The Kuwait Fund for Arab Economic Development (KFAED) has agreed to provide a loan assistance of Kuwaiti Dinar 5 million (Approximately Rs. 1 Arba 68 Crore and 30 Lakhs) for the implementation of Irrigation Systems Improvement Project (ISIP).

The main objective of this project is to facilitate irrigation support in the Central and Eastern Development Region of Nepal by rehabilitating and extending existing Farmer Managed Irrigation Systems (FMIS). It further aims at enhancing agricultural productivity and sustainability by reducing poverty and improving the livelihood of the poor rural population.

The Project will cover all 35 districts of the Central and Eastern Development Regions for the benefit of the poor farmers of the targeted area by strengthening the community managed irrigation systems. The main components of this project are: a) Irrigation Infrastructure Improvement consisting civil engineering works for rehabilitating and extending the existing irrigation infrastructures in 50 FMIS, construction of about 250 km of irrigation canals, construction of about 20 weirs, 30 intake structures, about 2000 small hydraulic structures and other complementary works, b) Irrigation System Management Improvement and financial management system and capacity strengthening through training for about 50 Water User's Associations Agricultural Practices Improvement and consulting services and institutional support for the implementing agency.

The Agreement was signed in Kathmandu by Mr. Madhu Kumar Marasini, Joint Secretary of International Economic Cooperation Coordination Division, Ministry of Finance and Mr. Hamad S. Al-Omar, Deputy Director General of The Kuwait Fund for Arab Economic Development (KFAED) on behalf of the Government of Nepal and the Fund, respectively.

The Government of Nepal has expressed its sincere appreciation to the Kuwait Fund for Arab Economic Development (KFAED) for this assistance and for its continued support to the socio-economic development of Nepal.

Ministry of Finance,
Singha Durbar, Kathmandu
23 March 2015