

PRESS RELEASE

Asian Development Bank has agreed to provide loan and grant assistance of US dollar 80 million (equivalent about Rs. 5652 million) to the Government of Nepal for the implementation of the following projects:

S.N.	Project	Loan (million in US \$)	Grant (million in US \$)
1.	Secondary Towns Integrated Urban Environmental Improvement Project	60.00	00.00
2.	Kathmandu Sustainable Urban Transport Project	10.00	10.00

The financing agreements to these effects were signed between the Government of Nepal and Asian Development Bank at the Ministry of Finance today.

In addition, OPEC Fund for International Development (OFID) and Global Environment Fund (GEF) will co-finance US Dollar 17 million as loan and US Dollar 2.52 million as grant for Secondary Towns Integrated Urban Environmental Improvement Project and Kathmandu Sustainable Urban Transport Project, respectively. Separate agreements in this regard will be concluded later on.

The objective of Secondary Towns Integrated Urban Environmental Improvement Project is to improve the quality of life and to help achieve higher and socially inclusive economic growth in key regional centers in Nepal through improved and affordable municipal services delivered effectively, efficiently and reliably by accountable project municipalities. The project will be implemented in Biratnagar, Birgunj and Butwal municipalities in the areas of sewerage and drainage, solid waste and urban roads and lanes in addition to a water supply development subproject in Kavre valley (Banepa, Dhulikhel and Panauti Municipalities).

The objective of the Kathmandu Sustainable Urban Transport Project is to improve the quality of urban life in the capital city of Nepal by delivering a more efficient, safe and sustainable urban transport system, favoring local economic growth and addressing climate change and air pollution mitigation.

Mr. Rameshore Prasad Khanal, Finance Secretary and Mr. Barry J. 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
Singh Durbar, Kathmandu
October 26, 2010
कार्तिक ९, २०६७