



## **Press Release**

### **Nepal and Japan signed two Agreements for improving terai irrigation system and urban transmission distribution system.**

Today, the Government of Nepal and the Government of Japan signed two agreements for utilizing grant assistance of JPY 2 billion and 256 million (approximately NRs.2.0 billion) for the implementation of the Project for the Improvement of the Rehabilitation of Irrigation System in Eastern Terai Area; and the concessional credit of JPY15 billion and 901 million (approximately NRs.14.2 billion) for the Urban Transmission and Distribution System Improvement Project.

The grant assistance will be used for the maintenance and improvement of Chandra Nahar irrigation system for reliable and continuous irrigation facilities, mainly in the Eastern *Terai* region. Similarly, the concessional credit will be utilized for improving the urban electricity transmission system in the big cities of Nepal, including Kathmandu and Pokhara with the aim of reducing transmission losses as well as increasing the reliability of electricity distribution. The credit assistance applies interest rate of 0.01% per annum, 30 years' repayment period and 10 years' grace period.

Mr. Krishna Hari Puskar, Finance Secretary and H.E. Mr. KIKUTA Yutaka, Ambassador of Japan to Nepal signed and exchanged the Notes and Records of Discussion on behalf of their respective Governments. Similarly, grant and credit agreements to this effect were signed by Mr. Ishwori Prasad Aryal, Joint Secretary, the International Economic Cooperation and Coordination Division of the Ministry of Finance and Mr. OKUBO Akimitsu, Chief Representative of JICA Nepal.

Finance Secretary, in his remarks, outlined that the implementation of these two projects would be crucial for improving irrigation facilities in Nepal, increasing the reliability of electricity supply and reducing the transmission losses.

Finance Secretary appreciated the Government of Japan for its continuous support in socio-economic and human resources development of Nepal. Acknowledging the long-lasting and harmonious bilateral relations and development partnership between two Countries, he further expressed his confidence that such relation will continue in new height.

*September 21, 2022 (6 Aswin 2079)  
Ministry of Finance, Singh durbar*