

Press Release

The Government of the Federal Republic of Germany has agreed to provide a grant assistance of Euro 14 million (equivalent NRs 1.41 billion) to the Government of Nepal for the implementation of following projects;

- 1) Promotion of Energy Efficiency and Renewable Energies Programme
- 2) Support of the Nepal Health Sector Programme
- 3) Contribution to the Peace Process, Nepal Peace Trust fund

Agreement of this effect was signed and exchanged in Kathmandu, today.

Ministry of Environment, Ministry of Health, Ministry of Peace and Reconstruction are the executing agencies of these projects. This grant will be mobilized after the Joint financing agreements and project agreements with the concerned authorities.

The main objective of the support is to establishing long term peace, enhance health condition and improvement of rural living condition and protection of natural resources by way of environmentally friendly energy supply.

The Promotion of Energy Efficiency and Renewable Energies Programme is a new project being implemented with the support of German Government. This will establish credits line/funding facility for energy efficiency improvement and renewable energy projects, to be administered by selected Nepalese banks and micro-credit institutions. It will specifically supplement the financing requirements of energy efficiency measures in industries as identified and developed with the support of the German supported TC programme "Nepal Energy Efficiency Programme (NEEP). The support of the Nepal Health Sector Programme aims at improving equal opportunity for health care services to all sections of the population. With an aim to guarantee that the poor and disadvantaged in particular have access to use basic medical care. Similarly, the contribution to the peace process, Nepal Peace Trust Fund will provide financial contribution to the Nepal Peace Trust Fund to run several activities that will support in establishing long term peace in Nepal. These supports will continue till 31 December 2018.

Mr. Krishna Hari Baskota, Secretary, Ministry of Finance and Her Excellency Ms. Verena Graf von Roedern, Ambassador of Federal Republic of Germany to Nepal signed the agreement on behalf of the Government of Nepal and the Government of the Federal Republic of Germany, respectively.

The Government of Nepal has expressed its sincere appreciation to the Government of the Federal Republic of Germany for its continued support in the socio-economic development of Nepal.

Ministry of Finance, Kathmandu
18 August 2011 (01 Bhadra 2068).