

**FOREIGN AID IN NEPAL WITH SPECIAL  
REFERENCE TO JAPANESE AID**

**A THESIS**

Submitted to the Central Department of Economics,  
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**ECONOMICS**

**BY**

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## LETTER OF RECOMMENDATION

This thesis entitled “**Foreign Aid in Nepal with Special Reference to Japanese Aid**” has been prepared by Mr. Ram Prasad Bhattarai under my supervision. I hereby recommend this thesis for examination by the thesis committee as a partial fulfillment of the requirement for the degree of MASTER OF ARTS in ECONOMICS.

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### APPROVAL SHEET

We certify that this thesis entitled “**Foreign Aid in Nepal with Special Reference to Japanese Aid**” submitted by Mr. Ram Prasad Bhattarai to the Central Department of Economics Faculty to Humanities and social sciences, Tribhuvan University, in Partial fulfillment of the requirements of the Degree of Masters of Arts in Economics has been found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the said degree.

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## ACKNOWLEDGEMENTS

This thesis entitled "Foreign Aid in Nepal with Special Reference to Japanese Aid" is prepared for the requirements for Master's Degree in Economics. The main objective of this study is to analyze the contribution of Japanese Aid for the development process in Nepal. Nepal has been receiving foreign aid from various donor countries and multilateral sources. Among these donor countries, Japan is the nearest and biggest donor country. Therefore, an attempt is made through the present work to analyze the Japanese aid in flow in Nepal.

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## ABBREVIATION

ADB	Asian Development Bank
AIN	Association of INGOs
AOTS	Association for Overseas Technical Scholarship
APIC	Association for Promotion of Industrial Cooperation
ARR	Average Rate of Return
CBS	Central Bureau of Statistics
COMECON	Community for Mutual Economic Cooperation
CPWF	Citizen's Poverty Watch Forum
DAC	Development Assistance Committee
CPWF	Citizen's Poverty Watch Forum
DAC	Development Assistance Committee
DFID	Department for International Development
EIA	Environmental Impact Assessment
EIBJ	Export Import Bank of Japan
EIRR	Economic Internal Rate of Return
ESAR	Enhanced Structural Adjustment Facilities
FY	Fiscal Year
GDP	Gross Domestic product
GGP	Grant Assistance for Grass root project
GNP	Gross National product
HDR	Human Development Report
HMG	His Majesty's Government
IBRD	International Bank for Reconstruction and Development
ICOR	Incremental Capital Output Ratio
IDCJ	International Development Center of Japan
IDS	Integrated Development System
IFAD	International Fund for Agriculture Development
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
IRR	Internal Rate of Return
JAAN	JICA Alumni Association of Nepal
JBIC	Japan Bank for International cooperation
JICA	Japan International Co-operation Agency
JOCV	Japan Overseas cooperation volunteers
JODC	Japan overseas Development cooperation
JUSAN	Japan University students Association
JOTCA	Japan Overseas Technical cooperation Agency
KGA	Kali Gandaki A

LDCs	Least Developed Countries
MDGs	Millenium Development Goals
MOF	Ministry of Finance
MPS	Marginal propensity to save
MWSP	Melamechi water supply project
NDF	Nordic Development Fund
NEA	National Electricity Authority
NEFAS	Nepal Foundation for Advanced studies
NGO	Non-Governmental Organization
NIDS	Nepal Industrial Development cooperation
NLASS	Nepal Living Standard survey
NORAD	Norgian Agency for Development
NPC	National planning commission
NPV	Net present Value
NRB	Nepal Rastra Bank
NRs	Nepalese Rupees
ODA	Official Development Assistance
OECD	Organization for Economic cooperation and Development
OECF	Overseas Economic cooperation Fund
OPEC	Organization of Oil Exporting Countries
OEEC	Organization for European Economic Commission
OTCA	Overseas Technical cooperation Agency
SAP	Structural Adjustment program
SDRs	Standard Drawing Rights
SOJANEST	Society for Japan-Nepal Studies
SSGA	Small Scale Grant Assistance
TFC	Tariff Foxation Commission
TU	Tribhuvan University
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development programme
USA	United States of America
VAT	Value Added Tax
VDC	Village Development committee
WB	World Bank
WDR	World Development Report
WWW	World Wide Web