



Local Development Partners' Meeting Held

Local Development Partners' Meeting was organised in the Ministry of Finance on 19 December 2016. The major objective of the meeting was to update the donor communities about the current economic situation of the country and briefly review the implementation status of development projects in the current fiscal year.

The meeting was chaired by Hon. Deputy Prime Minister and Finance Minister Mr. Krishna Bahadur Mahara. During the meeting, Mr Baikuntha Aryal, Joint Secretary IECCD, welcomed the delegates and presented a brief overview of economic situation of the country. The Chief Executive Officer of National Reconstruction Authority Mr. Sushil Gyawali updated on the progress of reconstruction related activities. Governor of Nepal Rastra Bank, Mr. Chiranjivi Nepal shared his views on the monetary and fiscal front. Similarly, Vice Chair of NPC Mr. Min Bahadur Shrestha while delivering his remarks, emphasized on the efforts of National Planning Commission on finalizing the 14th Plan in line with the GON's vision to graduate from LDC to Developing Country by 2022 and SDG Agenda 2030.



From Right: Joint Secretary IECCD, Finance Secretary, Hon. Finance Minister and Secretary (Revenue)

On behalf of the development partners, Ms. Gail Marzetti, Head of DFID, thanked GON for organizing the LDM after a long gap and wished for frequent meetings and expressed her satisfaction over the current economic situation. She shared the DPs common concern on speedy reconstruction works and wished for peace, stability and prosperity of the country. Other donors' representatives, sharing their opinions in the meeting expected speedy implementation of post earthquake reconstruction works. [Contd P4](#)

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Nepal Participated HLM2 in Nairobi

A High Level Nepalese delegation participated the Second High Level Meeting (HLM2) on Global Partnership for Effective Development Cooperation held in Nairobi, Kenya from 28 November to 01 December 2016. The Meeting was attended by about 6000 participants including the global leaders, Prime Ministers, Finance Ministers, Secretaries and high dignitaries from UN system. The Meeting was inaugurated by Rt. Hon President of Kenya Mr. Kenyatta.

The Nepalese delegation was led by Mr. Baikuntha Aryal, Joint Secretary, International Economic Cooperation Coordination Division, Ministry of Finance and other members of the delegation were Mr. Lal Bahadur Khatri, Under Secretary, Ministry of Finance, Mr Netra Prasad Paudel, Under Secretary, Ministry of Finance and Mr Chakra Pani Acharya, Under Secretary, [Contd P7](#)



Government of Nepal
Ministry of Finance

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

Singhadurbar, Kathmandu

Patron:

Shanta Raj Subedi

Chief Editor:

Baikuntha Aryal

Contributors:

Lal Bahadur Khatri (Dailekh), Lal Bahadur Khatri (Gulmi), Ram Prasad Mainali, Shyam Nidhi Tiwari, Surya Prasad Pokharel, Tek Bahadur Khatri, Yuga Raj Panday & all members of IECCD Team

Editor:

Churamani Aryal

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

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

Message from the Chief Editor



The agenda of Global Partnership for Effective Development Cooperation (GPEDC) has gained momentum these days because of increased need of development financing for achieving Sustainable Development Goals (SDGs). This is especially important for the underdeveloped and developing world. Various efforts are put by all stakeholders to make the agenda more prominent and result focused. With the caveat of concentration of financial resources in the developed countries, a shared vision of maximizing the globalization merits and minimizing the negative impacts are in place to materialize these efforts. Learning from the positivity of resource mobilization in attaining the Millennium Development Goals (MDGs), the more advanced efforts are needed to help all the countries to attain SDGs. The collaborative efforts from State and Non State actors of Development is thus needed to this end.

Second High Level Meeting on Effective Development Cooperation (HLM2) held in Nairobi, Kenya from 28 November to 1 December 2016 is one of the latest series of international efforts for Global Partnership for Effective Development Cooperation. Global Partnership for Effective Development Cooperation was established in Busan in 2011 aiming to build political momentum for change, ensure identification of challenges and learn from each other about ways to improve the effectiveness of development cooperation at national and international levels. The Global Partnership for Effective Development Cooperation (GPEDC) became unique due to its inclusive, multi-stakeholder character enabling a broader range of development stakeholders to make strong contributions to the implementation of the 2030 Agenda. Its monitoring framework represents a distinct tool to track progress amongst development partners in the spirit of mutual learning and accountability.

The First High Level Meeting held in Mexico City, 2014 had made use of the results from the first monitoring round to guide discussions and Nairobi meeting used its findings from this report to underpin inclusive dialogue on the individual and collective action that is still needed to enhance development impact and yield sustainable results on the ground. The Outcome Document of HLM2 has identified four principles of Global Partnership, namely (i) Ownership of Development Priorities by Partners Receiving Support, (ii) Focus on Results, (iii) Inclusive Partnerships and (iv) Transparency and Accountability.

The Global Partnership can be honored as a global movement committed to support country led efforts and inform global policy dialogue on effective development cooperation, including follow up and review of the Addis Ababa Action Agenda and the SDGs. Nepal, as a member and stakeholder of this process, urges all development stakeholders everywhere to jointly devise a way forward for effective implementation of the agreed actions recorded in the Outcome Document of HLM2. Nepal is confident that our Development Partners align with our aim of maximizing the contribution of effective development cooperation collectively, inclusively and effectively to materialize the development priorities as envisioned in our periodic plans. Nepal is equally confident that the responsibilities identified by HLM2 will be sincerely fulfilled by all stakeholders for the benefit of the people, places and regions that remained behind for long. Our efforts need to be geared towards leaving no one behind in the process of development by implementing the agreed actions and principles envisaged in the HLM2 Outcome Document.

Japan Provides Loan Assistance

Government of Japan has agreed to provide 16.636 billion Japanese Yen (approx. Rs. 15.405 billion) Loan Assistance to the Government of Nepal for the Nagdhunga Tunnel Construction Project.

The project aims to improve the alignment of the existing road, reduce the travel time and enhance traffic safety in Nagdhunga Naubise area. The objective of the project is to improve the road condition around Nagdhunga pass by constructing a tunnel, thereby contributing to the smooth transportation network between Kathmandu valley and other major areas of Nepal. The major activities of the project are: a) Construction of 2.35 km tunnel with 2 motorable lanes and 1 extra lane. b) Construction of 2.25 km approach road. c) Establishment of the power supply facilities. Ministry of Physical Infrastructure and Transport will be the executing agency and the Department of Road will be responsible for the implementation of the project. The cost of this project is about 21 billion Japanese



From Right: Finance Secretary Mr. Subedi, Hon. Minister of Physical Infrastructure and Transport Mr. Lekhak, Hon. Finance Minister Mr. Mahara and H.E. Ogawa, Ambassador of Japan

Yen. Out of this, Government of Japan will provide 16.636 billion and remaining fund will be borne by GoN. The civil works of the project will be started from July 2019 and the expected date of completion is December 2022.

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Government of Japan, JICA Agreed to Provide Grant Assistance

Government of Japan, Japan International Cooperation Agency (JICA), has agreed to provide 754 million Japanese Yen (approx. NRs.692 million) grant assistance for the Project for Improvement of Medical Equipment in Tribhuvan University Teaching Hospital (TUTH); and a grant assistance of 350 million Japanese Yen (approx. NRs. 321 million) to the Government of Nepal under the Grant Assistance scheme in Japan's Fiscal Year 2016.



A Glimpse of Grant Agreement

The Project for Improvement of Medical Equipment in TUTH aims to improve the quality and quantity of medical services and education to be provided by TUTH through procurement of medical equipments thereby contributing to the enhancement of medical services and education in Nepal. Ministry of Education will be the executing agency and the TUTH will be responsible to implement this project.

The Japanese Food Assistance Program aims to support food security program of the Government of Nepal. This grant shall be used by the Government of Nepal for the purchase of the products and/or services necessary for the implementation of the program. The grant shall also be used to purchase rice and its transportation up to

Nepal. Ministry of Supplies will be the executing agency and Nepal Food Corporation will be responsible to implement this project.

Mr. Shanta Raj Subedi,

Secretary, Ministry of Finance and His Excellency Mr. Masashi Ogawa, Ambassador of Japan signed the Exchange of Notes in the Ministry of Finance on behalf of the Government of Nepal and the Government of Japan, respectively. Likewise, Mr. Baikuntha Aryal, Joint Secretary, International Economic Cooperation Coordination Division, Ministry of Finance and Mr. Hiroyasu Tonokawa, Senior Representative of JICA Nepal Office signed the Grant Agreement.

Nepal - Germany Bilateral Negotiation

Nepal - German Government Negotiations on Development Cooperation



A Glimpse of Bilateral Meeting

The Government of Nepal and the Government of the Federal

Republic of Germany have successfully conducted government negotiations on bilateral development cooperation on 22 and 23 November 2016 in Kathmandu. The German side has pledged fresh funds of EUR 36 m. (more than NPR 4.2 bn) for the continuation of German support. The pledged amount is the grant assistance.

German Development cooperation is focusing on mainly thematic areas: as sustainable economic development, trade, health and energy efficiency/renewable energy. In addition, German Development Cooperation is supporting Nepal in the field of earthquake recovery and local governance.

Out of the total commitment, EUR 16 m. will be provided under financial cooperation via KfW Development

Bank. The remaining EUR 20 m. will be used for Technical Assistance via GIZ. The geographical focus of the cooperation will remain on the rural regions in Nepal's Mid and Far West, with additional support to selected districts that were severely affected by the 2015 earthquakes.

In June 2016, both countries had a bilateral consultation meeting on development cooperation in Kathmandu. Mr. Baikuntha Aryal, Joint secretary Ministry of Finance led the negotiation on behalf of the Government of Nepal and Mr. Andreas Gies, Director General Federal Ministry for Economic Cooperation and Development had headed the negotiation on behalf of German Government. Both parties have agreed that next negotiation on development cooperation will be held in German in 2018.

Local Development

Addressing the LDM, Hon DPM and Finance Minister Mr Mahara said that there shouldn't be apprehension on the ideologies of Nepalese lefts who have transformed themselves and favour private sector led economic development. He also assured the DPs that Government

will move ahead as per fundamental aspects of market based economic system at least for 20 years and will build foundation for socialism oriented economy as envisioned in the New Constitution.



A Glimpse of Meeting

On the occasion, Senior Economic Advisor, Secretary (Revenue), Ministry of Finance, Financial Comptroller General, Resident Representatives of DPs, Mission Chief/head of DPs and other high ranking officials of the Government and DPs among others were present in the meeting.

Agreement with the Asian Development Bank

Asian Development Bank (ADB) has agreed to provide US\$ 120 million loan equivalent to NRs 13.1 billion for the implementation of School Sector Development Program, and US\$ 0.5 million Technical Assistance equivalent to NRs 54.4 million for the Capacity Development Technical Assistance Project, Supporting Policies and Implementation in the School Sector. An agreement to this effect was signed and exchanged at the Ministry of Finance.

The School Sector Development Program (SSDP) is a continuation of School Sector Reform Program (SSRP). SSRP had more focus on the quantity; whereas SSDP focuses on the quality. This program supports the comprehensive interventions in improving quality in basic education and expands the coverage of quality secondary education. The program ensures the new school construction meeting all disaster risk resilience standards. Further, building on SSRP experiences, this program will be implemented in a more harmonized and coordinated way through Joint Financing Arrangement with other Development Partners as well. The SSDP will be implemented by the Department of Education.



From Right: Finance Secretary Mr. Subedi and ADB Country Director Mr. Yokoyama

Mr. Shanta Raj Subedi, Secretary, Ministry of Finance and Mr. Kenichi Yokoyama, Country Director, the Asian Development Bank, signed the Loan Agreement on behalf of the Government of Nepal and the ADB, respectively.

EDCF Policy Dialogue between Korea and Nepal

The delegation from the Ministry of Strategy and Finance of Korea and the Expert-Import Bank of Korea representing the Government of Korea and the delegation from the Ministry of Finance representing the Government of Nepal had a bilateral policy dialogue on November 18, 2016 in Kathmandu, Nepal.

The major objective of the dialogue was to promote mutual economic cooperation between two countries by conducting EDCF projects. To assist the economic development the parties discussed the candidate

projects for EDCF to finance in line with the Nepal Government's Development Plan and agreed on the Rolling Plan consisting of the pipeline project to be funded by EDCF for the period from 2017 to 2020. They agreed that they would faithfully implement the Joint Action Plan with regard to the Chamelia Hydroelectric Project and also agreed to consider the "Improvement of Water Supply System of Nepal Water Supply Cooperation" as a priority project.

The delegation of the Government of [Contd P7](#)

Japan Provides

Mr. Shanta Raj Subedi, Secretary, Ministry of Finance and His Excellency Mr. Masashi Ogawa, Ambassador of Japan signed the Exchange of Notes in the Ministry of Finance on behalf of the Government of Nepal and the Government of Japan, respectively. Likewise, Mr. Baikuntha Aryal, Joint Secretary and Chief, International Economic Cooperation Coordination Division, Ministry of Finance and Mr. Jun Sakuma, Chief

Representative of JICA Nepal Office signed the Loan Agreement.

Hon. Mr. Krishna Bahadur Mahara, Deputy Prime Minister and Finance Minister and Hon. Mr. Ramesh Lekhak, Minister of Physical Infrastructure and Transport were also present at the signing ceremony.

Agreement with the World Bank

World Bank has agreed to provide US Dollar 55 million (approx.Rs.5.94 billion) additional Loan Assistance to the Government of Nepal for the implementation of Road Sector Development Project (RSDP) which has been under implementation since 2008.

This project has 3 components: a) Road and Bridge Development b) Institutional Strengthening and Project implementation support and c) Resilience Enhancements. During the project period, 21 different activities will be carried out. The final outcomes of the project include all-season road access, reduced travel time and improved access to economic centers and social services in 31 beneficiary districts of Nepal. The project will upgrade about 700 km of existing dry-season roads and carry out periodic maintenance of about 2550 km of selected strategic roads. The construction of 33 bridges on selected roads of the Strategic Roads Network and the replacement of three earthquake-affected bridges with permanent structures are also the major activities of the project. The project also consists of technical audit of the civil works and the maintenance of 355 bridges affected by devastating earthquake last year. Ministry of Physical Infrastructure and Transport will be the



From Right: IECCD joint Secretary Mr. Aryal and WB Country Manager Mr. Kamata

executing agency and the Department of Road will be responsible for implementation of the Project.

Mr. Baikuntha Aryal, Joint Secretary, International Economic Cooperation Coordination Division, Ministry of Finance and Mr. Takuya Kamata, Country Manager, World Bank, Nepal Country Office signed the Financing Agreement at the Ministry of Finance on behalf of the Government of Nepal and the World Bank, respectively.

Nepal EU Financing Agreement on TVET

European Union (EU) has agreed to provide 20 million Euro as Grant Assistance to the Government of Nepal for Nepal Practical Partnership for Technical Vocational Education and Training reform (TVET-PP). TEVT-PP will explore innovative approaches with participatory and sustainable methodologies. Private sector participation in planning, provision and financing will add value by making the TVET system responsive to labour market needs and enriching it with specific capabilities and expertise innovative approaches and technologies.

Out of this 20 million Euro, 5.5 million Euro will go

directly to CTEVT and the remaining amount will be mobilized through the British Council. Under the guidance of Steering Committee and Technical Working Committee, the program activities will be implemented. The British Council will implement the program only after identified by a Technical Committee which comprises of representatives from MoE, CTEVT, EU and the British Council.

Mr. Shanta Raj Subedi, Secretary, Ministry of Finance Government of Nepal and Mr. Pierre AMILHAT from EU, signed the Financing Grant Agreement.

Agreement with the Norwegian Government

The Norwegian Government has agreed to provide grant assistance of NOK 231,000,000 (equivalent to approx. NRs. 3 billion) to the Government of Nepal for the School Sector Development Program(SSDP).

The goal of the support is to contribute to socio-economic development of Nepal and reduce disparities in the country through a continuous development of its human resources capacity. It is aimed that SSDP programme and Result Framework (PRF) will be achieved **Contd P8**

AMP Good Practice Workshop Held in Senegal

Aid Management Platform (AMP) Good Practice Workshop was kicked off in Dakar, Senegal on 15 -16 December 2016. This marked the eighth year of Development Gateway's co-hosting of the workshop, celebrating 27 countries around the world that use aid information to better inform policy, improve planning, and promote aid coordination. The purpose of the workshop was three-fold: (1) to facilitate knowledge sharing and collaboration across AMP countries, (2) to learn how DG can improve AMP for on-the-ground users, and (3) to leave each delegation with practical strategies for increasing the influence of AMP across their government.

This workshop had begun with the launch of the Government of Senegal's AMP Public Portal. Delegates from Nepal, Cote d'Ivoire, Ethiopia, Malawi, and the Philippines had led sessions aimed at identifying practical strategies for raising the profile

of AMP across government ministries; incentivizing data use; and coordinating national and subnational planning processes. Country delegations also have had the opportunity to create an outreach plan and communications tool to bring back to their governments, helping communicate the value of AMP data for the 2030 Agenda. Nepal delegates made a presentation on how they managed to report data on the earthquake response and INGOs through the use of AMP. Similarly, they shared experience on how AMP data were used for Global Partnership Survey conducted in 2015 including publication of various reports based on AMP data. Nepal also represented in the Panel Discussion together with the representatives from Senegal, Cote d'Ivoire and Ethiopia on how to accelerate using of AMP data across the Governments. Workshop attendees included 30 government officials from 9 countries – Nepal, Senegal, Cote d'Ivoire, the Gambia, Chad, Malawi, Ethiopia, the Philippines, and Haiti.



Workshop participants from different countries

Nepal participated

National Planning Commission from the Government side and Mr Aman Lal Modi, Member of the Legislature Parliament participated on behalf of lawmakers of Nepal. Nepalese delegation actively participated in all sessions including South -South Cooperation, SDG localisation and Leaving No-one Behind among others.

All deliberations and presentations focused on four

principles of effective cooperation - Ownership of development priorities by partners receiving support, Focus on Results, Inclusive partnerships and Transparency and Accountability. HLM2 expressed its commitment to effective development cooperation as a means to achieve the universal and inter-related Sustainable Development Goals (SDGs) and approved an Outcome Document.

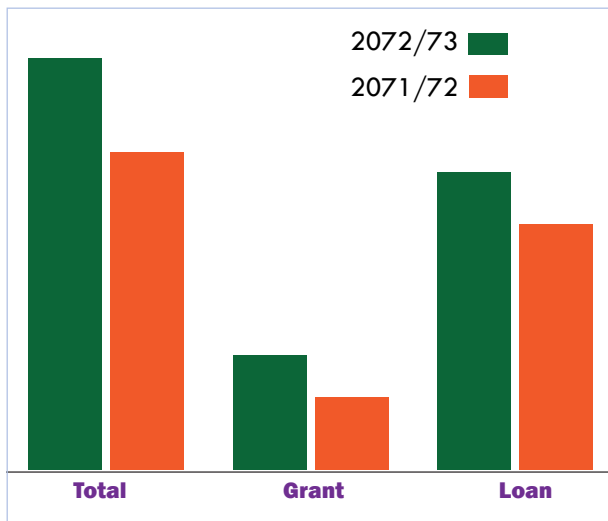
EDCF Policy Dialogue

Nepal was headed by Mr. Baikuntha Aryal, Joint Secretary of the Ministry of Finance. The Korean

Government delegation was headed by Mr. Jeon, Sung sik, Director of the Ministry of Strategy and Finance.

Foreign Aid Commitment

As of December 2016 of the current FY (2016/17), the new foreign aid commitment received by the GoN from DPs has reached the total of Rs. 138.4 billion (Rs. 38.4 billion as grant and Rs. 100 billion 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 had reached the total of Rs. 106.8 billion (Rs. 24.3 billion as grant and Rs. 82.5 billion as loan).



NDA selects Two national organizations for Accreditation Process

The Ministry of Finance, the National Designated Authority (NDA) of GCF selected two national institutions i.e. Alternative Energy Promotion Center (AEPC) and National Trust for Nature Conservation (NTNC) to support for their Accreditation Process through the Green Climate Fund Readiness Programme. The selected institutions will be eligible for 'Direct Access' of the Green Climate Fund once they are 'Accredited' with the GCF as a 'National Implementing Entity'. The decision has been made on the basis of the recommendation by the Technical Committee on GCF formed within the IECCD. The MoF had called for application on 27th October 2016 and received 17 applications from various government ministries, NGOs and commercial bank for the accreditation support. UN Environment, the technical partner of the Readiness Programme will be working closely with the selected two agencies towards the accreditation application process.

Aid Literacy Training organized for Government Officials in Nepalgunj and Pokhara

In order to make the government officials familiar with aid and development at district level, a two days aid literacy training was organized in Nepalgunj and Pokhara covering the officials representing various districts of Far western, Mid western and Western development region. The topics covered project cycle management, high level forum from Rome to Nairobi, SDGs, SWAP, Development Cooperation Policy, Aid Management Platform and, motivation for development effectiveness among others. Altogether, 77 government officials participated the training. The event was facilitated through the Effective Development Finance and Coordination Project funded by UNDP and DFID. Similarly, the Project also facilitated a meeting for SoP finalization among the IECCD officials.

Agreement with

during the three and half years of implementation period on the mutually agreed milestones; equity, quality, efficiency, governance and management and resilience.

The total budget under this programme is allocated for nine objectives such as basic education, secondary education, literacy and lifelong learning, teacher professional development, governance and management, disaster risk reduction and school safety, monitoring, evaluation and assessment, examination and accreditation and capacity and institutional development. The total execution period of this financing agreement is until December 2019 effective from July 2016.

The Agreement was signed by Mr. Baikuntha Aryal, Joint Secretary, Ministry of Finance and H.E. Mr Kjell Tormod Pettersen, Ambassador, The Norwegian Embassy in Kathmandu on behalf of respective authorities.