

Press Release

The Asian Development Bank (ADB) has agreed to provide a loan assistance of USD 60.4 million (SDR 39.29 million or approximately NRs. 4342.8 million) and a grant assistance of USD 12.1 million (approximately NRs. 870 million) to the Government of Nepal for the implementation of Rural Finance Sector Development Cluster Program (Subprogram II). An agreement to this effect was signed between the Government of Nepal (GON) and ADB at the Ministry of Finance, Singha Durbar, Kathmandu, today.

Loan Assistance has been provided to improve the soundness, efficiency and outreach of the Nepal's rural finance sector through policy, legal, regulatory and institutional reforms. Similarly, the Grant Assistance has been provided to support Nepal's rural finance sector reform and restructuring effort by facilitating institutional reform and restructuring of key rural financial institutions and improving sector capacity and governance. The impact of the project will be economic growth and poverty reduction in rural areas through improved rural financial intermediation and easier access to affordable rural finance sectors with special attention to marginalized groups and women. The Executing Agency of the project is Ministry of Finance, Economic Affairs and Policy Analysis Division and the Implementation Agencies are Nepal Rastra Bank, Debt Recovery Tribunal, Agricultural Development Bank Ltd., Small Farmer Development Bank Ltd., Credit Information Bureau Ltd., and National Banking Training Institute (Pvt.) Ltd.. The Program is expected to be completed by 30 June, 2012.

The Loan and Grant agreements were signed by Mr. Rameshore Prasad Khanal, Secretary, Ministry of Finance and Mr. Yukihiro Shiroishi, Officer-in-charge, ADB, Kathmandu on behalf of the Government of Nepal and the ADB, respectively. At the same ceremony, the Project Agreement and Program Agreement related to the project were also signed by the representatives of Implementing Agencies and Mr. Yukihiro Shiroishi, Officer-in-charge, ADB, Kathmandu.

The Government of Nepal has expressed its sincere appreciation to the ADB for this assistance and also for the keen interest and continued support in the rural Finance Sector Development of Nepal.

Ministry of Finance
Singha Durbar, Kathmandu
December 23, 2010

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