



ASIAN DEVELOPMENT BANK

Press Release

The Government of Nepal and Asian Development Bank Sign Agreement for Customs and Logistic Reform Program

Kathmandu, 5 July, 2023- The Government of Nepal and the Asian Development Bank signed financing agreements for the South Asia Subregional Economic Cooperation Customs and Logistic Reforms Program. The Financing comprises a \$50 million (approximately Rs. 6.6 billion) concessional loan from Ordinary Capital Resources.

The agreement was signed by the Joint Secretary, Ministry of Finance, Mr. Shreekrishna Nepal, on behalf of the Government of Nepal, and Mr. Arnaud Cauchois, Country Director for Nepal, on behalf of the Asian Development Bank.

“The SASEC region holds tremendous potential for economic growth and development, given its strategic location and diverse resources. However, to fully harness this potential, it is imperative that we address the challenges and barriers that hinder seamless trade and investment across our borders. This program will focus on enhancing the capacities of our customs and logistics sectors, facilitating trade facilitation measures, and implementing modern technologies to streamline processes and reduce transaction costs.” stated Mr. Shreekrishna Nepal, Joint Secretary, Ministry of Finance.

The Program has 3 Subprograms, of which Subprogram 1 has been completed. The Government of Nepal has achieved implementation of CRM plan 2021-2026, pilot testing of e-payment, online submission of documents, operationalization of ASYCUDA World interface for paperless customs and amendment of Customs regulation for reduction of export documentation, as the prior action for Improvement in Customs process. Similarly, the government also achieved approval of trade and logistics policy (TLP), establishment of institutional arrangement to enhance inter-ministerial coordination in logistics sector and Work Plan for TLP as prior action for Development and Strengthening of Logistics sector.

“The ADB-supported program will help strengthen Nepal’s trade facilitation and the logistics sector by promoting more efficient movement of goods among producers, distributors, sellers, and buyers. The proposed development of logistics infrastructure master plan, introduction, and harmonization of technical standards of logistics infrastructure, and the establishment of a one-stop logistics information portal will be crucial to strengthening Nepal’s logistics sector” said Mr. Arnaud Cauchois, Asian Development Bank Country Director for Nepal.

The proposed program is a policy-based budget support and will assist in continuing reforms in customs by implementing the Customs Reform and Modernization (CRM) Plan, 2021–2026, and improving trade logistics through the preparation and implementation of a new Trade Logistics Policy (TLP), 2022.

Ministry of Finance
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