

Press Release

The International Development Association (IDA) of the World Bank Group has agreed to provide US\$ 207.26 million (Equivalent to NRs. 19922 million) assistance to the Government of Nepal. The total assistance comprises of US\$ 125 million as grant assistance and US\$ 82.26 as loan assistance.

Out of the total assistance, US\$ 100 million (equivalent to NRs. 9612 million) will be used for the ongoing implementation of School Sector Reform Program (SSRP); US\$ 80 million (equivalent to NRs. 7690 million) grant for Poverty Alleviation Fund II and US\$ 27.26 million (equivalent to NRs. 2620 million) loan for Kali Gandaki A Hydropower Plant Rehabilitation Project. Three separate Financing Agreements to this effect were signed between the Government of Nepal and the World Bank in the Ministry of Finance, Kathmandu, today.

SSRP, a seven-year (2010-2016) strategic program of the Government of Nepal has been financing by development partners under the concept of SWAPs. The SSRP aims at enabling all children to complete a high quality school education up to 12 grades by focusing on strategic interventions and new reform initiatives to improve access, efficiency, effectiveness and institutional aspects of the educational system. The IDA has already provided US\$ 130 million grant and loan assistance for this program.

Similarly, the objective of the Poverty Alleviation Fund Project II is to improve living conditions, livelihoods and empowerment of the rural poor, with particular focus to groups that have traditionally been excluded by reasons of gender, ethnicity, caste and location. Currently, PAF has been implementing its operations in 40 districts with programs namely 1) Targeted to the poor; 2) Social Inclusion; 3) Demand Driven Approach; 4) Transparency; 5) Direct funding to community organizations of the poor; and 6) Community Institutional Development. Previously, the IDA had already provided grant assistance of US\$ 165 million for Poverty Alleviation Fund. This grant assistance of US\$ 80 million is second additional financing to this project II and will be used to extension the project activities in additional 15 new districts to fulfill the above mentioned objective.

Correspondingly, the objective of the Kali Gandaki-A Hydropower Plant (144MW) Rehabilitation Project is to improve the reliability of the power supply of the Kali Gandaki A Hydropower Plant through rehabilitation and safety measures, and to improve the responsive capacity of the recipient in case of possible emergencies. Originally, this project was constructed from the loan assistance of the Asian Development Bank and has been generating hydropower since 2002. Currently, this hydropower plant is generating only about 50 percent of its installed capacity. Hence its rehabilitation has become urgent.

The three separate agreements were signed by Mr. Shanta Raj Subedi, Finance Secretary of the Ministry of Finance on behalf of the Government of Nepal and by Ms. Tahseen Sayed, Country Manager for Nepal on behalf of the World Bank.

The government of Nepal has expressed its sincere appreciation to the World Bank for the assistances and for its continuous assistance in the socio economic development of Nepal.

Ministry of Finance
Singh Durbar,
Kathmandu, Nepal

08 July 2013 (असार २४ गते २०७०)