

Press Release

Japan Provides Development Policy Loan to the Government of Nepal

The Government of Nepal and the Government of Japan have concluded an agreement on a concessional loan assistance amounting to JPY 10 billion (equivalent to NRs 10.47 billion) extended by the later for the promotion of economic growth and to support the development efforts undertaken by the Government of Nepal. The agreement to this effect was signed and exchanged today.

The objective of this assistance is to underpin the government's effort in reforming economic and financial policies and institutions as well as strengthening domestic industrial bases and to protect the poor and vulnerable people. It also aims at contributing to the country's longer term economic growth through fostering resilience and economic stabilization. The proceeds of loan will be utilized in the form of co-financing with the World Bank's support for carrying out the activities of economic growth, recovery and resilience. The assistance is the budgetary support in nature and can be used to cover the budgetary expenditures of the government of Nepal. It entails 0.01 percent interest rate per annum and the repayment period expands up to 40 years, including a grace period for 10 years.

Mr. Madhu Kumar Marasini, 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. In addition, loan agreement to this effect was also signed by Mr. Ishwori Prasad Aryal, Joint Secretary, International Economic Cooperation Coordination Division of the Ministry of Finance and Ms. ASAKUMA Yumiko, Chief Representative of JICA Nepal. The signing ceremony was held remotely.

The Government of Nepal expresses its sincere appreciation to the Government of Japan for its continuous support in socioeconomic development of Nepal.

25 January 2022
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Ministry of Finance,
Singh Durbar, Kathmandu.