

Country Assistance Policy for the Islamic Republic of Pakistan
(Provisional Translation)

April 2012

1. Rationale for Assistance

Pakistan, being the sixth most populated country in the world with its 184.8 million people, possesses geopolitical significance in view of its geographical location serving as a meeting point between Asia and the Middle East. Besides this, it is one of the countries which are crucial to the success or failure of the fight against terrorism, as it is adjacent to Afghanistan.

In addition, one-fourth of the Pakistani population lives below the poverty line (daily income of US\$1.25) and the country has large development needs. Pakistan has been facing the vulnerability of economic infrastructure such as electricity and security issues including terrorism. Its economy has not been necessarily stable either. It is indispensable to address these challenges not only to achieve stability and sustainable development in Pakistan but also to contribute towards the peace and stability of the international community.

Japan started its economic cooperation for Pakistan in 1954 and has built good bilateral relations for many years. In April 2009, Japan held the Pakistan Donors Conference and the Meeting of the Friends of Democratic Pakistan in Tokyo, which was attended by donors and countries having good relation with Pakistan, to show solid support by the international society for Pakistan's efforts in various challenges including economic reforms and counterterrorism. Japan's assistance to Pakistan is of great significance in helping this country develop as a "moderate and modern Muslim state" which has abundant workforce and potential as an economic market as well as importance for peace and stability of the international community.

2. Basic Policy of Assistance (uppermost goal): Building of a stable and sustainable society through economic growth

It is expected that Pakistan, in 2050, will be the fourth most populated country in the world after India, China and the United States. In order to demonstrate its full potential, it is indispensable for Pakistan to build a stable and sustainable society through achieving private sector-led economic growth while maintaining stable economic condition. In order to achieve the goal given above, Japan has set the following three priority areas including the improvement of economic infrastructure.

3. Priority Areas (intermediate goal)

(1) Improvement of economic infrastructure

Improvement of vulnerable economic infrastructure is indispensable for economic growth of Pakistan. In particular, Japan intends to extend its assistance to establish an efficient and sustainable electricity supply system because chronic shortage of electricity has inhibited social stabilization in Pakistan. In addition, Japan will also provide assistance for transportation infrastructure which will contribute to improving the connectivity with the neighboring countries; poverty reduction and improvement in

productivity of the agricultural sector which accounts for a large portion of the working population; and strengthening the industrial sector including increasing competitiveness of the manufacturing industries, export promotion and improvement of the investment climate. It will pay considerable attention to the necessity for regional economic centres including Karachi to lead Pakistan's economic development. Through such assistance, Japan will make its efforts to strengthen the bilateral economic relations.

(2) Ensuring human security and improvement of social infrastructure

In order to improve the low level of education indicators such as literacy and school enrollment ratio, Japan will extend assistance to Pakistan in the field of basic education by improving opportunities for education and providing secure environment for schools as well as upgrading the quality of education. Japan especially intends to provide assistance in the field of technical education that will generate employment opportunities and hence results in the emergence of the middle class as a core driving force for economic growth. In addition, assistance will be carried out to contribute to improving the poor conditions of water and sanitation especially in the urban areas; improving health services in the communities including programmes for eradication of polio¹; and strengthening capabilities of disaster management to respond to frequent natural disasters.

(3) Balanced and stable regional development including the border region

Japan will provide assistance for Pakistan's efforts in counterterrorism and stabilization of the border region with Afghanistan to improve security situations. In the light of the security situation in the border region, Japan may consider collaborating with international organizations in order to properly deliver its assistance to the areas and segment of the population with development needs. In addition, it will make efforts to implement assistance that will contribute to trade and economic cooperation with Pakistan's neighboring countries in order to achieve stability of the entire South Asia region. Furthermore, Japan's assistance will be carried out in various sectors in underdeveloped regions in order to avoid social unrest caused by regional disparities.

4. Points to be considered

It is necessary for Japan to consider the security situation in Pakistan as well as measures Pakistan takes for disarmament and non-proliferation.

¹ Pakistan is one of the polio-endemic countries in the world. The Government of Japan aims at eradicating poliomyelitis in Pakistan by various assistance programmes including the provision of a concessional yen loan (from August 2011 to June 2013) in collaboration with the Bill & Melinda Gates Foundation.

1. Priority areas of Japan's assistance

Priority Area 1: Improvement of economic infrastructure

Note: Yen Loan is likely to be the central instrument in infrastructure building. However, please note that the country's macroeconomics situation needs to be right if Japan is to provide concessional loans to Pakistan. Priority will be given to assistance in which Japan's expertise can be utilized or which promotes trade and investment between Japan and Pakistan. Projects to promote regional cooperation with other South Asian and Central Asian countries may also be considered.

Energy	<ul style="list-style-type: none"> ● Japan regards the energy sector as the most important priority in Pakistan. ● While Assistance which contributes to the energy sector reforms is our main focus, construction and rehabilitation of power plants and transmission lines that can make good use of Japanese technologies, and technical assistance for strengthening operation and maintenance capacity of transmission companies can also be considered. ● Grant aid and technical cooperation for enhancing human resources in the energy sector and disseminating the energy saving system might also be considered.
Improvement of the investment climate and promotion of industries	<ul style="list-style-type: none"> ● Japan considers extending support in the following areas: (i) giving advice in policy formulation, (ii) developing industries and fostering human resources through technical education and vocational training and (iii) improving transport infrastructure. ● Automobile industry is the main target because it creates employment and Japan's expertise can be utilized. <p>(Policy formulation)</p> <ul style="list-style-type: none"> ● Japan intends to continue sending Japanese experts to support policy formulation in area such as improving the investment climate, trade policy and developing the automobile industry. <p>(Development of domestic manufacturing industry and technical education and vocational training)</p> <ul style="list-style-type: none"> ● Automobile and textile industries, in which Japan has comparative advantage, will be the main focus of Japan's assistance. An approach will be pursued in which assistance is provided to some model institutes and then its outcomes are disseminated to other institutes. Strengthening the linkage between educational institutes and industries is an important factor in our assistance in order to increase employment. <p>(Transportation)</p> <ul style="list-style-type: none"> ● Completion of the existing projects is the first priority. ● In line with urban transport master plans for Karachi and Lahore formulated by JICA, Japan may consider assistance for solving urban traffic congestion which hampers industrial activities especially in a way Japan can make good use of its technologies.
Agriculture and rural development	<ul style="list-style-type: none"> ● Japan is currently focusing on promoting value added local products such as livestock and horticultural products, which contributes to job creation and poverty alleviation.

Priority Area 2: Ensuring human security and improvement of social infrastructure

Note: It is important to mainstream the gender aspect in every social sector project. Technical Cooperation and Grant Aid are likely to be the central instrument in the social sector.

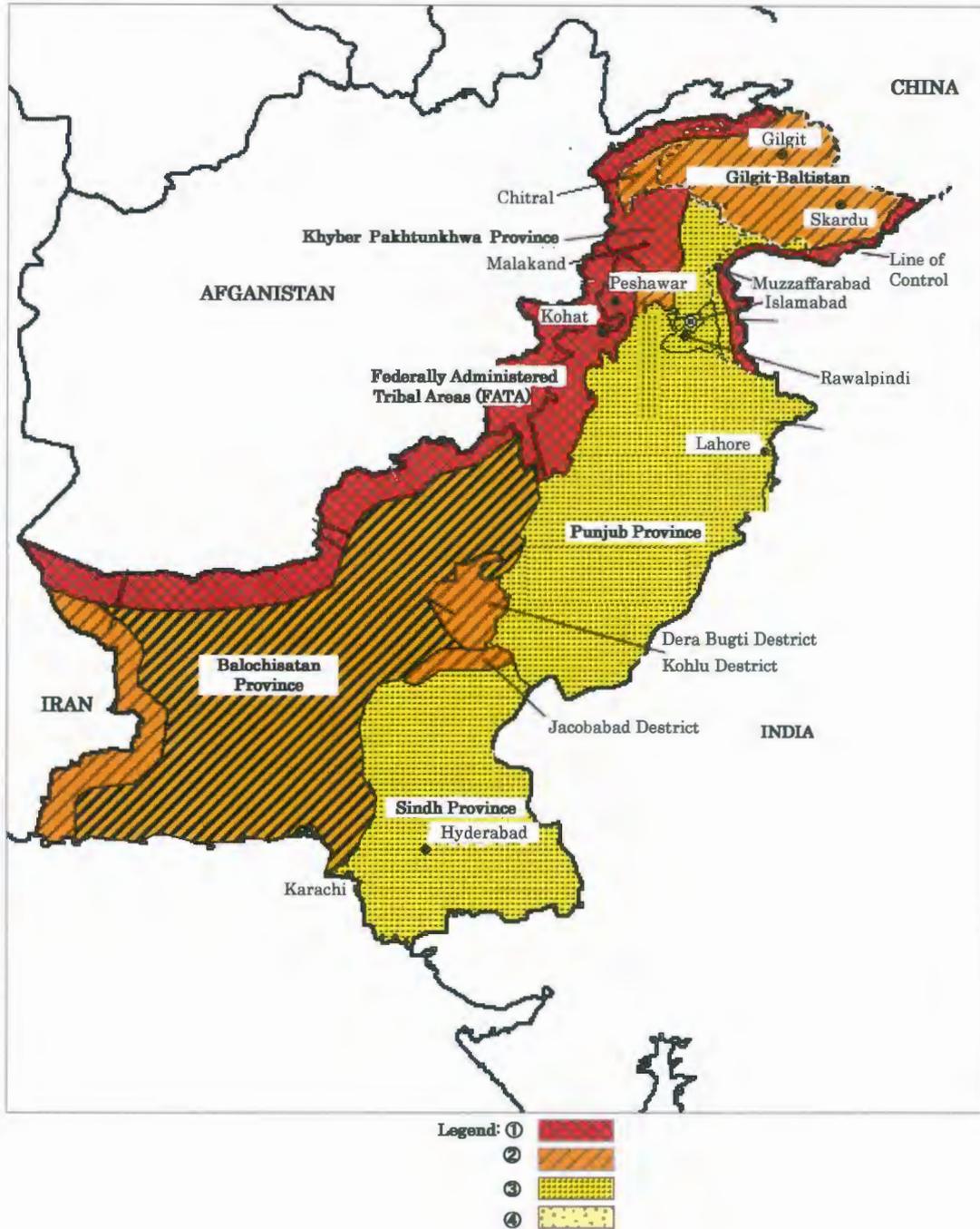
Health	<ul style="list-style-type: none"> ● Japan continues to give priority to Polio eradication.
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	<ul style="list-style-type: none"> ● Improvement of basic health systems including through the Expanded Program on Immunization (EPI) is also an important element.
Water and sanitation	<ul style="list-style-type: none"> ● Given the rapid urban population growth, Japan has focused on assistance for strengthening both physical facilities and institutional capacity in urban areas (especially WASA service areas), making some cities models of advancement in the country. ● In particular, priority will be given to technical assistance for capacity building of human resources and strengthening institutional capacity.
Disaster management	<ul style="list-style-type: none"> ● Japan will assist projects especially against floods and possibly earthquakes in accordance with the National Disaster Management Plan, which was formulated with JICA's assistance. ● In particular, Japan's focus includes: <ul style="list-style-type: none"> -Establishing the early warning system. -Capacity building of human resources in disaster management field. -Enhancing capacity for disaster management and response at the community level. -Improving the river management system.
Education	<ul style="list-style-type: none"> ● Japan focuses on support for non-formal education and improving girls' access to education. ● Please note that it is difficult to adopt proposals in higher education with only research purpose. It is necessary to have a clear link between research outcome and positive impact on development challenges in Japan's priority areas.
Priority Area 3: Balanced and stable regional development including the border region	
Anti-terrorism measures and improving security	<ul style="list-style-type: none"> ● Japan focuses on this issue for promoting both stability of this country and investment from Japan. We will continue to have discussions with the relevant authorities in Pakistan to explore possible future projects.
Stabilization and development of the Pakistan-Afghanistan border areas	<ul style="list-style-type: none"> ● For the time being, JICA's assistance in the border region is limited because of security concerns. Japan will consider technical cooperation in areas like agriculture and vocational training in a way which we do not need to send Japanese staff to the field. ● Funding through international organization or Counter Value Funds may be explored.

2. Restriction of JICA's activities due to security reasons

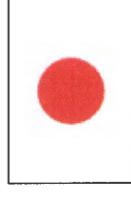
- Even when proposed projects match Japan's priority areas, there are some geographical areas where we cannot send Japanese staff or Japanese contractors because of security concerns.
- In the areas coloured red and orange in the attached Map, it is difficult to implement most forms of JICA's financial and technical cooperation in which we would need to send some Japanese staff or contractors.
- What we can explore in these areas is the following:
 - Training organized by JICA wherein trainees visit relatively safe areas and receive training there.
 - Assistance through international organizations
 - Counter Value Fund

Travel Advisory



- ① Japanese citizens are recommended to evacuate from the area.
- ② Japanese citizens are recommended to postpone their travels to the area.
In Balochistan, Japanese aid staff are not allowed to travel because of the security concern.
- ③ Japanese citizens are recommended to reconsider their travels to the area.
- ④ Japanese citizens are recommended to take due precautions during their travels in the area.

Outline of Japan's ODA to Pakistan



January 2015

Embassy of Japan in Pakistan

1. Summary

- 1954 • Start of ODA under the Colombo Plan by providing technical training
- 1961 • The first yen Loan
- 1970 • The first grant aid
- 1998.5 • Economic measures against Pakistan's nuclear test
(suspending new yen loan and grant aid except humanitarian/emergency/grass roots assistance)
- 2001.10 • Discontinuation of the economic measures
• Resuming grant aid
- 2001.11 • Grant aid based on the Antiterrorism Special Measures Law
(**300 million USD** in two years)
- 2005.8 • Resuming yen loan
- 2005.10 • Emergency and reconstruction assistance in response to the north Pakistan earthquake (total **190 million USD**)
- 2009.4 • the Pakistan Donors Conference in Tokyo
(the Pledge of assistance up to **1 billion USD** in two years)
- 2010.8 • Emergency and reconstruction assistance in response to the most serious flood in Pakistan's history (total **568 million USD**)



A r e a	796,096 km ²
P o p u l a t i o n	180.71 million (2011/12) ※1
F e d e r a l B u d g e t	3,985 billion Rs (2013/14) ※1
R e a l G D P	2,105 billion USD (2012) ※2
G N I / c a p i t a	1,372 USD (2011/12) ※1

※1 Ref Pakistan Ministry of Finance

※2 Ref IMF

2. Assistance Policy (based on the Country Assistance Policy of the Islamic Republic of Pakistan formulated in Apr 2012)

The Importance of Assistance : 「Economic Potential」 + 「Peace and Stability」

※Pakistan has the 6th largest pop. in the world and 63% is under 25

※ Pakistan is playing a major role to fight against terrorism

Improvement of the economic infrastructure

- Improvement of chronic shortage of electricity
- Transport infrastructure
- Improvement in the investment climate

Ensuring human security and improvement of social infrastructure

- Vocational training and technical education
- Assistance to Polio eradication
※Pakistan has been one of the endemic countries of Poliomyelitis.
- Strengthening of disaster preparedness

Balanced development for stability in the regions near Afghanistan

- Strengthening of security measures
- Improvement of livelihood



Transport



Power

➤ Indus Highway Projects (Loan), Kohat Tunnel Project (Loan)

Japan has been contributing to the construction of 79% of the total length of the highway (956km out of a total of 1209km), which passes through the country from north to south. (Total Amount: about 67 billion yen)

Kohat Tunnel, the 1.9 km tunnel as a part of the Indus Highway, is known as the symbol of friendship between Japan and Pakistan. (Total Amount: about 12.6 billion yen, Total length: 30km)

➤ Energy Sector Reform Program (Loan)

In 2014, Japan provided a soft loan of 5 billion yen for supporting the energy sector reforms in Pakistan through co-financing with ADB and WB. This loan helps to achieve the agreed policy targets set in the reform programme developed by ADB, WB, Japan and GoP.



Technical Training

➤ Construction Technology Training Institute (CTTI) (GA, TA)

CTTI, which aims to nurture technical experts engaged in operation, assembling and maintenance of construction machinery etc, was built in 1986 by Japanese grant aid. Since then, a series of grant aid and technical assistance has been contributing to advanced technical skills in Pakistan. (Total Amount: about 5 billion yen)



Public Health

➤ Assistance to Polio Eradication (Loan, GA, TA)

Japan has been extending grant aid to purchase vaccines and other medical supplies through UNICEF since 1996 (Total Amount: about 11 billion yen). In 2011, Japan extended loan of about 5 billion yen through co-financing with the World Bank (IDA). Also Japan has been providing technical assistance for the strengthening of routine immunization since 2001.



Security

➤ The Project for Improvement of Airport Security (GA)

By providing equipment for vehicle inspection and baggage inspection, the security level of three international airports (Islamabad, Lahore and Karachi) in Pakistan is expected to be improved. (Total Amount: about 2.0 billion yen)

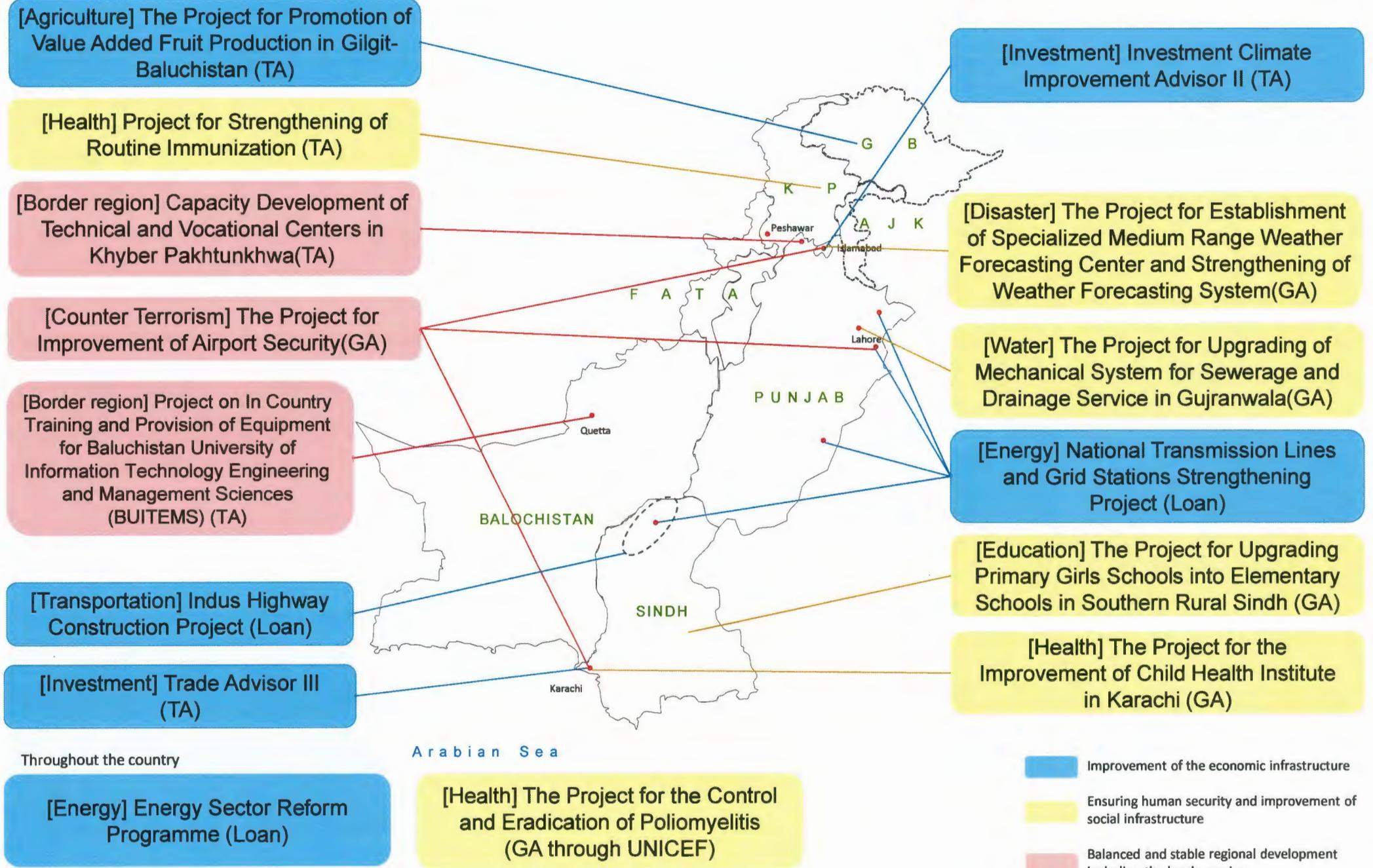


Improvement of livelihood

➤ Capacity Development of Technical and Vocational Centers in Khyber Pakhtunkhwa (TA)

In order to improve the quality of vocational trainings in KP which contribute to improvement in employment rate, Japan has been implementing technical assistance by sending Japanese experts and providing training equipment. (Total Amount: about 220 million yen)

3. Japan's On-going major ODA Projects



4. Japan's ODA to Pakistan

Japan's ODA Disbursement to Pakistan

(billion Yen)

Fiscal Year	Technical Assistance (1954~)	Grant Aid (1970~)	Yen Loan (1961~)
2008	1.18	6.09	47.94
2009	1.90	12.11	23.30
2010	2.43	4.35	19.70
2011	1.93	7.89	4.99
2012	1.79	6.52	0.00
2013	1.45	3.86	0.00
Cumulative Total	49.69	253.08	975.99

Note.1: Yen Loan and Grant Aid are based on the E/N. Technical Assistance is based on JICA-disbursements.

Note.2: By the end of FY 2013, 5,792 trainees were hosted by Japan and 1,625 experts were dispatched to Pakistan.

Amount of DAC Countries' ODA Disbursement to Pakistan

Net disbursement (million USD)

Year	1st	2st	3st	4st	5st
2008	USA 350.63	UK 260.32	Germany 89.03	Canada 41.56	Japan 34.24
2009	USA 613.04	UK 217.51	Japan 131.43	Germany 107.45	Norway 46.57
2010	USA 1,196.76	UK 298.51	Japan 207.89	Germany 142.10	Australia 113.49
2011	USA 1,273.85	Japan 528.47	UK 331.59	Germany 125.66	Canada 87.49
2012	USA 624.76	UK 299.87	Japan 256.36	Germany 101.93	Australia 87.97

Grant Aid

What is Grant Aid?

Financial assistance extended to developing countries without an obligation for repayment.

Targeted Sectors

Major targets include health and medical care, sanitation, water supply, primary and secondary education, rural and agricultural development, transportation, electric power, information communications and other fields involving basic human needs.

In recent years, these target sectors have been expanded and diversified to include conflict prevention, peacebuilding, landmine eradication, terrorism and piracy countermeasures, disaster prevention and post-disaster reconstruction, the environment and other areas.

Types of Grant Aid

Scheme Name	Summary
Grant Aid for General Projects	Support for projects implemented for basic human needs, education, etc. (including the construction of hospitals, schools and roads, or the procurement of materials and equipment for public transport vehicles, etc.)
Grant Aid for Community Empowerment	Support for comprehensive skills development in communities faced with threats to human life or safe living
Non-Project Grant Aid (Grant Aid for Conflict Prevention and Peacebuilding)	Support and others for spreading the necessary economic and social infrastructures in post-conflict countries
Grant Aid for Disaster Prevention and Reconstruction	Disaster prevention assistance and post-disaster reconstruction assistance
Programme Grant Aid for Environment and Climate Change	Support for adoption of policies and planning related to global warming countermeasures, etc., and for related projects

Grant Aid for Poverty Reduction Strategies	Public financing support for developing countries implementing poverty reduction strategies
Grant Aid for Human Resource Development (Scholarship)	Support for training young administrative officials in developing countries
Grant Aid for Fisheries	Support for projects promoting the fisheries industry in developing countries
Cultural Grant Assistance	Support for equipment procurement and facilities development needed for promotion of culture, etc.
Grant Aid for Cooperation on Counter-Terrorism and Security Enhancement	Support for strengthening piracy countermeasures and other public security policies

Technical Cooperation

What is Technical Cooperation?

JICA's Technical Cooperation supports human resource development, research and development, technology dissemination and the development of institutional frameworks essential for the development of economies and societies in developing countries by dispatching experts, accepting training participants and/or providing equipment.

Cooperation Scheme

Scheme Name	Content
1) Dispatch of JICA Experts	To disseminate necessary technologies and knowledge to government officials and engineers (counterparts).
2) Training in Japan	To participate in training programs in Japan and obtain knowledge and technologies needed in their home countries.
3) Technical Cooperation Projects (TCPs)	Technical Cooperation projects, which optimally combine the dispatch of JICA experts, training in Japan, the provision of equipment are the core operations for the purpose of achieving certain outcome within a given period.
4) Technical Cooperation for Development Planning	To support developing countries' policymaking and public works plans, JICA transfers technologies, including survey/analysis methods and planning methods to counterparts in the partner country. <ul style="list-style-type: none"> ➤ Master plans (M/P) and policy support studies ➤ Emergency support studies (rehabilitation and reconstruction) ➤ Feasibility studies (F/S)

Project Cycle of TCPs

Project identification & formulation	Preparation for Implementation (ex-ante evaluation)	Implementation	Completion	Ex-post evaluation
		Dispatch of Experts, Training in Japan, Equipment Provision and other inputs		Extension, Follow-up, second phase, etc. (if necessary)
Preparatory Survey (project formulation)	Detailed planning survey*, signing of R/D	Project consultation team Mid-term evaluation Terminal evaluation		Ex-post evaluation
Plan	→	Do	→	See

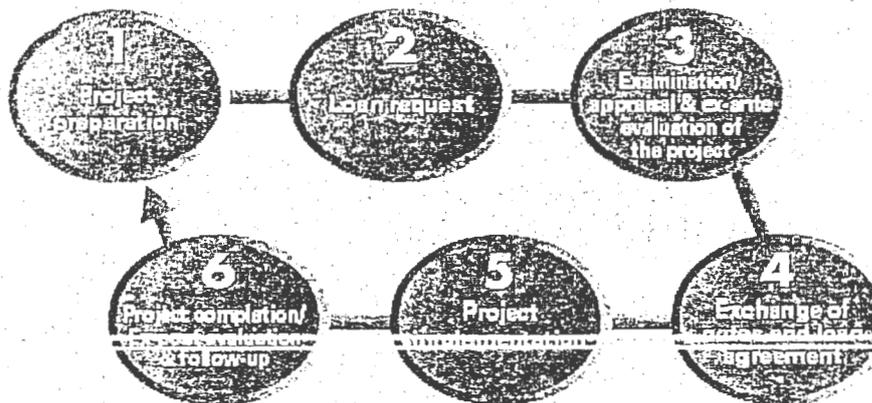
Loan Aid

What is Loan Aid?

Loan Aid supports developing countries by providing low-interest, long-term and concessional funds to finance their development efforts.

Project Cycle of Loan Aid

Loan Aid follows six steps. As lessons learned from the ex-post evaluation at the final stage will be fed back to preparations of new projects, this flow of steps is called the project cycle.



Types of Loan Aid

1. Project-Type Loans

Scheme Name	Summary
1) Project Loans	<ul style="list-style-type: none"> ➤ Largest portion of Loan Aids. ➤ Finance projects such as roads, power plants, irrigation, water supply and sewerage facilities. ➤ Used for the procurement of facilities, equipment and services, or for conducting civil and other related works.
2) Engineering Service (E/S) Loans	<ul style="list-style-type: none"> ➤ For engineering services which are necessary at the survey and planning stages of projects. ➤ Included reviews of feasibility studies, surveys on detailed data on project sites, detailed designs and the preparation of bidding documents.
3) Financial Intermediary Loans (Two-Step Loans)	<ul style="list-style-type: none"> ➤ These loans provide funds necessary for the implementation of designated policies, such as the promotion of small and medium-scale enterprises in manufacturing and agriculture. ➤ Known as "two-step loans (TSL)" because funds pass through two or

	more financial institutions before the end-beneficiaries receive the funds.
4) Sector Loans	<ul style="list-style-type: none"> ➤ For materials and equipment, services and consulting required for the implementation of development plans in a specific sector consisting of multiple sub-projects.

2. Non-Project Loans

Scheme Name	Summary
1) Program Loans	<ul style="list-style-type: none"> ➤ To assist recipient countries seeking to improve policies and implement general system reforms. ➤ Funds are provided based on confirmation that reform items have been achieved by the partner country's government.
2) Commodity Loans	<ul style="list-style-type: none"> ➤ To provide settlement funds for urgent and essential imports of materials to developing countries that are experiencing a worsening foreign currency situation and facing economic difficulties.
3) Sector Program Loans	<ul style="list-style-type: none"> ➤ A Commodity Loan used simultaneously to support development policies in prioritized sectors of developing countries. ➤ Local currency (counterpart) funds received by the government as payment for foreign currency sold to importers are utilized for public investments for sector-specific development.



Major Terms and Conditions of the Japanese ODA Loans

1. Terms and Conditions

(1) General Terms

- General Terms are applied for the general cases.

(2) Preferential Terms

- Preferential Terms are applied for the following sectors and fields:
 - Global Environmental Problems and Climate Change
 - Health and Medical Care and Services
 - Disaster Prevention and Reduction
 - Human Resource Development

Terms and Conditions for Lower-Middle-Income Countries as of October 1, 2014

Terms	Standard / Option	Fixed / Variable	Interest Rate	Repayment Period (years)		Conditions for Procurement
					Grace Period	
General Terms	Standard	Fixed	1.40%	30	10	Untied
		Variable	JPY LIBOR+10bp			
	Option 1	Fixed	0.80%	20	6	
		Variable	JPY LIBOR			
	Option 2	Fixed	0.70%	15	5	
		Variable	JPY LIBOR-5bp			
Preferential Terms	Standard	Fixed	0.30%	40	10	
		Variable	JPY LIBOR-100bp			
	Option 1	Fixed	0.25%	30	10	
		Variable	JPY LIBOR-110bp			
	Option 2	Fixed	0.20%	20	6	
		Variable	JPY LIBOR-120bp			
	Option 3	Fixed	0.15%	15	5	
		Variable	JPY LIBOR-125bp			
SECURE	Standard		0.01%	40	10	
STEP	Standard		0.10%	40	10	Tied
Consulting Services			0.01%	same as those for main components		

<source>http://www.jica.go.jp/english/our_work/types_of_assistance/oda_loans/standard/index.html

2. Special Product

(1) SECURE (Stand-by Emergency Credit for Urgent Recovery)

- SECURE will provide quick disbursement for recovering from natural disasters, by signing Exchange of Notes and Loan Agreement in advance.
- Prerequisites are as follows;
 - > sound macroeconomic and public financial management
 - > Having an experience / plan of utilizing Japan's technical cooperation for disaster prevention
- Ceiling amount is 10 billion JPY or 0.25% of GDP, whichever is less.
- Disbursement period is 3 years in principle and will be extended up to a maximum of 15 years by conducting the relevant extension procedures every 3 years.
- The term and condition of 20-year repayment period including 6-year grace period, or 15-year repayment period including 5-year grace period are also available, in order to apply the Currency Conversion Option.
- Front End Fee will be imposed by 0.5% of the commitment amount, and 0.25% will be charged for the undisbursed amount when extending the disbursement period.

(2) STEP (Special Terms for Economic Partnership)

- STEP is extended to the projects for which Japanese technologies and know-how are substantially utilized, based on the recipient countries' request to utilize and transfer excellent technologies of Japan.
- <source>http://www.jica.go.jp/english/our_work/types_of_assistance/oda_loans/step/index.html

(3) Currency Conversion Option

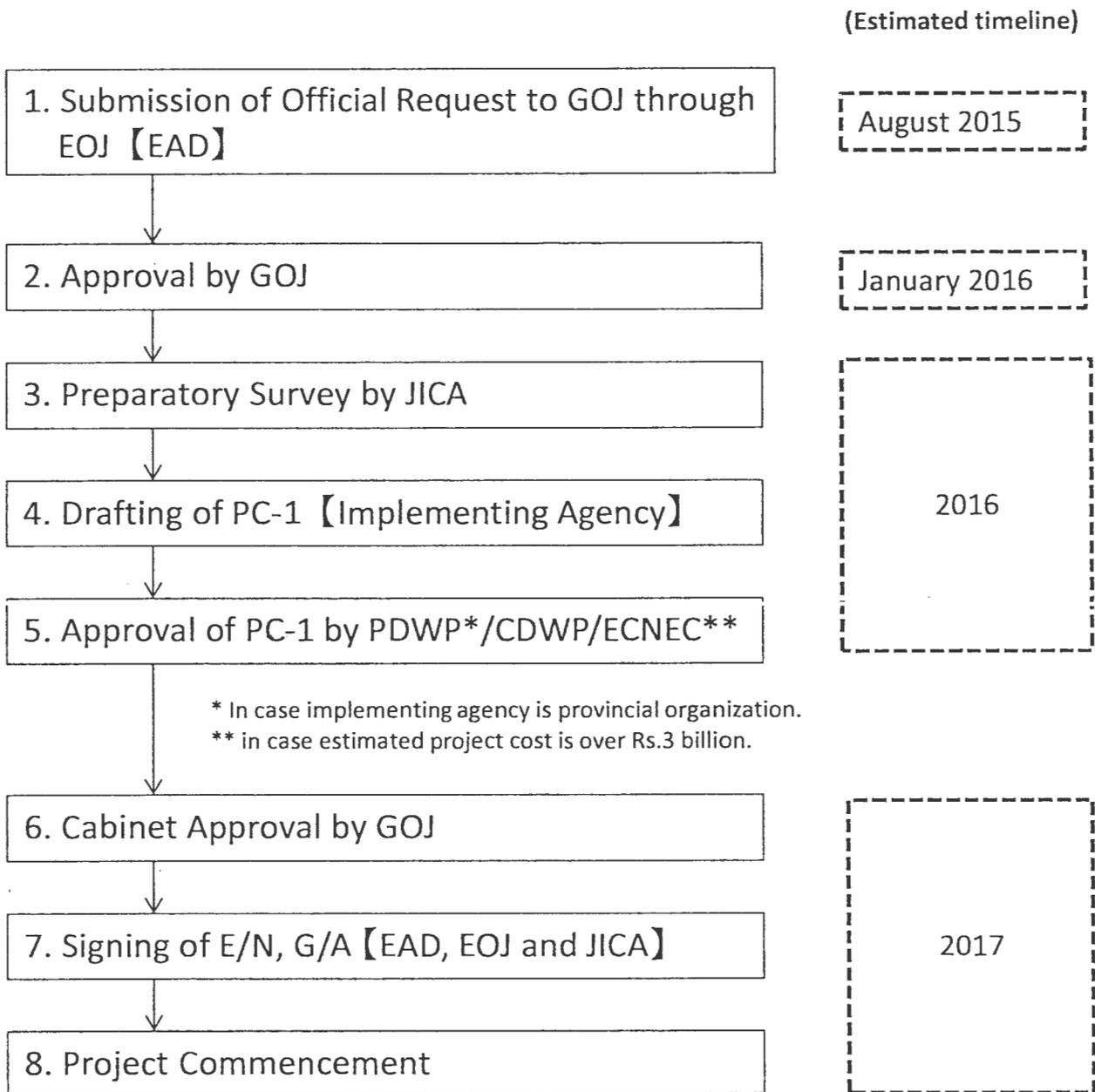
- The Currency Conversion Option is a product that offers the borrower an option to convert the currency denomination of the loan from JPY to USD after the completion of disbursement.
 - Based on the request by the borrower, the Currency Conversion Option is to be given to the loans with the repayment period of 15 years (including 5 years of grace period) or 20 years (including 6 years of grace period).
- <source>http://www.jica.go.jp/english/our_work/types_of_assistance/oda_loans/currency/index.html

低所得国用(一人当たり GNI(2012年) US\$1,036 - 1,965)

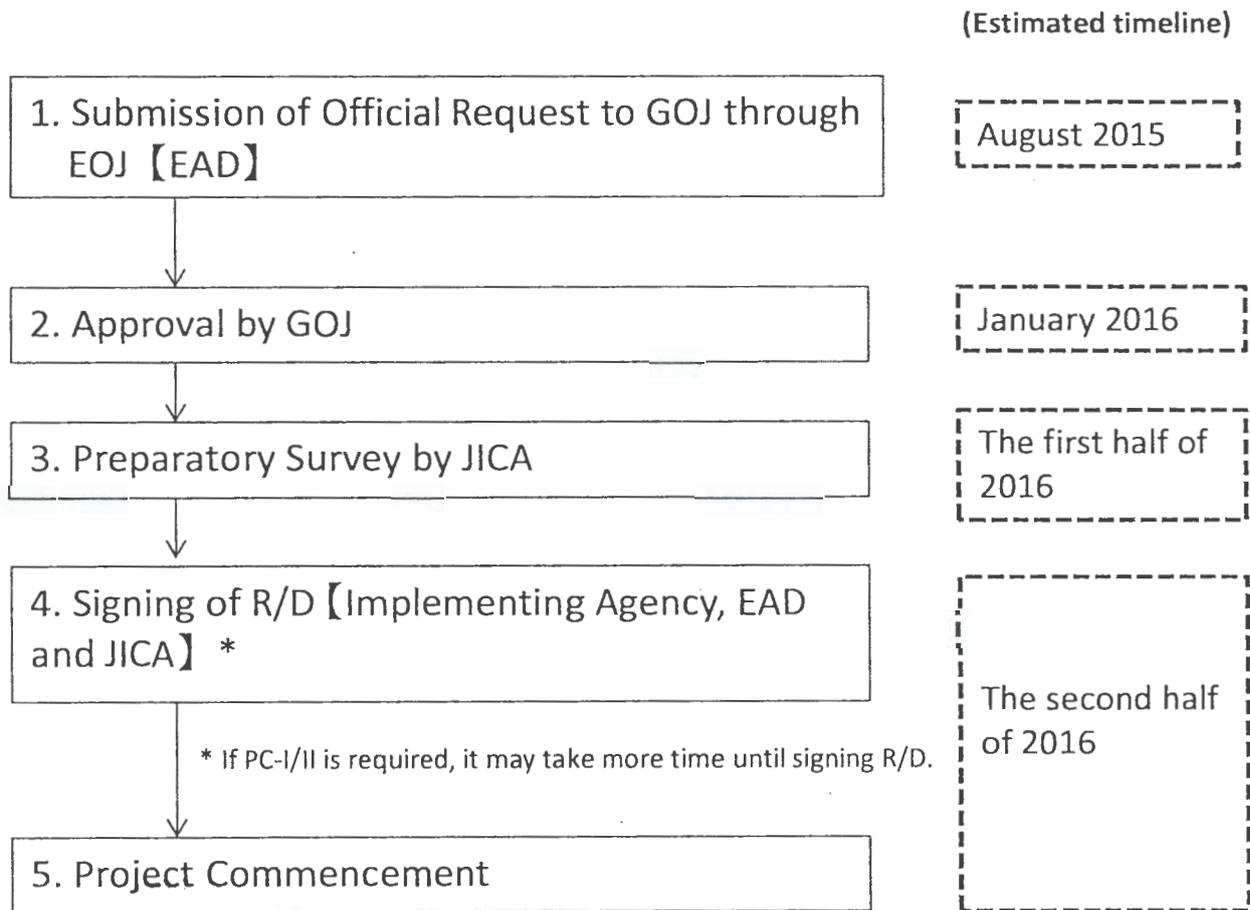
3. Miscellaneous

Ceiling Ratio	<ul style="list-style-type: none"> ● A ceiling ratio of the coverage of a loan over total costs of a project is 85% for the usual project, and 100% for STEP. ● Furthermore, where it is difficult for a recipient to allocate sufficient local counterpart funds owing to exceptional circumstances such as recovery from a conflict or an extensive disaster, the ratio may increase to 100% regardless of income levels of recipients.
Loan Currency	<ul style="list-style-type: none"> ● The currency of commitment and disbursement will be Japanese Yen. ● The currency of repayment of principal and payment of interest and any other fees will be Japanese Yen. However, the Currency Conversion Option may be available.
Interest Rate	<ul style="list-style-type: none"> ● Revisions on Terms and Conditions will take place twice a year, April and October. ● LIBOR-based term is available.
Front End Fee	<ul style="list-style-type: none"> ● Front End Fee will be imposed by 0.2% of the commitment amount, but the rate of 0.1% will retroactively be applied instead of 0.2% in the event that all disbursement is completed within the original disbursement period.
Disbursement	<ul style="list-style-type: none"> ● JICA shall make the disbursement within 15 business days, when JICA receives a request for a disbursement from the borrower.
Currency Conversion	<ul style="list-style-type: none"> ● The Currency Conversion Option shall be stipulated in the LJA for a loan that meets the requirements. ● JICA shall not accept the request if: <ul style="list-style-type: none"> ➢ the Borrower or any other borrower(s) in the Borrower's country is in arrears with principal repayment and/or interest payment of any Japanese ODA loan on the date of receipt of the Request by JICA; and ➢ the Borrower or any other borrower(s) in the Borrower's country has caused delay in principal repayment and/or interest payment of any Japanese ODA loan for thirty one (31) calendar days or more within the last ten (10) years from and including the date of receipt of the Request by JICA.
Repayment/Payment	<ul style="list-style-type: none"> ● The dates for repayment of principal and payment of interest will be 20th day of a month and semi-annually thereafter, as agreed in the Loan Agreement.

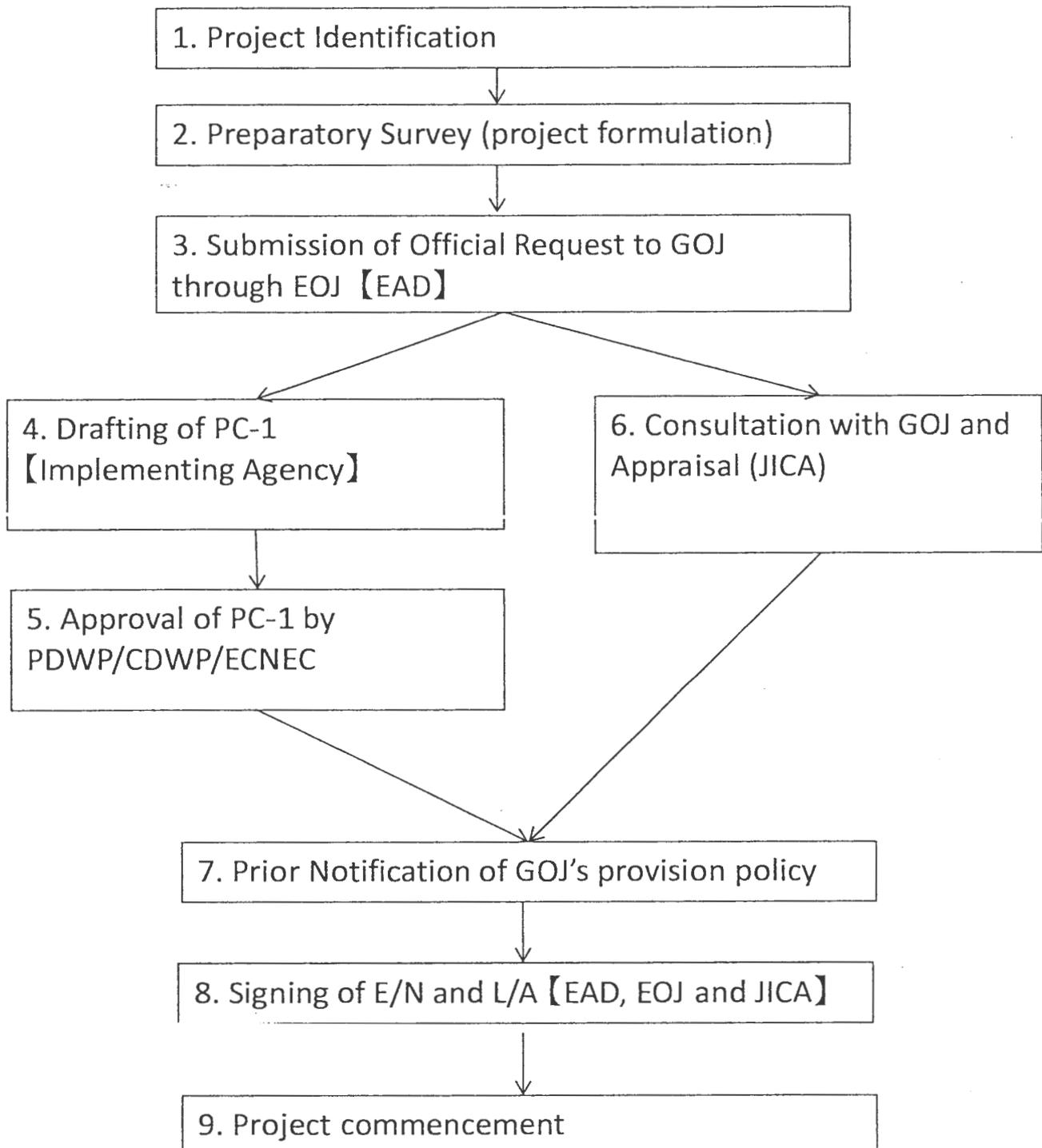
Procedure of Grant Aid Project



Procedure of Technical Cooperation Project



Procedure of Loan Aid Project



Procedure of Request Survey in 2015

(2015) Jan	<p>【Policy Dialog】 Confirmation of Japan's Assistance Policy and Priority sectors Agenda: 1) Japan's ODA policy 2) Priority sectors of Japan's assistance to Pakistan 3) Confirmation of the schedule of the request survey Participants: EOJ, JICA and EAD [in Islamabad] <i>Jan 26</i></p>
Feb	<p>【Joint Meeting with Federal Ministries and Provincial Governments】 Agenda: 1) Priority sectors of Japan's assistance to Pakistan 2) Confirmation of the schedule of the request survey Participants: EOJ, JICA, EAD, Federal Ministries, Provincial P&D [in Islamabad] <i>Feb 16</i></p>
	<p>【Individual Meeting with Provincial Government】 Agenda: 1) Confirmation of the priority sectors and projects 2) Confirmation of the schedule of the request survey Participants: 1) EOJ, JICA, Government of Sindh [in Karachi] <i>Feb 18</i> 2) EOJ, JICA, Government of Punjab [in Lahore] <i>Feb 26</i></p>
Mar	<p>【Project Selection by federal ministries and provincial governments】 -Relevant federal ministries and provincial governments select candidate projects in accordance with Japan's priority sectors. -JICA will cooperate in their selection.</p>
Apr	<p>【Submission of the short list】 -Federal ministries >> EAD (short listed) >> EOJ/JICA -Provincial Government P&D (short listed) >> EAD >> EOJ/JICA</p>
May	<p>【Evaluation of proposed projects by EOJ /JICA】 EOJ/JICA evaluate proposed projects into three categories, A (high priority), B (to be considered) and C (low priority).</p>
Jun	<p>【Wrap-up Meeting】 Agenda: Confirmation of candidate Projects Participant and Venue: Same as Policy Dialogue</p>
	<p>-Drafting of Application Forms by implementing organizations -Documentation of Concept Clearance Papers by implementing organizations (if necessary)</p>
July	<p>【Approval of Concept Clearance Papers by Min. P&D】</p>
Aug	<p>【Submission of the official request by EAD】 -EAD sends the official request letter and application forms of only high priority projects to EOJ & JICA. -EOJ and JICA forward the official request and application forms to Tokyo with their evaluation and comments.</p>