



## International Conference on Nepal’s Reconstruction Held in Kathmandu

The International Conference on Nepal’s Reconstruction (ICNR 2015) was held in Kathmandu on 25 June 2015 at Soaltee Crown Plaza. Total 58 countries and agencies participated the conference. Rt. Hon. Prime Minister Sushil Koirala inaugurated the conference by illuminating inaugural light. The ICNR 2015 was organized by the Government of Nepal to garner economic and moral support and solidarity from international community for the post-quake reconstruction, recovery and rebuilding. The theme of the conference was “Towards a Resilient Nepal”.

Rt. Hon. Prime Minister Sushil Koirala chaired the conference which began with the tuning of national anthem followed by a moment of silence in the memory of those who lost their lives in the disaster. A video showing the trajectory of losses caused by the earthquake was also screened in the conference as a curtain raiser.

In his inaugural speech, Rt. Hon. Prime Minister thanked all the governments and organizations for joining the conference and expressed homage for lives lost, including the US helicopter crash in Sindhupalchowk. In his speech, Rt. Hon. Prime Minister mentioned that though Nepal did



From Left: Hon. Finance Minister, Rt. Hon. Prime Minister and Hon. Foreign Affairs Minister at Opening program

its best in immediate response, it was not prepared for the earthquakes of this scale.

He further said that Nepal was lucky enough to have such outpouring of goodwill and assistance from neighbors and international community. He also called international donor agencies and friendly nations to help Nepal in the hard time. Prime Minister Koirala wanted the pledges to reach out to the earthquake survivors and maintain best practice of transparency and accountability.

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## Hon. Finance Minister Attended 48<sup>th</sup> Annual Meeting of ADB in Baku



From Left: ADB President Mr. Nakao and Finance Minister Dr. Mahat

A nepali delegation led by Hon. Finance Minister Dr. Ram Sharan Mahat participated in the 48<sup>th</sup> Annual **Contd P7**



Government of Nepal  
Ministry of Finance

**International Economic  
Cooperation Coordination  
Division (IECCD)**

**Singhadurbar, Kathmandu**

**Patron:**

Suman Prasad Sharma

**Chief Editor:**

Madhu Kumar Marasini

**Coordinator:**

Narayan Dhakal

**Contributors:**

Bhuban Karki, Hari Prasad Pandey, Kailash Pokharel, Prem Upadhyay, Shyam Nidhi Tiwari, Surya Prasad Pokharel, Yog Nath Poudel & all members of IECCD Team

**Editor:**

Damaru Ballabha Paudel

**Facilitator:**

Tilak Man Singh Bhandari

**Layout & Design:**

Shyam Mani Ghimire

<http://www.mof.gov.np>  
<http://www.mof.gov.np/ieccd>

For Comments and Suggestions  
Email: [ieccd@mof.gov.np](mailto:ieccd@mof.gov.np)

For AMP Public Portal  
<http://portal.mof.gov.np>

## Message from the Chief Editor



It has just been little more than two months since the devastating earthquakes have traumatized our nation. This was the most devastating quake that the present generation has ever encountered with since 1934, i.e. in the period of 82 years. Though many of us still feel being shaken time and again, be it the early morning or mid-night, we are gradually getting back to normalcy.

Our neighboring countries and international community, including development partners, international agencies, and charitable institutions have responded overwhelmingly in no time to the earthquake disaster showing greater sense of humanity. We were, of course, not prepared for the disaster of this scale. However, the national structures, like National Emergency Operation Center, Civil Servants, Nepal Army, Nepal Police, Hospitals and local community have acted on with high degree of selflessness. Total of 66069 Army, 41776 Police, 24775 Armed Police Force and 22500 Civil Servants were mobilized for search, rescue and relief operation. Altogether 7762 people were rescued by helicopters and 4689 were by vehicles. National Security Forces were heavily involved rescuing buried and wounded people from rubble. All injured and rescued people were given immediate free medical treatment. Total of 1116 tons of relief materials were airlifted to the very remote mountain areas.

Ministry of Finance frequently updated the situation to the development partners, including through 3 meetings of local development partners called under tent in the yard of the Ministry. The Government led the process of Post Disaster Needs Assessment (PDNA) in collaboration with development partners followed by the call for an international conference that was held successfully on 25 June 2015 in Kathmandu. We have received not only quality participation in such a short notice but also quality pledges of about 4.1 billion US dollar for reconstruction. We have taken this as a token of good faith and solidarity towards Nepal. The pledges and participation boosted our confidence and now eagerly waiting for expeditious implementation of reconstruction projects. As Hon. Finance Minister Dr. Mahat rightly mentioned in his opening speech, "This conference is not about asking, giving and taking. It is about sharing our core human values and a common destiny".

The lessons learnt from this earthquake disaster will have to be used to protect our future generation. Otherwise, as 'human memory is short', there is a high risk of losing the post-disaster awakening momentum and zeal for reconstruction and overall socioeconomic development of the country. We don't want to revert back to pre-disaster thinking. We will stand stronger and build better and safer. What we need at this juncture is meaningful partnership of our development partners.

Thank You !

*Madhu Marasini*

## Local Development Partners' Meeting Called for 3 Times In-between Earthquake and ICNR

In the immediate aftermath of April 25 earthquakes in Nepal, Ministry of Finance called an emergency meeting of local development partners on 26 April 2015. The meeting was convened in the yard of the Ministry of Finance under temporary shed. Finance Secretary Mr. Suman Prasad Sharma called international community to join hands with Nepal for immediate search, rescue and relief works. Ambassadors, Heads of Missions and representatives of development partners working in Nepal have expressed their commitment and solidarity to join hands with Nepal to get out of trauma of the earthquake disaster.



A Glimpse of Meeting

Soon after another powerful earthquake that hit Nepal on 12 May 2015, Ministry of Finance called another meeting of development partners on 15 May 2015 in the Ministry of Finance. This meeting was kicked off with welcome by Mr. Madhu Kumar Marasini, Joint Secretary of International Economic Cooperation Coordination (IECCD) followed by opening remarks of Hon. Finance Minister Dr. Ram Sharan Mahat. Hon Minister Dr. Mahat urged all to join him in praying for peace of departed souls and for early recovery of the injured and shocked from the devastating earthquake. He informed the participants of the scale and gravity of the devastation that caused heavy loss of human

and physical property. The death toll, Hon. Minister added, had exceeded 8000 and more than 18000 have been found injured. Hardly a school or health post remained intact in the 14 hard-hit districts. Access roads to the affected areas have been blocked. Vital public services have been obstructed. Landslides have degraded an already fragile ecology. Several world heritage sites have ruined. Nearly 20 percent of the population lived in crisis-hit 14 districts have been victimized. More than 500000 houses and government premises have been damaged.

This was the hardest time for Nepal than ever before in the history of the lifetime of this generation. Highlighting on the degree of resilience inherent in Nepali people, Hon. Minister expressed confidence that **Contd P5**

## World Bank Agreed to Provide Grant for Road Safety

The World Bank, acting as an administrator of the Global Road Safety Phase 2 Multi-Donor Trust Fund, has agreed to provide US\$ 7.47 million (equivalent to Rs 76 Crores 38 Lakhs) grant assistance to the Government of Nepal for the implementation of Road Safety Support Project. An agreement to this effect was signed on 9 June 2015 at the Ministry of Finance.



A Glimpse of Signing Ceremony

The Project aims to introduce and amend relevant transport related acts, rules and regulations in Nepal. It will also support operationalization of the Nepal Road Safety Council and Secretariat. The Project will support two pilot initiatives which will cover urban roads in Pokhara and in Sidhartha Highway. Approximately 70,000 meters of crash barriers will be installed in high risk road sections in mid and far western regions of the country. These

crash barriers will help prevent steep vertical drops along these roads. Other components of the project include provision of state-of-the art training on road safety for professionals, academics and Government officials in order to develop local road safety related capacity, bachelor and master level road safety courses curricula development for universities/institutes in Nepal and development of road safety database system. The project will be implemented by the Ministry of Physical Infrastructure and Transport and the Department of Roads and is scheduled to be closed on July 15, 2016.

The agreement was signed by Mr. Madhu Kumar Marasini, Joint Secretary, Ministry of Finance, and Mr. Takuya Kamata, Country Manager of World Bank on behalf of the Government of Nepal and the World Bank Group, respectively.

## International Conference on ....

Delivering welcome remarks at the beginning of the conference, Hon. Minister for Foreign Affairs Mahendra Bahadur Pandey said that the earthquake had caused immoderate damages to the progress made so far on Nepal's social and human development. He further mentioned that the support and solidarity from Nepal's development partners and donor agencies for her efforts to future reconstruction, recovery and rebuilding would be indispensable.

Hon. Minister for Foreign Affairs also added that though the earthquake had shaken the territory of the country, it has not affected anymore to the Nepali people's courage and willpower to build better Nepal.

In the conference, Hon. Finance Minister Dr Ram Sharan Mahat while giving his theme address said "This conference is not about asking, giving and taking. It is about sharing our core human values and a common destiny".

He further mentioned that the earthquake had widened trade deficit of the nation and lessened revenue collection. Hence, the government has sought support from donors to recover the losses and to move towards resilience.

Hon. Finance Minister also expressed that at a time when the country was moving ahead to the pathway of economic and social development with major economic breakthroughs, including in the energy sector and in achieving the MDGs, the earthquake had paused to the momentum of the country and struck the foundations of its development including decline in economic growth and increase in poverty.

In his speech, he further added that in this difficult time, the Government of Nepal and the people, are moving ahead together to bring back the country to the stage prior to the earthquake. He also revealed the preliminary need of USD 6.7 billion for reconstruction.

At the opening session, Hon. Minister for Foreign Affairs of India Smt. Sushma Swaraj mentioned that both Nepal and India are vulnerable to natural disasters and are often hit simultaneously. She added that both the countries needed to closely coordinate

disaster response, and help each other in the wake of such calamities. On behalf of Government of India, she announced one billion US dollars for Nepal's post-earthquake reconstruction, one fourth of it as Grant. She also mentioned that this pledge is over and above existing bilateral developmental assistance of another one billion US dollars over the next five years, forty percent of which would be Grant.

In the conference, Hon. Minister for Foreign Affairs of China Wang Yi on behalf of the Government and People of China expressed condolences to the people who lost their lives and assured to help for Nepal's reconstruction. He further mentioned that he brought a package proposal on behalf of the Chinese government of 3 billion RMB in grant assistance, bringing the total grant from last year and this year to 4.7 billion RMB to be spent in five major areas: infrastructure, livelihood, culture, innovation, disaster preparedness and health.

Recalling the help of Nepal and Nepalese people to Japan at the time of Tohoku earthquake, Minoru Kiuchi, Japanese State Minister for Foreign Affairs said that Japan had a special compassion and solidarity with the earthquakes in Nepal. He assured an assistance of USD 260 million in rebuilding schools, houses and community infrastructure.

In the conference, UN Secretary General Ban Ki Moon and World Bank President expressed their solidarity through video messages and wished that the conference could take important steps to build back a better and safer Nepal.

Asian Development Bank pledged US \$ 600 million followed by 500 million from the world Bank, 260 million from Japan, 130 million from the USA, 117 million from EU and 110 million from UK. Other countries / agencies announcing pledges for Nepal's reconstruction are IMF, Germany, Saudi Arabia, Netherlands, Switzerland, Norway, Canada, Korea, Sweden, Australia, Sri Lanka, Finland, Turkey, Austria, Pakistan and Bangladesh.

Business session chaired by Hon. Finance Minister Dr. Mahat started with a presentation by Hon. Vice Chairman of National Planning Commission **Contd P5**



A Glimpse of ICNR Business Session

## International Conference on ....

Dr. Govinda Pokharel on “Post Disaster Need Assessment (PDNA)”. That provided a snapshot of damage and losses suffered by various sectors due to earthquakes, and recovery and reconstruction needs of the country. Similarly, Finance Secretary Suman Prasad Sharma presented on Resource Management and Implementation Arrangements for the Post Earthquake Reconstruction in Nepal.

Soon after lunch break the pledging from development partners started. Among speakers in pledging session were- from Australia, Brazil, Austria, Bangladesh, Netherlands, Pakistan, Switzerland, Sweden, Denmark, Finland, Germany, USAID, Turkey, IMF, World Health Organization, European Union, UNDP, World Food Program, Asian Development Bank, Indonesia, Kuwait, Canada, Red Cross, Rep of Korea, New Zealand, Saudi Arabia, Israel, Bhutan, Sri Lanka, India, Japan, Thailand, UNWOMEN, UNFPA, UNHABITAT, FAO, World Bank. At the end of the business session Hon. Finance Minister Dr. Mahat gave chairman’s remarks and thanked all the delegation for their good words and generous pledges.

Business session was followed by two technical sessions. In the first technical session, Dr. Govinda Nepal, and Dr. Swarnim Wagle, Hon. Members of NPC presented on “Strategic direction for recovery” and “Nepal’s long term development agenda” respectively. JICA president Akihiko Tanaka presented on build back

better (BBB) based reconstruction followed by JICA expert Takeya Kimio on “Urban reconstruction” and by World Bank expert Marc Forni on “Rural housing”. Pradip Giri, Nepali Congress leader, Rameshananda Baidya, former member of NPC, PK Mishra, PM’s Office India, Sohana Shrestha and Netra Prakash Bhandari asked questions to the presenters and got the replies of their queries. At the end, co-chairs of the session Dr. Shankar Prasad Sharma, former vice chairman of NPC and Mr. Yasumasa Nagamine, Deputy Minister for Foreign Affairs, Japan gave closing remarks.

The second technical session was started with presentation by Rameshwor Dangal, Joint Secretary of Ministry of Home Affairs on “Search, rescue and relief carried out by the government immediately after the earthquake”. Venkatachalam Thiruppugazh, disaster expert from India presented on “Disaster Management and Capacity Building”. Similarly, Kenichi Yokoyama, Country Director, Asian Development Bank, Nepal presented on “Public services”. At the end, the co-chairs Dr. P.K. Mishra, Additional Principal Secretary to PM of India and Dr. Somlal Subedi, Secretary of Government of Nepal summarized and closed the session.

The ICNR was ended with raising confidence of Nepal and Nepali people. The conference has been a grand success. At the end, the ICNR was followed by press meet and reception.

## Local Development Partners’ ....

Nepal will rebuild the country better in partnership with development partners. Expressing sincere thanks to all development partners for their solidarity and quick responses, Hon. Minister announced the end of rescue phase and entry into rehabilitation and reconstruction phase. He further urged development partners to extend support in 4 major areas, of individual housing, Government premises, heritages and infrastructures and find cheaper but earthquake-resistant design for resettlement.

Fingering at the allegation about flooding of international assistance against reality of zero disbursement to the Government in response to earthquake, Hon. Minister has presented his grave concern. This has only created elusion in simple and straightforward Nepali mindset and, rather contributed to erode public faith towards the Government. Hon. Minister urged all donors to announce assistance only if they can provide to or work with the Government. At the same time, Hon. Minister stood ready to work together in finding out amicable,

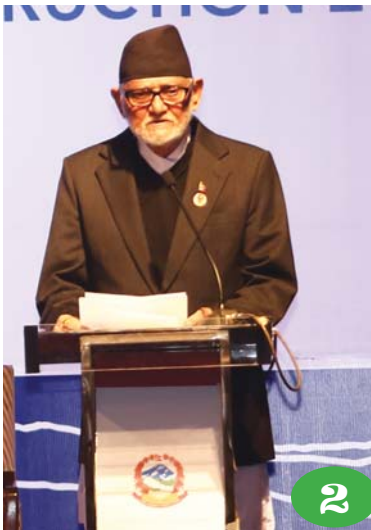
trustworthy and practical modality for implementing reconstruction plan.

Hon. Vice Chair of National Planning Commission, Dr. Govinda Raj Pokharel assured the participants that it has already started to lead PDNA preparation with support from development partners and expressed commitment to conclude soon. The PDNA is supposed to form bases for donors to pledge assistance for reconstruction in the days ahead.

Finance Secretary Mr. Suman Prasad Sharma presented his well-organized thoughts about possible reconstruction plan and institutional structure along with possible flow chart. He further highlighted on the need of autonomy and legal footings for such structure that can allow for swift, quality and result oriented implementation of reconstruction projects.

On behalf of development partners, Jamie McGoldrick, UN Resident Coordinator for Nepal **Contd P8**

# ICNR - 2015 Photo Gallery



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1. Lighting of Inaugural Lamp by Hon. Prime Minister; 2. Inaugural Address by Hon. Prime Minister; 3. Conference Theme Address by Hon. Finance Minister; 4. Meeting Floor; 5. Welcome Remarks by Hon. Foreign Affairs Minister; 6. Address by Foreign Affairs Minister of India; 7. Addressed by Foreign Affairs Minister of China; 8. Address by Finance Minister of Bangladesh; 9. Address by State Minister of Foreign Affairs of Japan; 10. Address by Finance Secretary

## Nepal Signed the AOA of AIIB

Hon'ble Finance Minister Dr Ram S. Mahat signed the Articles of Agreement (AOA) of the Asian Infrastructure

Investment Bank (AIIB), amidst a function in Beijing on 29 June, 2015. On the same occasion, [Contd P8](#)

### Hon. Finance Minister ....

meeting of ADB in banku, Azarbaizan. During the 48<sup>th</sup> Annual Meeting of Asian Development Bank (ADB) in Baku, Azerbaijan, Hon. Finance Minister Dr. Ram Sharan Mahat addressed the Nepal Partnership Forum organized by the President of ADB Mr. Takehiko Nakao on May 3, 2015 to collect international support in the aftermath of the devastating earthquake of April 25<sup>th</sup>. The purpose of the meeting was to brief the international community about situation of Nepal in order to garner international assistance for rescue, relief, rehabilitation and reconstruction.

The meeting was moderated by the ADB president Mr. Nakao and attended by more than 25 countries as well as multilateral development partners, UN agencies and international institutions. Opening the Forum, President Nakao explained the urgency to hold this meeting and thanked honorable Finance Minister Dr. Mahat for accepting ADB's invitation to come to Baku to brief the situation of Nepal and appeal to the international communities for their assistances, despite the challenging time back home.

Addressing the meeting, Hon. Finance Minister said that Nepal would need tens of billions of dollar for the reconstruction of the damaged private houses, government buildings, national heritage sites and infrastructures. He further appealed to the development partners that Nepal expects contribution to the recently established National Reconstruction Fund. He informed that Nepal immediately needed temporary shelters for about half a million people, such as tent, tarpaulins, medical supplies such as implants materials for orthopedic surgery, foods, and so on. He indicated that upcoming monsoon would aggravate the situation of the rural people if it is not provided quickly.

Hon. Finance Minister further explained that construction of low-cost housing, rehabilitation of bridges and roads, and reinstatement of the schools and health posts are the matter of urgency. He also briefed to the international community on the impacts of earthquake on the overall macro economic situation saying that housing industry has been badly hit with bad impact on banking sector and tourism sector. He further said that it is a setback in the social sector which was doing well in terms of achieving MDG's targets and cautioned that tens of thousands of people are in the risk of falling back into the absolute poverty.

At the same time, Hon. Minister expressed the commitment of Nepal to rebuild the country coming out of this crisis with the generous help and goodwill of Nepal's development partners and well wishers around the globe. During the meeting, all the development partners attended the meeting expressed sympathies to Nepal and Nepali people in such a difficult time and also informed that they are helping Nepal in different ways in search and rescue efforts and providing necessary relief materials. They all expressed their readiness to provide financial assistance in rebuilding the country. During the meeting, Deputy Prime Minister and Finance Minister of Japan Mr. Taro Aso expressed Japan's willingness to hold Nepal Donor's conference for the purpose of mobilizing additional resources.

After the meeting, a press conference was organized where ADB President summarized the outcome of the Nepal Partnership Forum. Hon. Finance Minister Dr. Mahat briefed the Press about the situation and need of Nepal at this critical time. Former CNN's correspondence Mr. Satindra Bindra facilitated the press conference. During the meeting, Hon. Finance Minister gave interview to CNBC, The Banker, Japan Kyodo News etc. and explained the situation of Nepal and appealed to the International community to help Nepal in such a time.

Hon. Finance Minister Dr. Mahat also attended series of official, bilateral and sidelines meetings with a particular objective of mobilizing international support in the aftermath of the recent earthquake in Nepal. He also met with Finance Minister of China Mr. Jiwei Lou and Vice Minister Mr. Shi Yaobin, Finance Ministers of India, Pakistan, Sri Lanka, Bangladesh, and Bhutan and thanked them for their generous support to Nepal in such difficult times.

Hon. Finance Minister Dr. Mahat also chaired the ninth meeting of SAARC Finance Minister's informal meeting where he briefed SAARC Finance Ministers on the seriousness of the situation in Nepal and expressed the hope that with the support of neighbors and friends, Nepal will recover soon.

As the outcome of these meetings, Nepal received assurances of additional 200 million dollar from ADB, additional resource commitment from China, India, USA, World Bank, Japan, UK and other European countries for Nepal's upcoming needs of reconstruction.

## Among 11 MoF Officials, deputed for PDNA survey, 7 were from the IECCD

Out of eleven officers deputed from MoF, 7 were from a single division - IECCD for Post Disaster Need Assessment (PDNA) survey in Gorkha District in the aftermath of Gorkha Earthquake. The officers served to conduct PDNA survey in Gorkha Districts were - Kishor Bartaula (Gorkha Municipality Ward no: 7,8,9), Fadindra Prasad Acharya (Gorkha Municipality Ward no: 12,13,14), Jageshwor Sharma (Chhoprak VDC), Krishna Neupane (Arupokhari VDC), Bimal Kumar Paudel (Sama Gaun VDC), Ram Bahadur KC (Lapu VDC), Damaru Ballabha Paudel (Taple VDC), Ganesh Paudel (Gumda VDC), Subodh Khatiwada (Palungtar Municipality- Changli), Umesh Shrestha (Manbu VDC) and Ananta Prasad Khanal (Mirkot VDC). They were deputed as team leader from May 6 to June 5, 2015 (One Month) for PDNA survey, leading five member government officials comprising of civil engineer, VDC secretary and other supporting staffs.

The primary objectives of conducting the PDNA survey are to oversee the availability and estimate for immediate relief materials, primary data collection of human and animal casualties as well as houses and infrastructure damage from the earthquake and to recommend need for integrated resettlement plan of risk prone areas. They performed their duty in accordance with the given procedure and direction of Chief District Officer of Gorkha District. They submitted their local level PDNA survey report to District Disaster Relief Committee (DDRC) so that DDRC could use it to plan relief distribution, Card Distribution for Quake affected and for overall resettlement plan of the District.

Government of Nepal, Ministry of Finance has highly appreciated for their selfless contribution to the nation during this difficult period.

Similarly, rest of the officials from Ministry of Finance assisted to remove the debris in the earthquake affected areas of Kathmandu valley.

## Local Development ....

expressed solidarity and commitment to work with the Government in the reconstruction phase. Finally, Hon Minister Dr Mahat expressed confidence that Nepal will rebuild itself better and come out of this crisis stronger and urged development partners for good will, technical advice, global knowhow and financial support.

On the 1st of June 2015, Ministry of Finance called another Local Development Partners' meeting, which was the third in row. The meeting was meant mainly for communicating the Government's decision to organize International Conference on Nepal's Reconstruction on 25 June, 2015 in Kathmandu. The meeting was chaired by Hon. Finance Minister Dr. Ram Sharan Mahat which revolved around communicating the Government's plan, expectation, and preparation for the Conference and receiving suggestions from the development partners to make the Conference a success. The meeting started with welcome remarks by Hon. Minister for Foreign Affairs Mr. Mahendra Bahadur Pandey that followed opening remarks by Hon Finance Minister Dr. Ram Sharan Mahat and presentation by Finance Secretary Mr. Suman Prasad Sharma on updates of post earthquake economic scenario and preparation for the conference.

## Foreign Aid Commitment

As of June 2015 of the current FY, the new foreign aid commitment received by the GoN from DPs has reached the total of Rs. 296945.6 million (Rs. 162729.37 million as grant and Rs. 134216.23 million as loan) for the implementation of various development projects / programs. In the same period of previous fiscal year, the total commitment received by the GoN from various DPs was Rs. 107380.35 million (Rs. 68928.75 million as grant and Rs. 38451.6 million as loan).

## Nepal Signed ....

along with Nepal 50 prospective founding members signed the AOA. The AIIB has so far 57 prospective founding members. The remaining 7 are expected to sign the AOA by December 2015.

Following the Signing Ceremony, President of Republic of China Mr. Xi Jinping welcomed the Heads of Delegations of the PFM. After the meeting with President Jinping, Hon'ble Finance Minister also attended the Special Ministerial Meeting which was held on the same day. The Bank is expected to come into operation from the end of 2015.