

Press Release

Asian Development Bank has agreed to provide grant assistance of USD 24.5 million (equivalent NRs 1.78 billion) and loan assistance of USD 24.5 million (equivalent NRs 1.78 billion) total of USD 49 million (equivalent NRs 3.56 billion) to the Government of Nepal for the implementation of the **Sub regional Transport Enhancement Project**.

Ministry of Physical Planning and works and Department of Road are concern executing and implementing agencies respectively.

The total cost of the project is USD 75.9 million out of which USD 26.9 million (35.44%) will be borne by the Government of Nepal. The main objective of the project is to improve transport network and transit logistics to integrate the remote areas of the country and to create an enabling environment for its integration into regional and global markets. The project includes three components namely; (i) Road Improvement (ii) Trade facilitation and (iii) Capacity development.

The road component consists of upgrading 195km of roads including Salleri-Okhalkhunga (58km), Okhaldhunga-Harkapur (41km), Khandbari-Chaninpur (44km), Bhairahawa-Bypass (3.5km) and Belbari-Chauharwa (47km). Secondly, trade facilitation will support in designing business processing reengineering and upgrading of computer systems. Thirdly, capacity building component will enhance the capacity of road sector institutions such as Department of Road (DoR) and Road Board Nepal (RBN) in project management, road asset management and road technology. The facility is expected to complete on December 2014.

The project will promote economic development of Nepal's border areas and the remote northeastern hills by increasing domestic and regional trades through expansion of the national and sub regional transport systems.

Mr. Rameshore Prasad Khanal, Secretary, Ministry of Finance and Mr. Barry Hitchcock , Country Director of Asian Development Bank, Nepal Resident Mission signed on behalf of their respective institutions.

The Government of Nepal has expressed its sincere appreciation to Asian Development Bank for the continued support to the socio-economic development of Nepal.

**Ministry of Finance, Kathmandu
4 March 2011 (20 Falgun 2067).**