

## PRESS RELEASE

The OPEC Fund for International Development (OFID) has agreed to provide loan assistance of US dollar 30 million (Approximately Rs349.2 million for the implementation of Community Managed Irrigated Agriculture Sector Project. The interest rate of the loan will be 1.25 percent and the maturity date will be 15 February 2020.

The main objectives of this project are to support the on- going efforts of the Government of Nepal towards improving the country's socio- economic standards by irrigation related infrastructures. It further aims at enhancing agricultural productivity and sustainability in the Central and Eastern Development Regions by reducing poverty and improving the livelihood of the poor rural population.

The Project will cover 35 districts of the Central and Eastern Development Regions and aims to benefit the poor farmers of the targeted area by strengthening the community managed irrigation systems. The main components of this project are: a) civil works consisting diversion structures, cross-drainage works, improved and extended primary and secondary canal systems flood protection facilities constructions of canals for water distribution in farm fields, and rehabilitation of 23 irrigation office buildings and a training centre and laboratory equipments and b) the project management capacity building and c) institutional strengthening services for irrigation sector.

The Project will be implemented for the period of 5 years from 15 February 2016 to 30 September 2019. The Ministry of Irrigation will be the implementing agency for this Project.

The Agreement was signed in Vienna, Austria today by Mr. Suman Prasad Sharma, Secretary of Ministry of Finance and Mr.Suleiman J. AL Herbish, Director General of The OPEC Fund for International Development (OFID) on behalf of the Government of Nepal and the Find respectively.

The Government of Nepal has expressed its sincere appreciation to The OPEC Fund for International Development (OFID) for this assistance and for its continued support to the socio-economic development of Nepal.

Ministry of Finance,  
Singha Durbar,  
5 February 2015