



Press Release

Nepal and United States Sign New 5-year Development Assistance Agreement

Kathmandu, 5 May: Today, the Government of Nepal (GON), through the Ministry of Finance (MOF), and the United States, through the U.S. Agency for International Development (USAID), signed a new Development Objective Agreement.

This assistance agreement, which will span five years, outlines the broad development areas of U.S. and Nepal cooperation and collaboration. The grant, amounting to \$659 million (equivalent to NRs 79.71 billion) over the five-year period, will support Nepal's goal of graduating to a middle-income country.

Partnering with the GON, civil society, and the private sector, U.S. assistance will advance Nepal's sustainable development through strengthened democratic governance, enterprise-driven economic growth and increased resilience for communities most at-risk to natural disasters and climate change.

The amount of assistance will be recorded in the GON Red Book and transparently implemented through both on and off treasury modalities. USAID will develop projects under this assistance agreement in collaboration with line ministries and implemented in accordance with GON rules and regulations.

Mr. Ishwori Prasad Aryal, Joint Secretary and Head of International Economic Cooperation Coordination Division (IECCD), MOF and Ms. Sepideh Keyvanshad, USAID/Nepal Mission Director, signed and exchanged the agreement on behalf of their respective governments.

Delivering a short remark following the signing ceremony, Mr. Aryal, expressed, "In 1951, after signing the Point Four program, the United States became the first bilateral donor to Nepal. This began a 70 plus year relationship of trust, mutual respect, and commitment to the people of Nepal." He further added that Nepal has greatly benefited from the financial and technical assistance extended by the United States to help drive Nepal's socioeconomic development. He expressed that the Assistance Agreement as a departure agreement for both governments due to the fact that, for the first time in this enduring partnership, U.S. assistance will be fully reflected in GON's Red Book.

Similarly, Ms. Keyvanshad noted, “Today we add a new chapter to our long-standing partnership with the Government of Nepal and the Nepali people. We look forward to continuing the U.S. government’s long-term commitment to support activities that strengthen Nepal’s democracy, governance, and economic growth across the country.”

This year, the United States government and the Government of Nepal are celebrating 75 years of bilateral relationship. The Government of Nepal expresses its sincere appreciation to the Government of the United States of America for its invariable support in socioeconomic development and advancement of human resources of Nepal. Both governments acknowledge the partnership has seen many successes and look forward to continuing in the spirit of strong collaboration.