

Press Release



Nepal and ADB Sign Agreement for SASEC Highway Enhancement Project

The Government of Nepal and Asian Development Bank (ADB) signed today a concessional loan agreement of USD 300 million (equivalent to Rs. 39.30 billion) for the implementation of South Asia Sub-Regional Economic Cooperation Highway Enhancement Project (Kakarbhita-Laukahi Section).

The agreement was signed by Mr. Arjun Prasad Pokharel, Finance Secretary, Ministry of Finance and Mr. Arnaud Cauchois, ADB Country Director for Nepal on behalf of the Government of Nepal and Asian Development Bank respectively.

The proposed assistance related to road connectivity will support to improve transport connectivity in Nepal, with a focus on providing faster and better access to social services and economic opportunities. Upgrading of the road sections is expected to have a transformational impact by facilitating closer trade integration and contributing to Nepal's export competitiveness. The ADB is supporting expansion of this road as part of its South Asia Sub-Regional Cooperation Highway Enhancement Project.

"We thank the Asian Development Bank for supporting this important project which is an important part of the government plan to expand the entire East-West Highway into four lanes from the current two lanes" stated Mr. Arjun Prasad Pokharel, Finance Secretary. "Connectivity is on high priority of sustainable development agenda of Nepal. Sustainable transport and sustainable, inclusive and high-quality infrastructure are of cross cutting importance for accelerating economic growth, national and regional economic integration and attaining the sustainable development goals."

"The proposed project is crucial for Nepal to boost border trade and logistics by reducing transport costs; and improve standards of living of rural communities, including for women and disadvantaged groups, by developing better infrastructure assets with safety and climate- and disaster risk-resilient features" stated Mr. Arnaud Cauchois, ADB Country Director for Nepal.

Ministry of Finance
Singhadurbar, Kathmandu
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