



PRESS RELEASE

The Government of Nepal and Finland Sign Framework Agreement on Public Sector Investment Facility (PIF) Scheme

The Government of Nepal and the Government of the Republic of Finland have signed a Framework Agreement for projects funded under Finland's Public Sector Investment Facility (PIF) Scheme. This agreement aims to mobilize project-based concessional financing to strengthen socio-economic infrastructure and foster sustainable development in Nepal.

The Framework Agreement was signed by Dhani Ram Sharma, Joint Secretary of the Ministry of Finance, on behalf of the Government of Nepal, and Her Excellency Riina-Riikka Heikka, Ambassador of Finland to Nepal, on behalf of the Government of Finland.

Through the Projects Funded Under Finland's Public Sector Investment Facility (PIF) Scheme, Nepal can finance diverse socio-economic infrastructure projects, including drinking water, waste management, energy and electricity, digitization, meteorology, healthcare technology, disaster management, and rescue materials. The financial mobilization procedure will be guided by the Public Sector Investment Facility Guidance, which is based on the Organization for Economic Co-operation and Development (OECD) framework. As Nepal is categorized as one of the Least Developed Countries (LDCs), 50% of the financial assistance will be provided in the form of grants.

Hon Deputy Prime Minister and Ministry for Finance **Mr. Bishnu Prasad Paudel** highlighted the significance of this collaboration, stating: *"The Government of Nepal expresses its gratitude to the Finnish Government for its unwavering support in Nepal's social and infrastructure development. This Framework Agreement marks another milestone in the steadfast and longstanding bilateral relationship, further strengthening Nepal's sustainable development efforts. I am confident that this agreement will be effectively mobilized through the successful implementation of the projects."*

Speaking at the program held at the Ministry of Finance, **Hon. Minister for Foreign Trade and Development of Finland, Mr. Ville Tavio**, remarked: *"The PIF instrument can be a valuable tool to increase the economic collaboration between our countries. The PIF instrument provides highly concessional terms to Nepal for the purchases of Finnish technology and know-how by the public sector. The access to Finnish expertise on very favorable terms, made possible by the framework agreement, demonstrates our commitment to a strong and fair partnership for our mutual benefit."*

The **Government of Nepal** sincerely appreciates Finland's continued support for Nepal's socio-economic development and looks forward to strengthening this vital partnership.

Ministry of Finance
Singhadurbar, Kathmandu
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