

Press Release

The International Development Association (IDA) of the World Bank Group has agreed to provide US \$ 100 million loan assistance equivalent to NRs 10.70 billion for the Financial Sector Stability Development Policy Credit III. An agreement to this effect was signed and exchanged at the Ministry of Finance, Singh durbar Kathmandu today.

The objective of the assistance is to help to step up Nepal's medium term reform program for the stability of financial sector and to reduce the vulnerability of the banking system and to increase its transparency. This is the third series of such development credit facility from the World Bank. Proposed credit will support four main policy areas: (i) enhancing financial sector development; (ii) restructuring and consolidating the financial system; (iii) strengthening the legal and regulatory framework and (iv) enhancing the governance and transparency of the banking sector. This assistance will be in the form of budgetary support and received in the national treasury in a single tranche and government could use the assistance in accordance to its needs and priority areas.

The government of Nepal has been receiving such budgetary support from the World Bank through Development Policy Credit (DPC) window to implement policy reform in the financial sector which is critical to enhance economic growth and for sound financial governance. Nepal has already used such credit facility as first and second phases; the first credit in June 2013 and the second credit in June 2015.

Dr. Shanta Raj Subedi, Secretary, Ministry of Finance and Mr. Qumiao Fan, Country Director to Nepal of the World Bank Group signed the agreement on behalf of the Government of Nepal and the Bank, respectively.

The Government of Nepal has expressed sincere appreciation to the World Bank for extending this policy-based credit for Financial Sector Stability and also for its continued support in the socio economic development of Nepal.

Ministry of Finance
Singh durbar,
Kathmandu, Nepal
April 11, 2017
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