (01.05.2007 – 30.06.2010)
- UNHR Mission Support Phase (01.08.2005 – 30.06.2010)
- Local Governance and Community Development Programme (LGCDP) Phase I (01.11.2008 -15.07.2013)
- Social Responsiveness Program in Fixed chimney Brick Industries of Kathmandu and Bhaktapur (01.11.2008 -31.12.2012)
- Rural Health Development Program (RHDPP) (01.07.1990 -15.07.2013)
- National Skill Testing Board (NSTB) (01.01.2007 – 30.06.2012)
- Support for Effective Empowerment (SEE) (01.11.2008 -31.01.2012)
- Support to Peace Process (NPTF) Phases 1 to 3 (01.02.2007 – 28.02.2013)
- Rights, Democracy & Inclusion Fund (RDIF) (01.05.2007 – 31.03.2013)
- Safer Migration Project Phase I (01.02.2011 – 15.07.2013)
- Strengthen BOG Secretariat Phase II (01.10.2011 – 30.09.2013)
- Strengthening the capacity of UN Coordinator’s Office (01.08.2012 – 30.06.2013)
- Support to HRDC Hospital and Rehabilitation Centre for Disabled Children (15.12.2012-31.12.2013)

6. **Ongoing Economic and Technical Cooperation**

<table>
<thead>
<tr>
<th>SN</th>
<th>Project Name</th>
<th>Concerned Ministry</th>
<th>Start Date</th>
<th>End Date</th>
<th>Amount CHF (in M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Trail Bridge Sub-Sector Programme, Phase III</td>
<td>Ministry of Federal Affairs and Local Development</td>
<td>01.01.2011</td>
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<td>3.</td>
<td>Local Infrastructure for Livelihood Improvement Phase II</td>
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<td>5.</td>
<td>Hill Maize Research Project (HMRP) Phase IV</td>
<td>Ministry of Agriculture Development</td>
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<td>7.</td>
<td>Home Garden, Phase III</td>
<td>Ministry of Agriculture Development</td>
<td>01.04.2009</td>
<td>16.01.2014</td>
<td>0.98</td>
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<td>8.</td>
<td>Motorable (Local Road) Bridges Program Phase I</td>
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<td>9.</td>
<td>River Protection Works in East Chitwan Phase I</td>
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<td>10.</td>
<td>Support to National Human Rights Commission Phase II</td>
<td>National Human Rights Commission</td>
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<td>11.</td>
<td>State Building at Local Level Phase I</td>
<td>Ministry of Federal Affairs and Local Development</td>
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<td>12.</td>
<td>Employment Fund Phase I</td>
<td>Ministry of Education</td>
<td>01.03.2010</td>
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<td>14.</td>
<td>DRILP Rural Infrastructure &amp; Livelihood Phase II</td>
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<td>16.</td>
<td>Local Road Improvement Program Phase I</td>
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<tr>
<td>SN</td>
<td>Project Name</td>
<td>Concerned Ministry</td>
<td>Start Date</td>
<td>End Date</td>
<td>Amount (in M)</td>
</tr>
<tr>
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<td>17</td>
<td>Salleri Chyalsa Hydropower Project</td>
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<td>19</td>
<td>Strengthening the Accountability of Local Government Project Phase I</td>
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<td>20</td>
<td>Strengthening BOG’s Secretariat Phase III</td>
<td>Ministry of Finance</td>
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<td>21</td>
<td>Local Governance and Community Development Project Phase II</td>
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<td>22</td>
<td>Support to Peace Process in Nepal Phase IV</td>
<td>Ministry of Peace &amp; Reconstruction</td>
<td>01.05.2013</td>
<td>28.02.2015</td>
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7. **Future (Pipeline) Economic and Technical Cooperation**

<table>
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<tr>
<th>SN</th>
<th>Project Name</th>
<th>Amount (in M)</th>
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<tbody>
<tr>
<td>1.</td>
<td>Small Irrigation Project (SIP)</td>
<td>CHF 16</td>
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<tr>
<td>2.</td>
<td>Nepal Agricultural Markets Development Programme (NAMDP)</td>
<td>CHF 8</td>
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<tr>
<td>3.</td>
<td>Nepal Agricultural Services Development Programme (NASDP)</td>
<td>CHF 9.4</td>
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<td>4.</td>
<td>Multi – Donor Trust Fund for strengthening Public Financial Management (MDTF – PFM)</td>
<td>CHF 4</td>
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<td>5.</td>
<td>Joint-Donor Governance Facility (rights, access to justice, peace building)</td>
<td>CHF 8</td>
</tr>
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<td>6.</td>
<td>River Protection Works in East Chitwan (RPWC) Phase 2</td>
<td>CHF 5</td>
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<td>7.</td>
<td>Trail Bridge Sub Sector (TBSSP) Phase 4</td>
<td>CHF 12</td>
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<td>8.</td>
<td>Support to MOGA for Inclusion Strategy</td>
<td>CHF 1</td>
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<td>9.</td>
<td>Strengthening the Constitution Building Process</td>
<td>CHF 1.5</td>
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<td>10.</td>
<td>Gender-based &amp; Domestic Violence Prevention &amp; Response Programme</td>
<td>CHF 4.2</td>
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<td>11.</td>
<td>Nepal Vocational Qualification System (NVQS)</td>
<td>CHF 4</td>
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<td>12.</td>
<td>Support to NHRC (new project)</td>
<td>CHF 0.9</td>
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<tr>
<td>13.</td>
<td>Home Garden Project Phase IV</td>
<td>CHF 3.1</td>
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<tr>
<td>14.</td>
<td>Skills for Sustainable &amp; Reliable Employment</td>
<td>CHF 5</td>
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13
SAUDI ARAB: SAUDI FUND FOR DEVELOPMENT

1. General Introduction to Development Cooperation Partnership

Situated in the Middle East, Saudi Arabia borders the Persian Gulf and the Red Sea, north of Yemen. In 1902, ABD AL-AZIZ bin Abd al-Rahman Al Saud captured Riyadh and set out on a 30-year campaign to unify the Arabian Peninsula. A son of ABD AL-AZIZ rules the country today, and the country’s Basic Law stipulates that the throne shall remain in the hands of the aging sons and grandsons of the kingdom’s founder. Following Iraq’s invasion of Kuwait in 1990, Saudi Arabia accepted the Kuwaiti royal family and 400,000 refugees while allowing Western and Arab troops to deploy on its soil for the liberation of Kuwait the following year. The continuing presence of foreign troops on Saudi soil after Operation Desert Storm remained a source of tension between the royal family and the public until the US military’s near-complete withdrawal to neighboring Qatar in 2003. The first major terrorist attacks in Saudi Arabia in several years, which occurred in May and November 2003, prompted renewed efforts on the part of the Saudi government to counter domestic terrorism and extremism, which also coincided with a slight upsurge in media freedom and announcement of government plans to allow partial political representation. A burgeoning population, aquifer depletion, and an economy largely dependent on petroleum output and prices are all ongoing governmental concerns.

The country is governed according to Shari’a (Islamic law), the Basic Law that articulates the government’s rights and responsibilities, was introduced in 1993. The monarch is both the chief of state and head of government and he runs the state affairs, assisted by Consultative Council or Majlis al-Shura (120 members and a chairman appointed by the monarch for four-year terms)

Saudi Arabia is an oil-based economy with strong government controls over major economic activities. Saudi Arabia possesses 25% of the world’s proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 75% of budget revenues, 45% of GDP, and 90% of export earnings. About 40% of GDP comes from the private sector. Roughly five and a half million foreign workers play an important role in the Saudi economy, for example, in the oil and service sectors. The government in 1999 announced plans to begin privatizing the electricity companies, which follows the ongoing privatization of the telecommunications company. The government is encouraging private sector growth to lessen the kingdom’s dependence on oil and increase employment opportunities for the swelling Saudi population. Priorities for government spending in the short term include additional funds for education and for the water and sewage systems. Economic reforms proceed cautiously because of deep-rooted political and social conservatism.
2. **Introduction to Aid Mechanism**

The Saudi Fund for Development (SFD) is an official agency for the development cooperation established by Royal Decree No. M/48 dated 1/9/1974 and commenced operations from 1/3/1975 with the objective of participating in financing of development projects in developing countries through granting of loans and encouraging national non-crude-oil exports by providing finance and insurance in support of such exports. It operates from a capital provided by the Government.

Saudi Fund for Development's (SDF) assistance is concessional and is untied in procurements. The Fund's activities have no geographical or sectoral limitations. SFD deals directly with the governments of the developing countries and the assistance is provided for the development projects. SFD's project financing priorities closely follow those selected by the recipient country's government. By the nature of its regulations, financing facilities are concentrated on the least developed countries and other adversely affected low-income countries in Africa, Asia and Latin America.

3. **Nepal-Saudi Arabia Relations/Membership**

Nepal and Saudi Arabia established diplomatic relations on March 15, 1977. The assistance to Nepal from Saudi Arabia is being extended the Saudi Fund for Development (SFD). Sectorwise, SFD assistance has been utilized in the development of infrastructure such as power generation, road construction and irrigation development.

The assistance of the Kingdom of Saudi Arabia is not limited to bilateral channels, but also extended through multilateral ones. The development efforts of several international institutions like the OPEC Fund for the International Development (OFID), the World Bank, the International Monetary Fund and the International Fund for Agricultural Development contain a substantial contribution by the Kingdom.

4. **Nepal-SFD Economic and Technical Coeopration**

SFD has been generous enough in providing emergency food assistance during FY 1982-83 (US $ 5 million) and cash grant of Pound Sterling 980,392 for the procurement of fertilizer. For the rehabilitation of the earthquake victims, the SFD provided 1380 units of tents and 3004 packages of foods and cash grant of US$ 1 million for the procurement of equipment in the post accident centers. The Loan from Saudi Development Fund carries 15 – 25 years of repayment period and loan charge of 2 – 5 percent depending upon the nature of the loan. The Saudi Charter allows the SFD to finance upto 50 percent of the project cost.

SFD has provided a loan amounting to 56.250 million Saudi Riyals, equivalent to 15 millions U.S. Dollars to the GoN for the completion of Bagmati Irrigation Project and, by signing this loan agreement on 3 September 2007, the total amount of the loans extended by SFD to Nepal so far becomes 246.25 million Saudi Riyals, equivalent to about USD 65.7 million.

5. **Past Economic and Technical Cooperation**

- Kohalpur – Mahakali sector of the Mahendra Rajmarg.
- Marsyangdi Hydroelectric Project
- Bagmati Irrigation Project (Phase 1)
- Bagmati Irrigation Project (Additional Loan)
6. **Ongoing Economic and Technical Cooperation**

Bagmati Irrigation Project    - 03/09/2007    15,420,000 (US $)

7. **Future (Pipeline) Economic and Technical Cooperation**

a) Dunduwa Irrigation Project

b) Budhiganga Hydropower Project: SR 112,500,000 (about 30 Million USD equivalent) loan assistance is negotiated and will be signed at the soonest possible.
1. General Introduction to Development Cooperation Partnership

Situated in Western Europe, islands including the northern one-sixth of the island of Ireland between the North Atlantic Ocean and the North Sea, northwest of France; Great Britain was the dominant industrial and maritime power of the 19th century that played a leading role in developing parliamentary democracy and in advancing literature and science.

At its zenith, the British Empire stretched over one-fourth of the earth’s surface. The first half of the 20th century saw the UK’s strength seriously depleted in two World Wars. The second half witnessed the dismantling of the Empire and the UK rebuilding itself into a modern and prosperous European nation. As one of five permanent members of the UN Security Council, a founding member of NATO, and of the Commonwealth, the UK pursues a global approach to foreign policy. A member of the EU, it chose to remain outside the Economic and Monetary Union and is not part of the Eurozone. Constitutional reform is also a significant issue in the UK. The Scottish Parliament, the National Assembly for Wales, and the Northern Ireland Assembly were established in 1999, but the latter is suspended due to bickering over the peace process.

England has existed as a unified entity since the 10th century; the union between England and Wales, begun in 1284 with the Statute of Rhuddlan, was not formalized until 1536 with an Act of Union. In another Act of Union in 1707, England and Scotland agreed to permanently join as Great Britain. The legislative union of Great Britain and Ireland was implemented in 1801, with the adoption of the name the United Kingdom of Great Britain and Ireland. The Anglo-Irish treaty of 1921 formalized a partition of Ireland; six northern Irish counties remained part of the United Kingdom as Northern Ireland and the current name of the country, the United Kingdom of Great Britain and Northern Ireland, was adopted in 1927.

The country has bicameral Parliament comprised of House of Lords and House of Commons (members are elected by popular vote to serve five-year terms). The United Kingdom is a constitutional monarchy, with executive power exercised on behalf of the monarch by the prime minister and other cabinet ministers who head government departments. While the monarch is head of state and theoretically holds all executive power, it is the prime minister who is the head of government. Parliament is the national legislature of the United Kingdom. It is the ultimate legislative authority in the United Kingdom, according to the doctrine of parliamentary sovereignty. The United Kingdom is one of the few countries in the world today that does not have a codified constitution, relying instead on traditional customs and separate pieces of constitutional law.

The United Kingdom is a leading trading power and financial center, is one of the quartet of trillion dollar economies of Western Europe. Over the past two decades the government has greatly reduced public ownership and contained the growth of social welfare programs. Agriculture is intensive, highly mechanized, and efficient.
by European standards. The UK has coal, natural gas, and oil reserves. Services, particularly banking, insurance, and business services, account by far for the largest proportion of GDP while industry continues to decline in importance. The current Conservative-Liberal Democrat coalition, under Prime Minister David Cameron, is taking firm steps with the aim of helping Britain out of its current recession, including reducing social benefits.

The economy of the United Kingdom is the sixth-largest national economy in the world measured by nominal GDP of $2.47 trillion in 2012. The UK is one of the world’s most globalised countries. London is the world’s largest financial centre alongside New York. With $731.2 billion in city GDP for 2013, London is ranked the largest city in Europe and fifth largest in the world. As of December 2013 the UK had the third-largest stock of inward ($1.407 trillion) and the second-largest in outward foreign direct investment. The aerospace industry of the UK is the second- or third-largest national aerospace industry, depending upon the method of measurement. The pharmaceutical industry plays an important role in the UK economy and the country has the third-highest share of global pharmaceutical R&D expenditures (after the United States and Japan). The British economy is boosted by North Sea oil and gas reserves, valued at an estimated £250 billion in 2007. The UK is currently ranked tenth in the world in the World Bank’s Ease of Doing Business Index 2014.

The UK is a member of the European Union and the G8. At present the United Kingdom has not adopted the Euro, the common currency of EMU members. The government will decide on whether or not to change from the pound to the Euro, based on five economic tests.

2. Introduction to Aid Mechanism

The UK aid to Nepal is channelled through Department for International Development (DFID). DFID is the UK Government’s development Ministry headed by the Secretary of State for International Development. DFID leads the UK’s work to end extreme poverty that is guided by the Millennium Development Goals, the internationally agreed targets for poverty reduction. UK Aid is ending the need for aid by creating jobs, unlocking the potential of girls and women and helping to save lives when humanitarian emergencies hit. DFID is the biggest bilateral development partner in Nepal.

The UK is providing support and technical expertise in key areas, working closely with the Government, civil society, the private sector and development partners to support the peace process and reduce poverty. The UK’s investments in Nepal are designed so that DFID funds are channelled through the Government, or through partners.

3. Nepal-UK Relations/Membership

The history of official relations between the United Kingdom and the Kingdom of Nepal dates back to 1816. A short war between the army of the British East India Company and the Kingdom of Nepal took place from 1814 to 1815. It was ended by the Treaty of Sugauli signed on 2 December 1815. Both sides agreed that a British Representative should be stationed in Nepal and following the ratification of the Treaty in 1816, the first Representative arrived. Relations between the two countries took a major step forward in 1852 with the visit to the United Kingdom of Jung Bahadur Rana, the Prime Minister of Nepal. One of Jung Bahadur Rana’s successors as Prime Minister, Chandra SJB Rana, signed a new Treaty of Friendship with the United Kingdom in 1923 which further formalised relations between the two countries, and changed the status of the British Resident to Envoy.

Since then, relations between the two countries have continued to grow, with a new Treaty of Perpetual Peace and Friendship signed in 1950 which expanded areas of cooperation, and an exchange of State Visits: HM King
Mahendra visited the United Kingdom in 1960 and HM The Queen visited Nepal in 1961 – the first visit by a British monarch to Nepal. Amicable relations continue today; Nepal continues to be the source of recruitment of Gurkha soldiers into the British army – a tradition dating back to the nineteenth century but still an essential part of Britain’s modern army - and the United Kingdom remains one of the most significant providers of development assistance to Nepal.

4. Nepal-UK Economic and Technical Cooperation

The UK aid to Nepal in various fields of activities started in 1961. The United Kingdom has been offering fellowships to the Government of Nepal since 1950s. British volunteers are engaged in Nepal since 1964. These programmes have contributed to Nepal’s need for specialised and trained manpower and also have developed important links between the people of the two countries.

In order to better understand and address the issues of poverty in Nepal, in April 1999 DFID established an in-country office staffed by a multi-disciplinary team of both UK nationals and staff appointed in country. DFID presence in Nepal has greatly assisted in working with GoN and other donors in the development of understanding and establishment of networks that will promote opportunities for change.

Development Partnership Arrangement to provide a transparent and mutual accountability framework between Nepal and the United Kingdom on development assistance was signed on December 2013. This arrangement supersedes the technical cooperation agreement that was signed on 31st May 1994.

The UK Government’s Department for International Development (DFID) prepared an Operational Plan for Nepal during 2010. This plan commits up to £331 million of UK official development assistance during the period 2011-2015. Our Operational Plan is set around four pillars that we believe are critical to secure long term peace and development in Nepal; (1) Governance & Security (2) Inclusive Wealth Creation, (3) Service Delivery (4) Climate & Disaster Resilience. Gender and Social Inclusion is a major cross-cutting theme throughout all of our work and is reflected in our results.

5. Past Economic and Technical Cooperation

The United Kingdom has assisted Nepal in the areas of livelihoods, e.g., agriculture, forestry, transport and communications, local development; basic services, e.g., education, health, water supply and sanitation; good governance, human rights and peace building efforts.

6. Ongoing Economic and Technical Cooperation

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<tr>
<th>SN</th>
<th>Project Title</th>
<th>Actual Start Date</th>
<th>Actual Commitments (Pound)</th>
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<td>1</td>
<td>Nepal Peace Support</td>
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<td>Security and Justice for the Poor</td>
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<td>Nepal Local Governance Programme</td>
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<td>3</td>
<td>Enabling State Programme</td>
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<td>Risk Management Office</td>
<td>02/10/2013</td>
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<td>Support to UNICEF Women’s Para Legal Committee</td>
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<td>£6,510,000</td>
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<td>SN</td>
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<td>6.</td>
<td>Public Financial Management and Accountability</td>
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<tr>
<td>11.</td>
<td>Community Support Programme -Phase 2 (CSP)</td>
<td>13/04/2010</td>
<td>£20,000,000</td>
</tr>
<tr>
<td>12.</td>
<td>Rural Water and Sanitation Programme</td>
<td>27/06/2012</td>
<td>£14,194,000</td>
</tr>
<tr>
<td>13.</td>
<td>Support to the Employment Fund</td>
<td>22/02/2010</td>
<td>£14,000,000</td>
</tr>
<tr>
<td>14.</td>
<td>Rural Access Programme 3</td>
<td>28/01/2013</td>
<td>£36,663,057</td>
</tr>
<tr>
<td>15.</td>
<td>Strengthening Road Safety in Nepal</td>
<td>09/12/2013</td>
<td>£5,000,000</td>
</tr>
<tr>
<td>16.</td>
<td>Centre for Inclusive Growth</td>
<td>15/12/2010</td>
<td>£17,700,000</td>
</tr>
<tr>
<td>17.</td>
<td>Nepal Investment Climate Reform Programme</td>
<td>14/12/2009</td>
<td>£4,679,841</td>
</tr>
<tr>
<td>18.</td>
<td>Nepal Market Development Programme</td>
<td>06/03/2012</td>
<td>£14,540,295</td>
</tr>
<tr>
<td>19.</td>
<td>Nepal Climate Change Support Programme</td>
<td>17/12/2010</td>
<td>£11,850,000</td>
</tr>
<tr>
<td>20.</td>
<td>Multi-Stakeholder Forestry Programme</td>
<td>22/08/2011</td>
<td>£20,000,000</td>
</tr>
<tr>
<td>21.</td>
<td>Support to Build Earthquake Resilience in Nepal</td>
<td>02/02/2012</td>
<td>£21,964,974</td>
</tr>
<tr>
<td>22.</td>
<td>Access to Finance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 7. Future (Pipeline) Economic and Technical Cooperation

Over the coming years, the UK’s development programme will see a shift from the vital peace-building work that has helped build the peace since the end of the Conflict to an increased focus on creating vital jobs and economic growth.

<table>
<thead>
<tr>
<th>SN</th>
<th>Project Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Support to National Health Sector Programme III</td>
</tr>
<tr>
<td>3.</td>
<td>Evidence for Development</td>
</tr>
</tbody>
</table>
1. General Introduction to Development Cooperation Partnership

The United States of America (which is also commonly known as the United States, the States, the U.S., the USA, and America) is a Constitution-based federal republic situated mostly in central North America and is comprised of fifty states and a federal district. The forty-eight contiguous states and Washington, D.C., the capital district, lie between the Pacific and Atlantic Oceans, and bordered by Canada to the north and Mexico to the south. The state of Alaska is situated in the northwest of the continent, with Canada to the east and Russia to the west across the Bering Sea, and the state of Hawaii is in the mid-Pacific. The United States of America also has several territories in the Pacific and Caribbean. The United States was founded by thirteen British colonies located along the Atlantic seaboard issuing the Declaration of Independence on July 4, 1776. The Constitution of the United States was adopted on September 17, 1787. The Bill of Rights, comprising ten constitutional amendments guaranteeing many fundamental civil and religious rights and freedoms, was ratified in 1791.

At 9.83 million km² and with over 317 million (2014 estimate) people, the United States is the third largest country in the world by both land area and population. The U.S. economy is the world’s largest national economy, with an estimated gross domestic product (GDP) of $15.68 trillion and growth rate of 1.9 percent in 2013. The U.S. has a per capita income of $52,839 and ranks third highest in the world. The human development index (HDI) of 0.937 is very high and ranks 3rd in the world.

The GDP by sector, according to 2013 estimates, is agriculture: (1.2 percent), manufacturing: (12.5 percent), and private services-producing industries: (66.6 percent). The population below the national poverty line is approximately 15 percent (2012 est.) and the unemployment rate is 7.4 percent (2013). Similarly, the population growth rate was estimated to be 0.9 percent (2013), life expectancy at birth is 78.7 years and literacy is 99 percent (2013). The exports of the United States are estimated at $2.3 trillion (2013) and the export goods are: agricultural products 9.2 percent (soybeans, fruit, corn), industrial supplies 26.8 percent (organic chemicals), capital goods 49 percent (transistors, aircraft, motor vehicle parts, computers, telecommunications equipment), and consumer goods 15 percent (automobiles, medicines). The main export partners are Canada, Mexico, China and Japan. Similarly, the imports have been estimated to be 2.299 trillion c.i.f. (2012) with import goods being agricultural products, industrial supplies (crude oil), capital goods (computers, telecommunications equipment, motor vehicle parts, office machines, and electric power machinery), consumer goods (automobiles, clothing, medicines, furniture, and toys). The main import partners are: China, Canada, Mexico, Japan, and Germany.

At present, the United States is one of the most ethnically diverse and multicultural nations and also a leading economic, political, and cultural force in the world.
2. Introduction to Aid Mechanism

The United States Agency for International Development (USAID) was founded in 1961 by President John Fitzgerald Kennedy. In 2013, USAID's global mission is to end extreme poverty and promote resilient, democratic societies while advancing security and prosperity in the United States. The Agency defines its mission of sustainable development as economic and social growth that: does not exhaust the resources of a host country; respects and safeguards the economic, cultural, and natural environment; creates many incomes and chains of enterprises; is nurtured by an enabling policy environment; and builds indigenous institutions that involve and empower the citizenry. The Agency's six principal development goals are: i) economic growth and agricultural development; ii) population, health and nutrition; iii) environment; iv) democracy and governance; v) education and training; and vi) humanitarian assistance. These goals are linked to several U.S. national interests, which are also considered when identifying foreign assistance recipients. These interests are: promoting U.S. economic security, protecting the U.S. against specific global dangers, enhancing prospects for peace and stability in specific countries, and preventing disasters and other complex human crises.

Worldwide, the largest share of U.S. bilateral aid goes to health, followed by protection, assistance and solutions; infrastructure; and agriculture. This assistance is provided primarily through contracts and grants. Funding is usually made available either through projects that have a defined purpose and impact, or through non-project assistance mechanisms geared to bring about policy reforms in identified sectors (i.e. health, education, and banking).

In Nepal, USAID's overarching goal as expressed in the Country Development Cooperation Strategy (2014-2019) is to foster a more democratic, prosperous, and resilient Nepal.

The Millennium Challenge Corporation (popularly known as MCC), an independent U.S. foreign aid agency, selected Nepal to develop an MCC threshold program that is currently being developed.

Nepal-USA Relations/Membership

The relations between Nepal and the United States have a long history as the US is the second country after the United Kingdom with which Nepal entered into diplomatic relations on April 25, 1947. In 1953, the relations between the two countries were upgraded to Ambassadorial level. General Shanker Shumsher, the then Royal Nepalese Ambassador resident in London, presented his Letter of Credence as the first Royal Nepalese Ambassador to the United States on February 24, 1953, while Mr. Chester Bowles, Ambassador of the USA, resident in New Delhi, became the first American Ambassador to Nepal. Mr. Bowles presented his Letter of Credence to the then King of Nepal on February 16, 1952.

Nepal established its Embassy in Washington, D.C. on February 3, 1958. Mr. Rishikesh Shah became the first resident Royal Nepalese Ambassador to the USA. Mr. Shah presented his Letter of Credence on October 27, 1958. The US government opened its Embassy in Kathmandu on August 6, 1959. H.E. Mr. Henry E. Stebbins was the first resident US Ambassador to Nepal. Mr. Stebbins presented his Letter of Credence on November 25, 1959. The current United States Ambassador to Nepal is Peter W. Bodde.

Over time, the relations between the two countries have expanded, diversified and deepened. Growing cooperation, high level visits to and from both countries, and exchange and sharing of views on various issues of mutual concern at bilateral, regional and international levels have further strengthened our relations.
Exchange of Visits

Exchange of high level visits has significantly contributed to strengthening Nepal-US relations.

Important visits to Nepal from the US side:

- U.S. Assistant Secretary of State for South Asian Affairs, Mr. Karl Indurfurth visited Nepal from 9 to 10 September 1997.
- U.S. Senator Charles Robb visited Nepal on November 27, 1997 and called on the then Prime Minister Surya Bahadur Thapa.
- Senator Thomas A. Daschle, Minority Leader of the U.S. Senate visited Nepal from 12 to 13 January 2000 leading a delegation of Senators.
- Senator Thomas A. Brownback, Chairman of the South Asian Subcommittee paid a visit to Nepal in January 2000 and discussed regional situation as well as bilateral relations. Likewise, Commander of the U.S. Pacific Command participated in the Multi-platoon training event organized by the Nepal Army at Panchkhal in January 2000.
- U.S. Assistant Secretary of State for South Asian Affairs Mr. Karl F. Inderfurth and U.S. Assistant Secretary of State for Refugees and Migration Ms. Julia V. Taft paid a visit to Nepal from November 30 to December 3, 2000.
- Mr. Alan W. Eastham, Acting Assistant Secretary of State for South Asian Affairs, visited Nepal in April 2001 and held discussions with high-level officials of Government of Nepal on bilateral relations.
- The U.S. Acting Deputy Assistant Secretary of State for South Asian Affairs Mr. Donald Camp paid a visit to Nepal in December 2001 and October 2002. In the capacity of Principal Deputy Assistant Secretary of State for South and Central Asian Affairs of the State Department Mr. Camp visited Nepal from October 7-9, 2004, June 26-28, 2005 and March 8-9, 2006.
- U.S. Secretary of State General Colin L. Powell paid an official visit to Nepal from 18-19 January 2002. He was accompanied by Mr. Alan Larson, Under Secretary of State for Economic Affairs, Mr. Richard Boucher, Assistant Secretary of State for Public Affairs, Ms. Christina B. Rocca, Assistant Secretary of State for South Asia and Vice Admiral Walter Doran, Assistant to the Chairman of the Joint Chiefs of Staff.
- Ms. Michael Sisson, Principal Deputy Assistant for South Asia Bureau, U.S. Department of State visited Nepal in February 2004 and had a meeting with Dr. Bhekh B. Thapa, Ambassador-at-Large.
- Ambassador J. Cofer Black, U.S. Coordinator, Office of the Counter Terrorism, Department of State visited Nepal in March 2004 and held meetings with Dr. Bhekh B. Thapa, Ambassador-at-Large, Foreign Secretary, and Nepalese Army and Police officials.
- Mr. Torkel Patterson, Deputy Assistant Secretary for South Asian Affairs, Department of State paid a visit to Nepal in March 2004.
- A three-member congressional delegation comprised of Congressman Mr. David Dreier, Chairman of the House Rules Committee, Congresswoman Mr. Karen McCarthy, member of Energy & Commerce Committee, and Congresswoman Ms. Grace Napolitano, member of the Resources Committee, Small Business Committee, and House International Relations Committee visited Nepal from 8-10 April 2004.
• U.S. Assistant Secretary of State for the Bureau of Population, Refugees and Migration, Arthur E. Gene Dewey visited Nepal from October 18-20, 2004 to take stock of the situation of the Bhutanese refugees and ask Nepal and Bhutan to move towards a solution.

• Former Senator and Minority Leader of the United States Mr. Thomas Andrew Daschle also known as Tom Daschle paid a visit of Nepal from July 21-27, 2005. During the visit Mr. Daschle met Minister for Foreign Affairs Hon'ble Mr. Ramesh Nath Pandey at his office.

• The Commander of the U.S. Pacific Command (PACOM), Admiral William J. Fallon, visited Nepal from February 1-2, 2006.

• NASA Administrator Dr. Charles Bolden, September 3, 2010.

• USAID Administrator, Rajiv Shah visited Nepal in February 2014.

**Important visits to USA from the Nepalese side**

• The then King Birendra and Queen Aishwarya paid a State Visit to the United States in December 1983.

• The then Crown Prince Dipendra visited the United States in July-August 1996 during the Summer Olympics in Atlanta.

• The then Prime Minister Sher Bahadur Deuba paid a visit to the United States from May 6-11, 2002. During the visit, the Prime Minister was received by H.E. Mr. George W. Bush, President of the United States at the Oval Office on May 7, 2002. While in Washington, D.C., the then Prime Minister also met with the U.S. Secretary of State Mr. Colin L. Powell, National Security Advisor Dr. (Ms) Condoleezza Rice, and Congressmen and Senators at the Capitol Hill. He also delivered a speech at the Woodrow Wilson International Centre for Scholars in Washington, D.C.

• The then Minister of State for Foreign Affairs Dr. Prakash Sharan Mahat visited Washington, D.C. from 22-25 September 2004 to request the U.S. officials, Senators and Congressmen for their support for the early passage of Nepal textile bill laying at both the Houses of U.S. Congress.

• The then Deputy Prime Minister and Finance Minister Mr. Bharat Mohan Adhikari and recently, former Finance Minister Barsha Man Pun visited United States.

• Former Prime Minister Dr. Baburam Bhattarai visited United States in 2011 to represent Nepal in the Annual meeting of the United Nations.

### 3. Nepal-USA Economic and Technical Cooperation

The United States is one of the first countries to provide development assistance to Nepal and has contributed approximately $1.6 billion bilaterally since 1951. U.S. assistance in Nepal has been instrumental in improving agriculture, health, education and in the early years, the eradication of malaria. For more than 60 years, USAID also worked with the GON to achieve development results in Nepal. For the past 15 years, USAID has programmed funds directly through the Ministry of Health and Population to strengthen Nepal’s public health system. To strengthen both agriculture and natural resources management in Nepal, in the 1980s, USAID helped establish the Ministry of Agriculture’s National Agriculture Research Center (NARC), the Institute of Agriculture, and the Institute of Agriculture. The development assistance is concentrated on the sectors of health, agriculture, environment, and education.

On bilateral basis, annual grant assistance from the U.S. is in the form of training, equipment, expert services and program cost financing. In addition, it also contributes through multilateral channels like IDA, ADB and the UN specialized agencies. At present, the US assistance encompasses sectors like inclusive and effective governance, sustainable economic growth, and increased human capital through projects across Nepal relating
to agriculture, health, forestry, and natural resources conservation.

4. **Past Economic and Technical Cooperation**

Some of the completed projects under U.S. assistance are as follows:

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Start Date</th>
<th>Completion Date</th>
<th>Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaria Eradication</td>
<td>1954</td>
<td>1974</td>
<td>15,912,000</td>
</tr>
<tr>
<td>Population/Family Planning</td>
<td>1968</td>
<td>1978</td>
<td>9,487,000</td>
</tr>
<tr>
<td>Manpower Development Training</td>
<td>1974</td>
<td>1980</td>
<td>571,673</td>
</tr>
<tr>
<td>Institute of Agriculture and Animal Sciences</td>
<td>1984</td>
<td>1992</td>
<td>4,100,000</td>
</tr>
<tr>
<td>Integrated Cereals</td>
<td>08/10/81</td>
<td>05/31/85</td>
<td>8,184,373</td>
</tr>
<tr>
<td>Seed Production and Input Storage</td>
<td>08/31/78</td>
<td>08/31/83</td>
<td>4,031,000</td>
</tr>
<tr>
<td>Trail Suspension Bridges Project</td>
<td>08/31/79</td>
<td>06/30/82</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Radio Education Teacher Training I (RETT I)</td>
<td>1977</td>
<td>1981</td>
<td>3,285,850</td>
</tr>
<tr>
<td>Integrated Health Services Project</td>
<td>06/30/76</td>
<td>09/30/80</td>
<td>4,437,563</td>
</tr>
<tr>
<td>Rural Area Development - Rapti Zone</td>
<td>08/12/80</td>
<td>07/30/88</td>
<td>26,700,000</td>
</tr>
<tr>
<td>Population Policy Development</td>
<td>08/31/79</td>
<td>09/30/85</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Resource Conservation and Utilization</td>
<td>08/31/80</td>
<td>01/15/89</td>
<td>27,498,200</td>
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<tr>
<td>RAD/RCUP Design Project</td>
<td>1978</td>
<td>1978</td>
<td>2,900,000</td>
</tr>
<tr>
<td>Agriculture Resource Inventory</td>
<td>1980</td>
<td>1984</td>
<td>2,400,000</td>
</tr>
<tr>
<td>Integrated Rural Health/Family Planning Services</td>
<td>08/31/80</td>
<td>07/15/90</td>
<td>42,650,000</td>
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<tr>
<td>PVO Co-Financing</td>
<td>08/25/81</td>
<td>09/30/85</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Radio Education Teacher Training II (RETT II)</td>
<td>07/31/84</td>
<td>12/31/90</td>
<td>2,120,000</td>
</tr>
<tr>
<td>Institute of Agriculture and Animal Science II (IAAS II)</td>
<td>12/23/84</td>
<td>10/31/91</td>
<td>4,100,000</td>
</tr>
<tr>
<td>Agriculture Research and Production</td>
<td>05/08/85</td>
<td>07/31/91</td>
<td>10,000,000</td>
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<tr>
<td>Strengthening the Legal System of Nepal (SLS)</td>
<td>06/24/83</td>
<td>07/15/89</td>
<td>630,000</td>
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<tr>
<td>Girls’ Access to Education Project</td>
<td>1985</td>
<td>1990</td>
<td>1,550,000</td>
</tr>
<tr>
<td>Development Training Project</td>
<td>09/23/85</td>
<td>09/30/00</td>
<td>10,910,000</td>
</tr>
<tr>
<td>Irrigation Management Project</td>
<td>08/05/85</td>
<td>07/15/95</td>
<td>9,000,000</td>
</tr>
<tr>
<td>Nepal Coppice Reforestation Project</td>
<td>02/11/87</td>
<td>06/30/92</td>
<td>2,410,000</td>
</tr>
<tr>
<td>Child Survival/Family Planning Services Project</td>
<td>06/29/90</td>
<td>09/30/98</td>
<td>23,300,000</td>
</tr>
<tr>
<td>PVO Co-Financing II</td>
<td>07/07/87</td>
<td>07/15/97</td>
<td>20,500,000</td>
</tr>
<tr>
<td>Economic Liberalization Project</td>
<td>09/27/91</td>
<td>09/30/99</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Private Rural Electrification Project</td>
<td>09/14/90</td>
<td>09/30/94</td>
<td>393,000</td>
</tr>
<tr>
<td>Democratic Institutions Strengthening Project</td>
<td>09/24/92</td>
<td>09/30/98</td>
<td>5,000,000</td>
</tr>
<tr>
<td>India-Nepal Participant Training</td>
<td>06/19/91</td>
<td>06/18/97</td>
<td>79,557</td>
</tr>
<tr>
<td>Basic Education Support : Female Literacy</td>
<td>08/22/94</td>
<td>12/31/00</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products</td>
<td>04/25/97</td>
<td>09/30/07</td>
<td>25,000,000</td>
</tr>
<tr>
<td>Reduced Fertility and Protected Health of Nepalese Families</td>
<td>09/05/96</td>
<td>09/30/07</td>
<td>110,000,000</td>
</tr>
<tr>
<td>Project Title</td>
<td>Start Date</td>
<td>Completion Date</td>
<td>Grant Amount</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Increased Women's Empowerment</td>
<td>09/16/97</td>
<td>09/30/01</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Increased Private Sector Participation and Investment in Environmentally</td>
<td>12/19/97</td>
<td>09/30/01</td>
<td>4,300,000</td>
</tr>
<tr>
<td>and Socially Sound Hydropower Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased Private Sector Participation in Environmentally and Socially</td>
<td>09/14/01</td>
<td>09/30/08</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Sustainable Hydropower Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthened Governance of Natural Resources and Selected Institutions</td>
<td>09/14/01</td>
<td>09/30/07</td>
<td>19,500,000</td>
</tr>
<tr>
<td>Promoting Peace Through Improved Governance and Incomes in Targeted Areas</td>
<td>09/22/02</td>
<td>09/30/07</td>
<td>27,000,000</td>
</tr>
<tr>
<td>Enhance Stability and Security (HIV/AIDS Program)</td>
<td>08/28/06</td>
<td>09/30/10</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Build Capacity of Critical Institutions (Rule of Law Program)</td>
<td>08/28/06</td>
<td>09/30/10</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Education for Income Generation (EIG)</td>
<td>1/3/2008</td>
<td>3/2/2013</td>
<td>14,200,000</td>
</tr>
<tr>
<td>Advancing Partners and Community-based Family Planning Tool (ASHA)</td>
<td>6/29/2006</td>
<td>9/30/2011</td>
<td>6,900,000</td>
</tr>
<tr>
<td>Nepal Economic, Agriculture, and Trade Program (NEAT)</td>
<td>12/16/2010</td>
<td>08/29/2013</td>
<td>22,552,000</td>
</tr>
<tr>
<td>Sustainable Income and Rural Enterprise (SIRE) Program. Activities include:</td>
<td>09/14/92</td>
<td>05/31/02</td>
<td>66,200,000</td>
</tr>
<tr>
<td>Institute of Forestry Project; Rapti Development Project; Forestry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Project; Agro Enterprise Technology Systems Project; Policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analysis in Agriculture; Market Access for Rural Development Project;</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Private Electricity Project; Small Scale Environmental Activities; Irrigation</td>
<td></td>
<td></td>
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<tr>
<td>Management Transfer Project; Environment and Forest Enterprise Activity;</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Analytical Studies, etc.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Information on current projects can be found on the Ministry of Finance’s Aid Management Portal.

5. Ongoing Economic and Technical Cooperation

The Assistance Agreement for USAID foreign assistance programs for an estimated total USAID contribution of US $205 million was signed on September 22, 2009 for the period of 5 years (2009-2014). The agreement is amended with an estimated budget of US $336.2 million and will be effective until September 30, 2017 and the following six objectives are being pursued under this agreement:

- Peace and Security: US$ 32.3 million (equivalent to Rs. 3.2 billion)
- Governing Justly and Democratically: US$ 34.5 million (equivalent to Rs. 3.4 billion)
- Investing in People: US$ 154.4 million (equivalent to 15.3 billion)
- Economic Growth: US$ 90.0 million (equivalent to Rs. 8.9 billion)
- Humanitarian Assistance: US$ 0.8 million (equivalent to Rs. 80.3 million)
- Program Development and Program Administrative Costs: US$ 24.2 million (equivalent to Rs. 2.4 billion)

2. In February 2014, 1 USD = 99 NPR.
Multilateral Development Partners
1. General Introduction to Development Cooperation Partnership

The Asian Development Bank (ADB) aims for an Asia and Pacific free from poverty. Since its founding in 1966, ADB has been driven by an inspiration and dedication to improving people’s lives in Asia and the Pacific.

Whether it be through investment in infrastructure, health care services, financial and public administration systems, or helping nations prepare for the impact of climate change or better manage their natural resources, ADB is committed to helping its developing member countries (DMCs) evolve into thriving, modern economies that are well integrated with each other and the world.

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB’s main instruments for helping its DMCs are policy advice, loans, equity investments, guarantees, grants, and technical assistance (TA).

In 2013, ADB’s overall lending to its DMCs was $13.19 billion (101 projects), with TA at $155.61 million (248 projects), and grants at $849.02 million (23 projects).

In addition, $6.6 billion was generated in direct value-added cofinancing in the form of official loans and grants and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under ADB’s Trade Finance Program. From 1 January 2009 to 31 December 2013, ADB’s annual lending volume averaged $12.19 billion. In addition, investment grants and TA funded by ADB and special funds resources averaged $801.70 million and $165.66 million in TA over the same period. As of 31 December 2013, the cumulative totals excluding cofinancing were $203.41 billion in loans for 2,629 projects in 44 countries, $6.46 billion in 239 grants, and $4.25 billion in TA grants, including regional TA grants.

2. Introduction to Aid Mechanism

ADB provides loan assistance through two windows, namely the Ordinary Capital Resource (OCR), and Asian Development Fund (ADF). OCR is a commercial window for loans with market-based interest rates. ADB’s support to Nepal comes primarily from ADF. Allocation of ADF resources to ADB’s DMCs is based on its performance-based allocation policy. During 2005 – 2013, ADF assistance to Nepal was provided in the form of loan and grants.
3. Nepal-ADB Relations/Membership

Development partnership between Nepal and ADB began in 1966 when Nepal joined ADB as a founding member. As of 31 December 2013, ADB provided Nepal with 128 sovereign ADF loans ($3.11 billion), five non-sovereign loans ($49.55 million), and 34 ADF grants ($823.75 million), totaling $3.98 billion (Table 1). ADB has also provided TA totaling $180.3 million. Nepal is an Group A ADB DMC, making it eligible for the concessional ADF loans. ADB’s current commitments of development assistance to Nepal make up 23% of all foreign aid commitments to the country.

ADB renewed its development partnership through its new country partnership strategy (CPS), 2013–2017 approved in 2013. It was prepared in consultation with all key stakeholders, including the government, private sector, civil society, and other development partners (DPs). The CPS is well aligned with the government's approach paper for the new Three-Year Plan (2014–2016). The CPS supports the government’s development objective of accelerated and inclusive economic growth. It seeks to address the infrastructure bottlenecks in the areas of energy, air and road transport, water supply and sanitation, and irrigation, to create an enabling environment for increased business and employment opportunities. Assistance for education and skills development will enhance the access of the poor and disadvantaged to the employment opportunities, promoting inclusive growth. Helping to strengthen social protection and disaster risk mitigation systems will reinforce inclusion. The CPS focuses on priority sectors of the new Three-Year Plan—energy, transport, and urban infrastructure and services, followed by agriculture and education.

Assistance in the energy sector will focus on address the domestic power shortage and promote exports through expansion of generation, and in-country and cross-border transmission infrastructure to increase access to commercial energy and cross-border energy trade. ADB will also support policy, regulatory, and institutional reforms for the energy sector development, to catalyze private sector investment and promote regional cooperation and integration (RCI) to facilitate power trade.

In the transport sector, ADB will help expand the Strategic Road Network (SRN), enhance trans-boundary connectivity, modernize customs infrastructure, improve urban transport planning and management, and upgrade Tribhuvan International Airport, Gautam Buddha Airport, and domestic airports. It will also help strengthen institutional capacity for sustainable O&M of these physical assets and undertake private public partnership investments.

Assistance in the urban sector will focus on enhancing access to and the service level of water supply and sanitation, promoting wastewater treatment and efficient urban transport, and strengthening governance and institutional capacity for sustainability of assets.

In the education sector, ADB will continue to support school sector reform through sector-wide approach (SWAp), focusing on quality, access and strengthening sector management capacity. Technical and vocational education training (TEVT) will also be supported to expand demand-driven skills training and enhancing quality and relevance of TEVT. Support for higher education in science and technology, to build synergy with investments in energy and transport sectors will also be considered.

In the agriculture and natural resource sector, ADB will continue its assistance in line with the agriculture development strategy with increasing selectivity and in partnership with other DPs, to improve agricultural productivity, food security, and transformation of the sector. It will also support river basin-wide water resource management, including climate change adaptation in upper watersheds, and disaster risk management;
irrigation infrastructure and institutions; and rural infrastructure based on innovative implementation modalities.

ADB operations in these sectors will mainstream cross-cutting thematic priorities such as gender equality and social inclusion (GESI), good governance, climate change adaptation and environmental sustainability, RCI, and private sector development.

ADB will increase the proportion of projects promoting GESI, targeting inclusive growth, greater access of all to assets and resources, and reduction of the existing gender, social and geographical disparities. The government's capacity will be strengthened through generic policy, planning, and regulatory reforms, replication of GESI mainstreaming, and monitoring sector-wide GESI results.

The CPS will focus on strengthening governance key areas such as public financial management (PFM), public procurement, and oversight and accountability mechanisms in collaboration with other DPs for the effective implementation of development projects and more effective public service delivery.

To promote environmental sustainability, the CPS will support improved climate change risk management and adaptation, pollution control, disaster risk reduction, and ecosystems protection. ADB will assist in building institutional capacities including knowledge base, management systems and strategic environmental plans and policies, designing disaster and climate change-resilient infrastructure projects, and developing an integrated water resources management system.

The CPS will promote Nepal's integration with the regional and the global economy through greater transport connectivity, power development and trade, and trade facilitation, primarily through the flagship South Asia Sub-regional Economic Cooperation (SASEC) program. ADB will promote investments in regional public goods and services such as roads, cross-border power transmission lines, airports, and trade facilitation including harmonization customs procedures and systems.

ADB will promote private sector development by creating an enabling business environment in key sectors for increased private sector investments. ADB will particularly support key infrastructure facilities such as energy, transport and irrigation that will help spur private sector investments in viable industries where Nepal has a comparative advantage. ADB will also help in formulating and implementing key policy, regulatory, and institutional frameworks for facilitating public-private partnership investments in key infrastructure and other projects.

To ensure effective implementation of the CPS and contribution to Nepal's development objectives, ADB will focus on building the institutional capacities of core infrastructure and service delivery agencies to improve portfolio performance, capital expenditure, O&M, PFM, and procurement capacities. ADB will also enhance its operational effectiveness and impacts through its “Finance ++” initiative, i.e., leveraging (i) increased official and commercial cofinancing to meet the country's huge infrastructure development needs, and (ii) knowledge solutions for better project designing and implementation. ADB's development assistance under the new CPS will also be delivered with strong partnership with other DPs, civil society organizations and other key stakeholders. ADB will continue to pursue harmonized approaches in sector and project operations with DPs—through the various aid coordination groups and forums—in accordance with the principles of the Paris Declaration.

Under the new CPS, ADB approved in 2013 six ADF projects totaling $376 million, and one under the
Climate Investment Fund for $23.5 million. These are for hydropower development and project preparation, skills development, urban environment improvement, and road improvement. A total of about $300 million in cofinancing was also leveraged for the energy and urban sectors. Additionally, 11 technical assistance grants totaling $11.85 million were approved.

ADB’s Nepal Resident Mission maintains close collaboration with DPs through shared sector and thematic roadmaps, and implementation of joint programs. Collaboration is also pursued in the annual country programming exercises, project processing, and policy dialogues with the government. ADB actively participates in the annual Nepal Portfolio Performance Review to improve Nepal’s portfolio performance and development effectiveness. ADB is also an active member of the International Development Partners’ Group and the various sector and thematic coordination groups under it, including the education sector-wide approach group.

Table 1: Loan, Technical Assistance, and Grant Approvals; and Disbursements ($ million)

<table>
<thead>
<tr>
<th>Loan, Technical Assistance, and Grant Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loans</strong></td>
</tr>
<tr>
<td>Sovereign</td>
</tr>
<tr>
<td>Non-sovereign</td>
</tr>
<tr>
<td>Technical assistance</td>
</tr>
<tr>
<td>Grants</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Notes: Approved amounts. Loans include only those funded by OCR and ADF. Technical assistance also includes those funded from sources other than TASF, JSF and JFPR.
Source: ADB.

Loan disbursements, principal repayments and loan outstanding, ($ million)

<table>
<thead>
<tr>
<th>Loan disbursements</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursements</td>
<td>208.79</td>
<td>89.68</td>
<td>159.44</td>
</tr>
<tr>
<td>Principal repayments</td>
<td>88.90</td>
<td>92.30</td>
<td>96.18</td>
</tr>
<tr>
<td>Loan outstanding</td>
<td>1,588.00</td>
<td>1,553.00</td>
<td>1,544.90</td>
</tr>
</tbody>
</table>

Notes: Amounts include ADF sovereign operations.
Sources: CTL Loan and Grant Operations 2013

4. Nepal-ADB Economic and Technical Cooperation

As of 15 July 2014, ADB’s active portfolio of 38 ADF projects and programs in the country amounted to $1,818.75 million. The sector-wise distribution of the ongoing portfolio is summarized below:

- 9 in agriculture and natural resources sector ($232.31 million)
- 2 in education sector ($85.00 million)
- 6 in energy sector ($585.22 million)
- 2 in finance sector ($77.72 million)
- 1 in public sector management ($21.0 million)
- 1 in trade and industry sector ($15.0 million)
- 8 in transport and communications sector ($310.18 million)
- 7 in water and other municipal infrastructure services ($531.31 million)
- 2 in multi sector ($51.00 million)

In addition, there were 24 ongoing TA projects amounting to $32.78 million.

5. Past Economic and Technical Cooperation

<table>
<thead>
<tr>
<th>App. No.</th>
<th>Project</th>
<th>ADB Financing ($ million)</th>
<th>Approval Date</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Agriculture and Natural Resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2071</td>
<td>Community Livestock Development</td>
<td>20.0</td>
<td>19-Dec-03</td>
<td>Loan</td>
</tr>
<tr>
<td>2092</td>
<td>Decentralized Rural Infrastructure and Livelihood</td>
<td>40.0</td>
<td>24-Sep-04</td>
<td>Loan</td>
</tr>
<tr>
<td>63</td>
<td>Commercial Agriculture Development</td>
<td>18.0</td>
<td>16-Nov-06</td>
<td>Grant</td>
</tr>
<tr>
<td></td>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1840</td>
<td>Teacher Education</td>
<td>19.3</td>
<td>24-Sep-01</td>
<td>Loan</td>
</tr>
<tr>
<td>1917</td>
<td>Secondary Education Support</td>
<td>30.0</td>
<td>20-Sep-02</td>
<td>Loan</td>
</tr>
<tr>
<td>2111</td>
<td>Skills for Employment</td>
<td>20.0</td>
<td>25-Nov-04</td>
<td>Loan</td>
</tr>
<tr>
<td>2277</td>
<td>Education Sector Program I</td>
<td>30.0</td>
<td>01-Dec-06</td>
<td>Loan</td>
</tr>
<tr>
<td>65</td>
<td>Education Sector Program I-Capacity Development Project</td>
<td>2.0</td>
<td>01-Dec-06</td>
<td>Grant</td>
</tr>
<tr>
<td>105</td>
<td>Education Sector Program Cluster (Subprogram II)- Program Grant</td>
<td>8.0</td>
<td>24-Jan-08</td>
<td>Grant</td>
</tr>
<tr>
<td>2551</td>
<td>Education Sector Program (Subprogram 3)</td>
<td>25.0</td>
<td>22-Sep-09</td>
<td>Loan</td>
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<tr>
<td>160</td>
<td>Education Sector Program-Subprogram III</td>
<td>70.0</td>
<td>22-Sep-09</td>
<td>Grant</td>
</tr>
<tr>
<td></td>
<td><strong>Energy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1452</td>
<td>Kali Gandaki &quot;A&quot; Hydroelectric Power</td>
<td>160.0</td>
<td>23-Jul-96</td>
<td>Loan</td>
</tr>
<tr>
<td>1732</td>
<td>Rural Electrification, Distribution and Transmission</td>
<td>50.0</td>
<td>21-Dec-99</td>
<td>Loan</td>
</tr>
<tr>
<td></td>
<td><strong>Finance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2268</td>
<td>Rural Finance Sector Development Cluster Program (Subprogram I)</td>
<td>56.0</td>
<td>26-Oct-06</td>
<td>Loan</td>
</tr>
<tr>
<td>59</td>
<td>Rural Finance Sector Development Cluster Program</td>
<td>8.7</td>
<td>26-Oct-06</td>
<td>Grant</td>
</tr>
<tr>
<td></td>
<td><strong>Public Sector Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1861</td>
<td>Governance Reform Program</td>
<td>30.0</td>
<td>27-Nov-01</td>
<td>Loan</td>
</tr>
<tr>
<td>2002</td>
<td>Public Sector Management Program</td>
<td>35.0</td>
<td>08-Jul-03</td>
<td>Loan</td>
</tr>
<tr>
<td>118</td>
<td>Governance Support Program (Subprogram 1)</td>
<td>106.3</td>
<td>22-Oct-08</td>
<td>Grant</td>
</tr>
<tr>
<td></td>
<td><strong>Transport and ICT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1876</td>
<td>Road Network Development</td>
<td>46.0</td>
<td>13-Dec-01</td>
<td>Loan</td>
</tr>
<tr>
<td>2097</td>
<td>Subregional Transport Facilitation</td>
<td>20.0</td>
<td>04-Nov-04</td>
<td>Loan</td>
</tr>
<tr>
<td>51</td>
<td>Road Connectivity Sector I</td>
<td>55.2</td>
<td>10-Aug-06</td>
<td>Grant</td>
</tr>
<tr>
<td>App. No.</td>
<td>Project Name</td>
<td>ADB Financing ($ million)</td>
<td>Approval Date</td>
<td>Type</td>
</tr>
<tr>
<td>----------</td>
<td>--------------</td>
<td>--------------------------</td>
<td>---------------</td>
<td>------</td>
</tr>
<tr>
<td>1966</td>
<td>Urban and Environmental Improvement</td>
<td>30.0</td>
<td>10-Dec-02</td>
<td>Loan</td>
</tr>
<tr>
<td>2008</td>
<td>Community-Based Water Supply and Sanitation Sector</td>
<td>24.0</td>
<td>30-Sep-03</td>
<td>Loan</td>
</tr>
<tr>
<td>2058</td>
<td>Kathmandu Valley Water Services Sector Development (Program Loan)</td>
<td>5.0</td>
<td>18-Dec-03</td>
<td>Loan</td>
</tr>
<tr>
<td>2143</td>
<td>Gender Equality and Empowerment of Women</td>
<td>10.0</td>
<td>16-Dec-04</td>
<td>Loan</td>
</tr>
<tr>
<td>94</td>
<td>Rural Reconstruction and Rehabilitation Sector Development Program (Program Grant)</td>
<td>50.0</td>
<td>12-Dec-07</td>
<td>Grant</td>
</tr>
</tbody>
</table>

**Water Supply and Other Municipal Infrastructure Services**

**Others**

<table>
<thead>
<tr>
<th>S N</th>
<th>Project Name</th>
<th>ADB Allocation ($ million )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agriculture Sector Development Program</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Tribhuvan International Airport Capacity Enhancement Project</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Additional Financing to Kathmandu Valley Water Supply Improvement Project</td>
<td>50</td>
</tr>
</tbody>
</table>

**Total 192**

**7. Future (Pipeline) Economic and Technical Cooperation**

**Investment Projects**

<table>
<thead>
<tr>
<th>S N</th>
<th>Project Name</th>
<th>ADB Allocation ($ million )</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Third Small Towns Water Supply and Sanitation Sector Project</td>
<td>42</td>
</tr>
<tr>
<td>2.</td>
<td>Agriculture Sector Development Program</td>
<td>40</td>
</tr>
<tr>
<td>3.</td>
<td>Tribhuvan International Airport Capacity Enhancement Project</td>
<td>60</td>
</tr>
<tr>
<td>4.</td>
<td>Additional Financing to Kathmandu Valley Water Supply Improvement Project</td>
<td>50</td>
</tr>
</tbody>
</table>

**Total 192**

**Technical Assistance Projects**

<table>
<thead>
<tr>
<th>S N</th>
<th>Project Name</th>
<th>ADB Allocation ($ ‘000 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agriculture Sector Development Program</td>
<td>700.0</td>
</tr>
<tr>
<td>2.</td>
<td>Renewable Energy for Rural Electricity Access Project (piggybacked)</td>
<td>500.0</td>
</tr>
<tr>
<td>3.</td>
<td>Preparing Integrated Development for Bigger Municipalities</td>
<td>500.0</td>
</tr>
<tr>
<td>4.</td>
<td>Establishing Women and Children Service Centers (additional financing)</td>
<td>500.0</td>
</tr>
<tr>
<td>5.</td>
<td>Portfolio Management Capacity Enhancement (Supplementary)</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Total 2,300**
1. General Introduction to Development Cooperation Partnership

The European Union has been a valuable and committed socio-economic development partner for Nepal since 1973. Its relations are guided by its fundamental principles to achieve peace, stability, democracy, human rights and prosperity.

The EU - including the EU Delegation and the EU Member States - is the biggest provider of development aid to Nepal. There has been a significant increase in the volume of aid over the last four decades of EU-Nepal cooperation. Over time this cooperation has seen important changes reflecting the constant assessment and adoption of appropriate strategies required to maintain an effective development agenda. This is translated, among other things, in a move from individual project support, to a more holistic sector budget support. The overall development cooperation strategy has been worked out in mutual consultation with the Government of Nepal and is reflected in the Country Strategy Paper (2007-2013).

Political relations between EU and Nepal have also progressed over the past decades, to become an increasingly relevant partnership based on mutual respect. Bi-annual Joint Commissions are the most visible feature of an ongoing dialogue since the entry into force of an EU-Nepal Co-operation Agreement in 1996. During meetings of the Joint Commission, the Government of Nepal and the EU counterparts exchange views on issues of common concern such as peace and stability, development, human rights and trade. They also take the opportunity to review current projects being implemented through EU assistance, as well as any new ones being considered. Political relations are further strengthened through regular visits of EU Parliamentarians to Nepal and the recent visit of the then Prime Minister Madhav Kumar Nepal to the EU’s Development Days in Brussels. An EU election observation mission also visited Nepal in 2008 and 2013 to ensure free, fair and impartial elections.

At the same time, the EU has been working through UN agencies and civil society to implement a broad spectrum of development cooperation activities in areas such as poverty reduction, integrated rural development, human rights, preservation of the culture of indigenous communities, environmental conservation and sustainable development, basic and primary education, urban development, food security, conflict mitigation, economic capacity and peace building amongst others.

2. Development Cooperation

EU assistance to Nepal started in 1977 and has been provided in two main ways: on a bilateral basis through the formulation of successive Country Strategy Papers (CSP) in close partnership with the Government of Nepal,
and on a multilateral basis, including all actions outside the CSP mainly funded thematic budget lines with a view to complementing interventions carried out under the bilateral programme.

The first EU Country Strategy Paper (CSP) 2001-2006 had a financial envelope of €70 million and focused on the sectors of 1) Poverty Reduction, 2) Consolidation of Democracy and Conflict Mitigation and 3) Integration into the International Economy. The implementation of the CSP 2001-2006 was, however, delayed following the suspension of EU activities between 2005 and 2006 after the royal takeover. Although education had officially not been included in the CSP 2001-2006, owing to an arrangement to support the Basic and Primary Education Programme – II (BPEP-II), it was finally supported by the EU through a multi-donor arrangement with four other contributors.

The second EU CSP (2007-2013) included the following priority sectors: 1). Education, 2). Stability and Peace Building and 3). Trade Facilitation and Economic Capacity Building. In 2012 the EU also engage in PFM sector reforms. The total allocation for this CSP was of 114 million €.

Starting from 2014, the EU is no longer formulating specific Country Strategic Paper but a Multi-Annual Indicative Programme (MIP) which is aligned to the National Development Strategies of beneficiary countries. The 2014-2020 MIP for Nepal is currently being finalised and it is expected that it will be adopted in the second half of 2014. The indicative envelope will triple in comparison to the total allocation under the CSP 2007-2013. The MIP identifies three focal sectors: 1). Sustainable rural development, 2). Education, including technical and vocational training and 3). Strengthening democracy and decentralisation (this sector will also include further support to PFM reforms).

The on-going EU development cooperation programmes are as follows:

1. Education: Education has been one of the key components of the EU’s financial assistance, representing approximately 60% of the budget foreseen in the CSP 2007-2013. The EU is providing support to the School Sector Reform Programme (SSRP). The total amount allocated for 2011-2013 is €33.5 million, which follows two commitments of a total of €51 million for both the Education For All (EFA) and the SSRP programmes (including a DFID contribution amounting to €13 million). This support continues to implement the School Sector Reform Plan (SSRP) up to July 2015. In addition to supporting the SSRP, the EU has been providing grant funding to (I)NGOs since 2010 to implement education projects that contribute to achieving the goals of SSRP. Six grants projects in the area of education are currently being implemented (total EU contribution is around € 4 million).

2. Stability and Peace Building: As a global actor, the EU is actively involved in bringing stability and peace building in Nepal through technical and financial assistance. Up to now, the EU has committed €28 million to support the Government of Nepal for the implementation of the Comprehensive Peace Agreement in the areas supported by the Nepal Peace Trust Fund (NPTF). As one of the major donors to the NPTF, the EU is supporting activities under four different areas, including: cantonment management and rehabilitation of combatants; conflict affected persons and communities; security and transnational justice; and constituent assembly and peace building initiatives. A project worth € 8.5 million has been contracted through UNDP in December 2012 to assist core electoral stakeholders with a focus on the Election Commission (ECN) to secure a peaceful, fair, and transparent electoral process.

3. Improving Public Financial Management: Although this sector was not initially identified in the CSP,
the EU decided to support the recently initiated PFM reforms to tackle the persisting high fiduciary risks in Nepali public administration. € 4.5 million out of the total of € 10 million allocated to this initiative will be channelled through a Multi-Donor Trust Fund on PFM administered by the World Bank. An additional € 4.5 million will support the PFM reforms implemented by the Ministry of Federal and Local Development (MOFALD) at local level.

Moreover, EU development cooperation supports projects and activities in non-focal areas through complementary financial instruments and thematic programmes, mainly implemented by the Government of Nepal and other development partners:

- **Regional Programmes with South Asia:** Nepal is benefitting from regional cooperation with South Asia which focused in the recent years on 1). Support to regional integration - through ASEM, SAARC and ASEAN; 2). Policy and know-how-based cooperation – including environment, energy and climate change, higher education and support to research institutes, and cross-border cooperation in animal and human health and 3). Support to uprooted people. Total budget for 2007-2013 was of €775 million. Through the next EU-Asia regional programme (2014-2020), complementary support will be offered to tackle competitiveness gaps and other actions to ensure that Nepal and other countries in the region can benefit from regional and multilateral trade. Support to climate change, regional integration, and aid to uprooted people initiatives will continue to remain priority intervention areas under the next regional programme.

- **The European Instrument for Democracy and Human Rights (EIDHR):** to provide capacity building and technical support to national human rights institution and civil society in the promotion and protection of human rights.

- **The Non-State Actors and Local Authorities (NSA-LA) Programme:** to strengthen non-state actors in Nepal through different calls for proposals launched every year in different areas, approximately €2 million has been allocated per year since 2007.

- **The Instrument for Stability (IfS):** is a strategic tool to help stabilise countries in crisis or emerging crisis. An IfS sourced €1.5 € million grant has been signed end of 2013 for the promotion of a child protection system to achieve violence-free school.

- **The Instrument for Humanitarian Aid:** to provide assistance to victims of natural or man-made disasters, implemented by the EU’s humanitarian aid department (ECHO).

- **The Asia Investment Facility (AIF) was established in 2011 with an allocation of € 30 million, with the main purpose of promoting additional investments and key infrastructure in energy and environment. The Facility operates by providing grants to support loans to Asian countries (including Nepal) from the European Investment Bank (EIB), and from other European, multilateral and national development financial institutions. The first project in Nepal aims to lead to two fully functional substations and one transmission line that efficiently feed the electricity generated by hydropower plants in Trishuli River Basin into the national grid.**

- **European Investment Bank (EIB) and the Government of Nepal signed a Framework Agreement under which the Bank can start financing capital investments in Nepal in May 2012. Exactly one year after the signature of the document, the EIB granted a EUR 55 million (approx. NPR 6.41 billion) loan to Nepal to finance the construction and operation of the Tanahu Hydropower plant. The EIB is showing a growing interest in exploring further ways to collaborate with Nepal.**
1. General Introduction to Development Cooperation Partnership

The Food and Agriculture Organization of the United Nation (FAO) was established on 16th October 1945 as a specialized agency. At present, FAO has 197 member nations (194 member nations, one member organization (EU) and two associate members (Faroe Islands and Tokelau) since its founding, FAO has led international efforts to defeat hunger. Serving both developed and developing countries, FAO acts as a neutral forum where all nations meet as equals to negotiate agreements and debate policy. FAO is also a source of knowledge and information. It helps developing countries and countries in transition to modernize and improve agriculture, forestry and fisheries practices and to ensure good nutrition for all. FAO has always given special attention to develop rural areas, home to 70 percent of the world’s poor and hungry people. FAO’s activities comprise four main areas:

- Putting information within reach
- Sharing policy expertise
- Providing a meeting place for nations
- Bringing knowledge to the field

Achieving food and nutrition security for all is at the heart of FAO’s efforts - to make sure people have regular access to enough high-quality food to lead active, healthy lives. FAO’s mandate is to raise level of nutrition, improve agricultural productivity, better the lives of rural populations and contribute to the growth of the world economy.

2. Introduction to Aid Mechanism

Nepal became a member of FAO on 21 November 1951. Among the UN-Agencies, FAO was the first to start its field level work in Nepal. Upon the request of the government, FAO mobilizes its own internal resources in the form of Technical Cooperation Program (TCP) or solicits support to funds from potential donors in the form of Government Cooperation Program (GCP) or Unilateral Trust Fund (UTF).

3. Nepal-FAO Relations/Membership

Since the time of membership in 1951, FAO supported different kinds of projects. Central objective behind these projects, regardless of the specific subsector and issues has been to create and enhance national capacity
in addressing these issues and problems confronting Nepal. Human resource development through trainings and directly working with national and international experts are also built-in elements of these projects and programmes.

4. Nepal-FAO Economic and Technical Cooperation

Between the early 1970 and 2013, Nepal-FAO cooperation has witnessed nearly 225 larger and small Nepal specific national level projects and programs covering various aspects of agricultural and rural development that are consistent with the diverse requirements of Nepal. These projects cover a wide range of issues and a number of sub-sectors. FAO is a technical agency and as such the financial information alone does not provide full indication on the level and depth of Nepal-FAO cooperation.

5. Past Economic and Technical Cooperation

A. Sub-sectors/Areas Covered BY FAO-Nepal Cooperation Projects

<table>
<thead>
<tr>
<th>SN</th>
<th>Sub-sector/Area Covered</th>
<th>No. of Projects</th>
<th>% of All projects</th>
<th>FAO/Donor Contribution (US$.‘000)</th>
<th>% of FAO/Donor Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agri-business and Rural Micro-enterprise Dev.</td>
<td>14</td>
<td>6</td>
<td>1900</td>
<td>1.51</td>
</tr>
<tr>
<td>2</td>
<td>Agricultural Extension and Communication</td>
<td>5</td>
<td>2</td>
<td>965</td>
<td>0.77</td>
</tr>
<tr>
<td>3</td>
<td>Agricultural Marketing</td>
<td>6</td>
<td>3</td>
<td>5,629</td>
<td>4.47</td>
</tr>
<tr>
<td>4</td>
<td>Agricultural Policy Analysis, Planning, M&amp;E, and Legislation</td>
<td>22</td>
<td>10</td>
<td>6487</td>
<td>5.15</td>
</tr>
<tr>
<td>5</td>
<td>Agricultural Statistics</td>
<td>4</td>
<td>2</td>
<td>1,950</td>
<td>1.55</td>
</tr>
<tr>
<td>6</td>
<td>Livestock development</td>
<td>25</td>
<td>11</td>
<td>8973</td>
<td>7.12</td>
</tr>
<tr>
<td>7</td>
<td>Forestry Planning, Community and Leasehold Forestry</td>
<td>16</td>
<td>7</td>
<td>18094</td>
<td>14.37</td>
</tr>
<tr>
<td>8</td>
<td>Field Crop and Fodder Production</td>
<td>10</td>
<td>4</td>
<td>3,187</td>
<td>2.53</td>
</tr>
<tr>
<td>9</td>
<td>Emergency assistance</td>
<td>24</td>
<td>11</td>
<td>21552</td>
<td>17.12</td>
</tr>
<tr>
<td>10</td>
<td>Farm Tools and Machinery</td>
<td>4</td>
<td>2</td>
<td>318</td>
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<tr>
<td>11</td>
<td>Fisheries</td>
<td>11</td>
<td>5</td>
<td>4139</td>
<td>3.29</td>
</tr>
<tr>
<td>12</td>
<td>Nutrition, Food Safety and Food Security</td>
<td>14</td>
<td>6</td>
<td>4,287</td>
<td>3.40</td>
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<tr>
<td>13</td>
<td>Fruit Production</td>
<td>5</td>
<td>2</td>
<td>1679</td>
<td>1.33</td>
</tr>
<tr>
<td>14</td>
<td>Gender and Development</td>
<td>5</td>
<td>2</td>
<td>3,700</td>
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<td>15</td>
<td>Irrigation Development and On-farm Water Management</td>
<td>7</td>
<td>3</td>
<td>3,527</td>
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<tr>
<td>16</td>
<td>Plant Protection/IPM</td>
<td>5</td>
<td>2</td>
<td>6506</td>
<td>5.17</td>
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<tr>
<td>17</td>
<td>Population and Agriculture</td>
<td>2</td>
<td>1</td>
<td>429</td>
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</tr>
<tr>
<td>18</td>
<td>Post-Harvest Loss reduction</td>
<td>4</td>
<td>2</td>
<td>1,421</td>
<td>1.13</td>
</tr>
<tr>
<td>SN</td>
<td>Sub-sector/Area Covered</td>
<td>No. of Projects</td>
<td>% of All projects</td>
<td>FAO/Donor Contribution (US$. ‘000)</td>
<td>% of FAO/Donor Contribution</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------------------</td>
<td>----------------</td>
<td>-------------------</td>
<td>------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>19</td>
<td>Rural Development and Rural energy</td>
<td>6</td>
<td>3</td>
<td>1,719</td>
<td>1.37</td>
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<tr>
<td>20</td>
<td>Rural Finance and Rural Institution Development</td>
<td>3</td>
<td>1</td>
<td>657</td>
<td>0.52</td>
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<tr>
<td>21</td>
<td>Small Farmer Development</td>
<td>6</td>
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<tr>
<td>22</td>
<td>Soil Fertility Improvement</td>
<td>4</td>
<td>2</td>
<td>2,894</td>
<td>2.30</td>
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<tr>
<td>23</td>
<td>Vegetable Production</td>
<td>5</td>
<td>2</td>
<td>5,889</td>
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<tr>
<td>24</td>
<td>Watershed Management</td>
<td>12</td>
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<td>17,428</td>
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<tr>
<td>25</td>
<td>Wildlife Management</td>
<td>3</td>
<td>1</td>
<td>1,730</td>
<td>1.33</td>
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<tr>
<td>26</td>
<td>Climate Change</td>
<td>2</td>
<td>1</td>
<td>723</td>
<td>0.57</td>
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<tr>
<td>27</td>
<td>Land Reform</td>
<td>1</td>
<td>0</td>
<td>50</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>225</strong></td>
<td><strong>100</strong></td>
<td><strong>125908</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

*Note: The totals of the sub-sector and grand total may not appear equal due to rounding in the sub-sector total*

**B. UTF/GCP**

1. UTF/NEP/059/NEP Support to National IPM Programme in Nepal: Consolidation, Up-scaling and Institutionalization Phase II (2008-2014) USD 3,400,000 (Norway)
2. GCP/NEP/062/FIN: Technical Assistance for Lease-hold forest and Livestock development (2009-2014), USD 3546,500 (Norway)
3. UTF/NEP/072/NEP: Technical Assistance to the Review and Scaling up of IFAD project experiences in Nepal 2012 - 2014, USD 400,000 (IFAD)
5. UTF/NEP/073 Technical Assistance to the Agriculture and Food Security Project, (2014 – 2018), USD 8,629,816 (GAFSP)

**C. TCP**

1. TCP/3401/NEP TCP Facility (2012-2014) USD 97123, (FAO)
2. TCP/3402/NEP: Policy assistance to bio-secure agro-food supply Chain (2012-2014) USD 327,000, (FAO)
3. TCP/NEP/3403 Sustainable management and Development of NWFPs in Terai and Siwalik Regions of Nepal 2013-2014, USD 300,000 (FAO)

**D. Emergency project**

1. OSRO/RAS/605/USA Immediate technical assistance to strengthen emergency preparedness for highly pathogenic avian influenza 2014 USD 100,000 (USA)
2. TCP/RAS/3407 (E): Emergency assistance for surveillance of influenza A (H7N9) virus in poultry and other animal populations in the South Asia region (2013-2014) USD 500 000 (FAO)
E. Joint Programme

1. UNJP/NEP/069/UNJ Gender Responsive Recovery Peace Project (2013 -15) USD 265,000 (UNPF)

F. Regional Project

1. TCP/RAS/3405(GCP/RAS/276/IFA) Institutional Capacity Strengthening for Analysis, Design, and Dissemination of Policy Approaches to address Risk and Vulnerability of the Rural Poor at the country level (2013 -2015)
4. TCP/RAS/3409: Building statistical capacity for quality food security and nutrition information in support of better informed policies (2013- 2015)

G. Global Project


6. Future (Pipeline) Economic and Technical Cooperation

2. Support to Up-Scaling and Institutionalization of Pro-poor Leasehold Forestry and Livestock Programme in Nepal – Phase II (2014 – 2018)
5. Strengthening institutional capacity to promote Agri-business development (2014-2016)
6. Development of Standards and scheme for good agriculture practices (GAP) implementation and certification in countries of SAARC (TCP/RAS/3501)
1. General Introduction to Development Cooperation Partnership

The Global Environment Facility (GEF) was established in 1991 to forge international co-operation and finance actions to address critical threats to the global environment. The global environmental focal areas of the GEF are biodiversity, climate change, international waters, ozone depletion (only countries in transitions), and other cross-cutting issues like land degradation. The business and working mandate of GEF is guided by the (a) Convention on Biological Diversity (CBD); (b) Convention on Climate Change (UNFCCC); and (c) Persistent Organic Pollutants (POPs) Convention. Apart from these, the GEF collaborates closely with other treaties and agreements to reach common goals (International waters, CCD, Montreal Protocol).

2. Introduction to Aid Mechanism

The GEF is not a project financier, but a project co-financer by bringing together multiple sources of funding for projects that complement national programs and policies. Member Governments are 182 countries in number. The GEF projects are approved by GEF council. Its implementing agencies include 12 agencies: UNDP, UNEP, World Bank FAO, UNIDO, IFAD, ADB, African Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, WWF and Conservation International. Projects can also be executed by Government Agencies, Regional Development Banks, UN specialized agencies, NGOs, Bilateral Dev. Co-op agencies, others from the private sector/institutes.

At present, the GEF is the largest funder of projects to improve global environment. It has allocated $ 9.5 billion, supplemented by more than $ 42 billion in co financing for more than 2700 projects in more than 165 developing countries and countries with economies in transition. Through its Small Grants Program (SGP), the GEF has also made more than 12,000 small grants directly to nongovernmental and community organizations, with $495 million.

System for Transparent Allocation of Resources (STAR) has been the basis for resources allocation for the fifth replenishment period of the GEF. STAR was developed on the basis of the Resource Allocation Framework which is based on Global Environment Benefits (GEBs), and Country Level Performance (CLP) of all eligible counties.

GEF work focuses on the following main areas:

- Biodiversity
• Climate Change (Mitigation and Adaptation)
• Chemicals
• International Waters
• Land Degradation
• Sustainable Forest Management / REDD +
• Ozone Layer Depletion

The GEF also works on several cross-cutting issue and programs:

• Results & Learning
• Earth Fund and Public Private Partnerships
• Capacity Development
• Small Grants Programme
• Country Support Programme

3. Nepal-GEF Relations/Membership

Nepal deposited its notification of participation in GEF on 1994 Oct 08. Each GEF member country has designated government officials responsible for GEF activities. These officials, known as GEF “focal points,” play a key role in ensuring that GEF projects are country-driven and based on national priorities. Nepal has been nominating finance secretary as Political focal Point and Joint secretary, International Economic Cooperation Coordination Division (IECCD), Ministry of Finance, as Operational Focal Points. Political focal points are responsible for GEF governance issues and policies and communications with their constituencies. All member countries have political focal points. Operational focal points are responsible for in-country program coordination of GEF projects and other operational activities. Only countries eligible for GEF funding are expected to designate operational focal points.

3. Nepal- GEF Economic and Technical Cooperation

STAR GEF-6 Allocation

(all amounts in US$)

<table>
<thead>
<tr>
<th>Focal Area</th>
<th>Indicative allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biodiversity</td>
<td>3,340,000</td>
</tr>
<tr>
<td>Climate Change</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Land Degradation</td>
<td>1,960,000</td>
</tr>
<tr>
<td>Total</td>
<td>8,900,000</td>
</tr>
</tbody>
</table>

4. Past Economic and Technical Cooperation

Summary of approved national projects since 1991 for Nepal (all amounts in US$)

<table>
<thead>
<tr>
<th>Focal Area</th>
<th>GEF Grant</th>
<th>Cofinancing Total</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biodiversity</td>
<td>13,492,873</td>
<td>22,189,245</td>
<td>8</td>
</tr>
<tr>
<td>Climate Change</td>
<td>3,228,182</td>
<td>25,070,000</td>
<td>3</td>
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</tbody>
</table>
### 5. Ongoing Economic and Technical Cooperation

<table>
<thead>
<tr>
<th>ID</th>
<th>GEF Agency</th>
<th>Project Title</th>
<th>Focal Area</th>
<th>Date of Approval</th>
<th>Date of Completion</th>
<th>GEF Funding USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>3412</td>
<td>UNDP</td>
<td>National Adaptation Programme of Action to Climate Change</td>
<td>Climate Change</td>
<td>Jan, 2008</td>
<td>Jan, 2012</td>
<td>200000</td>
</tr>
<tr>
<td>1107</td>
<td>UNDP</td>
<td>Landscape Level Biodiversity Conservation in Nepal’s Western Terai Complex</td>
<td>Biodiversity</td>
<td>Aug, 2005</td>
<td>Aug, 2013</td>
<td>3,312,278</td>
</tr>
<tr>
<td>1217</td>
<td>UNDP</td>
<td>Conservation and Sustainable Use of Wetlands</td>
<td>Biodiversity</td>
<td>March, 2007</td>
<td>Aug, 2013</td>
<td>1964895</td>
</tr>
<tr>
<td>1920</td>
<td>UNEP</td>
<td>Climate Change Enabling Activities Expedited Financing (Additional Financing for Capacity Building in Priority Areas)</td>
<td>Climate Change</td>
<td>Feb, 2004</td>
<td>Ongoing</td>
<td>100000</td>
</tr>
<tr>
<td>2222</td>
<td>UNDP</td>
<td>National Capacity Self-Assessment (NCSA) for Global Environment Management</td>
<td>Multi Focal Area</td>
<td>Oct, 2005</td>
<td>Aug, 2009</td>
<td>200000</td>
</tr>
<tr>
<td>ID</td>
<td>GEF Agency</td>
<td>Project Title</td>
<td>Focal Area</td>
<td>Date of Approval</td>
<td>Date of Completion</td>
<td>GEF Funding USD</td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>------------------</td>
<td>--------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>4464</td>
<td>UNEP</td>
<td>Integrating Traditional Crop Genetic Diversity into Technology Using a BD Portfolio Approach to Buffer Against Unpredictable Environmental Change in the Nepal Himalayas</td>
<td>Biodiversity</td>
<td>May, 2011</td>
<td>Ongoing</td>
<td>2400000</td>
</tr>
<tr>
<td>4130</td>
<td>ADB</td>
<td>Kathmandu Sustainable Urban Transport (SUT) Project</td>
<td>Climate Change</td>
<td>Nov, 2010</td>
<td>Ongoing</td>
<td>2520000</td>
</tr>
<tr>
<td>4551</td>
<td>UNDP</td>
<td>Community Based Flood and Glacial Lake Outburst Risk Reduction</td>
<td>Climate Change</td>
<td>Aug, 2011</td>
<td>Ongoing</td>
<td>6363500</td>
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<tr>
<td>3573</td>
<td>UNIDO</td>
<td>Environmentally Sound Management and Disposal of POPs Pesticides and PCBs</td>
<td>POPs</td>
<td>Sept, 2009</td>
<td>Ongoing</td>
<td>880000</td>
</tr>
<tr>
<td>5596</td>
<td>WWF- US</td>
<td>Sustainable Land Management in Churia region, Nepal</td>
<td>Land Degradation</td>
<td>Dec 2013</td>
<td>ongoing</td>
<td>1600000</td>
</tr>
</tbody>
</table>


For a period of October 2012 - November 2013, various GEF related activities were conducted by IECCD of Ministry of Finance, Office of the GEF Operation Focal Point (OFP), under GEF Country Support Program that included USD 9000. The main objective of CSP is to strengthen the capacity of GEF Focal Points to effectively carry out their mandates for supporting global environmental program in their countries. The major activities completed as per the agreement are preparation of GEF Nepal website, establishment of small resource center at IECCD, GEF Workshop on Biodiversity, GEF Workshop on Land Degradation and POPs and Chemicals, GEF National Stakeholders’ Review Workshop, formation of GEF Multistakeholders’ Committee and a field visit to Makawanpur District to observe UNDP GEF SGP funded projects. New activities will be carried out in 2014/15 under CSP and a separate country portfolio review exercise will be carried out for GEF 6 period (2014-2017).
1. General Introduction to Global Fund

The Global Fund is a unique, public-private partnership and international financing institution dedicated to attracting and disbursing additional resources to prevent and treat HIV and AIDS, TB and malaria. This partnership between governments, civil society, the private sector and affected communities represents an innovative approach to international health financing. The Global Fund’s model is based on the concepts of country ownership and performance-based funding, which means that people in countries implement their own programs based on their priorities and the Global Fund provides financing on the condition that verifiable results are achieved.

Since its creation in 2002, the Global Fund has become the main financier of programs to fight AIDS, TB and malaria, with approved funding of US$ 22.6 billion for more than 1,000 programs in 150 countries. To date, programs supported by the Global Fund have saved 7.7 million lives by providing AIDS treatment for 3.3 million people, anti-tuberculosis treatment for 8.6 million people and 230 million insecticide-treated nets for the prevention of malaria. The Global Fund works in close collaboration with other bilateral and multilateral organizations to supplement existing efforts in dealing with the three diseases.

2. Introduction to Aid Mechanism

The Global Fund was founded on a set of principles (these are fully described in the Global Fund’s Framework Document) that guides everything we do - from governance to grant-making:

- Operate as a financial instrument, not an implementing entity.
- Make available and leverage additional financial resources.
- Support programs that evolve from national plans and priorities.
- Operate in a balanced manner in terms of different regions, diseases and interventions.
- Pursue an integrated and balanced approach to prevention and treatment.
- Evaluate proposals through independent review processes.
- Operate with transparency and accountability

At country level, the Country Coordinating Mechanism (CCM) is a partnership composed of all key stakeholders in a country’s response to the three diseases. The CCM does not handle Global Fund financing itself, but is responsible for submitting proposals to the Global Fund, nominating the entities accountable for administering the funding, and overseeing grant implementation. The CCM should preferably be an already-existing body, but a country can instead decide to create a new entity to serve as CCM.
The Global Fund Secretariat manages the grant portfolio, including screening proposals submitted, issuing instructions to disburse money to grant recipients and implementing performance-based funding of grants. More generally, the Secretariat is tasked with executing Board policies; resource mobilization; providing strategic, policy, financial, legal and administrative support; and overseeing monitoring and evaluation. It is based in Geneva and has no staff located outside its headquarters.

The Technical Review Panel (TRP) is an independent group of international experts in the three diseases and cross-cutting issues such as health systems. It meets regularly to review proposals based on technical criteria and provide funding recommendations to the Board.

The Global Fund Board is composed of representatives from donor and recipient governments, civil society, the private sector, private foundations, and communities living with and affected by the diseases. The Board is responsible for the organization’s governance, including establishing strategies and policies, making funding decisions and setting budgets. The Board also works to advocate and mobilize resources for the organization.

The Global Fund signs a legal grant agreement with a Principal Recipient (PR), which is designated by the CCM. The PR receives Global Fund financing directly, and then uses it to implement prevention, care and treatment programs or passes it on to other organizations (sub-recipients) who provide those services. Many PRs both implement and make sub-grants. There can be multiple PRs in one country. The PR also makes regular requests for additional disbursements from the Global Fund based on demonstrated progress towards the intended results.

The Global Fund’s Trustee manages the organization's money, which includes making payments to recipients at the instruction of the Secretariat. The Trustee is currently the World Bank.

Since the Global Fund does not have staff at country level, it contracts firms to act as “Local Fund Agents” (LFAs) to monitor implementation. LFAs are responsible for providing recommendations to the Secretariat on the capacity of the entities chosen to manage Global Fund financing and on the soundness of regular requests for the disbursement of funds and result reports submitted by PRs.

3. Nepal-Global Fund Relations/Membership

Nepal is Delegate member of the Global Fund since its establishment and in 2006 it was decided that the South East Asian Constituency (comprising of 11 countries of the region) will serve as a single voting member constituency of the Global Fund executive Board. Since 2009, Nepal is serving as a Board Member of the Global Fund Board. Hon. Health Minister is acting as board member with equal rights as of others and representing the South-East Asia Constituency Delegation.

Nepal has been playing a significant role to contribute the sole mission of the Global Fund. Nepal is one of the active members who contribute in this year to develop current global fund strategy 2011-2016.


Nepal had submitted its proposal under Round 2 in 2002 for HIV and Malaria and able to receive the fund. In 2004, Nepal again got support under Round four grants for Tuberculosis. Later years, Nepal could not able to secure funds in other rounds till 2007.

In 2007, Nepal had submitted proposal for HIV, TB and Malaria and able to secure the grants for three diseases.
In 2008, CCM Secretariat established to support the CCM function in country Level.

In 2009 Global Fund supported Nepal’s Anti-TB strategy based Application, Similarly Nepal has been awarded as Rolling continuation channel RCC for its best performance for Round two Malaria Grant which was mobilized from 2003-2008. In 2010, Nepal has been able to receive support for HIV grant.

Each of the Global Fund grant are approved for five years. The grant further divided into two phases. Phase first consists of two years and rest three years known as Phase two.

- Nepal Applied in 2002 for Malaria and HIV.
- 2004: TB
- 2007: HIV, TB and Malaria
- 2009: TB
- 2010: TB and Malaria

<table>
<thead>
<tr>
<th>Grant</th>
<th>Disease</th>
<th>Principle Recipient</th>
<th>Committed Value (app.)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round 4</td>
<td>Tuberculosis</td>
<td>NTC</td>
<td>4 Million</td>
<td>Closed</td>
</tr>
<tr>
<td>NEP-M-EDCD</td>
<td>Malaria</td>
<td>EDCD</td>
<td>USD $ 2,519,091</td>
<td>16th July 2011-15th Aug 2014 (In progress)</td>
</tr>
<tr>
<td>NEP-M-PSI</td>
<td>Malaria</td>
<td>PSI</td>
<td>USD $ 10,005,855</td>
<td>16Th Jan 2011-30Th April 2014</td>
</tr>
<tr>
<td>R 10 (NEP-H-NCASC)</td>
<td>HIV</td>
<td>NCASC</td>
<td>USD $ 11,396,254</td>
<td>16th July 2011-15th July 2014</td>
</tr>
<tr>
<td>R10 (NEP-H-SCF)</td>
<td>HIV</td>
<td>SAVE</td>
<td>USD $ 10,219,990</td>
<td>16th July 2011-15th July 2014</td>
</tr>
</tbody>
</table>

1. Round 7 Details

<table>
<thead>
<tr>
<th>Component</th>
<th>Grant Title</th>
<th>PR</th>
<th>COMMITTED AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>HIV/AIDS</td>
<td>Scaling up coverage and quality of HIV and AIDS prevention targeted to most at risk population and treatment care and support services to PLHA</td>
<td>MoH, Nepal</td>
<td>US$ 241,388</td>
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<tr>
<td>Malaria</td>
<td>Scaling up coverage and quality of Malaria prevention and control in targeted high risk districts in Nepal</td>
<td>PSI, Nepal</td>
<td>US$ 6,467,229</td>
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<tr>
<td>Component</td>
<td>Grant Title</td>
<td>PR</td>
<td>COMMITTED AMOUNT</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
<td>----</td>
<td>-----------------</td>
</tr>
<tr>
<td>Malaria</td>
<td>Scaling up coverage and quality of Malaria prevention and control in targeted high risk districts in Nepal 2008-2013</td>
<td>MoH, Nepal</td>
<td>US$ 1,659,549</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Scaling of coverage and quality of HIV and AIDS prevention targeted to most at risk population and treatment care and support services to PLHA</td>
<td>UNDP, Nepal</td>
<td>US$ 11,125,154</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Scaling of coverage and quality of HIV and AIDS prevention targeted to most at risk population and treatment care and support services to PLHA</td>
<td>Save the Children, Himalayan Office</td>
<td>US$ 4,378,743</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Scaling of coverage and quality of HIV and AIDS prevention targeted to most at risk population and treatment care and support services to PLHA</td>
<td>Family Planning Association of Nepal</td>
<td>US$ 6,371,112</td>
</tr>
<tr>
<td>Tuberculosis</td>
<td>Building on foundations laid, and accelerating progress towards the National Tuberculosis Program goal of Tuberculosis no longer being a public health problem</td>
<td>MoH, Nepal</td>
<td>US$ 3,562,864</td>
</tr>
</tbody>
</table>

5. **Future (Pipeline) Economic and Technical Cooperation**

Currently, Nepal is Round 10- HIV, NSA-TB and RCC-Malaria Grant which has been consolidated and known as single stream funding. The Single stream funding grant is new concept to harmonize and align all grants in particular areas. This grant will be end in 2015 and 2016 respectively.

Nepal can apply again in 2014 for New Funding Modality because the global fund board meeting has decided to close the round based applications till 2013. Therefore, there is not any chance to apply under the round based proposal grant application.

The value for money, Country Ownership and principal of additionality are the key principles of the global fund that are the base of Nepal’s future with Global Fund.

**Nepal’s allocation under New Funding Model**

Under the Based on the Global Fund Board’s decision in March 2014 on the allocation of resources for the 2014-2016 allocation period, Nepal may receive US$ 76.6 million for HIV, tuberculosis, malaria and health systems strengthening for the Year 2014-2016. This includes all funds available from the Global Fund as of January 1, 2014, including existing funding. The Global Fund has determined your allocation amount based on Nepal’s disease burden and income level, as well as several other factors.
1. General Introduction to Development Cooperation Partnership

The International Fund for Agricultural Development (IFAD), a specialized agency of the United Nations, was established as an international financial institution in 1977 as one of the major outcomes of the 1974 World Food Conference. The conference was organized in response to the food crises of the early 1970s that primarily affected the Sahelian countries of Africa. It resolved that “an International Fund for Agricultural Development should be established immediately to finance agricultural development projects primarily for food production in the developing countries.” One of the most important insights from the conference was that the causes of food insecurity and famine were not so much failures in food production but structural problems relating to poverty, and to the fact that the majority of the developing world’s poor populations were concentrated in rural areas.

Since starting operations in 1978, IFAD has invested about USD 14.8 billion in grants and low-interest loans to more than 100 developing countries through projects empowering about 400 million people to break out of poverty, thereby helping to strengthen vibrant rural communities.

2. Introduction to Aid Mechanism

Guided by IFAD’s fourth Strategic Framework (2011-2015), IFAD’s unique mandate is investing in rural people, improving rural food security and nutrition, and enabling rural women and men to overcome poverty. Working with poor rural people, organizations, governments, donors, non-governmental institutions and many other partners, IFAD focuses on country-specific solutions, which can involve increasing poor rural people’s access to financial services, markets, technology, land and other natural resources.

IFAD’s strategy in Nepal – based on its Country Strategic Opportunities Programme (COSOP) for 2013-2018 – supports the development policies and programmes of the government and other partners, especially in relation to peace-building, reconciliation, reconstruction and economic recovery. Designed in line with the new Agricultural Development Strategy (ADS), IFAD’s investments reinforce these efforts by addressing the issues of poverty, inequality and social marginalization that have been at the heart of conflict in the country.

IFAD recognizes that building sustainable livelihoods and the rural institutions that can support them
– particularly in a fragile political and physical environment – is a long-term effort that requires extended support. Its interventions are designed to:

- Stimulate income diversification and productive employment by promoting a range of economic opportunities that can bring equitable benefits both on and off the farm
- Unleash investment by poor rural people in market-oriented activities, reducing their vulnerability to climate and other shocks by supporting instruments that mitigate risk
- Strengthen rural institutions, enabling them to deliver effective, accountable and climate-smart services to on- and off-farm producers on an equitable and sustainable basis.

3. Nepal-IFAD Relations/Membership

Nepal became a member of IFAD on 13 December 1977. The membership was ratified by the parliament on 5 May 1978, making Nepal among the first countries to benefit from IFAD funds.

4. Nepal-IFAD Economic and Technical Cooperation

The Integrated Rural Development Project (Sagarmatha Zone), effective from November 1979 with a loan amount of USD 11.5 million, marked the beginning of the cooperation between Nepal and IFAD. Since then, IFAD has provided USD 152.8 million in low-interest loans and USD 36 million in grants for a total of 16 projects, directly benefitting 809,853 households in rural Nepal. In addition, IFAD also provides a range of regional grants, technical support and assistance across the region.

5. Past Economic and Technical Cooperation

Skill Enhancement for Employment Project (SEEP, 2008-2011)
Total cost: US$916,000
IFAD grant: US$870,000
Directly benefiting: 1,225 young people and their families

Local Livelihood Programme (LLP, 2006-2010)
Total cost: US$0.6 million
IFAD grant: US$0.48 million
Directly benefiting: 5,134 households

Poverty Alleviation Project in Western Terai (PAPWT, 1997-2005)
Loan number(s): I-452-NP
Total project cost: US$9.7 million
Approved IFAD loan: US$8.9 million
Directly benefiting: 21,563 households

Loan number(s): I-250-NE
Total project cost: US$20.4 million
Approved IFAD loan: US$12.8 million
Directly benefiting: 51,800 households

Production Credit for Rural Women Project (PCRWP, 1987-1997)
Loan number(s): I-208-NE
Total project cost: US$11.3 million
Approved IFAD loan: US$6.0 million
Directly benefiting: 16,390 households

Aquaculture Development Project (ADP, 1986-1991)
Loan number(s): I-191-NE
Total project cost: US$23.0 million
Approved IFAD loan: US$5.0 million
Directly benefiting: 6,000 households

Loan number(s): I-166-NE
Total project cost: US$24.5 million
Approved IFAD loan: US$14.5 million
Approved IFAD grant: US$100,000
Directly benefiting: 50,000 households

Command Area Development Project (CADP, 1981-1989)
Loan number(s): I-82-NE
Total project cost: US$29.1 million
Approved IFAD loan: US$11.2 million
Directly benefiting: 14,500 households

Small Farmer Development Project (SFDP, 1980-1987)
Loan number(s): I-57-NE
Total project cost: US$16.1 million
Approved IFAD loan: US$12.5 million
Approved IFAD grant: US$1.0 million
Directly benefiting: 50,000 households

Loan number(s): I-10-NEP
Total project cost: US$34.8 million
Approved IFAD loan: US$13.0 million
Directly benefiting: 50,000 households

6. Ongoing Economic and Technical Cooperation

There are currently five ongoing projects under the portfolio and additional two are in the design phase.
Table 1: Ongoing projects
<table>
<thead>
<tr>
<th>Ongoing activities</th>
<th>Lead agency</th>
<th>Loan effective</th>
<th>Closing year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Uplands Poverty Alleviation Project (WUPAP)</td>
<td>Ministry of Cooperatives and Poverty Alleviation</td>
<td>Jan-03</td>
<td>2016</td>
</tr>
<tr>
<td>Leasehold Forestry and Livestock Programme (LFLP)</td>
<td>Ministry of Forests and Soil Conservation</td>
<td>Sep-05</td>
<td>2014</td>
</tr>
<tr>
<td>Poverty Alleviation Fund Phase II (PAF II) (DSF)</td>
<td>Poverty Alleviation Fund Board</td>
<td>Jul-08</td>
<td>2017</td>
</tr>
<tr>
<td>High Value Agriculture Project in Hill and Mountain Areas (HVAP)</td>
<td>Ministry of Development</td>
<td>Jun-10</td>
<td>2018</td>
</tr>
<tr>
<td>Kisankalagi Unnat Biu-Bijan Karyakram (KUBK/ISFP)</td>
<td>Ministry of Agricultural Development</td>
<td>Dec-12</td>
<td>2019</td>
</tr>
</tbody>
</table>

Table 2: Fund distribution of ongoing projects (USD millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>IFAD Loan &amp; Grant</th>
<th>GoN</th>
<th>Co-financer</th>
<th>Beneficiaries/ supplementary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>WUPAP III</td>
<td>10.6</td>
<td>4.2</td>
<td>-</td>
<td>-</td>
<td>14.82</td>
</tr>
<tr>
<td>LFLP</td>
<td>14.71</td>
<td>1.1</td>
<td>-</td>
<td>-</td>
<td>15.81</td>
</tr>
<tr>
<td>PAF II</td>
<td>4</td>
<td>2</td>
<td>0%</td>
<td>incremental operating cost</td>
<td>255</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.67</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>260+</td>
</tr>
<tr>
<td>HVAP</td>
<td>15.28</td>
<td>1.72</td>
<td>1.3</td>
<td>0.6</td>
<td>18.87</td>
</tr>
<tr>
<td>KUBK</td>
<td>44.16</td>
<td>7.3</td>
<td>2.5</td>
<td>10.95</td>
<td>64.91</td>
</tr>
</tbody>
</table>

7. **Future (Pipeline) Economic and Technical Cooperation**

There are two pipeline projects under the first programming cycle (2013-2015) of COSOP 2013-2018, both expected to start in 2015.

Adaptation for Smallholders in Hilly Areas (ASHA) has an estimated coverage of 150,000 households in 200 VDCs of 6 Mid-Western districts in the first phase. Spanning a period of 6 years, the projected total cost is USD 37.60 million. The development objective of ASHA is to reduce the vulnerability of local communities to climate related risks and strengthen the institutional environment for climate change adaptation.

Rural Enterprises and Remittances (RER) is expected to benefit around 300,000 beneficiaries in up to 18 districts of the Eastern and Central Terai and Hills, over a period of 7 years. With the projected total cost of USD 78 million, and USD 35 million from IFAD, the goal of the project is to increase income and employment of poor rural households.

In addition, the financing plan under the second programming cycle (2016-2018) is currently pending approval of Agriculture Development Strategy by the Government of Nepal.
1. General Introduction to Development Cooperation Partnership

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries. It creates opportunity for people to escape poverty and improve their lives. It does so by providing finance to help businesses employ more people and supply essential services, by mobilizing capital from others, and by delivering advisory services to ensure sustainable development.

Strategic Priorities of IFC are:

IFC’s regional priority in South Asia is inclusive growth and infrastructure financing. With many countries in the region fragile from past political uncertainties, conflicts, or faced with severe climate change impacts, this point in time appears to be a defining moment toward gather momentum to channel benefits of growth to those who have been untouched by it in addition to making genuine efforts toward addressing the climate change agenda.

To meet these challenges, IFC’s focus in the region has been:

- On facilitating inclusive growth by focusing on low-income, rural and fragile regions,
- Increasing access to infrastructure and financing services
- Making climate change central to our approach in both investment and advisory interventions that are selective and aimed at where IFC can make the most difference.

IFC is a dynamic organization, constantly adjusting to the evolving needs of its clients in emerging markets. It has developed innovative investment services, broadened its capacity to provide advisory services, and deepened its corporate governance, environmental and social expertise. Under the Investment Services IFC provides a broad suite of financial products- including loans, equity, trade finance, structured finance, and syndications-designed to promote worthy enterprises and encourage entrepreneurship. Likewise, IFC Advisory Services offers advice, technical assistance, and training to companies, industries, and governments, all aimed at helping private sector enterprises. Whilst IS activities are funded from IFC own account and mobilized funds, most of IFC Advisory Services are funded through raising money from other development partners.

As a global financier with operations in many regions and sectors, IFC works with a wide range groups that have a stake in its projects, are affected by its work or help it strengthen its impact on sustainable private sector development. IFC’s partners, stakeholders, and outreach include: civil society, development institutions, donors, foundations and companies, IFC member countries, local communities and media.
2. Nepal-IFC Relations/Membership

IFC, a part of the World Bank Group, facilitates increased private sector investment and development in its member countries. Since reopening its office in January 2008, IFC has scaled up both investment and advisory operations in Nepal. This successfully led to IFC’s investment in a local airline company in FY08 and launch of a large investment climate reform program. Subsequent investments included a hydropower project, which was IFC’s first support to the sector in ten years, trade finance lines to local banks and an equity investment in a Nepali microfinance institution - IFC’s first in Nepal. Recognizing the importance of aviation sector to promoting tourism in Nepal, IFC made a follow up investment in the same local airline company in 2012 to help them purchase a new aircraft and help build a state of the art hangar. IFC’s committed investment portfolio in Nepal stood at US$48 million as of January 2014, consisting of transport, banking, microfinance, tourism and hydropower. IFC invested in 7 projects (for US$35 million in total) in FY12, 6 projects (for US$22 million in total) in FY 13 and 6 projects (for US$3 million in total) in FY14 to date. These investments were primarily in the hydropower, aviation and financial sector on the advisory side, IFC is engaged broadly in four areas, including investment climate, access to finance, sustainable business advisory and Public-Private Partnerships (PPPs) advisory work. IFC’s work on Investment Climate Reform Project (ICRP) began in Nepal in 2007, and now includes work on regulatory streamlining and automation, public private dialogue, and investment generation. Nepal ICRP is managed by IFC, and funded by DFID and NORAD. Its Financial Markets and Access to Finance (A2F) advisory work focuses on strengthening financial infrastructure, sustainable energy financing and SME lending, microfinance, credit information bureaus, secured transaction registries and support to long term lending institutions. Further, IFC is providing advisory support to promote sustainable business practices, currently executing a poultry sector project and a Business Edge project linked to a new IFC venture fund for SMEs. IFC is also a partner in the two Carbon Investment Funds, the PPCR and SREP, in partnership with WB and ADB. Likewise, IFC’s PPP unit is in early stage of scoping opportunities and help Investment Board and other government entities in carrying out PPP transactions.

Going forward IFC will seek to gradually ramp up its engagement, both directly and through public private partnerships, in Nepal through targeting investments as well as advisory work in the following sectors:

- Power generation and distribution, telecommunications and water supply;
- The small, but growing, general manufacturing sector, particularly enterprises in agri-business sector with export potential;
- Financial market development, through institution building as well as equity and debt/quasi-debt investments in banks, and non-bank financial institutions;
- Support tourism sector in Nepal by investment in hotels and resorts;
- Development of small and medium enterprises (SMEs) through financial services and technical assistance (TA).

3. Ongoing Economic and Technical Cooperation

<table>
<thead>
<tr>
<th>Business Line</th>
<th>No of projects*</th>
<th>Total IFC-managed funds** (US$ M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Finance</td>
<td>5</td>
<td>2.3</td>
</tr>
<tr>
<td>Investment Climate</td>
<td>3</td>
<td>7.4</td>
</tr>
<tr>
<td>Sustainable Business Advisory</td>
<td>3</td>
<td>2.9</td>
</tr>
<tr>
<td>Total Non-Lending Activities</td>
<td>11</td>
<td>12.6</td>
</tr>
</tbody>
</table>
1. General Introduction to Development Cooperation Partnership

The International Labour Organisation (ILO) is the UN specialized agency which seeks the promotion of social justice and internationally recognized human and labour rights. It was founded in 1919 and became the first specialized agency of the UN in 1946. Its tripartite structure makes the ILO unique among other UN Organisations in that employers’ and workers’ organisations have an equal voice with governments in shaping its policies and programmes.

The International Labour Office in Geneva is the permanent secretariat of the International Labour Organization, its operational headquarters, research center and publishing house. Administration and management are decentralized in regional, sub-regional, country and branch offices. The Office employs about 2,500 officials and experts at its Geneva headquarters, and in more than 40 field offices around the world. It has 185 member States at present.

The ILO has developed an agenda for the community of work. It provides support through integrated Decent Work Country Programmes developed in coordination with its constituents- Government of Nepal, Workers’ and Employers’ Organisations. Putting the Decent Work Agenda into practice is achieved through the implementation of the ILO’s four strategic objectives, with gender equality as a crosscutting objective: 1/ Creating jobs; 2/Guaranteeing rights at work; 3/Extending social protection; and 4/Promoting social dialogue.

2. Introduction to Aid Mechanism

One of the most important and basic functions of the ILO is the adoption of conventions and recommendations that set international labour standards. Since the ILO’s inception in 1919, 184 conventions and 192 recommendations have been adopted. They include 8 core conventions related to basic human rights: forced labour convention, freedom of association, right to organize and collective bargaining, equal remuneration convention, abolition of forced labour convention, elimination of discrimination in employment, minimum age convention and worst forms of child labour convention. Other labour standards cover: labour administration, industrial relations, employment policy, working conditions, social security, occupational safety and health, employment of women and employment of special categories of workers such as migrant workers, indigenous peoples and seafarers.

Next to its normative and global advocacy roles, the ILO provides services to governments and employers’ and workers’ organisations in its member States through analysis, comparative information and statistics, advisory
services and technical cooperation. The objective of the technical cooperation is to promote the implementation of the decent work agenda at the national level, by building capacity of its constituents (governments and employers' and workers' organizations), to make this concept a reality for all workers.


The ILO's policies and programmes are shaped by its tripartite structure. Minimum international labour standards and the broad policies of the ILO are set by the International Labour Conference, which meets annually. Every two years, the conference adopts the ILO's biennial work programme and budget, which is financed by member States. Regional meetings of the ILO member States are held periodically to examine matters of special interest to the regions concerned.

3. Nepal-ILO Relations/Membership

Nepal joined the ILO in 1966. As a member State of the ILO, it has membership obligations and opportunities. The Government of Nepal (GON), especially the Ministry of Labour and Employment (MOLE), and workers' and employers' organizations are the ILO's constituents. The ILO, as a technical agency, supports them and encourages tripartism by promoting “social dialogue” between trade unions and employers, as well as the government, in formulating policies and programmes. The ILO not only works with the MoLTM, trade unions and employers’ organizations, but also with National Planning Commission and the Ministries of Land Reform, Local Development, Women, Children and Social Welfare, and other development partners, including UN Agencies, NGOs, INGOs and the private sector.

4. Nepal-ILO Economic and Technical Cooperation

The 14th Asian Regional Meeting of the International Labour Organization (ILO) in 2006 has concluded its work with a commitment to an “Asian Decent Work Decade (2006-2015)” aimed at progressively realizing the aim of decent work in the region. In doing this, the government, workers and employers’ organizations reaffirmed their commitment to achieving full, productive and decent employment for their people by 2015.

Limited number of areas of critical importance are defined for priority action in 2014-15:

1. Promoting more and better jobs for inclusive growth
2. Jobs and skills for youth
3. Creating and extending social protection floors
4. Productivity and working conditions in SMEs
5. Decent work in the rural economy
6. Formalisation of the Informal Economy
7. Strengthening workplace compliance through labour inspection
8. Protection of workers from unacceptable forms of work

These priorities complement each member country's individual goals, which are outlined in their national
Decent Work Country Programmes.

The technical cooperation activities in Nepal in pursuance of these priorities have emphasized support to national efforts in promoting productive employment opportunities for men, women, and youth, formalization of informal economy, labour law reform, eliminating child labor, and different forms of bonded labour, the promotion of social dialogue and tripartism, protection of migrant workers, and the promotion of rights and decent work for indigenous and tribal peoples and Dalits. Donor provides the major source of funds for these activities, as the ILO is a technical agency.

The ILO’s regular budget that is received for each two-year period is mainly spent on policy development and revision, revision/development of labour related laws and regulations, programmes/projects development, building the capacity of constituents and supporting them in implementing small initiatives for putting the decent work agenda into practice.

Being a technical agency, technical advisory assistance (TA) to the constituents constitutes the major form of the ILO support.

5. Past Economic and Technical Cooperation

- T.A. (USD 1 million)-Increased Employment Opportunities for Women (1998-02)
- T.A. (USD 0.057 million)-Occupational Safety and Health Program (1998-99)
- T.A. (USD 0.492)-Health and Occupational Safety Program (1998-01)
- T.A. (USD 0.495 million)-Institutional Strengthening of Rural Infrastructure Development (1996-98)
- T.A. (USD 0.25 million)-Strengthening of Managerial Capability of MOLD (1998-00)
- T.A. (USD 1 million)-Increased Employment Opportunities for Women (1998-02)
- T.A. (USD 5.2 million)-Child Labor Eradication International Program (1995-01)
- T.A. (USD 0.2085 million)-Phase-wise eradication of child labor from garment industries (1996-99)
- T.A. (USD 0.804 million)-Micro Finance Program related to Child Labor (1996-99)
- T.A. (USD 0.25 million)-Bonded Child Labor Eradication Program (1998-00)
- T.A. (USD 5.5 million)-Supporting the TBP in Nepal (2002-2006)
- T.A. (USD 246,513)-ILO Subregional Project on Preventing and Eliminating Bonded Labour in South Asia (PEBLISA)
- O. T. A. (USD 246,513)-ILO Subregional Project on Preventing and Eliminating Bonded Labour in South Asia (PEBLISA)
- T. A (USD 1,851,785) - Jobs for Peace:12,500 youth empowered and employed through an integrated approach (2009-2011)
- T. A. (USD 1,120,791) - Promotion of indigenous peoples’ rights in the process of constitution making and state reform process (2008-2011).
• T.A. (USD 2,000,000)-Sustainable Elimination of child bonded labour Phase II (2006-2010)
• T.A. (USD 280,000) -Support to the implementation of Nepal’s National Plan on the elimination of child labour (2011-2012).
• T.A. (1.35 million)-Capacity building of ILO Constituents and major stakeholders towards creating enabling environment for jobs (2012-13)
• T.A (USD 1.1 million) -More and better jobs, especially for vulnerable groups (2012-13)

6. **Ongoing Economic and Technical Cooperation**

The Decent Work Country Programme is the main instrument for ILO cooperation and forms the overall framework for the ILO’s work in Nepal for a specific period. The current Decent Work Country Programme covers the period from 2013-17.

ILO Constituents (GON, Workers’ and Employers’ Organisations) have determined three priority areas for ILO’s cooperation for 2013-17:

1. Promotion of employment –centric and inclusive growth
2. Improved labour market governance and industrial relations
3. Promotion of fundamental principles and rights at work
4. Gender equality, tripartism and social dialogue and international labour standards are cross cutting issues to be mainstreamed in all three priority areas.

ILO services in these priority areas will include analysis and policy advice, capacity building, technical assistance and advisory services and technical cooperation projects. The following are the ongoing projects and programmes:

1. T.A (USD 293,540) -Gender responsive recovery for sustainable peace (2012-14)
2. T.A ILO-DFID Partnership programme on fair recruitment and decent work for women migrant workers in South Asia and the Middle East (2013-2018);
3. T.A. (USD 582,000)-Towards achieving the elimination of the worst forms of child labour as priority (2013-16)
5. T.A. (USD 1.3 million)-Promoting the effective governance of labour migration from South Asia through Actions on Labour Market Information, protection during recruitment and employment, skills development (2013-16)

7. **Future (Pipeline) Economic and Technical Cooperation**

ILO is a technical agency. Therefore, economic/financial cooperation alone does not indicate the magnitude and depth of ILO-Nepal cooperation. Nevertheless, the level of economic cooperation of the ILO is expected to remain almost the same for the next few years. ILO-technical cooperation, in the next few years will continue assisting its constituents in achieving inclusive and employment-centric economic growth, elimination of exploitative forms of labour, strengthening the labour administration, extending social protection to the excluded and addressing the issues of disadvantaged groups (indigenous peoples, Dalits, women in the informal economy), migrant workers and youth employment.
1. General Introduction to Development Cooperation Partnership

The International Monetary Fund (IMF) is an international organization that provides financial assistance and advice to member countries. This organization has become an enduring institution integral to the creation of financial markets worldwide and to the growth of developing countries.

The IMF was born at the end of World War II, out of the Bretton Woods Conference in 1945. It was created out of a need to prevent economic crises like the Great Depression. With its sister organization, the World Bank, the IMF is the largest public lender of funds in the world. It is a specialized agency of the United Nations and is run by its 186 member countries. Membership is open to any country that conducts foreign policy and accepts the organization's statutes.

The IMF is responsible for the creation and maintenance of the international monetary system, the system by which international payments among countries take place. It thus strives to provide a systematic mechanism for foreign exchange transactions in order to foster investment and promote balanced global economic trade. To achieve these goals, the IMF focuses and advises on the macroeconomic policies of a country, which affect its exchange rate and its government's budget, money and credit management. The IMF will also appraise a country's financial sector and its regulatory policies, as well as structural policies within the macroeconomy that relate to the labour market and employment. In addition, as a fund, it may offer financial assistance to nations in need of correcting balance of payments discrepancies. The IMF is thus entrusted with nurturing economic growth and maintaining high levels of employment within countries.

The IMF gets its money from quota subscriptions paid by member states. The size of each quota is determined by how much each government can pay according to the size of its economy. The quota in turn determines the weight each country has within the IMF - and hence its voting rights – as well as how much financing it can receive from the IMF.

Twenty-five of each country’s quota is paid in the form of special drawing rights (SDRs), which are a claim on the freely usable currencies of IMF members. Before SDRs, the Bretton Woods system had been on a fixed exchange rate, and it was feared that there would not be enough reserves to finance global economic growth. Therefore, in 1968, the IMF created the SDRs, which are a kind of international reserve asset. They were created to supplement the international reserves of the time, which were gold and the U.S. dollar. The SDR is not a currency; it is a unit of account by which member states can exchange with one another in order to settle international accounts. The SDR can also be used in exchange for other freely-traded currencies of IMF.
members. A country may do this when it has a deficit and needs more foreign currency to pay its international obligations.

The IMF offers its assistance in the form of surveillance, which it conducts on a yearly basis for individual countries, regions and the global economy as a whole. However, a country may ask for financial assistance if it finds itself in an economic crisis, whether caused by a sudden shock to its economy or poor macroeconomic planning. A financial crisis will result in severe devaluation of the country's currency or a major depletion of the nation's foreign reserves. In return for the IMF's help, a country is usually required to embark on an IMF-monitored economic reform program, otherwise known as Structural Adjustment Policies (SAPs).

There are three more widely implemented facilities by which the IMF can lend its money. A stand-by agreement (SBA) offers financing of short-term balance of payments, usually between 12 to 18 months. The extended fund facility (EFF) is a medium-term arrangement by which countries can borrow a certain amount of money, typically over a three- to four-year period. The EFF aims to address structural problems within the macroeconomy that are causing chronic balance of payment inequities. The structural problems are addressed through, for instance, financial and tax sector reform and the privatization of public enterprises. The third main facility offered by the IMF is the Extended Credit Facility (ECF), previously known as the poverty reduction and growth facility (PRGF), as the IMF's main tool for providing medium-term support for LICs. As the name implies, it aims to reduce poverty in the poorest of member countries while laying the foundations for economic development. Loans are administered with especially low interest rates. The IMF also offers technical assistance to transitional economies in the changeover from centrally planned to market run economies. The IMF also offers emergency funds (e.g., the Rapid Credit Facility (RCF)) to countries facing an urgent balance of payments needs, including those arising from commodity price shocks, natural disasters, post-conflict situations and emergencies resulting from fragility.

All facilities of the IMF aim to create sustainable development within a country and try to create policies that will be accepted by the local populations. However, the IMF is not an aid agency, so most loans are given on the condition that the country implement the SAPs and make it a priority to pay back what it has borrowed.

2. Nepal-IMF Relations/Membership

Nepal joined IMF on September 6, 1961. Nepal has had several fund supported programs including the ECF (previously PRGF) and RCF. Technical assistance to Nepal is being provided in the various areas including tax and customs administration, financial sector supervision, monetary policy framework and operations, and statistics.

Most recent financial arrangement began in 2003 and ended on Nov 2007 with a total of 49.9 SDR million were disbursed. Previously, Nepal received fund under Structural Adjustment Facility and Enhanced SAF. RCF was extended with an amount of 28.52 SDR million in 2010.

3. Future (Pipeline) Economic and Technical Cooperation

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. The most recent Article IV consultation discussion with Nepal were held in April 2014. Discussions with were held with MOF/NRB and other relevant stakeholders. The next staff visit is expected in November 2014. The IMF is providing technical assistance in the areas of monetary policy, banking supervision and regulations, revenue administration and policy, public financial management, and statistics.
1. General Introduction to Development Cooperation Partnership

The Organization of Petroleum Exporting Countries (OPEC) Fund for International Development (OFID) was established in January 1976, by the member countries of OPEC following a decision taken in March 1975 by the Sovereigns and Heads of State of OPEC, meeting in Algiers, the capital of Algeria.

OFID aims to promote cooperation between OFID member countries and other developing countries as an expression of South-South solidarity and help particularly the poorer, low-income countries in pursuit of their social and economic advancement.

2. Introduction to Aid Mechanism

OFID has already extended different project and program type of loans. Nepal has utilized these loans in the sectors like power generation; OFID loans to Nepal bear 1 percent interest charge and 1 percent service charge, but carries no commitment charge.

3. Nepal-OFID Relations/Membership

The Government of Nepal and OFID have enjoyed fruitful cooperation dating back to 1976 when the first loan was approved. The country’s representatives have an open line of communication with OFID.

4. Nepal-OPEC Economic and Technical Cooperation

To date, OFID has approved twenty three (23) project loans in Nepal for a total amount of USD 194.15 million. These include one (1) BOP support loan in amount of USD 4.15 million, one (1) Program loan for USD 5.00 million, and twenty one (21) project loans for total amount of US$ 185.0 million. Projects covered mainly the agriculture, education, telecommunications, transport, water supply & sewerage, energy, and infrastructure sectors. Out of 23 approved loans, three (3) were cancelled, twelve (12) have been completed and eight (8) are under implementation.

5. Past Economic and Technical Cooperation

<table>
<thead>
<tr>
<th>SN</th>
<th>Project Title</th>
<th>Loan Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Balance of Payments</td>
<td>4,150,000.00</td>
</tr>
<tr>
<td>SN</td>
<td>Project Title</td>
<td>Loan Amount (USD)</td>
</tr>
<tr>
<td>----</td>
<td>-------------------------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>2</td>
<td>Sagarnath Forestry Development Project</td>
<td>3,000,000.00</td>
</tr>
<tr>
<td>3</td>
<td>Tribhuvan International Airport Project</td>
<td>5,000,000.00</td>
</tr>
<tr>
<td>4</td>
<td>Third Power Project</td>
<td>1,300,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Kulekhani Hydroelectric Project</td>
<td>7,000,000.00</td>
</tr>
<tr>
<td>6</td>
<td>Mini Hydropower Project</td>
<td>4,000,000.00</td>
</tr>
<tr>
<td>7</td>
<td>Road Improvement Project</td>
<td>4,000,000.00</td>
</tr>
<tr>
<td>8</td>
<td>Technical Schools Project</td>
<td>2,500,000.00</td>
</tr>
<tr>
<td>9</td>
<td>Commodity Imports Program</td>
<td>5,000,000.00</td>
</tr>
<tr>
<td>10</td>
<td>Bakra River Flood Protection and Chanda-Mohana Irrigation Project</td>
<td>8,500,000.00</td>
</tr>
<tr>
<td>11</td>
<td>Tribhuvan International Airport Improvement Project</td>
<td>11,000,000.00</td>
</tr>
<tr>
<td>12</td>
<td>Rural Electrification, Distribution and Transmission Project</td>
<td>10,000,000.00</td>
</tr>
</tbody>
</table>

6. **Ongoing Economic and Technical Cooperation**

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Agreement Signature Date</th>
<th>Commitment Amount- Dollar US</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Grant Aid</td>
</tr>
<tr>
<td>Melamchi Water Supply Project</td>
<td>21.09.2001</td>
<td>-</td>
</tr>
<tr>
<td>Community Managed Irrigated Agriculture Sector Project</td>
<td>21.12.2005</td>
<td>-</td>
</tr>
<tr>
<td>Road Connectivity Project</td>
<td>20.11.2007</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Rural Reconstruction and Rehabilitation Project</td>
<td>21.04.2008</td>
<td>-</td>
</tr>
<tr>
<td>Lumbini Connectivity and Infrastructure Improvement Project</td>
<td>05.08.2010</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Urban Infrastructure Improvement Project</td>
<td>26.11.2010</td>
<td>-</td>
</tr>
<tr>
<td>Rural Connectivity and Community Development Project</td>
<td>01.06.2012</td>
<td>-</td>
</tr>
<tr>
<td>Kathmandu Valley Wastewater Management Project</td>
<td>28.01.2014</td>
<td>16,000,000</td>
</tr>
</tbody>
</table>

7. **Miscellaneous**

In February 2013, an OFID mission visited the Nepal and accomplished the following objectives: Appraised the Kathmandu Valley Wastewater Management Project; followed-up on ongoing operations, including site visits; met with Nepal’s ADB Resident Mission office a key partner institution in the field of development; and, met with the Government of Nepal to discuss current and future cooperation opportunities.
11

SAARC
DEVELOPMENT
FUND

1. General Introduction to Development Cooperation Partnership

The SAARC Development Fund (SDF) Secretariat had been inaugurated by the Heads of State/Governments of SAARC Member States in April 2010 during the 16th SAARC Summit in Thimphu.

The primary objective of the SDF is to promote the welfare of the people of SAARC Region, to improve the quality of life, and to accelerate economic growth, social progress and poverty alleviation in the SAARC Region.

In 1996, a first funding mechanism was created in SAARC, ‘South Asian Development Fund (SADF)’, merging the SAARC Fund for Regional Projects (SFRP) and the SAARC Regional Fund. SADF objectives were to support industrial development, poverty alleviation, protection of environment, institutional/human resource development and promotion of social and infrastructure development projects in the SAARC region. SADF started with a resource base of US$5 million (contributed on pro-rata basis by SAARC Member States), and till its closure in June 2008, had funds amounting to approx. US$ 7.0 million. Till its closure, SADF completed techno-economic feasibility studies for sixteen project studies.

During 2002-2005, SAARC Member States considered instituting various sectoral funding mechanisms e.g. Poverty Alleviation Fund, Infrastructure Fund, South Asian Development Bank, Media Development Fund, Voluntary Fund for the Differently Able Persons. A primary reason was that the existing South Asian Development Fund (SADF) was found to be inadequate i.e. in terms of required quantum of funds and its limited scope of work. In order to avoid proliferation of funds, the SAARC Financial Experts (September 2005) looked at the entire gamut of issues relating to funding of SAARC projects and programmes; and, amongst others, agreed that in lieu of proliferating sectoral financing mechanisms, the SADF be reconstituted into the SAARC Development Fund (SDF). And, SDF would have a permanent Secretariat, with three Windows (Social, Economic, and Infrastructure). The Thirteenth SAARC Summit (Dhaka, 12-13 November 2005) finally decided to reconstitute the SADF into SDF to serve as the “umbrella financial mechanism” for all SAARC projects and programmes.

2. Introduction to Aid Mechanism

SDF has three financing Windows i.e. Social, Economic and Infrastructure. Currently Social Window is in operation and projects are under implementation in SAARC countries. There is a need to open Economic and Infrastructure Windows in order to provide maximum benefits of SDF for accelerating Economic growth and
Infrastructure development in SAARC countries.

**Social Window**

The Social Window shall primarily fund projects, inter alia, on poverty alleviation, social development focusing on education; health; human resources development; support to venerable/disadvantaged segments of the society; funding needs of communities, micro-enterprises, rural infrastructure development. The projects shall be in line with regional consensus as reflected in the SAARC Social Charter, SAARC Development Goals, SAARC Plan of Action on Poverty Alleviation and other SAARC agreed and endorsed plans, programmes and instruments.

**Economic Window**

The Economic Window shall primarily extend funding to non-infrastructural projects related to trade and industrial development, agriculture, service sector, science and technology and other non-infrastructure areas. It shall also be utilized for identifying, studying, developing and /or sponsoring commercially viable programmes/projects of regional priority including their pre-feasibility and feasibility studies.

The Economic Window would be utilized for supporting any other projects which are not covered explicitly under the Social and Infrastructure Window.

**Infrastructure Window**

The Infrastructure Windows shall primarily be utilized to fund projects in areas such as energy, power, transportation, telecommunications, environment, tourism and other infrastructure areas.

3. **Nepal-SDF Relations/Membership**

The South Asian Association for Regional Cooperation (SAARC) is an organization of South Asian nations, founded in December 1985 and dedicated to economic, technological, social, and cultural development emphasizing collective self-reliance. Its seven founding members are Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. Afghanistan joined the organization in 2005. Meetings of heads of state are usually scheduled annually; meetings of foreign secretaries, twice annually. It is headquartered in Kathmandu, Nepal.

SDF is a fund under SAARC mechanism. Nepal is a member of SDF since its establishment and represents SDF Board. Subscription by each member states to the initial paid up capital of the fund shall be made in five installments. Nepal's contribution to SDF is 10.72 percent of total contribution by member states.

4. **Nepal-SDF Economic and Technical Cooperation**

The 11 stated areas of cooperation are agriculture; education, culture, and sports; health, population, and child welfare; the environment and meteorology; rural development (including the SAARC Youth Volunteers Program); tourism; transport; science and technology; communications. Nepal is implementing few projects under SDF.

SDF has funded projects on a variety of important social issues ranging from strengthening of women livelihood, maternal and child health, improving the cash income of small farmers, providing connectivity and
e-Governance to remote and rural people, to protect women and children from violence and provide toll free helplines facilities in the cross-border issues, regional Master’s program in Rehabilitation Science to enhance the range and quality of basic health, rehabilitation and disability services for disabled people and to facilitate their integration into mainstream society and to provide water, sanitation and hygiene education for the under-privileged families of rural areas of SAARC Member States.

More projects to building capacities of bamboo based artisans of rural areas, linking them with financial entrepreneurs, reducing HCFC by its Phaseout Management Plan (HPMP) soon be implemented.

5. Past Economic and Technical Cooperation

This is new mechanism and all projects are in operation.

6. Ongoing Economic and Technical Cooperation

The following projects are being implemented from SDF contribution in member countries.

1. Strengthening the livelihood initiative for home based workers in SAARC Region (Phase I & II)
2. Strengthening Maternal and Child Health Including Immunization
3. Scaling up of Zero Energy Cold Storage (ZECS) technology for the horticultural commodities in the high hills of SAARC countries
4. Empowering Rural Communities “Reaching the Unreached”
5. South Asia Initiative to End Violence Against Children (SAIEVAC)
6. Post Harvest Management and Value Addition of Fruits in Production Catchments in SAARC Countries
7. Regional Inter-professional Master’s Program in Rehabilitation Science
8. Toll Free Helplines for Women and Children in SAARC Member States
9. Strengthening of Water, Sanitation and Hygiene (WASH) services in selected areas of SAARC Countries

In Nepal, following projects are being implemented through various line agencies, private sectors and NGOs:

1. Strengthening the livelihood initiative for home based workers in SAARC Region (Phase I & II)- Budget – USD 2.335million
2. Strengthening Maternal and Child Health Including Immunization – Budget USD 2.72 million (Ministry of Health and Population)
3. Scaling up of Zero Energy Cold Storage (ZECS) technology for the horticultural commodities in the high hills of SAARC countries – Budget USD 1.47 million (Nepal Farming Institute)
4. Empowering Rural Communities “Reaching the Unreached” – Budget 1.933 million (Ministry of Information and Communication)
5. South Asia Initiative to End Violence Against Children (SAIEVAC)- Budget USD 289,500 (Ministry of Women, Children and Social Welfare)
6. Post Harvest Management and Value Addition of Fruits in Production Catchments in SAARC Countries- Budget USD 727,500 (Ministry Of Agriculture Development)
7. Strengthening of Water, Sanitation and Hygiene (WASH) services in selected areas of SAARC Countries- Budget USD 1.12 million (Department of Water Supply And Sewerage (DWSS), Ministry of Urban Development)
Further, SDF Board approved the following project for Nepal. It will be implemented upon submission of specific project proposal from the relevant Ministry:

1. Toll Free Helplines for Women and Children in SAARC Member States- Budget USD 437,950 (Ministry of Women, Children and Social Welfare)

7. **Future (Pipeline) Economic and Technical Cooperation**

These are the pipeline projects that SDF are considered by SDF to be implemented in member’s countries.

1. Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries (estimated budget $ 3.00 million)
2. Implementation of Climate and Energy Use Component of HCFC Phaseout Management Plan (HPMP) in Afghanistan, Bangladesh, Bhutan, Nepal and Sri Lanka (estimated budget $ 4.4452 million)
1. General Introduction to Development Cooperation Partnership

Created by the United Nations General Assembly in 1946 to help children after World War II in Europe, UNICEF was first known as the United Nations International Children’s Emergency Fund. In 1953, UNICEF became a permanent part of the United Nations system, its task being to help children living in poverty in developing countries. Its name was shortened to the United Nations Children’s Fund, but it retained the acronym “UNICEF,” by which it is known to this day.

UNICEF helps children get the care and stimulation they need in the early years of life and encourages families to educate girls as well as boys. It strives to reduce childhood death and illness and to protect children in the midst of war and natural disaster. UNICEF supports young people, wherever they are, in making informed decisions about their own lives, and strives to build a world in which all children live in dignity and security. All these areas are critical to attaining the Millennium Development Goals and fulfilling the Millennium Declaration.

UNICEF is the leading advocate for children’s rights and active in more than 190 countries, territories and areas through country programmes and National Committees. It works with national governments, NGOs (non-governmental organizations), other United Nations agencies and private-sector partners, to protect children and their rights by providing services and supplies and by helping shape policy agendas and budgets in the best interests of children.

2. Introduction to Aid Mechanism

The UNICEF Executive Board approves a total commitment for Regular Resources to support the program activities described in the Country Plan of Action (CPAP). The Board can also authorize to seek additional funding to support the implementation of programs specified in the CPAP referred to as Other Resources. These funds are exclusive of funding in response to emergency appeals, which may be launched by the government or UN in response to a government request.

UNICEF’s support to the development and implementation of activities within the CPAP may include funding for program development, monitoring and evaluation, advocacy, research and studies, information and program communication, supplies and equipment, capacity building, consultancies, technical support and staff support. Part of UNICEF’s support may be provided to non-government and community organizations as agreed within the framework of the individual program.
The Basic Cooperation Agreement (BCA) constitutes the legal basis for UNICEF’s presence in a country, its programme cooperation, the procedures of programming and UNICEF’s right to observe all phases of the programme. The BCA concluded between the Government and UNICEF on 21 February 1996 provides the basis of the relationship between the Government and UNICEF. The CPAP is interpreted and implemented in conformity with the BCA and the results and programmes described in CPAP are agreed jointly by the Government and UNICEF.

3. **Nepal-UNICEF Relations/Membership**

UNICEF began its work in Nepal in 1964 under the administrative supervision of the United Nations Development Programme (UNDP) from its New Delhi office in India. UNICEF’s Liaison Office in Nepal was established in 1968, and an office was finally opened in 1972 to support the Government’s efforts to provide basic services to Nepalese children.


4. **Nepal-UNICEF Economic and Technical Cooperation**

UNICEF programming is guided by the rights-based approach. The organization’s vision is embodied in the Convention on the Rights of the Child. The overall goal of the 2013-2017 Country Programme is to directly address three main sets of inequity factors (policy, system, societal) so that all children, adolescents and women have access to education, health care, nutrition, sanitation, hygiene, safe water, protection, information, and other services necessary to fulfill their rights to survival, development, protection and participation. Contributing to the overall goal, the following three inter-related programme outcomes, measured through qualitative and quantitative indicators and targets, are expected by the end of 2017:

   (a) **Outcome 1**: National policies, legislation, plans, budgets, coordination and monitoring mechanisms are enabling the survival, development, protection and participation rights of children, adolescents, and women, to be fulfilled with equity in all contexts, including humanitarian situations;

   (b) **Outcome 2**: In selected areas (the most disadvantaged districts and municipalities), social sector systems are providing integrated, quality services to fulfill the survival, development, protection and participation rights of children, adolescents and women with equity in all contexts, including humanitarian situations;

   (c) **Outcome 3**: In selected areas, children, adolescents, women and men, and all relevant duty-bearers are engaged in social change and action to realize the survival, development, protection and participation rights of children, adolescents and women with equity in all contexts, including humanitarian situations.

5. **Past Economic and Technical Cooperation**

UNICEF’s support in the 1960s focused on child survival issues and equal access to education and to girl children. In the following decade, UNICEF’s support was marked by the continued drive to bring down high mortality rates among children and women by providing them with immunization, micronutrients, iodine, Vitamin A and iron supplementation. The 1980s also witnessed a vigorous promotion of girls’ education and for water and sanitation projects with community involvement. One of UNICEF’s key contributions during that time was also the production and distribution of free textbooks to students across the country as well as
physical improvement of schools.

The ratification of the Convention on the Rights of the Child (CRC) by Nepal in 1992 allowed tremendous development in the pursuit of children’s rights in the country. The CRC also paved the way in 1998 for the launch of the Decentralized Planning for the Child Programme, a precursor to the Decentralized Action for Children and Women (DACAW) approach which became UNICEF’s flagship approach for the rural areas in the 2000s. UNICEF responded to the impact that the armed conflict by focusing on child protection issues such as child labour, child trafficking, child marriage, violence and abuse and exploitation of children and women. Community-based Paralegal Committees established in 1999 sought to empower women to seek and provide justice for children and women across the country.

Since 2000, UNICEF has placed more emphasis on rights-based programming in health, nutrition, water and sanitation, education, protection, social policy and HIV & AIDS, as well as Emergency preparedness and response.

Learning from DACAW, UNICEF helped the Ministry of Federal Affairs and Local Development (MOFALD) to develop a Child-Friendly Local Governance (CFLG) strategy, endorsed by Cabinet in 2011, as part of the Government’s broader Local Governance and Community Development Programme (LGCDP).

6. Ongoing Economic and Technical Cooperation

The five year Country Programme 2013-2017 had been harmonized with all UN agencies and is synchronized with the Government of Nepal in its Thirteenth Plan (2013/14-2015/16). The budget of the current country programme (2013-2017) is US$144.1 million. The UNICEF Executive Board has approved a total commitment for Regular Resources (RR), subject to availability of funds, not exceeding the equivalent of US$ 34,160,000 to support the programme activities described in this Country Programme Action Plan for the period beginning 1 January 2013 to 31 December 2017. The UNICEF Executive Board has also authorized the Executive Director to seek additional funding to support the implementation of programmes specified in this Country Programme Action Plan, referred therein as Other Resources (OR), to an amount equivalent to US$109,952,000. These funds have to be raised through UNICEF procedures for the raising of Other Resources and is not money secured at this time. The availability of these funds will be subject to donor awareness of, and interest in, proposed programme activities. To this end, UNICEF advocates for their support within the local and international donor community.

7. Future (Pipeline) Economic and Technical Cooperation

The current Country Programme Action Plan ends in December 2017. A Situation Analysis will be undertaken in 2016 which will feed into the Core Country Assessment necessary for the development of the UNDAF in January 2016. Following the formalization of the UNDAF, a new 5-year country programme will be formulated for 2018-2022.

8. Miscellaneous

Country Programme Outcomes and Strategies

Relationship to national priorities and UNDAF
The Comprehensive Peace Accord, the Interim Constitution of Nepal (2007), the Common Minimum Programme of the Coalition Government, the NPA for Children (2004/5-2014/15), the national Three Year Plan (2011-2013), together with sector-specific and multi-sectoral plans and policies, have been considered as the basis for the Country Programme. The Country Programme will help the Government to achieve all its child-related MDG targets with equity and to address issues beyond the Goals. The Country Programme links to the Nepal Peace and Development Strategy (2010-2015) and 7 out of 11 UNDAF Outcomes.

**Relationship to international priorities**

The Country Programme will contribute to the Government’s efforts to: implement the Convention on the Rights of the Child and its Optional Protocols as well as the Convention on the Elimination of All Forms of Discrimination against Women; follow up on the recommendations made by the Committee on the Rights of the Child and the Committee on the Elimination of Discrimination against Women, and the Human Rights Council, on Nepal’s Universal Periodic Review; comply with Security Council resolutions 1612, 1325, 1820, 1882, 1888, 1960, and 1998; fulfill its commitment to the Millennium Declaration; and to achieve the WFFC goals. The Country Programme is also aligned with the UNICEF Medium Term Strategic Plan (MTSP) 2006-2013 and the new Strategic Plan 2014-2017.

<table>
<thead>
<tr>
<th>Programme Components</th>
<th>Programme Description</th>
</tr>
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<tbody>
<tr>
<td><strong>1. Health and Nutrition</strong></td>
<td>The Health and Nutrition Programme aims to improve equity in maternal, newborn, child and adolescent health, nutrition and HIV prevention and treatment outcomes in accordance with national health, nutrition and HIV plans and policies. The programme contributes to UNDAF Outcome 1 – vulnerable and disadvantaged groups get improved access to essential social services and programmes in an equitable manner. UNICEF’s Health Team will continue to work closely with the Ministry of Health and Population (MOHP), the National Planning Commission, External Development Partners and with all UNICEF Teams to achieve optimum results for children, adolescent boys and girls, and women. UNICEF’s nutrition-related results have been designed on the basis joint UN initiatives as reflected in UNDAF Outcome 1 – vulnerable and disadvantaged groups get improved access to essential social services and programmes in an equitable manner – the global initiative of Renewed Efforts Against Child Hunger (REACH), the Scaling Up Nutrition (SUN) initiative, and the national Multi-Sectoral Nutrition Plan (MSNP), the aim being to contribute to reduce stunting among under-five children by one third; the current level stands at 41 per cent.</td>
</tr>
<tr>
<td><strong>2. Water, Sanitation and Hygiene</strong></td>
<td>The WASH Programme contributes to reaching the Government’s target of universal coverage of water and sanitation by 2017 and to UNDAF Outcome 1 – vulnerable and disadvantaged groups get improved access to essential social services and programmes in an equitable manner. UNICEF will collaborate with the United Nations Development Programme (UNDP) to support the implementation of the NPC-led MDG Acceleration Framework focused on MDG 7 Target C (sustainable access to safe drinking water and basic sanitation).</td>
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</tbody>
</table>
### 3. Education
The Education Programme will contribute to the realization of the Government’s national education development plan, with the aim to improving children’s and adolescents’ access to and completion of basic and secondary education, with a special focus on the most vulnerable children and adolescents. Special attention and support will be paid to the most marginalized children and adolescents where alternative models will be explored for both formal and non-formal education. The programme contributes to UNDAF Outcome 1 – vulnerable and disadvantaged groups get improved access to essential social services and programmes in an equitable manner. More specifically, it will contribute to UNDAF Output 1.1: the Ministry of Education (MOE) and its institutions achieve higher performance in early childhood care and education (ECCE), formal and non-formal education in line with the School Sector Reform Plan (SSRP).

### 4. Adolescent Development and Participation
The Government’s recently launched National Framework of Action for Adolescent Development and Participation provides the platform for UNICEF’s new Adolescent Development and Participation (ADAP) Programme that aims to ensure the systematic, ethical, meaningful and regular participation of adolescents at critical levels to make national policies, plans, and budgets adolescent-sensitive. The ADAP programme contributes to: UNDAF Outcome 1 – vulnerable and disadvantaged groups get improved access to basic essential social services and programmes in an equitable manner; and UNDAF Outcome 3 – vulnerable groups experience greater self-confidence, respect and dignity. ADAP aims to empower adolescents, especially girls, to initiate and sustain activities and interventions that create positive transformation in their families, communities and society and bring about realization of their rights. Three key strategies include: (1) ensuring active and meaningful participation of adolescents, especially girls and the younger age group (10-14 years), at every stage of the programme; (2) ensuring that core interventions address the age, sex, and situational diversity among adolescents, specifically those who are most-at-risk and especially vulnerable to HIV and different forms of violence; and (3) generating and sharing evidence including participatory behavioural monitoring and district level bottleneck analysis.

### 5. Child Protection
The overall goal of the Child Protection Programme is to support the Government in the development and implementation of a comprehensive age and gender sensitive protection system to prevent and respond to all forms of abuse, neglect and exploitation of children and adolescents in normal and emergency situations. The system will provide for the implementation of communication for behaviour and social change targeting all children and families, early intervention with children at risk and their families, and rehabilitative services for children in harmful situations. Within the framework of the Children's Act (1992) and the Guidelines for Programmes on Protection and Promotion of the Rights of the Child (2009), this Programme will contribute to the implementation of the National Plan of Action for Children (2004/5-2014/15) and the Child Policy (2012) as well as issue-based child protection Acts, Regulations, Guidelines, Frameworks, Strategies, Standards and National Plans. The Child Protection Programme contributes to: UNDAF Outcome 1 – vulnerable and disadvantaged groups get improved access to basic essential social services and programmes in an equitable manner; UNDAF Outcome 3 – vulnerable groups experience greater self-confidence, respect and dignity; and UNDAF Outcome 4 – vulnerable groups benefit from strengthened legal and policy frameworks, and have improved access to security and rule-of-law institutions.
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<tr>
<th>6. Governance, Policy, Planning and Evaluation</th>
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<tr>
<td>The Governance, Policy, Planning and Evaluation Programme will build the capacities of institutions at national and subnational levels to develop, fund and monitor evidence-based, equity-focused, multi-sectoral frameworks and related policies for children, adolescents and women. Particular focus will be on governance, economic and poverty analysis, social budgeting, social protection, birth registration, and evaluation. The Programme contributes to: UNDAF Outcome 1 – vulnerable and disadvantaged groups get improved access to essential social services and programmes in an equitable manner; UNDAF Outcome 2 – vulnerable groups have improved access to economic opportunities and adequate social protection; UNDAF Outcome 3 – vulnerable groups experience greater-self-confidence, respect and dignity; UNDAF Outcome 4 – vulnerable groups benefit from strengthened legal and policy frameworks and have improved access to security and rule of law institutions; and UNDAF Outcome 5 – institutions, systems and processes for democratic governance are more accountable, effective and efficient and inclusive. The Programme has three sub-components: Child Friendly Local Governance; Social Policy and Economic Analysis; and Planning and Evaluation.</td>
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<tr>
<th>7. Disaster Risk Reduction and Emergency Preparedness</th>
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<tr>
<td>The Disaster Risk Reduction and Emergency Preparedness Programme aims to ensure that children, adolescents and families, especially the most vulnerable and at risk, have enhanced capacity and resilience to prevent, manage, cope, adapt, prepare for and respond to disaster risks and climate change, under the overall framework of the National Strategy for Disaster Risk Management (NSDRM), formulated by the Government in 2008. The Programme will also directly contribute to the national commitment on the Hyogo Framework of Action and to the work of the Nepal Risk Reduction Consortium (NRRC), launched by the Government in 2009. There will be stronger engagement of sectoral line ministries at national level and sub-national level to emphasize the need for integrating comprehensive disaster risk management into annual development plans especially under four sectors: WASH, Education, Child Protection, and Health and Nutrition. To this end, the UNICEF Country Office has completed a child-centred disaster risk assessment and mapping exercise to prioritize the most vulnerable districts and municipalities. The Programme contributes to UNDAF Outcome 7 – people living in areas vulnerable to climate change and disasters benefit from improved risk management and are more resilient to hazard-related shocks. In times of actual disaster, the Programme will oversee the Humanitarian Action and Cluster Coordination of UNICEF.</td>
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<tr>
<th>8. Cross-sectoral component</th>
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<tbody>
<tr>
<td>The cross-sectoral component covers operational support for Country and Zonal Office management and administration, various cross-programme staff salaries including the External Relations and Communication for Development (C4D) Teams as well as programme review and bottleneck-monitoring costs, travel and training.</td>
</tr>
</tbody>
</table>
1. General Introduction of the Development Cooperation Partnership

UNDP is the UN’s global development network, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. UNDP is on the ground in 177 countries and territories, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people and the wide range of partners of UNDP. World leaders have pledged to achieve the Millennium Development Goals, including the overarching goal of cutting poverty in half by 2015. UNDP’s network links and coordinates global and national efforts to reach these Goals. UNDP’s focus is on helping countries build and share solutions to the challenges of Democratic Governance, Poverty Reduction, Crisis Prevention and Recovery and Environment and Energy. UNDP helps developing countries attract and use aid effectively.

2. Introduction to Aid Mechanism

UNDP funding supports advisory services, capacity development initiatives, and procurement of goods and services to facilitate implementation of technical cooperation activities. Programmes and projects are normally identified under the umbrella of the Country Programme Document (CPD) and Country Programme Action Plan (CPAP) which cover a period of 3-5 years in line with national planning periods. The CPD and CPAP are prepared in close consultation with the Government, outlining national development goals and priorities, the Government’s strategy for use of UNDP resources, focused programme areas, and indicative financial allocation for the programme period. The CPAP is jointly approved by the Government and UNDP.

3. Nepal-UNDP Relations/Membership

Since 1963, UNDP has been working in Nepal on building linkages addressing effective design and implementation of poverty alleviation programmes. UNDP Nepal’s work is closely linked with the priorities of both the Government and the United Nations system in Nepal. Nepal became a member of the United Nations in December 1955. Since that time, Nepal has been actively involved in cooperation with the UN and its agencies. The United Nations Development Programme (UNDP) has a key co-coordinating role in the United Nations Development Group. Funded by voluntary contributions
from governments, trust funds, international financial institutions and co-financing schemes, UNDP works with 177 countries and territories to build national capacities for sustainable human development. In addition, together with the World Bank and the United Nations Environment Programme (UNEP), UNDP is one of the implementing agencies of the Global Environment Facility (GEF).

4. Nepal - UNDP Economic and Technical Cooperation

UNDP Country Programme Action Plans for Nepal have been consistent with the Government’s periodic plans, UNDP’s Corporate Strategic Plan and the UN Development Assistance Framework (UNDAF). The current Country Programme Action Plan (CPAP) covers the period 2013-2017. It focuses on efforts to reduce vulnerability of communities under threat from climate change and disaster and expanding energy access. It also will continue its support for elections, constitution writing and income generating opportunities. UNDP global strategic plan (2014-2017) articulates issues that UNDP works in. They include poverty eradication and sustainable development, inclusive democratic governance, gender equality and women’s empowerment, supporting peace building and transitions, and building resilience against climate induced and other kinds of disasters, the latter two being particularly relevant in disaster and post-conflict settings.

5. Past Economic and Technical Cooperation

Major achievements made during the previous programmes include the positive effects of implementing pro-poor policies, social mobilization and decentralization in combating poverty. Social mobilization in particular has been noted to have assisted poor and disadvantaged groups, and empowered community organizations to make their own decisions regarding local development. Through UNDP’s programmes, strong foundations were built for community empowerment and decentralized governance—contributing to communities’ meaningful participation in the development process, developing response capacities to the needs of the poor and bringing about greater accountability in respecting, protecting and fulfilling human rights.

A major role of UNDP has been to contribute to the mainstreaming of human development concepts into government policies and strategies. This has enabled the government to design and implement policies and strategies for poverty reduction through enhanced growth, greater distribution of equity and targeting of the most deprived. UNDP has also successfully built capacity for pro-poor policy design and supported the establishment of a Poverty Monitoring and Analysis System (PMAS) within the National Planning Commission (NPC) and strengthened government ownership of the MDGs. With UNDP assistance, Nepal has also successfully put together a framework for climate budget code and Aid Management platform designed to ensure aid effectiveness through accountability and transparency.

UNDP’s contribution to making gender issues a high profile matter of concern and in translating global environmental conventions into the practical reality of legislation is well recognized in the country. Furthermore, targeted strategies of a number of UNDP projects have improved women’s participation in community development activities and their access to resources.

The rehabilitation programme for ex-combatants discharged in 2010 for being verified minors or late recruits (VLMRs) formally concluded in 2013, providing support to 2,234 ex-combatants, including 838 women.

6. Ongoing Economic and Technical Cooperation

The Government of Nepal and UNDP signed a new Country Programme Action Plan (2013-2017) detailing UNDP’s engagement in Nepal for the next five years. The Plan will focus on efforts to reduce vulnerability of communities under threat from climate change and disaster and expanding energy access, while continuing its support for elections, constitution writing and income generating opportunities. During this period a budget of approximately USD 159 million will be used for implementing these programmes. UNDP proposes to concentrate on three substantive areas of work: sustainable development pathways, inclusive and effective democratic governance and resilience. UNDP is supporting increased access to and participation in constitution building and electoral processes, as well as supporting work to promote post-conflict recovery. UNDP works in this regard with the Constituent Assembly Secretariat, relevant Ministries and Civil society organizations.

With the dissolution of the first Constituent Assembly (CA) in May 2012 without a constitution, it became imperative to re-rail the constitution drafting process through a second election for the Constituent Assembly. UNDP has closely worked with national institutions and other development partners to support Nepal through this transition. UNDP draws on its global expertise in peace-building and its neutral position as an impartial convener to bring parties and groups together for amicable resolution of political and other conflicts.

Under the Transitional Governance portfolio, UNDP’s support aims to various national institutions on a wide range of issues in order for them to carry out their mandate and their responsibilities. The support covers rule of law and human rights, local governance, administrative reform and aid management among others. In line with Government of Nepal’s priorities and the United Nations Development Assistance Framework’s (UNDAF 2013 – 2017) two key goals of advancing equality and protecting development gains, UNDP programmes will have strong inclusion and resilience-building components across its programmes.

UNDP also supported systematic changes in national legislation, policies and institutional frameworks to strengthen justice sector coordination and effective implementation and enforcement of laws, and to improve access to justice for women and vulnerable groups.

In the area of Inclusive growth and Sustainable Livelihoods, UNDP has supported creation of jobs through micro-enterprises. Building on UNDP’s contributions to energy and environment policy development in the past years, under UNDP’s focus area of energy, environment and disaster management, UNDP supports the Government to mainstream environment and energy into national and local development planning, and to adapt to and mitigate the impacts of climate change. UNDP supports expansion of access to energy and judicious use of natural resources. Disaster Risk Management programme will continue to strengthen building code compliance and mainstream disaster risk management across sectors, strengthening preparedness and emergency systems. There will be additional support to help the Government to establish sustainable and effective search and rescue teams within the security forces. UNDP’s joint project with the National Planning Commission (NPC), Strengthening National Planning and Monitoring Capacity (SNPMC), has been providing technical support on policy and planning in light of Nepal’s decision to graduate from its Least Developed Country (LDC) status by 2022. In 2013, UNDP provided support to prepare a technical paper focusing on the assessment of Nepal’s current LDC status and estimate of various scenarios based on the graduation criteria.

To support evidence based planning processes, UNDP provided technical and financial support to the Central Bureau of Statistics in 2013 to hold the Annual Household Survey (AHS) so that Government can produce key disaggregated data on labor and consumption more frequently.

UNDP’s support to the National Planning Commission (NPC) contributed to integrating MDGs into the national Three Year Plan (2010/11-2102/13). UNDP also provided support to enhance the NPC’s capacity on poverty monitoring and strategic planning. As part of its continued advocacy efforts for the MDGs, human
development, gender equality and social inclusion, support was also provided to produce various knowledge products and policy documents as well as series of trainings for the policy makers.

In 2013, UNDP worked with the Ministry of Home Affairs to establish a National Centre for Security Observation (NCSO). The collaboration also led to work on a National Strategy on Arms Control and assistance to the Government of Nepal to move towards signing the Arms Trade Treaty (ATT).

7. Future (Pipeline) Economic and Technical Cooperation

UNDP remains committed to supporting the Government and the people of Nepal in the pursuit of gender equality and social inclusion, lasting peace, good governance including access to justice, expanded livelihoods opportunities, environmental conservation, climate change adaptation, and reducing vulnerability to natural disasters.

One of UNDP’s top priorities remains supporting a participatory constitution building process. UNDP will continue to support Constituent Assembly members and senior political leaders to promote dialogue on key contentious issues. Technical support to constitutional bodies such as the Women’s Commission, Dalit Commission, and caucuses will continue.

Key priorities under the Transitional Governance portfolio include continued support of the Local Governance and Community Development Programme (LGCDP) and to build capacity for effective aid management. Support to human rights will focus on economic, social and cultural rights and further strengthening the capacity of the National Human Rights Commission (NHRC) to monitor, investigate and enhance documentation and reporting on human rights violations. UNDP’s work in access to justice will give extra attention to mechanisms for women and the traditionally excluded.

To continue promotion of inclusive growth and sustainable livelihoods, UNDP will build on various initiatives ranging from policy level support to institutional capacity building and community level programmes that reach to the people directly.

8. Miscellaneous

The Ministry of Finance and UNDP officials review UNDP supported programmes annually, where the progress of programmes are discussed. The last annual review meeting took place in the Ministry of Finance on 18 February 2014. The Government of Nepal expressed satisfaction over the implementation of UNDP programmes. The initial programme budget for 5 years (in the CPAP 2013-2017) was proposed at US$ 159.35 million of which US$ 32.5 million was earmarked from UNDP regular resources and the remaining US$ 126.8 million was from other resources.
1. General Introduction to Development Cooperation Partnership

UNESCO works to create the conditions for dialogue among civilizations, cultures and peoples, based upon respect for commonly shared values. It is through this dialogue that the world can achieve global visions of sustainable development encompassing observance of human rights, mutual respect and the alleviation of poverty, all of which are at the heart of UNESCO’s mission and activities.

The broad goals and concrete objectives of the international community – as set out in the internationally agreed development goals, including the Millennium Development Goals (MDGs) – underpin all UNESCO’s strategies and activities. Thus UNESCO’s unique competencies in education, the sciences, culture and communication and information contribute towards the realization of those goals.

UNESCO’s mission is to contribute to the building of peace, the eradication of poverty, sustainable development and intercultural dialogue through education, the sciences, culture, communication and information.

2. Introduction to Aid Mechanism

The UNESCO is neither a funding nor a donor agency. Their support is more of the technical advisory nature. Even when they provide financial support, such assistance is always limited to those activities in line with the approved programmes of the organization.

3. Nepal-UNESCO Relations/Membership

Nepal joined UNESCO in 1953 and the UNESCO Office in Kathmandu was established in 1998. Since then, UNESCO Kathmandu has supported the Government of Nepal to attain quality Education for All, mobilize scientific knowledge and science policy for sustainable development, preserve Nepal’s rich cultural heritage, promote cultural diversity and dialogue among its culturally very diverse communities, and to empower people through the free flow of ideas and access to information and knowledge. Over the years, UNESCO became a reliable partner for the Government and for a great number of civil society organizations to assists in strategy and policy development in education, natural sciences, culture, and communication and information. The Office works mostly in an upstream manner, focusing on selected target areas and population groups implementing UNESCO’s main functions as a laboratory of ideas, a standard-setter, a clearing house, a capacity builder and a catalyst for international cooperation.
4. Nepal-UNESCO Economic and Technical Cooperation

The UNESCO Kathmandu Office has been implementing all its programmes and activities, both regular and extra budgetary, in the field of Education, Culture, Science, and Communication and Information. However, there are some being executed under Participatory Programme (PP) via Nepal National Commission for UNESCO (NatCom), which is under the Ministry of Education. UNESCO Kathmandu works closely with the NatCom as a main counterpart. NatCom's major function is to become involved in UNESCO's activities in various ministerial departments, agencies, institutions, organizations and with individuals working for the advancement of education, sciences, culture, and communication and information in Nepal. NatCom, largely facilitates in backstopping UNESCO's efforts by playing the role of an effective coordinator and catalyst within the UNESCO-GoN collaboration framework.

On a broader level, UNESCO Kathmandu Office interacts with a wide range of partners such as government agencies on a national level, UN agencies, other international governmental and non-governmental organizations, academia and civil society for implementing its programmes. The main governmental and semi-governmental counterparts are the following:

**Education**

Ministry of Education, Department of Education, UNESCO ASPnet Schools Association Nepal, Non Formal Education Center, National Center for Educational Development, Curriculum Development Center, District Education Office, University Grants Commission of Nepal, Faculty of Education, Tribhuvan University, School of Education, Kathmandu University Research Center for Educational Innovation and Development, National Planning Commission, Community Learning Centers etc.

**Natural Sciences**

Ministry of Sciences and Technology, Nepal Academy of Science and Technology, etc.

**Culture**

Ministry of Culture, Tourism and Civil Aviation, Ministry of Forest and Soil Conservation, Department of Archeology (Ministry of Culture), Department of National Parks and Wildlife Conservation, Lumbini Development Trust, Pashupati Area Development Trust, Municipalities of Kathmandu, Lalitpur and Bhaktapur etc.

**Communication and Information**

5. Past Economic and Technical Cooperation

Education

- Strengthening National Early Childhood Development Programme & Policy Review
- Support to the government for the implementation & monitoring of EFA NPA achievements and progress & Policy, Planning and Evaluation in achieving EFA
- Strengthening the National Education for All (EFA) Plan for Early Childhood Development (ECD) in Nepal (with funds from the Japanese Government and AGFUND - Arab Gulf Program for United Nations Development Organizations)
- Supporting Internally Displaced Persons through Community Learning Centers
- Literacy Programmes for ethnic minorities utilizing mother tongue approach
- National Educational Statistical Information System Capacity Building and
- Analytical tools for EFA planning, monitoring & assessment; EFA Mid-decade assessment
- Promotion of Technical & Vocational Education through the integration of cross-cutting themes
- Promoting Traditional/Indigenous Skills among the youths
- Community-based awareness raising on HIV/AIDS prevention through education
- In 2000, the UNESCO Kathmandu Office published the summary of the Dakar Framework for Action and Education for All (EFA) in Nepali language and distributed 1000 copies all over Nepal
- With the financial assistance from the Norwegian Fund in Trust (US$ 39330), the UNESCO Kathmandu Office provided technical and financial support for the preparation of the EFA National Plan of Action
- Associated Schools Project (Since 1995)
- School level Educational Statistics of Nepal (Flash and consolidated reports 2004 and their continuous publication each year)
- Development of advocacy materials on HIV and AIDS for community and school teachers; Development of Education Sector Response to HIV and AIDS;
- Development and dissemination of Inclusive education toolkits
- Translation of summary EFA GMR into Nepali and its dissemination
- Innovative and integrated community based literacy programmes/ empowerment through ICTs in CLCs
- Promoting human rights, peace, democratic citizenship and intercultural understanding through education
- Advancing policy options and international cooperation for higher education
- Preparation of a ten year NFE and literacy policy and programme framework
- Capacity development of education officials, teachers, ECD facilitators, gender focal points and CLC managers etc.
- Support Non formal center of MOE to prepare “a ten year literacy policy and Programme framework (2005-2015)
- Enhancing policy, planning, monitoring & coordination for achieving EFA
- Supporting national efforts to achieve Inclusive Basic Education For Girls & Boys
- Supporting national efforts on NFE to improve literacy rate & strengthen CLCs with the special reference to women & excluded groups.
• Achieving DESD goals through developing monitoring tools, policy dialogue and curriculum reform
• Development of Capacity in Education Statistical Information System for Post Conflict Situation in Nepal
• Improving literacy for sustainable development with particular focus on women and disadvantaged groups within the framework of LIFE
• Supporting national efforts for assessing secondary education policy in the light of School Sector Reform Programme (SSRP)
• Literacy for All: Empowerment and Poverty Reduction in Post-Conflict Nepal
• Supporting MOE in undertaking Education for all Mid-decade Assessment (2008)
• HIV and AIDS Education through Community Learning Center among Illiterate women; supporting MOE in the preparation of strategies for education sector response to HIV and AIDS

Culture

World Heritage properties, particularly Lumbini and Kathmandu Valley

The Office continued to put a strong focus on the protection and conservation of Nepal's two cultural and the two natural heritage world heritage properties. The main strategy consisted in strengthening capacities through training, exposure missions and provision of sharing platforms that enabled national authorities to competently protect and manage the properties within the framework of the 1972 Convention. This resulted in a better understanding on how to reconcile global, national and community requirements, and an increased awareness on the effective means to address challenges of safeguarding the living heritage sites in the context of rapid urbanization, and of integrating tourism and disaster risk management components in management plans. A special focus was on Lumbini, with the completion of a major JFIT funded extra budgetary project and the preparation of a new project (to start in early 2014), for which firm commitment for funding was received by Japan. The Office's action for Lumbini obtained an exceptional media echo worldwide contributing to sharpen the site's profile as a symbolic place for global peace and understanding and resulting in an increased donor interest to contribute to its protection

• Regular monitoring of the inscribed World Heritage properties in Nepal and assistance for the implementation of the 1972 UNESCO convention concerning the Protection of the World Cultural and Natural Heritage
• Implementation of the three-year Lumbini project launched in August 2010 “Strengthening Conservation and Management of Lumbini, the birthplace of Lord Buddha, World Heritage Property”, in close cooperation with the Department of Archaeology (DoA) and the Lumbini Development Trust (LDT) with funding from the Japanese government.
  a) The project, completed in December 2013, has produced a number of significant results supporting Nepal in its efforts to preserve Lord Buddha's birthplace. New excavations within the Mayadevi Temple have revealed for the first time in South Asia, evidence of a series of shrines dating back to sixth century BCE.
  b) It enhanced the conservation of the three most emblematic monuments in Lumbini, namely the Marker Stone, the Nativity Sculpture and the Ashoka Pillar.
  c) It established an operational plan for the implementation of the Kenzo Tange Master Plan for the Sacred Garden and confirmed the continuous relevance of the Plan prepared in 1978.
  d) It prepared an integrated management framework to conserve the outstanding universal value of Lumbini.
e) Overall, the activities of the project strengthened the institutional capacity of the national experts from the DOA and the LDT through improvement of the knowledge and skills of conservation personnel and archaeological staff.

- Two new UNESCO publications on Lumbini, Buddha’s birthplace, launched in October 2013 in Kathmandu, present a novel approach to commemorating the timeless essence of Lumbini, which was inscribed on the World Heritage List in 1997. Both publications call for renewed commitment to safeguarding and protecting this site. The Sacred Garden of Lumbini. Perceptions of Buddha’s birthplace provides a comprehensive analysis of the site’s Outstanding Universal Value, based on studies of historical and religious texts, archaeological remains, the environmental context and other key aspects of the site. In Lumbini. Birthplace of Buddha co published with the Paris-based NGO Oriental Cultural Heritage Sites Protection Alliance, over two hundred striking photographs illustrate in this site several universal themes such as knowledge, heritage and nature.

- An environmental impact assessment of industrial development around Lumbini carried out by the IUCN Nepal (2012).

- Preparation of guidelines for the physical planning of the Sacred Garden in terms of various overlaying components contributing to a more comprehensive understanding of the Sacred Garden (2011).

- Supported consultative process and assisted the preparation of international assistance request for Management Plan preparation of Lumbini World Heritage property which was approved (2006-2007) followed by a series of concerted discussions held and international experts’ mission organized during 2008-2009 for advancing the Integrated Management Plan (process) leading to the preparation of a three-year Japanese funded project Organization of an international symposium “Revisiting Kathmandu. Safeguarding living urban heritage” from 25-29 November 2013 jointly with the Nepal Chapter of the International Council on Monuments and Sites (ICOMOS) in close association with the Department of Archaeology of Nepal and the local bodies - Kathmandu Metropolitan City, Lalitpur Sub-Metropolitan City, Bhaktapur Municipality and Pashupati Area Development Trust that gathered more than 140 participants from 22 countries and discussed different aspects of managing a World Heritage site in a balanced way, under the intertwined themes of authenticity, communities, management and disaster risk reduction in order to identify approaches to sustain living urban heritage. A major output is the drafting of the Kathmandu Statement 2013 and a foreseen publication of the proceedings.

- Sensitization workshops among stakeholders of Kathmandu Valley World Heritage property – the national authorities, the site managers and concerned local management bodies, community organizations and the experts - on the need to elaborate the preventive plan and measures to integrate disaster management plan into the management plan for the Kathmandu Valley, in line with the decision of the World Heritage Committee (2012) and technical assessment of the Swayambhu monument zone commissioned through the Centre for Applied Research and Development (CARD) of the Institute of Engineering, Tribhuvan University following the suggestions from the workshop.

- Supported the national authorities of Kathmandu Valley World Heritage property to follow-up the recommendation of the ICOMOS/World Heritage Centre (WHC) reactive monitoring mission (November 2011) and to implement the related decisions of the World Heritage Committee, by facilitating the coordination and communication between government departments and other stakeholders, wherein through the Integrated Management Framework (IMF) adopted in 2007 (under review by DoA) and the formulation of regulation to ensure that Heritage Impact Assessment (HIA) are produced to all significant developments within the property.

- Earlier supported the impact assessment of planned tunnel road along Tilganga-Tamraganga crossing Pashupati monument zone of Kathmandu Valley World Heritage property with funding from UNESCO/Netherlands Funds-in-trust and organized in close cooperation with the national authorities, mainly DoA and the PADT, a series of extensive discussions with other government
line-departments i.e. the Department of Roads, the Civil Aviation Authority, Nepal Army, related experts and representatives of the concerned community stakeholders that identified numerous potential threats facing the property including proposed extension of Kathmandu International Airport (March 2011) as well as discussed possible alternate solution for the planned road project crossing Pashupati monument zone based on the decision adopted by the 35th session of the World Heritage Committee (2011). The road construction proposal through the monument zone has been abandoned; however the road is in use informally and pending an appropriate alternate route that is yet under discussion among concerned government's line departments and ministries.

- As regards to the World Natural Heritage properties, i.e. Chitwan and Sagarmatha National Parks, an overall monitoring of the situation of various developments in and around, maintaining regular communication ensuring timely reporting of the State of Conservation reports of the respective properties, with specific attention to the implementation of the related decisions of the World Heritage Committee in close coordination with the UNESCO World Heritage Centre.
- Publication of a promotional leaflet and posters “Our Heritage: Our pride, Our responsibility. Explore Nepal’s World Heritage Sites with Fulmaya and Pasang” (Nepali and English versions, 2012) and its distribution to site authorities for raising awareness of the value of living in a World Heritage area among local communities, youth and general public.
- Nepali version of the Operational Guidelines for the implementation of the World Heritage Convention (2011) has been made available online at http://unesdoc.unesco.org/images/0021/002171/217174nep.pdf to make it accessible to all site managers and others concerned.
- Supported Nepal delegates’ participation in the first, second and the third meeting of the Coordinating Committee (Xian, China, 2009, Ashgabat, Turkmenistan, 2011 and Bishkek, Kyrgyzstan, 2012 as regards Nepal’s possible participation in the Silk Roads World Heritage Serial Nomination project and continued supporting within the framework of UNESCO/Norway funds-in-trust for the identification of heritage corridors through Nepal by organizing UNESCO/ICOMOS technical advisory mission (July 2011) followed by technical support to national consultation workshop (September 2011), advisory mission of expert from University College of London and UNESCO World Heritage Centre (2012) and consultation as regards to potential Korean FIT for South Asian Silk Roads project (2013_2016).
- Capacity building of national authorities, particularly the Department of Archaeology and the Department of National Parks and Wildlife Conservation in the mandatory reporting on the state of conservation of inscribed property, within the framework of the Second Cycle of Periodic Reporting in Asia and the Pacific by facilitating national workshop (Kathmandu, August 2010) and sub-regional workshops (Derhadun, June and November 2010, and Kathmandu, April 2011); the Kathmandu sub-regional workshop was attended by national focal points of four South Asian countries (Bangladesh, Bhutan, Maldives and Nepal) and managers of both cultural and natural World Heritage properties in Bangladesh and Nepal.
- Capacity building and technical assistance to the State Party for the Implementation of the 10-year Action Plan and preparation of the Integrated Management Plan for the Kathmandu Valley World Heritage property in Danger supported by public awareness initiatives that included publication of Heritage Homeowner’s Preservation Manuals for Kathmandu Valley World Heritage Site, awareness posters, Heritage Homeowner’s Preservation Handbook, school awareness programs using heritage passports, monthly article publication of heritage issues on wave magazines and publication of a visitors friendly Cultural Portrait Handbook comprising of seven booklets on diverse culture of all the monument zones of Kathmandu Valley (2004-07); main achievement is the adoption of Integrated Management Framework for Kathmandu Valley World Heritage property by the Government of Nepal followed by publication of Integrated Management Framework, Plan of Actions and
Management Handbooks on seven Monument Zones of Kathmandu Valley World Heritage property (2007);

Sites in tentative list of World Heritage

- First phase of comparative analysis of Lo Manthang initiated with funding support from the Asia donor Oriental Cultural Heritage Sites Protection Alliance, France, for the nomination of Lo Manthang to the World Heritage List by supporting national team’s mission to Lo Manthang and Ladakh, together with an international research team from the French research institute - Ecole Nationale Supérieure d'Architecture de Paris-Belleville (ENSAPB)

Intangible cultural heritage

In the area of safeguarding the living heritage, the main focus was on capacity building of the government and key stakeholders including community practitioners and related institutions in implementing the 2003 Convention for the Safeguarding of the Intangible Cultural Heritage that the Government ratified in June 2010. The main strategic approach was to support policy and legal reforms, among others by fostering dialogue and networking of indigenous groups and community practitioners or groups concerned, to cater for specific safeguarding needs of intangible heritage.

- Organization of a symposium on “Documenting Music Heritage: Challenges and Future Directions for Nepal” (November 2011) allowing a dynamic interaction among wide range of national and international ethnomusicologists, cultural experts, music practitioners and government representatives that explored the perspectives for documenting and preserving Nepal’s music heritage.
- Support for strengthening policies and intangible heritage governance aiming at enhancing the State Party’s capacity to safeguard Nepal’s rich intangible heritage in the spirit of the convention the spirit of the 2003 Convention (2011-2013).
- Translation of operational directives of the 2003 UNESCO Convention into Nepali language and preparation of an outreach strategy to implement awareness raising campaign using new media and other social networks to engage other public and academia in the intangible heritage safeguarding.
- Capacity building of national and community stakeholders in close cooperation with the main government counterpart, Ministry of Culture, Tourism and Civil Aviation within the framework of UNESCO’s global capacity-building initiative for the implementation of the 2003 Convention for the Safeguarding of the Intangible Cultural Heritage (ICH), and within the framework of the extra-budgetary UNESCO/JFIT project “Safeguarding Intangible Cultural Heritage through the strengthening of national capacities in Asia and the Pacific”, through a series of capacity building workshops on a) Implementation of the 2003 Convention for the Safeguarding of the Intangible Cultural Heritage, b) Community-based Identification and Inventorying of Intangible Cultural
Heritage in Nepal; and c) Safeguarding Nepal’s Intangible Cultural Heritage: Preparation of nominations to the UNESCO Intangible Cultural Heritage Lists (2012-2013).

Cultural Diversity and Dialogue

- Inclusion of cultural elements and religious diversity in the Community Learning Centers’ actions through production and airing of interactive radio programme “Hamro Lumbini” altogether 26 episodes, each 30 minutes concerning the cultural and religious diversity of Lumbini area fostering dialogue between local Muslim communities and stakeholders of the Buddhist communities in and vicinity of the World Heritage property of Lumbini in close collaboration with Lumbini Community Multimedia Centre (CMC) (January-September 2007)

Capacity building and assistance for public awareness on cultural heritage disaster risk mitigation for local stakeholders in Nepal

- Initiation for necessary policy amendment (Ancient Monument Preservation Act) and improvements of building bylaws (2006-07)
- UNCRD cooperation for Urbanization and Community Based Disaster Management action research project and field work on identifying vulnerability at 4 historic urban core of Tamsipakha, Kokhana, Bunmati and Bhaktapaur and 1 sub-urban area of Ichangu village development committee involving the respective community learning centers (2006)

Culture and Development

A strategy paper to operationalize UNESCO’s “Culture for Development” concept in the context of Lumbini, and a local stakeholders’ consultation meeting and brainstorming session was held to identify ways culture can be integrated in both the formal and non-formal education sectors of the three districts (Kapilvastu, Rupandehi and Nawalparasi) in the Greater Lumbini Area.

- Formulation of a comprehensive programme on culture and development in Nepal with a pilot case of Lo Manthang followed by a publication of a book “Upper Mustang - Cultural Heritage of Lo Tso Dhun” (2006)
- Contributing poverty reduction and sustainable development programme through crafts training in traditional mask making (2004-2005) and wood carving for traditional restoration of buildings within Kathmandu Valley in collaboration with GTZ/udle and Madhyapur Thimi Municipality (2006-2007)
- Cultural Survival and Revival of the Buddhist Sangha project that included documentation, education and training to revitalize traditional decorative arts and oral expressions that included awareness of living culture such as sand mandala, its making procedures and hymn recitation; training on building crafts (stone chaitya) in the Buddhist temples of Asia (Monks Project in Lalitpur and Upper Mustang in close cooperation with Bangkok Office)
- Contribution to the development of cultural and ecotourism in the mountainous region through Humla Ecotourism and Trekking Promotion Project, part of regional project on Central and South Asia in close cooperation with Bangkok Office, 2002-2007)
Other initiatives for the protection of cultural property

- The Office promoted policy dialogue among national and international stakeholders to combat illicit trafficking in cultural property by raising awareness on the effective application of the 1970 Convention and other international tools through an international symposium “Protecting Asia’s heritage. Strategies for fighting illicit traffic of cultural property and fostering restitutions”, Kathmandu, 16-17 December 2013.
- The Office also supported Nepal’s possible accession of the 1954 Hague Convention through dissemination of promotional materials in local language (translation of Operational Guidelines for the implementation of the World Heritage, Hague Convention and its two protocols and guidelines for the implementation of the second protocol) and advocacy presentation to the government stakeholders with support from the ICRC Nepal (2012).

Miscellaneous

i. Restoration of Gaa Hiti (1998), Lun Hiti (1999), Dhurge Dhara and Gairi Dhara (2000) and various other restorations, publications and conferences and workshops etc.
ii. Master plan for the Conservation of the Cultural Heritage of the Kathmandu Valley: Publication of two volumes of the inventory of the monuments of Kathmandu Valley, 1977

Communication

- Empowerment through ICTs in CLCs & Development of innovative solutions for quality education through ICTs (2008 -)
- Promoting and improving access to information, especially for historically discriminated and excluded groups, e.g. by making international research available to stakeholders in Nepali language. In addition, UNESCO provided technical assistance to GoN on legislation for freedom of information that was enacted in 2007
- Contributing to the policy dialogue aimed at promoting free, fair and professional reporting with the goal for media workers and other stakeholders to develop professional standards for journalism in post-conflict Nepal.
- Raising awareness of press freedom through annual World Press Freedom Days
- Training of journalists on election reporting in relation to the 2008 Constituent Assembly elections. Assistance was also provided to develop a Code of Conduct to guide radio stations in covering the elections
- Training of women journalists from Terai on personal security, conflict- and gender-sensitive reporting. UNESCO also contributed to human rights training to journalists in several development regions of the country (2009-2010)
- Introduction of UNESCO standard-setting tools in Nepali language, such as the Model Curricula for Journalism Training and Media Development Indicators (2010)
- Capacity building of staff members of CLCs and CMCs specially focusing on organization and managerial skills (2006)
- Facilitating information sharing, capacity building and networking between CMC and CLC practitioners. These community centres were also used to provide basic and refresher media training courses for disadvantaged and marginalized groups (2006 -)
• Implementation of the UNESCO model curricula, Tribhuvan University
• Assessment of media development in Nepal based on UNESCO's Media Development Indicators

Social Science

• Capacity building of the development workers in the field of water management for poverty reduction with special reference to women's role in water management and community development

6. Ongoing Economic and Technical Cooperation

Education

• Enhancing policy, planning and monitoring for achieving the goals of EFA in the context of SSRP including post 2015 education
• Agenda Supporting MOE in undertaking EFA 2015 national review
• Supporting national efforts for improving quality of teacher training in the context of SSRP
• Supporting national efforts for integrating education for sustainable development (ESD) in a sector wide framework
• Planning effective delivery of education services under future federal state
• Capacity Building for Education for All (CapEFA) Project: Developing capacities for strengthening literacy and lifelong learning in Nepal
• Strengthening Climate Change Education for Sustainable Development (CCESD)
• Supporting Competency-Based Teacher Training Reforms to Facilitate ICT-Pedagogy Integration” with the funding support from Korean-funds-in-trust

Culture

World Heritage Properties

• Regular monitoring of the inscribed World Heritage properties in Nepal and supporting national efforts for the implementation of the 1972 UNESCO convention concerning the Protection of the World Cultural and Natural Heritage) including technical assistance in monitoring and assessment of status of World Heritage properties, especially for Kathmandu Valley and Lumbini, and facilitating international cooperation in conservation of World Heritage properties and Tentative List
• Implementation of Lumbini project “Strengthening Conservation and Management of Lumbini, the Birthplace of the Lord Buddha (Phase II)”, in cooperation with the Department of Archaeology and the Lumbini Development Trust with funding from Japanese Government. The objectives of the project are as follows:
  a. National authorities conserve the historical monuments of Lumbini.
  b. National authorities have overall understanding of the historical monuments in Lumbini.
  c. National authorities implement and regularly review the management processes of Lumbini.
  d. National authorities safeguard the cultural assets of the Lumbini Development Area, in particular of Tilaurakot and Ramagrama.
• Assist national authority and site managers for archaeological investigation and conservation work at Lumbini and Tilaurakot (site on tentative list) within the framework of JFIT phase II project
• Follow-up for the formal adoption by the Government of Nepal Integrated Management Framework
document for Lumbini finalized under JFIT phase I (Nepal’s Ministry of Culture, Tourism and Civil Aviation is to present the document for cabinet’s approval)

- Monitoring of the industrial development in and around the Lumbini area
- UNDP/UNESCO Lumbini Support Project with funding from UNDP to assist in the preparation of strategies to garner international support for the development of Lumbini and its surrounding areas.
- Capacity enhancement of site managers through sharing workshop and other awareness raising consultative meetings, specific events/symposium, technical advisory missions on sustainably managing the World Heritage sites
- Assist in updating the Integrated Management Plan of Kathmandu Valley and support capacity building of site managers for its effective implementation, especially in view of incorporating disaster risk mitigation and preventive plans for the Swayambhu monument zone based on the technical assessment of the site carried out under additional appropriated budget
- Assist in formulation of regulations to ensure that Heritage Impact Assessments (HIA) are produced for all significant developments within or vicinity of the World Cultural Heritage property through focused thematic discussions on processes and framework following the Department of Archaeology (DoA)’s March 2014 initiation workshop among experts on heritage conservation including archaeologists, environmental experts, site managers of the monument zones of Kathmandu.
- Assist national authorities in finding appropriate solutions in issues related to development and reconstruction proposal (e.g. Bhai Degah reconstruction proposal in Patan, and alternate road for Pashupati monument zone of Kathmandu Valley World Heritage property) in line with the decisions of the World Heritage Committee.
- Publication of the proceeding of the symposium “Revisiting Kathmandu. Safeguarding living urban heritage” to be co-published with WHITRAP
- Monitoring of the proposed road and railway project issue in Chitwan National Park
- Seek possibility for an advisory mission of IUCN’s Mountains Biome Specialist Group to Sagarmatha National Park and facilitate national authorities to designate an appropriate buffer zone in view of enhanced protection of both the national parks world heritage property
- Supporting national initiatives for heritage documentation along the priority heritage corridors identified by Nepal for the Silk Roads project, within the framework of the Korean Funds-in-trust sub-regional project “Support for the preparation for the World Heritage Serial Nomination of the Silk Roads in South Asia” (June 2013 to February 2016, managed by UNESCO World Heritage Center, HQ)
  a. Assist national authorities (DoA) in organizing a sub-regional Silk Roads consultation meeting for the potential World Heritage serial nomination of the Silk Roads in South Asia by bringing together the representatives and experts from China, Nepal, India and Bhutan, focusing on a network of routes in the sub-region
  b. Assist in the work of inter-services-departments-ministries Silk Roads national coordination committee (DoA has recently formed) and support in carrying out necessary field visits and preparation work (inventory and documentation, including modality of protection, management mechanisms at the central and local levels, articulating roles of local stakeholders) for the three corridors identified through Nepal (i.e. via Kathmandu Valley, Surkhet and Lo Manthang)
  c. Assist DoA by possible collaboration with ICIMOD for the GIS mapping and scientific documentation of the sites along the three corridors through Nepal as well as other stakeholders such as Postal Services Department, Survey Departments in the process as required

Sites in tentative list of World Heritage

i. Support to national authorities for conservation Lo Manthang taking into consideration the raised
concerns about the necessity of taking into account the development needs, including assurance of the rights and benefit of the community, after the site becomes a World Heritage property

ii. Support national authority on:
   a) Reviewing and updating of tentative list, especially for the natural tentative list and Silk Roads
   b) Establishing/strengthening management mechanism and community sensitization for the protection of tentative list sites

Additional appropriated activities (donor funding)

i. Lumbini
   a) Distribution and sale of the two publications The Sacred Garden of Lumbini. Perceptions of Buddha's birthplace (UNESCO publication) and Lumbini. Birthplace of Buddha (a photo book co-published with Oriental Cultural Heritage Sites Protection Alliance) – ongoing

ii. Swayambhu
   a) A broader stakeholders’ consultation to finalize the assessment study of Swayambhu monument zone commissioned to the Centre for Applied and Research Development (CARD) of Institute of Engineering to prepare a base document to implement appropriate management tools for heritage conservation and disaster risk mitigation.

iii. Lomanthang
   a) An awareness booklet in Nepali to be translated and printed in Nepali and Lopa language (in commonly understood Tibetan script) is under preparation

Intangible Cultural Heritage

i. After the successful completion of series of three capacity-building workshops (Implementation, Inventorying and Nomination) under JFIT project “Safeguarding Intangible Cultural Heritage through the Strengthening of National Capacities in Asia and the Pacific”, a reference material entitled “Safeguarding your intangible heritage. Guide for practitioners in Nepal” (in Nepali and English) aimed at raising awareness on the issue based on UNESCO standard materials is under preparation.

ii. Audio-visual and text materials and field work information of the capacity-building workshops, in particular, the Jiri inventoried materials is under finalization in close cooperation with the ministry of culture to disseminate information generation to the participants and relevant cultural institutions, and mainly to the Jirel community from Jiri-Sikri.

iii. Assist ministry concerning:
   a) National level mapping of intangible culture and data management (also focus on mapping of skill of indigenous groups)
   b) Mechanism for stakeholders networking: implementation of district mechanism and stakeholders regular meeting
   c) Mobilizing fund for community-based pilot initiatives
   d) Mobilizing interns for mapping and data management etc.
Culture and Development

i. An assessment study on the needs and constraints of the planning process in the Greater Lumbini Area with recommendations on the formation of a national body to manage Lumbini and surrounding areas which will take into account how heritage and cultural assets can be linked to employment opportunities and socio-economic development of the local population as part of the UNDP/UNESCO Lumbini Support Project.

ii. Facilitating international cooperation for the possible joint actions of UN Country Team in Nepal and other diplomatic cooperation agencies to assist Government of Nepal and other stakeholders to harness the potential of culture for sustainable development in Greater Lumbini Area.

Miscellaneous

i. Work on the online-publication of proceedings of the symposium “Protecting Asia’s heritage. Strategies for fighting illicit traffic of cultural property and fostering restitutions” in PDF version (Publication proposal submitted to HQ for February publication board review)

ii. Identify other sources of funding for capacity building in prevention and restitution strategies to combat illicit trade of cultural properties (UNESCO 1970 Convention which Nepal ratified in 1976)

Science

Climate Change Impact Research in Glaciers Ecosystem of Sagarmatha National Park

Communication and Information

- Increasing awareness and promotion of freedom of expression through World Press Freedom Days and developing action plan for the efficient implementation of Freedom of Expression Laws in Nepal
- Increasing the Safety of Journalists-UNPFN/UNESCO project targeted to improve the safety situation Nepalese journalists
- Empowering people to enjoy their Right to Information (RTI) for greater accountability of Nepal’s power holders-EU/UNESCO project
- Safety training for women journalists under IPDC programme
- Training for new comers journalists in UNDAF identified vulnerable districts
- Training for journalists from marginalized community
- Developing National Plan for Archive Management

7. Future (Pipeline) Economic and Technical Cooperation

Education

- Capacity building of MOE officials, teacher educators and curriculum developers to promote ESD in Nepal
- Supporting national efforts for improving quality education in the context of SSRP
- Disaster Risk Reduction in the education sector (proposed Extra budgetary)
- Enhancing policy, planning and monitoring for achieving the goals of EFA
- Capacity building for Education for all (CapEFA III phase)
- Improving quality of girls education in basic and secondary school in Nepal
Culture

Main areas
- Assist national authorities for enhancing national capacities for the effective implementation of the 1972 Convention
- Continue strengthening of national capacities and concerned community in Safeguarding of intangible cultural heritage and to support policy and legal reforms, among others by fostering dialogue and networking of indigenous groups and community practitioners or groups concerned, to cater for specific safeguarding needs of intangible heritage
- Promoting not yet ratified culture related international conventions and integrating the principles of those already ratified into national policies and legislation
- Fostering cultural diversity through enhanced actions to promote the livelihood of endangered and highly marginalized indigenous People (IPs) and supporting Nepal’s cultural industries
- Mainstreaming culture in national development policies harnessing potential of culture to Nepal’s peace and development agenda
- Disaster Risk Reduction and Cultural Heritage with possible integration of disaster risk reduction component into the already existing management framework for one or several monument zones of Kathmandu Valley World Heritage property.

Others

- Establishing an international documentation centre for Lumbini with a view to contributing comprehensive information and knowledge management system for the Lumbini World Heritage property and facilitating cooperation of Lumbini stakeholders with ADB.
- Second phase of comparative analysis for Lo Manthang and support for other identified needs e.g. training of local people in Kathmandu and Mustang for the protection of cultural heritage of Lo Manthang in close cooperation with the Department of Archaeology (DoA) and local VDC and other stakeholders of Mustang region. (possible donor’s funding)

Communication and Information

- Increase awareness of Freedom of Expression and Right to Information
- Fostering national dialogue on the role and capacity of media to report on and support the peace building process
- Community media capacities strengthened to contribute to disaster risk reduction
- Improving journalism training in Nepal based on the introduction of the UNESCO Model Curricula for Journalism Training (MCJT).
- Reviewing and establishing a legal framework for adequate records and archives management
- Creating conditions for the safeguarding of documentary heritage as a symbolic force for peace, social stability and national identity
- Building media’s capacity in Nepal to report on constitution building, state restructuring and elections
1. General Introduction to Development Cooperation Partnership

UNFPA, the United Nations Population Fund, delivers a world where every pregnancy is wanted, every birth is safe, and every young person's potential is fulfilled. Two frameworks guide its efforts: the Programme of Action adopted at the 1994 International Conference on Population and Development (ICPD) and the Millennium Development Goals (MDGs), eight targets to reduce extreme poverty by 2015.

The goals of UNFPA - achieving universal access to sexual and reproductive health (including family planning), promoting reproductive rights, reducing maternal mortality and accelerating progress on the ICPD agenda and MDG 5 - are inextricably linked. UNFPA also focuses on improving the lives of youths and women by advocating for human rights and gender equality and by promoting the understanding of population dynamics. Since the date for achieving these goals and targets is fast approaching, work is being accelerated to analyze successes, to galvanize support and to redouble efforts. UNFPA is involved in the Beyond 2014 Review to engage world leaders from governments and civil society in the creation of a renewed consensus and global commitment to create a more equal and more sustainable world.

UNFPA partners with governments, other United Nations agencies, communities, NGOs, foundations and the private sector to raise awareness and mobilize the support and resources to achieve its mission. The Fund is fully committed to a more effective, coherent and better coordinated UN system that 'delivers as one,' the essence of the UN reform process. Starting in 2007, UNFPA decentralized its operations to become a more field-centred, efficient and strategic partner to the countries it serves. To do so, it established five regional and six sub-regional offices in the field that help coordinate work in about 150 countries, areas and territories through 129 country offices.

2. Nepal - UNFPA Economic and Technical Cooperation

The Basic Agreement concluded between the Government of Nepal and the United Nations Development Programme on the 23rd of February 1984 (the “Basic Agreement”) mutatis mutandis applies to the activities and personnel of UNFPA in Nepal and the letter of the UNFPA Executive Director of 26 February 1996 to the Ministry of Foreign Affairs and agreed to by the Government on 3 October 1996, constitute the legal basis for the relationship between the Government of Nepal and UNFPA.
3. Past Economic and Technical Cooperation

UNFPA support to Nepal, which began in 1971, has evolved in response to the changing national context. An evaluation of the sixth country programme, 2008-2012 (CPE) noted progress towards national ownership, strategic alignment of the programme to enhance sustainability, accountability and national system strengthening and a number of achievements in programme results. The programme helped to: (a) position UNFPA within the health-sector programme; (b) enhance the national response to gender-based violence by working with United Nations organizations and other donors; and (c) implement the population and housing census.

Among the lessons learned during the sixth country programme was the need to sharpen the focus on evidence-based family planning advocacy efforts and policies, including research on the reasons for the stagnant contraceptive prevalence rate. The evaluation also identified the need for UNFPAs support to increase access to youth-friendly sexual and reproductive health services, including by addressing social barriers to access; increasing the program focus on involving men in violence-prevention efforts and to addressing the gender dimension of health systems and services. In addition, the programme evaluation suggested the need for research on migration, urbanization and ageing, as well as for continued support to data management systems.

4. Ongoing Economic and Technical Cooperation

The current Seventh Country Programme commenced in 2013 and will end in 2017 to coincide with Government’s interim development plans and sectoral strategies. The country programme contributes to three outcome areas of the United Nations Development Assistance Framework (UNDAF), 2013-2017, approved by Government in September 2012 namely the (1) vulnerable and disadvantaged groups get improved access to basic essential social services and programmes; (3) vulnerable groups experience greater self-confidence, respect and dignity; and (5) institutions, systems and processes of democratic governance are more accountable, effective, efficient and inclusive. It will be nationally led and will employ national systems, in line with United Nations reform and in partnership with external development partners. Within the context of the local governance and community development programme and at the Government’s request, UNFPA expanded the programme from 6 to 18 districts, supporting the sub national capacity for planning and managing population, gender and reproductive health programmes and strategies in districts that have made slow progress in achieving ICPD goals.

The current country programme (2013-2017) was developed in partnership with the Government of Nepal and approved by UNFPAs overall governing board, the Executive Board for an indicative amount of US$ 30.5 million over 5 years. This does not include some salaries and operational costs.

<table>
<thead>
<tr>
<th>Strategic Plan Outcome Area</th>
<th>Regular resources</th>
<th>Other</th>
<th>Total</th>
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<tr>
<td>Young people’s sexual and reproductive health and sexuality education</td>
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<td>Gender equality and reproductive rights</td>
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<td>Population dynamics</td>
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<tr>
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<td>Total (2013-2017)</td>
<td>23.0</td>
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</table>
5. Future (pipeline) Economic and Technical Cooperation

UNFPA Strategic Plan 2014-2017, including the Integrated Budget, was formally approved by the Executive Board during the Executive Board Second Regular Session in September 2013. Nepal’s current Seventh Country program results framework has been aligned with the new Strategic Plan. The new Plan sets out a vision for the changes in the lives of women, adolescents, and youth that UNFPA seeks to bring about based on an extensive analytical and consultative process. The Plan will also improve UNFPA’s ability to respond to the Quadriennial Comprehensive Policy Review of the UN’s operational activities for development. The UNFPA Strategic Plan is focused squarely on addressing the unfinished agenda of the MDGs and ICPD, with a particular concentration on sexual and reproductive health and reproductive rights.
1. General Introduction to Development Cooperation Partnership

The Office of United Nations High Commissioner for Refugees was established by the UN General Assembly in December 14th, 1950 and is mandated to lead and co-ordinate the international action to protect refugees and resolve the refugee problems worldwide. Its primary purpose is to safeguard the rights and well-being of refugees.

It strives to ensure that everyone can exercise the right to seek asylum and find safe refuge in another State, with the option to return home voluntarily, integrate locally or to resettle in a third country. The organization also has a mandate to help internally displaced people and persons at the risk of being stateless.

UNHCR in Nepal has been assisting four different groups of persons of concern: (1) Refugees from Bhutan residing in four camps in Jhapa and Morang districts of eastern Nepal; (2) Tibetan new arrivals; (3) Mandate refugees and asylum-seekers in urban areas; and (4) People without access to citizenship certificates.

Following the departure of over 86,000 refugees from Bhutan on resettlement to eight different countries between 2007 and January 2013, currently some 30,000 refugees remain in two refugee camps in south-eastern Nepal. This represents a significant reduction in the population of some 108,000 refugees who had been living in the seven camps at the start of large-scale group resettlement in 2007.

In 2013, UNHCR provided some 170 Tibetan new arrivals in transit to India with protection and assistance during their short stay in Nepal. Approximately 400 individual cases are also found to be of concern under UNHCR’s mandate. UNHCR also works with national partners and other UN agencies to support discussions and workshops to address policy gaps and barriers for access of individuals to citizenship documents.

2. Introduction to Aid Mechanism

UNHCR’s funding support for programmes designed to assist persons of concern is approved on an annual basis by the Executive Committee (EXCOM) at Headquarters.

Typically, UNHCR issues a donor appeal through headquarter and pledges are committed throughout the year by the various donor countries and private donors as earmarked or non-earmarked funds.
The National Unit for the Coordination of Refugee Affairs (NUCRA) within the Ministry of Home Affairs is designated as the responsible government body for all issues related to refugee policy and the coordination of refugee assistance. In Jhapa district, a Refugee Coordination Unit (RCU) was established in 1992 under the Ministry of Home Affairs for the purpose of registering and documenting refugees and asylum-seekers from Bhutan in Nepal. The Ministry is also responsible for maintenance of law and order in the camps including physical safety and security of the residents. A project agreement is signed annually between Ministry of Home Affairs and UNHCR.

Apart from the above, UNHCR's programme for the refugees and asylum-seekers in Nepal is implemented through national and international NGOs operating in Nepal. A bilateral agreement is signed between UNHCR and respective agencies on annual basis and funds are provided by UNHCR to carry out the planned activities.

3. Nepal-UNHCR Relations/Membership

UNHCR first opened its office in Nepal in the early 1960s and carried out its operations until 1973. At the request of government, UNHCR later returned in 1989 to assist in meeting the protection and material needs of refugees arriving from southern Bhutan.

4. Nepal–UNHCR Economic and Technical Cooperation

In more than six decades of global action, the UN Refugee Agency has helped tens of millions of people restart their lives. Today, a staff of some 8,000 people in more than 120 countries continues to help some 38.74 million persons.

Though Nepal is not a signatory to the 1951 refugee convention nor has domestic refugee legislation, it continues to generously host a large number of refugees and asylum-seekers, of whom the majority (some 30,000 as of January 2014) are refugees from Bhutan. UNHCR, with the support of GoN and the international community, provides international protection and assistance and seeks durable solutions for all refugees in the country.

5. Past Economic and Technical Cooperation

In the year 2013 UNHCR spent some USD 8.7 million towards care and maintenance of refugees from Bhutan in Nepal, Tibetan new arrivals, urban refugees and asylum-seekers, and people without access to citizenship certificates.

6. Ongoing Economic and Technical Cooperation

The total requirements for UNHCR in Nepal for the period 01 January to 31 December 2014 is estimated at approximately USD 8.3 million.

7. Future (Pipeline) Economic Cooperation

Subject to availability of funds and progress made towards the durable solutions of the assisted refugee caseload, UNHCR remains committed to support GoN in the year 2014 and beyond.
1. General Introduction to Development Cooperation

UN Women and its mandate were established on 1st January 2011 by General Assembly resolution 64/289 on system-wide coherence. This unique mandate aims to achieve better effective coordination, coherence and gender mainstreaming across the United Nations. UN Women’s normative functions and operational activities combine to assist Member States in their efforts to achieve gender equality, the empowerment and rights of women, and gender mainstreaming.

UN Women’s mandate incorporates and builds upon those of the four former organisations it is built upon to create something larger than the sum of its parts. It requires universal coverage, strategic presence and closer linkages between norm-setting intergovernmental work and operations at country level. To carry out this mandate, UN Women provides strong and coherent leadership in support of Member States’ priorities and efforts, and builds effective partnerships with civil society and other relevant actors. Central to the mandate is a strong country focus, and UN Women’s role to lead and coordinate efforts by the United Nations system at the country level are key to its work.

Vision, Priorities, and Guiding Principles

The vision promoted by UN Women in its first Strategic Plan is a world in which societies are free of gender-based discrimination, where women and men have equal opportunities, where the comprehensive economic and social development of women and girls is ensured so that they can lead the changes that they want to see, where gender equality and women’s empowerment are achieved and where women’s rights are upheld in all efforts made towards development, human rights, peace and security, and humanitarian action. The first strategic plan lays out a set of results to be achieved by UN Women. These derive from six priority areas:

- Increasing women’s leadership and participation, including within peace, security and humanitarian emergency situations;
- Increasing women’s economic empowerment;
- Combating violence against women and girls;
- Mainstreaming gender perspectives in planning and budgeting processes; and
- Supporting intergovernmental processes of the United Nations to strengthen the set of global norms, policies and standards for gender equality and women’s empowerment.

Four institutional priorities ensure that UN Women has the capacity to deliver on its mandate:
• More effective and efficient United Nations system coordination and strategic partnerships, as well as to act as a global knowledge hub for gender equality and women's empowerment;
• A strong learning culture founded on results-based management, reporting, knowledge management and evaluation;
• Enhanced organizational effectiveness with robust capacity at country, regional and corporate levels; and
• Mobilization of greater resources for gender equality and women's empowerment.

The guiding principles for the work of UN Women are derived from those of the United Nations system and its experience of driving change:

a. Advocacy: to be a strong advocate for the promotion of gender equality and women's empowerment, and ensure a strong voice for women and girls so that they can continue to shape the decisions that impact all areas of their lives;

b. Knowledge generation: acting as a global broker of knowledge and experience sharing, aligning practice with normative guidance;

c. National ownership: reaffirming the key importance of national ownership and national leadership, and underscoring that there is no “one size fits all” approach to development and humanitarian assistance, in alignment with national development and disaster management plans and strategies;

d. Inclusiveness: highlighting the crucial role that men and boys play as actors and partners in promoting women's rights and gender equality, and dedicating, where appropriate, UN Women efforts to the poorest women and those that are excluded, including rural women, indigenous women, women from racial and ethnic minorities, women with disabilities, women living with HIV and AIDS, and other marginalized groups;

e. United Nations system coherence: UN Coherence involves UN organizations working closely together to increase effectiveness (deliver results), relevance, (alignment with national priorities), and efficiency (reduced duplication and transactions costs) at country, regional and global levels. It is that part of the package of UN reforms dealing with the work of the development agencies;

f. Affirmation of Human Rights;

g. Transformation of relationships at the individual, family, community, national and global levels towards gender equality and the empowerment of women;

h. Complementarity of UN Women with other United Nations bodies. The establishment of UN Women does not relieve any other part of the United Nations system from responsibility for contributing to the promotion of gender equality and women's empowerment;

i. Sustainability: the vital role of women in development in all its dimensions, including economic, social and environmental. In line with the UN’s common understanding, UN Women will apply a human rights-based approach to development (HRBA).

2. Introduction to Aid Mechanism

UN Women provides technical support to intergovernmental agencies, national government and civil society organizations for advancing women's empowerment and gender equality.

It works through a multi-stakeholder approach to address issues related to women's human rights, empowerment of women and gender equality. In the process, it has partnered with governments, bilateral organizations, UN
agencies, civil society organizations, women’s groups, academia and media. It is also working with partners such as men and boys, youth as well as faith based organizations for women’s empowerment and gender justice.

3. Nepal-UN Women Economic and Technical Cooperation

UN Women Nepal has focused on the implementation of international instruments, and plays the triple roles of advocacy, establishing linkages and capacity development of stakeholders. UN Women has been promoting gender equality and women’s empowerment through the partnership with government offices, including Ministry of Finance, Ministry of Women, Children and Social Welfare, Ministry of Federal Affairs and Local Development, Ministry of Peace and Reconstruction, Ministry of Labour and Employment, National Planning Commission, National Women’s Commission, to name a few, and inter-governmental bodies such as the South Asian Association for Regional Cooperation (SAARC) and Civil Society Organizations.

Total Assistance Volume to Nepal (2004~2013)

<table>
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<th>'07</th>
<th>'08</th>
<th>'09</th>
<th>'10</th>
<th>'11</th>
<th>'12</th>
<th>'13</th>
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<td>73,960</td>
<td>60,463</td>
<td>102,000</td>
<td>109,203</td>
<td>123,562</td>
<td>153,594</td>
<td>751,369</td>
</tr>
</tbody>
</table>

4. Past Economic and Technical Cooperation

UN Women in the past has provided technical support for undertaking various initiatives under the three broad themes which are as follows:

Theme I: Reducing Violence against Women and HIV/AIDS: It has supported national and regional networks in their fight against human trafficking; supported the Secretariat for Men Engage Alliance in Nepal; supported for the institutionalization of the Office of the National Rapporteur on Human Trafficking at the National Human Rights Commission. It has worked with the Judiciary on gender justice, which has contributed to a number of pro-women verdicts using CEDAW framework; supported for the development and dissemination of In-camera hearing guidelines; capacity enhancement of law enforcers and civil society actors to ensure gender responsive justice delivery; public awareness campaigns on GBV. It has also contributed for the enactment of Gender Equality Act, 2006; Citizenship Act, 2007; Human Trafficking and Transportation (Control) Act, 2007 and Regulation, 2008; and Domestic Violence (Crime and Punishment) Act, 2009 and Regulation, 2010.

Theme II: Economic Security and Rights: It has supported for Engendering and implementing the Foreign Employment Act 2007 and its Regulation 2008; Mobilized WMWs, civil society and media for advocacy on safe migration; provided support for development and implementation of Code of Conduct of Recruiting Agencies; Piloted reintegration programme for returnee women migrant workers; Advocated on the implementation of CEDAW GR 26.

Theme III: Advancing Gender Justice in Democratic Governance: It has supported the engendering of the 8th, 9th, 10th (1992-2007) and the Interim (2007-2010) national development plans, the census 2001, National Youth Policy 2010; Provided technical support to the National Women’s Commission in developing its Strategic Plan (2009-2014) and collaborated with the Ministry of Finance for the initiation and the application of Gender Responsive Budgeting (GRB) principles in government programming and budgeting linking with Aid Effectiveness agenda. UN Women has worked in partnership with the Ministry of Women, Children and Social Welfare and civil society for enhancing women’s political participation and ensuring the incorporation of women’s human rights and gender equality provisions in the new Constitution of Nepal.
has worked closely with the Ministry of Peace and Reconstruction for the preparation of the National Action Plan on UN SCRs 1325 and 1820 and collaborated with the Nepalese army for promoting gender responsive security sector, towards implementation of UNSCRs 1325 and 1820.

5. Ongoing Economic and Technical Cooperation

UN Women is working closely with government and women's organizations by providing technical and financial assistance to follow up the government's commitments to international instruments, especially the Beijing Platform for Action (BPFA), Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), CEDAW GR 26 on Women Migrant Workers, implementation of the National Action Plan on UN Security Council Resolutions 1325 and 1820 for women, peace and security.

UN Women has technical cooperation with the following ministries:

1. Ministry of Women, Children and Social Welfare - in advancing gender equality and women's empowerment
2. Ministry of Labour and Employment - in implementing the Foreign Employment Act and Regulation to protect the rights of women migrant workers
3. Ministry of Finance - for strengthening the implementation of gender responsive budgeting and the Aid Effectiveness agenda
4. Ministry of Federal Affairs and Local Development - for the implementation of the Local Governance and Community Development Programme (LGCDP)
5. Ministry of Peace and Reconstruction - for capacity enhancement of government machinery on women's participation in peace and rebuilding processes with focus on UNSCRs 1325 and 1820.
6. Ministry of Law and Justice – for promoting gender responsive rule of law and women's access to justice

6. Future (Pipeline) Economic and Technical Cooperation

UN Women's technical cooperation will be centered on the following five focus areas:

1. Expanding women's voice, leadership and participation, working with partners to close the gaps in women's leadership and participation in different sectors and to demonstrate the benefits of such leadership for society as a whole;
2. Enhancing women's economic empowerment. UN Women will work with government and multilateral partners to ensure the full realization of women's economic security and rights, including to productive assets and full social protection;
3. Ending violence against women by enabling states to set up the mechanisms needed to formulate and enforce laws, policies and services that protect women and girls, promote the involvement of men and boys, and prevent violence;
4. Strengthening implementation of the women, peace and security agenda, through women's full participation in conflict resolution and peace processes, gender-responsive early-warning, protection from sexual violence and redress for its survivors in accordance with UN resolutions;
5. Making gender equality priorities central to national, local and sectoral planning and budgeting: working with partners, UN Women will support national capacities in evidence-based planning, budgeting and statistics.
7. Miscellaneous

UN Women is also a member of the Gender Responsive Budget Committee at the Ministry of Finance; represents as invited member at the High Level Steering Committee (HLSC) on UN SCRs 1325 and 1820 and member of the Implementation Committee under the HLSC. UN Women also participates as a member in the Steering Committee at the Ministries Women, Children and Social Welfare, Labour and Employment, and Federal Affairs and Local development.

UN Women leads the UN Country Team’s Gender Theme Group and the consortium of development partners in the Peace Support Working Group on UN SCR 1325.
1. General Introduction to Development Cooperation Partnership

The World Food Programme is the world’s largest humanitarian agency fighting hunger worldwide. On average, WFP reaches more than 90 million people with food assistance in 80 countries each year.

WFP’s Strategic Plan (2014–2017) provides the framework for WFP’s operations and its role in achieving a world with zero hunger. It guides action by WFP from 2014 to 2017 and continues WFP’s focus on food assistance for the poorest and most vulnerable women, men, boys and girls.

WFP pursues four Strategic Objectives based on the Millennium Development Goals, the Quadrennial Comprehensive Policy Review, and WFP’s Mission Statement and mandate to meet emergency and protracted relief food needs, support economic and social development and promote world food security:

i) Save lives and protect livelihoods in emergencies;
ii) Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies;
iii) Reduce risk and enable people, communities and countries to meet their own food and nutrition needs; and
iv) Reduce undernutrition and break the intergenerational cycle of hunger.

These objectives reflect the changing nature of food aid and hunger, and WFP’s history, experience and comparative advantages. The plan marks a historical shift from WFP as a food aid agency to WFP as a food assistance agency, with a more nuanced and robust set of tools to respond to critical hunger needs. Its overarching goal is to reduce dependency and to support governmental and global efforts to ensure long term solutions to the hunger challenge.

As the frontline United Nations agency in the fight against hunger, WFP is committed to working with governments and partners to ensure hungry people around the world have access to nutritious food, particularly during times of crisis. Reducing risk and vulnerability to shocks, breaking the cycle of hunger and ensuring sustainable food security of the chronically undernourished people around the world is the work of many. WFP’s ability to achieve its Strategic Objectives and contribute to broader global goals depends on
strong relationships with governments and partnerships with other actors, including United Nations agencies, international organizations, NGOs, civil society and the private sector.

2. **Introduction to Aid Mechanism**

WFP relies entirely on voluntary contributions to finance its humanitarian and development projects.

Donations are made either as cash, food in-kind or the basic items necessary to grow, store and cook food – kitchen utensils, agricultural tools, and warehouses. Since WFP has no independent source of funds, all donations either in cash or in-kind must be accompanied by the cash needed to move, manage and monitor WFP food aid.

The implementations of all WFP activities in a country are thus dependant on the contributions. Governments are the principal source of funding for WFP; the organization receives no dues or portions of the UN assessed contributions.

The new Country Programme 2013-2017 supports the Government in tackling food insecurity, focusing on social safety nets in the areas of education, nutrition and rural livelihoods support. Social protection is the overarching theme of this programme which comprises of four components: (1) Livelihoods and Asset Creation; (2) Education Support; (3) Nutrition Support and (4) Capacity Development. WFP will also reinforce the institutions and systems needed for nationally owned food-security solutions.

The programme is in line with WFP's Nepal country strategy (2010–2013), the United Nations Development Assistance Framework (2013–2017) and the Government's development plans. It contributes to Millennium Development Goals 1, 2, 3, 4, 5 and 7 and to Strategic Objectives 3, 4 and 5.

WFP’s operations cover 16 of Nepal’s 75 districts with the support of three sub-offices. Under the Food Security Monitoring and Analysis Unit, 34 field-based staffs provide real time data on household food security. WFP also actively engages in Disaster Risk-Reduction and Emergency Response related activities.

3. **Nepal-WFP Relations/Membership**

Development co-operation between WFP and the Government of Nepal dates back to 1964, even before the establishment of the WFP office in Kathmandu in 1967.

4. **Nepal-WFP Economic and Technical Cooperation**

In line with the government’s current development planning cycle, WFP’s Country Programme (CP 200139) has been developed to address the current and anticipated needs of Nepal’s food and nutrition insecure population between 2013 and 2017. The five-year strategy focuses on preventing hunger and improving nutrition for the most vulnerable and providing humanitarian response and preparation for increased environmental disasters.

WFP will reinforce national and sub-national institutions and systems to facilitate nationally owned food security solutions.

The overarching vision of the Country Programme for WFP Nepal is to enhance the resilience of communities prone to shocks and foster the food and nutrition security of vulnerable people. Its objectives are to:
• reduce undernutrition among pregnant and lactating women and children under 5;
• increase children’s access to pre-primary and basic education and enhance its quality;
• support the re-establishment of livelihoods and food and nutrition security in communities affected by shocks; and
• enable the development of sustainable nationally owned food-security systems.

5. Past Economic and Technical Cooperation

WFP has operated in Nepal since 1967, with emergency relief, protracted relief and recovery operations (PRROs) and development activities. The country portfolio evaluation of WFP’s assistance to Nepal (2002–2009) found that WFP is a capable Government partner with proven ability in reaching and assisting remote populations, even during conflict. The evaluation recommended adopting a longer-term productive safety net approach; building more synergies among WFP interventions; and sustaining the emergency response capacity. The Nepal country strategy (2010–2013) addresses these recommendations, which are central to the CP. From 2013, WFP’s portfolio in Nepal comprises a PRRO assisting refugees from Bhutan and the Country Programme (CP).

Joint WFP/Government reviews found that the mother-and-child health and nutrition (MCHN) programme which began in 2002, has increased the numbers of women and children using services at health facilities. Partnership with local non-Governmental organizations (NGOs) contributed to these improvements. In 2009, complementary to the assets-creation activity, WFP provided Micro Nutrient Powder (MNP) to children aged 6–59 months in hill and mountain districts of the mid-western and far-western regions. An end-line survey found that the prevalence of anaemia and stunting in several districts had declined. This project is being integrated into a Government-led national MNP programme and is expected to cover the whole country by 2015.

The school feeding programme commenced in 1996 and has contributed to increased enrolment and attendance in primary schools in rural areas. The incentive of take-home rations for girls has reduced the gender gap and provided value transfers to their families. The Government’s cash-based school feeding programme in areas not targeted by WFP applies decentralized procurement, allocating cash to schools for providing midday meals to children. A WFP/Government review recommended merging the Government’s cash based and WFP’s food-based school feeding into one national programme for grades 1 to 8.

Since 1995, asset-creation activities have targeted chronically food-insecure areas and focused on improving rural infrastructure, food production – including through training for farmers – market linkages, and income generation. The PRRO evaluation14 and a European Union evaluation concluded that activities reduced immediate food shortages, protected assets and livelihoods in the short term, strengthened community organization, and contributed to peace building.

A 2009 review of the integration of protection into WFP programmes found that improved food security prevented many people, particularly women, from resorting to damaging coping strategies such as becoming victims of human trafficking and seasonal migration. Food and Cash-for-assets (F/CFA) activities have greater impacts on women and people facing caste discrimination when they are accompanied by awareness-raising campaigns. Food transfers are preferred in areas with little arable land that are inhabited by subsistence farmers with limited purchasing power and access to markets.

Cash transfers, including cash-for-assets (CFA), were introduced in 2007 in areas where households have access to better-functioning markets. Monitoring data indicate that cash brings additional benefits complementary
to meeting food needs. Beneficiaries receiving cash transfers have higher food consumption scores than beneficiaries receiving food transfers, and their higher coping strategy index scores show that they are less likely to resort to negative coping mechanisms. Cash transfers also stimulate agricultural production and market activity, with increases in traders’ stocks and product variety.

The Nepal Food Security Monitoring System (Nepal Khadhya Surakshya Anugaman Pranali, NeKSAP), established in 2002, provides reliable data and information to guide WFP, Government and other stakeholders to design and implement food security and nutrition strategies and programmes. NeKSAP collects comprehensive food security information across the country, and shares the information with all stakeholders through various information products including national and district-level food security bulletins, monthly market watches and bi-annual crop situation updates. NeKSAP is the only comprehensive, nationwide food security monitoring system currently operational in Nepal, and is being institutionalized into the Ministry of Agricultural Development (MoAD), under the guidance of the National Planning Commission (NPC).

6. Ongoing Economic and Technical Cooperation

In 2013, WFP started a new five-year Country Programme to support the Government of Nepal in tackling food insecurity, focusing on social safety nets in the areas of nutrition, education and rural livelihoods support. The interventions concentrate on the most vulnerable population in the Mid- and Far-western Hills and Mountain regions where the most food-insecure people live. Social protection is the overarching theme of this new programme, which consists of four distinct components.

CP Component 1: “Livelihoods and Asset Creation”

Duration: 1 January 2014 – 31 December 2014
Total beneficiaries: 171,641
Total food commitment: 3,971 MT
Total cash transfer commitment: US $1.13 million
Total Cost: US $7.1 million

CP Component 2: “Education Support”

Duration: 1 January 2014 – 31 December 2014
Total beneficiaries: 194,000
Total food commitment: 4,268 MT
Total cost: US $6.5 million

CP Component 3: “Nutrition Support”

Duration: 1 January 2014 – 31 December 2014
Total beneficiaries: 64,402
Total food commitment: 2,319 MT
Total Cost: US $4.76 million

Nepal PRRO 200136: “Food Assistance to Refugees from Bhutan”
Duration: 1 January 2014 – 31 December 2014
Total beneficiaries: 30,024
Total WFP cost: US $ 4,472,912
Total food commitment: 5,029 MT

Food Security Monitoring and Analysis ("NeKSAP")
Duration: March 2012 – March 2016
Total Cost: US $5.23 million

Food Security Monitoring and Analysis ("NeKSAP")
Duration: March 2012 – March 2016
Total Cost: US $5.23 million

7. Future (Pipeline) Economic and Technical Cooperation

The WFP Country Programme is strongly anchored in the United Nations Development Assistance Framework (UNDAF) 2013–2017 for Nepal, which was prepared in close consultation with the Government and other development partners. Based on the UNDAF, WFP developed its Country Programme, contributing to MDGs 1 to 5 and MDG 7.

The Country Programme will support the Government in tackling food insecurity, focusing on social safety nets in the areas of nutrition, education, and rural livelihoods support. Social protection will be the overarching theme of this new programme which consists of four interrelated components: Nutrition Support, Education Support, Livelihoods and Asset Creation as well as Capacity Development Support for the Government. In this way WFP embraces and reinforces a life-cycle approach that combines synergistic food assistance programmes for the same targeted populations focusing on: children through preventive and curative nutrition interventions as well as education-oriented interventions; and adults, through livelihoods and assets creation activities.

Country Programme activities will engage primarily at two levels: (1) The beneficiary level: strengthening the resilience of the most vulnerable households and communities by building long-term human capital and productive assets; and (2) The Government level: enhancing the Government's capacity to formulate and implement food security and nutrition policies and programmes based on evidence-based information, at local, district, regional and central level.

The goal of the five-year programme is to enhance the resilience of vulnerable communities prone to shocks, and ameliorate the food and nutrition security of vulnerable populations.

The Country Programme targets chronically food-insecure populations in the most food insecure geographical areas within the hills and mountains of the Mid-Western and Far-Western Regions characterized by severe food insecurity, malnutrition, poverty and vulnerability to natural disasters. The Nepal Living Standard Survey 2010-11 (NLSS III), NeKSAP data since 2008, the Nepal Demographic Health Survey 2011, the population census 2011, and stakeholder consultations are the main sources for identifying priority districts. All the households in targeted VDCs will be eligible for assistance through at least one programme component. This approach will promote programme synergies, efficiency and effectiveness.
The scale and scope of each Country Programme component is guided by the availability of resources, opportunities for supply chain efficiencies and internal and external integration, and alignment with Government and partner priorities. To ensure the handover and institutionalization of WFP supported activities, capacity support will be focused at the DDC and VDC levels.

The WFP Executive Board has approved US$ 216,275,282 as the total amount required to support the implementation of programme activities described in this Country Programme Action Plan for the period beginning 1 January 2013 to 31 December 2017. Contrary to other international organizations, WFP does not receive any core funding or regular resources and relies entirely on donor contributions. Thus, the required funds are not secured at this time and will have to be raised through WFP procedures. The availability of these funds will be subject to donor awareness of, and interest in, proposed programme activities. To this end, WFP will seek support within the local and international donor community. Predictable, early and flexible funding is essential to avoid disruptions in the planning processes.

**Component 1: Livelihoods and Asset Creation**

**UNDAF Outcome 2:** Vulnerable groups have improved access to economic opportunities and adequate social protection; **UNDAF Output 2.4:** Vulnerable groups have increased access to sustainable productive assets and environmental services; **UNDAF Outcome 7:** People living in areas vulnerable to climate change and disasters benefit from improved risk management and are more resilient to hazard-related shocks.

Asset-creation activities will target chronically food-insecure rural populations and aim at: 1) enhancing agricultural production; 2) creating rural infrastructure for poor and disenfranchised rural communities; and 3) helping communities to build resilience against weather shocks and increase adaptive capacity of vulnerable households against changing climatic conditions. As recommended by the WFP country portfolio evaluation, targeted communities will be supported for five years to allow the creation of sustainable productive assets. This represents a shift from the shorter-term approach of previous WFP assistance to a longer-term, development-oriented approach. To ensure an integrated food security and livelihood strategy, multi-year village development plans are envisaged in line with local government plans. WFP will liaise with local stakeholders and authorities to incorporate VDC plans in line with the existing DDC and VDC planning structure. They will be developed in consultation with respective communities, DDCs, and VDCs to guide asset creation and livelihood activities throughout the five year country programme.

Activities will focus on the construction of rural infrastructure, increasing access to alternative livelihoods and income-generating opportunities, while also improving resilience to natural disasters and adaptation to climate change. In addition, activities will also focus on creating synergies by supporting the construction of pre-primary and basic education facilities identified by the MoE to meet less than three out of the five Primary Minimum Enabling Conditions (PMECs). Priorities will focus on community needs including larger employment generation public works as well as community assets. Activities will be defined in consultation with communities and schemes will be approved by district and village development committees. WFP will promote equal employment opportunities for men and women and ensure that marginalised communities participate in decision-making and benefit from improved livelihoods. Activities will be environmentally sustainable, in-line with WFP guidelines and have in place the necessary protection measures for beneficiaries. Assistance will be provided during the lean season.

Food and/or cash will be distributed in sufficient quantity and quality to targeted beneficiaries under secure conditions. The cash transfer value ensures access to the same quantities of food, taking into consideration food prices and labour rates on local markets.
WFP will use food and/or cash transfers, depending on market conditions, delivery opportunities, beneficiary preference, and risk analysis. A 2011 market study confirmed that cash could be used in almost half the target areas, lowering delivery costs by 20 percent. Since 2011, WFP has successfully piloted cash transfers through branchless banking and will be scaling up this modality to additional districts. Good practices for cash management – such as insurance, the use of branchless banking smart cards, and market monitoring – will be shared with the Government for wider application.

WFP will work closely with government counterparts to transfer skills, knowledge and systems at the district and VDC level to transition towards a government-led programme. It is hence envisioned that by the end of 2017, the Government will fully take over the activities having enhanced logistics and technical capacity as well as strengthened quality of long term interventions.

Under this component, WFP plans to reach 410,335 beneficiaries per year. The planned budget for this component for the five years stands at US$ 125,563,408 including an allocation for the capacity building component (Component 4). WFP will advocate with the local and international donor community to create awareness and interest for this Country Programme component, and to raise the necessary funding from voluntary donor contributions.

Component 2: Education Support

**UNDAF Outcome 1:** Vulnerable and disadvantaged groups get improved access to basic essential social services and programmes in an equitable manner; UNDAF Output 1.1: The Ministry of Education and its institutions achieve higher performance in early childhood care and education, and formal and non-formal education in line with the School Sector Reform Plan (SSRP).

School feeding will contribute to the Government’s goal of achieving universal primary education by 2015. It enables parents to send children to school and represents an investment in human capital and improved future livelihoods. The expected outcomes are to reduce drop-out rates, increase attendance and school retention rates (grades 1 to 8) and maintain high enrolment rates.

Children attending school will receive a midday meal of porridge – consisting of SuperCereal (a fortified wheat-soya blend) and cooking oil – the cost of which is at par with the Government’s cash-based school feeding programme to facilitate hand-over and sustainability. WFP will advocate and work with the Government to improve the nutritional content of national school feeding programmes. In line with the Government’s emphasis on early childhood development and its restructuring of basic education, school feeding will tentatively aim to assist children from pre-primary to grade 8 in priority areas, as recommended by the 2011 school feeding review. Pre-primary education prepares children for primary education and will reduce overcrowding of grade 1 by under-age children.

Acknowledging that lack of access to sufficient nutrition is one of the main barriers to access and retention of children to pre-primary and basic education in the programme areas and in line with the recommendations made in the school feeding review of 2011 and the school feeding strategy, WFP will actively mobilise and align good practices of sustainable school-based feeding programmes and support piloting and upscaling of best practices in programme areas, such as school/community based food production. In addition to this, WFP will join the School Health and Nutrition Programme alliance, in which the Government is engaged as a member through the Department of Education and the Department of Health Services to ensure further alignment of activities and efforts undertaken for sustainable progress in terms of school based nutrition activities.

Under this component, WFP plans to reach 333,000 children per year during the implementation of the Country Programme, WFP will work with communities to encourage parents prepare the midday meal for
their children.

The planned budget for this component for the five years stands at US$ 56,675,709 including an allocation for the capacity building component (Component 4). WFP will advocate with the local and international donor community to create awareness and interest for this Country Programme component, and to raise the necessary funding from donor contributions.

**Component 3: Nutrition Support**

UNDAF Outcome 1: Vulnerable and disadvantaged groups get improved access to basic essential social services and programmes in an equitable manner; UNDAF Output 1.6: Adolescent girls, mothers, infants, young children and vulnerable groups have increased access and utilization of essential micronutrients; UNDAF Output 1.7: Families, especially in the vulnerable groups, practice optimal maternal, infant and young child feeding care practices and manage acute malnutrition.

WFP’s MCHN activities in Nepal will continue to take a combined preventive and curative approach to address the high prevalence of chronic under-nutrition/stunting among children aged 6–23 months and of acute under-nutrition/wasting among children aged 6–59 months in targeted food-insecure communities. These activities are in-line with the Government’s national nutrition policy and strategy and ongoing multi-sectoral nutrition planning.

Prevention of stunting: WFP will provide SuperCereal to PLW and children aged 6–23 months in health facilities. In one district, WFP will pilot an improved fortified blended food – SuperCereal Plus – with a view to replacing SuperCereal with SuperCereal Plus for all children aged 6–23 months in 2015. WFP, the Government and other stakeholders will jointly develop enhanced nutrition and hygiene practices for care givers and other household members to promote optimal infant and young child feeding practices. WFP will support the government in developing national supplementary feeding guidelines for the pregnant, lactating women and children under 6 to 23 months.

Treatment of moderate acute malnutrition (wasting): WFP, the Ministry of Health and Population (MoHP) and UNICEF are developing national guidelines for the community-based management and treatment of moderate acute malnutrition (MAM) in children aged 6–59 months. WFP will implement a second pilot intervention for treating MAM with Super Cereal Plus, using the community based approach applied by UNICEF and the Government to address severe acute malnutrition.

Under this component, WFP plans to reach 24,700 pregnant and lactating women and 70,300 children on an annual basis.

The planned budget for this component for the all five years stands at US$ 34,036,165 including an allocation for the capacity building component (Component 4). WFP will advocate with the local and international donor community to create awareness and interest for this Country Programme component, and to raise the necessary funding from voluntary donor contributions.

Subject to the availability of resources in general and of individual commodities in particular, WFP plans to supply to the Government, at the agreed points of delivery, the following commodities in quantities specified for each herein below:
## Table 1: Total Budget Requirement for Five Years by Country Programme Component

*subject to availability of funding

### Component 4: Capacity Development

**UNDAF Outcome 1:** Vulnerable and disadvantaged groups get improved access to basic essential social services and programmes in an equitable manner. **UNDAF Output 1.5:** Government (National Planning Commission, Ministry of Agricultural Development, Ministry of Federal Affairs and Local Development and Ministry of Health and Population) has strengthened information management system to monitor food security and nutrition situation, which enables better informed policy making and interventions.

WFP will support the Government to strengthen the institutions and systems needed for nationally owned hunger solutions. WFP will assist in enhancing the capacity for national food security policies and programmes, and reinforce local capacity building of institutions and systems as follows:

- **Food security monitoring and analysis system.** WFP will continue to work with the Government of Nepal to monitor and analyse the food security situation of the country through the NeKSAP. The transfer of this capacity to the Government and the institutionalization of the NeKSAP will be achieved by 2016.

- **National school feeding strategy.** WFP will support the MoE in developing its national school feeding strategy, to ensure harmonized objectives and linkages in targeting criteria and nutrition provisions between school meal programmes and other health and nutrition interventions under the multi-sectoral nutrition plan. WFP and the MoE will prepare a five-year plan for progressive national ownership of the WFP school feeding programme,
including a plan to hand over schools by district. WFP will also continue strengthening Government’s capacity in monitoring, record keeping and reporting through a web-based electronic project reporting system.

Disaster risk management. With coordination by the Ministry of Home Affairs (MoHA), WFP will develop the disaster preparedness capacities of central and district-level Government, including through technical training and management support. WFP will advise the NFC on improving its emergency food reserve capacity, and will continue to coordinate the food security, logistics and emergency telecommunications clusters.

Nutrition. WFP will continue to support a national MNP programme by facilitating district-level training and exploring more cost-effective methods for packaging and producing MNPs and fortified supplementary foods locally. WFP will also lead the national maternal nutrition task force.
1. **General Introduction to Development Cooperation Partnership**

The World Bank Group’s mission is to fight poverty and improve the living standards of people in low and middle-income countries. The World Bank is one of the world’s largest sources of funding and knowledge to support governments of member countries in their efforts to invest in schools and health centers, provide water and electricity, fight disease and protect the environment. The World Bank is an international organization owned by 186 countries - both developed and developing - that are its members. Since it was set up in 1944 as the International Bank for Reconstruction and Development, the number of member countries increased sharply in the 1950s and 1960s, when many countries became independent. As membership grew and their needs changed, the World Bank expanded and is currently made up of five different agencies: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). All five of these institutions together make up the World Bank Group.

2. **Introduction to Aid Mechanism**

All support to a member country is guided by a single strategy that the country itself designs with help from the World Bank and many other donors, aid groups, and civil society organizations. The primary means of World Bank assistance to countries are long term low interest loans (International Bank for Reconstruction and Development—IBRD), interest free credits (International Development Association—IDA) and non-reimbursable grants (International Development Association—IDA) to implement a variety of development programs. The country strategy also includes analytic and advisory services (AAA). The Bank’s method of operation is not to implement “World Bank projects” but to provide financing and advice for projects which are managed primarily by government agencies, supported by local stakeholders, and contribute to a coherent development agenda.

3. **Nepal-World Bank Relations/Membership**

The World Bank Group’s operations in Nepal began in 1969 with a credit for a telecommunications project from the International Development Association (IDA), the World Bank’s concessionary lending affiliate. The World Bank country office in Nepal was established in 1971.

IDA eligibility is determined on the basis of per capita income and creditworthiness. For the last few years, Nepal has received a combination of IDA credits and grants. All credits to Nepal are on standard concessional IDA terms-i.e., repayable over 30 years, with 10 years grace period.
The Finance Minister of Nepal is the Ex-office Governor of the World Bank Group.


The Bank provides assistance of long term low interest loans and interest free credits to implement a variety of development programs. WB has provided both financing and technical support for Nepal's socio economic development.

The Country Program combines concessional IDA lending and grants to the Government of Nepal (GON), IFC engagement with the private sector, advisory services, and support for regional initiatives. The Country Program incorporates an important focus on governance, social accountability, anti-corruption, and social inclusion, including a structured effort to make the portfolio more conflict-sensitive by using a peace, governance and accountability filters during the design and implementation phase.

5. Past Economic and Technical Cooperation

<table>
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<tr>
<th>Loan</th>
<th>Project Approved</th>
<th>Amount in USD (Million)</th>
<th>Approval Date</th>
<th>Closing Date</th>
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6. **Ongoing Economic and Technical Cooperation**

In a partnership spanning more than fifty years, the World Bank Group has provided both financing and technical support for Nepal’s socio-economic development. Among other things, Bank assistance has helped in developing the country’s energy, transport and telecommunications infrastructure, expanded health, education, water and sanitation services, and enhanced agricultural productivity.

The record of ongoing cooperation based on Aid Management Platform (AMP) and other records of the Ministry of Finance are as follows;

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<tr>
<th>SN</th>
<th>Name of Project</th>
<th>Approval Date</th>
<th>Current Closing Date</th>
<th>Credit Amount</th>
<th>Grant Amount</th>
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<td>4</td>
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<td>6</td>
<td>Nepal: Enhanced Vocational Education and Training (EVENT)</td>
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<td>Modernization of Rani Jamara Kulariya Irrigation Scheme - Phase 1</td>
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<td>Community Action for Nutrition Project (Sunaula Hazar Din)</td>
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<td>5/15/2013</td>
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<td>Strengthening the National Rural Transport Program</td>
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<td>14</td>
<td>Rural water Supply and Sanitation Project</td>
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<td>15</td>
<td>Irrigation and Water Resource Management Project - Additional Financing</td>
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7. **Future (Pipeline) Economic and Technical Cooperation**

The World Bank Group (WBG) stands ready to support Nepal’s aspirations for increasing economic growth through increased investments in key sectors while providing support to make growth more inclusive and to help equalize opportunities across groups and communities. This constitutes a major shift in World Bank Group (WBG) support away from short-term post-conflict assistance towards establishing the foundations for increased and inclusive growth. After three consecutive interim strategies in Fiscal Years (FY) 2007, 2009 and 2011, the WBG will provide more long-term support. The Country Partnership Strategy (CPS) will cover four years from FY2014-2018.

The proposed Country Partnership Strategy (CPS) for the period of FY14 to FY17 will continue to pursue the overarching goal of supporting the GON to build a peaceful, prosperous and just Nepal. This CPS has two cross-cutting goals (i) Reducing extreme poverty, and (ii) increasing shared prosperity. This achievement of these goals will be organized under two pillars. Under pillar 1, it will support increasing economic growth and competitiveness, and will focus on hydroelectric power generation, enhancing transport connectivity, and improving the business environment. Under pillar 2, the WBG will provide support to increasing inclusive growth and opportunities for shared prosperity, by enhancing the productivity of agriculture, equalizing access to health care, skills development and social protection. Cutting across these pillars, WBG activities will contribute to improving the effectiveness, efficiency and accountability of public expenditure.

The Country Partnership Strategy for FY 2014-FY2018 focuses on economic growth and competitiveness hydroelectric power generation, enhancing transport connectivity, and improving the business environment with special focus on inclusive growth and opportunities for shared prosperity by enhancing the productivity of agriculture, equalizing access to health care, skills development and social protection which are basic priorities for Nepal and consistent with the Three Year Interim Plan July 2014-July 2017.
1. General Introduction to Development Cooperation Partnership

The World Health Organization (WHO) is one of the specialized agencies of the UN System. The constitution of WHO was approved in 1946 and came into force on 7 April 1948. WHO is an intergovernmental organization within the UN System with 193 member states at present.

The objective of WHO is the attainment by all people of the highest possible level of health. As a technical agency it provides technical assistance to member states, to enable them to improve their health status, and to implement Resolutions and Decisions made jointly by the member states at the World Health Assembly or in Regional Committees.

WHO has two main constitutional functions:

a. To act as the directing and coordinating authority on international health work, and
b. To encourage technical cooperation for health with Member States.

These two functions are complementary to each other and include: Advocacy for health; Stimulating specific health action and disseminating information; Developing norms and standards, policies and strategies; developing models for monitoring, assessing and evaluating programmes and projects; Training, Research promotion; Direct Technical consultation and Resource Mobilization.

2. Introduction to Aid Mechanism

The work of WHO is guided by a General Programme of Work, which is developed in consultation with member states, and is approved by the World Health Assembly (WHA). Technical cooperation with countries and directing and coordinating function is focused on enhancing the capacity of countries to define and implement their own priorities for health development and public health action, disease prevention and health promotion, and to establish sustainable health infrastructure. WHO’S collaborative work in Nepal during the period of 2013 -2017 would be based on the strategic priorities and objectives identified in the CCS (2013-17) which have been developed keeping in mind the National Health Sector Plan – 2, MDGs and comparative advantage of WHO.
Six strategic priorities have been identified for WHO cooperation:

1. Achieving communicable diseases control targets.
2. Controlling and reversing the growing burden of noncommunicable disease.
3. Promoting health over the life-cycle focusing on interventions for underprivileged and vulnerable populations.
4. Strengthening health systems within the revitalized primary health care approach and support policy dialogue on health policies, strategies and plans for universal health coverage.
5. Reducing the health consequences of disasters.
6. Addressing environmental determinants of health.

Beyond the six strategic priorities WHO will continue to address other important public health challenges in Nepal that do not fall within the priority areas as part of WHO’s collaboration. Collaborative work in these areas will be planned in a biennium-to-biennium mode through negotiation between WHO, national authorities and relevant stakeholders.

Technical cooperation is funded by WHO’s regular budget, from the contributions of member states. Each country is assessed according to the UN criteria, based on their level of economic development and population. The programme budget funds are allocated to the member states according to their needs, based on their health development status.

3. Nepal-WHO Relations/Membership

Nepal became member of WHO on 2 September 1953 by joining party to the constitution, joining the South East Asian Region (SEAR). SEAR currently has 11 members namely, Bangladesh, Bhutan, DPR Korea, East Timor, India, Indonesia, Maldives, Myanmar, Nepal, Sri Lanka and Thailand. Nepal has had active participation as a member in governing bodies, contributed to working groups and participated in technical meetings.

WHO has a special relationship with GON, not as a donor, but as an international technical organization to which Nepal belongs as a Member State with membership obligations, membership opportunities and country allocation of funds. WHO works not only with Ministry of Health but also with the Works & Physical Planning. WHO provides inputs as catalytic factors and works in active and close collaboration with MOH, other development partners, intersectoral coordination including actively involved NGOs and INGOs. WHO work closely with Ministry of Health and Population and other relevant ministries in planning, implementing and monitoring of work plan activities.

The purpose of mission of the WHO team in Nepal is to facilitate equitable improvement of the health status of the people of Nepal; enable the definition of national objectives and priorities; and respond to and support GON in a proactive and a technically sound manner.

Broad Programme budget proposals for each two-year period are developed jointly by GON Nepal and WHO staff and submitted to the Regional Committee year before the commencement of the budget period, so that they can be incorporated into the global budget proposals for approval by Executive Board (EB) and WHA. Additional funds come from other sources, mainly from countries with development assistance programmes. These so-called Extra-Budgetary funds (voluntary contribution) represent about half of all the funds allocated to the countries for programme implementation.

WHO and GON entered into a basic agreement for the provision of technical advisory assistance in 1954. Under this agreement technical advisory assistance may consist of making available the services of the experts,
organizing seminars, training programmes, demonstration projects, scholarships and fellowships, preparing and executing pilot projects, tests, experiments or research work.

4. **Past Economic and Technical Cooperation**

During the last biennium, WHO assistance to the Government of Nepal was provided under different areas of work. All the activities conducted under these areas of work were decided jointly with government of Nepal and WHO Country Office. These activities led to achieving a set of products decided at the planning stage. Technical and other assistance were provided through the Ministry of Health & Population and other relevant ministries to conduct the following activities:

- Child and adolescent health
- Communicable disease prevention and control
- Emergency preparedness and response
- Epidemic alert and response
- HIV/AIDS
- Immunization and vaccine development Making pregnancy safer
- Malaria
- Nutrition
- Food Safety
- Blindness and deafness
- Mental health and substance abuse
- Surveillance, prevention and management of chronic diseases
- Tuberculosis
- Expanded Program on Immunization and control of vaccine preventable diseases
- Making pregnancy safer
- Essential health technologies
- Essential medicines
- Health financing and social protection
- Health information evidence and research policy
- Health system policies and service delivery
- Human resource for health
- Policy making for health in development
- Communicable disease research
- Food safety, food technology and quality control
- Reproductive health, maternal and new born health
- Health and environment
- Health promotion Nutrition
- Tobacco
- Violence, injuries and disabilities
- Knowledge management and information technology
- Seismic assessment of critical health facilities

5. **Ongoing Economic and Technical Cooperation**

Present Support of WHO is based on 12th Global Program of Work (GPW) guidance. Different outputs in different program areas under 5 categories have been identified and program budget have been developed.
based on identified priority program identified in coordination with Ministry of Health and Population.

The WHA approved budget planning envelop and Program Budget (2014-15) guidance document have been used to select the output under each program areas. The program areas being supported are:

1. Communicable disease
   1.1 HIV/AIDS
   1.2 Tuberculosis
   1.3 Malaria
   1.4 Neglected tropical diseases
   1.5 Vaccine-preventable diseases

2. Noncommunicable disease
   2.1 Noncommunicable diseases
   2.2 Mental health and substance abuse
   2.3 Violence and injuries
   2.4 Disabilities and rehabilitation
   2.5 Nutrition

3. Promoting health through the life-course
   3.1 Reproductive, maternal, newborn, child and adolescent health
   3.2 Ageing and health
   3.3 Gender, equity and human rights mainstreaming
   3.4 Social determinants of health
   3.5 Health and the environment

4. Health systems
   4.1 National health policies, strategies and plans
   4.2 Integrated people-centered health services
   4.3 Access to medicines and health technologies and strengthening regulatory capacity
   4.4 Health system information and evidence

5. Preparedness, surveillance and response
   5.1 Alert and response capacities
   5.2 Epidemic- and pandemic-prone diseases
   5.3 Emergency risk and crisis management
   5.4 Food safety

Emergencies
Outbreak and crisis response
Polio Eradication

6. Future (Pipeline) Economic and Technical Cooperation

Future support of the WHO will be based on a results based approach. As agreed with the Government, WHO will identify priority program areas for WHO and identify outputs = to be achieved at the end of the biennium. The technical and other assistance of WHO will be considered under different program areas under different
technical categories. The program areas which WHO will be supporting will be from the following areas:

1 - Communicable disease
   1.1 HIV/AIDS
   1.2 Tuberculosis
   1.3 Malaria
   1.4 Neglected tropical diseases
   1.5 Vaccine-preventable diseases

2 - Noncommunicable disease
   2.1 Noncommunicable diseases
   2.2 Mental health and substance abuse
   2.3 Violence and injuries
   2.4 Disabilities and rehabilitation
   2.5 Nutrition

3 - Promoting health through the life-course
   3.1 Reproductive, maternal, newborn, child and adolescent health
   3.2 Ageing and health
   3.3 Gender, equity and human rights mainstreaming
   3.4 Social determinants of health
   3.5 Health and the environment

4 - Health systems
   4.1 National health policies, strategies and plans
   4.2 Integrated people-centered health services
   4.3 Access to medicines and health technologies and strengthening regulatory capacity
   4.4 Health system information and evidence

5 - Preparedness, surveillance and response
   5.1 Alert and response capacities
   5.2 Epidemic- and pandemic-prone diseases
   5.3 Emergency risk and crisis management
   5.4 Food safety

Emergencies

Outbreak and crisis response

Polio Eradication