



## Press Release

### **EU PROVIDES A FIRST TRANCHE OF NPR 6 BILLION (EUR 50 MILLION) OUT OF A NPR 12 BILLION (EUR 100 MILLION) CONTRIBUTION TO ACCELERATE THE REHABILITATION OF NEPAL'S EARTHQUAKE-AFFECTED COMMUNITIES**

The European Union (EU) provides the Government of Nepal with about NPR 6 BILLION (EUR 50 MILLION) as first tranche of the **Nepal - EU Action for Recovery and Reconstruction (NEARR)** budget support programme. This delivers on the pledge made by EU Commissioner Neven Mimica in June 2015 during his visit to the country for the International Conference on Nepal's Reconstruction to substantially support the start-up phase of the recovery.

The Post Disaster Recovery Framework (PDRF) of May 2016 guides the EU and the Government of Nepal's shared aspiration to help the earthquake-affected communities build their houses back better and safer. It also confirms some other important principles, such as ownership, accountability, transparency and an equitable focus on prioritising the most vulnerable. As reconstruction efforts are now being rolled out, scaled up funding is needed to accelerate the momentum to rebuild. The NPR 6 BILLION (EUR 50 MILLION) is an important contribution through Nepal's treasury during the start-up phase of the PDRF. In a second phase, later in the year, the EU is committed to inject another NPR 6 BILLION (EUR 50 MILLION), provided important progress is made in accelerating reconstruction through PDRF implementation, including transfer of the first tranche of the housing grant to at least 200,000 households.

*"All stakeholders now need to rigorously focus determination, skills and energy on implementing the PDRF to rebuild houses, schools and other infrastructure. This is the moment to create more resilient, inclusive and prosperous communities in an accountable, transparent and sensitive way, and to inject more dynamism into Nepal's economy,"* said EU Ambassador Rensje Teerink on this occasion.

The NEARR action is based on an agreement with the Government signed in April 2016 and constitutes the EU's main response to the rehabilitation and reconstruction needs. NEARR combines NPR 12 BILLION (EUR 100 MILLION) budget support with NPR 600 MILLION (EUR 5 MILLION) complementary measures. The budget support helps the Government with resources to ease the fiscal pressure

caused by the earthquakes. This modality directly uses Government channels with a view to strengthen Nepal's administrative systems and foster self-reliance to address the challenges ahead. NEARR complements support provided by other development partners.

NEARR emphasises fostering of resilience and disaster preparedness, focuses on the most vulnerable people, as well as enhancing transparency and accountability in the reconstruction process and implementation capacity of the Government. In order to measure progress the EU and the Government of Nepal agreed on a set of indicators to be achieved for the disbursement of the second tranche of NPR 6 BILLION (EUR 50 MILLION).

*"The EU expects Nepal to seize this opportunity and counts on the leadership of the National Reconstruction Authority. Implementation means action. We expect the Government to adhere to the jointly agreed objectives and processes, in particular ensuring building back better in the housing sector. We will closely monitor the progress achieved prior to disbursing our future contribution," Ambassador Teerink added further.*

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