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Recovery and Reconstruction in Nepal: The EU and the Government of Nepal start implementing a NPR 12.6 billion programme

The Government of Nepal and the European Union (EU) signed on the 24 of April 2016, i.e. the first anniversary of the 2015 earthquakes, the Financing Agreement for the **Nepal - EU Action for Recovery and Reconstruction (NEARR)**, a budget support programme. This Agreement reinforces the cooperation between the EU and Nepal by adding a strong emphasis on post-earthquakes needs to the ongoing joint initiatives on education, rural development and governance.

On behalf of the Government of Nepal, the ceremony was amongst others attended by Mr Lok Darshan Regmi, Secretary of the Ministry of Finance, Mr Madhu Sudan Adhikari, Secretary of the National Reconstruction Authority as

well as Mr Baikuntha Aryal, Joint Secretary, Ministry of Finance. Mr Lok Darshan Regmi, who signed the agreement on behalf of the Government, remarked: *"The reconstruction process now enters the phase of large scale operations, which requires substantial funding. We very much appreciate that the EU contribution uses directly Government channels, because this brings down transaction costs and enhances coordination"*.

"The NEARR agreement provides the Government of Nepal with a timely and important EU contribution to drive the reconstruction process forward. It is vital that those affected most by the disaster, specifically the very vulnerable, are receiving support for reconstruction swiftly" said the EU Ambassador Rensje Teerink who also paid tribute to the victims of the earthquakes. She was joined by Head of Cooperation Andreas Roettger and Programme Manager Christian Provoost from the EU Delegation.

The NEARR action, a budget support in the form of a state building contract, is the direct response of the EU to contribute to the rehabilitation and reconstruction and was pledged during the International Conference on Nepal's Reconstruction (ICNR) in June 2015. It combines EUR 100 million for a state building contract with EUR 5 million complementary measures (social accountability, capacity building, and technical assistance).

With this programme the EU will join Nepal in tackling key issues caused by the earthquakes. NEARR emphasises fostering of resilience and disaster preparedness, focuses on the most vulnerable people, as well as enhance transparency and accountability in the reconstruction process and financial implementation capacity of the Government.

The concept of Building Back Better (BBB) is central to reconstruction in a manner that makes communities less vulnerable to disasters and strengthens their resilience by integrating disaster risk reduction measures to prevent new and reduce existing risks.

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