

## Press Release

The Government of Japan has agreed to provide a grant assistance of Japanese Yen (JPY) 577 million (equivalent NRs 580 Million) to the Government of Nepal for the construction of Sindhuli Road Section III .

An agreement to this effect was signed and exchanged in Kathmandu, today.

Ministry of Physical Planning and Works is the executing agency of this project. This grant will be mobilized to construct the remaining road segment under Section III of this project.

It may be recalled that Banepa-Sindhuli Road (BP Highway) is being constructed with the main objective to develop an alternative link road to mid and eastern Terai with capital city. Also this will reduce travel distance/time of the traffic between Kathmandu valley and eastern Terai and thus substantially saving transportation cost. Simultaneously, this will stimulate the economic and social activities in hill areas of Kavre, Ramechhap and Sindhuli districts as an ultimate impact.

This road project was conceived as early as 1960 A.D. and some earthen track was constructed manually. As per the request of the Government of Nepal, the Government of Japan completed feasibility study in 1988 and construction of the road has been continuing since November 1996 with the financial support of the Government of Japan. The Government of Japan has already provided upto JPY 20.2 billion (equivalent to approximately NPR 21 billion) to the project. Stage development approach has been adopted for the construction of this highway owing to its long length and high construction cost.

The entire road has been divided into four sections namely, Section I Bardibas-Sindhuli (37km), Section II: Sindhuli Bazar-Khurkot (Bara) (36 km), Section III: Khurkot (Bara) -Nepalthok (37 Km), Section IV: Nepalthok-Dhulikhel (50Km). Section I, Section II and Section IV have been completed and first phase of Section III is expected to be completed by June 2012. Remaining 23 KM in second phase is planned to be completed within March 2015.

Mr. Krishna Hari Baskota, Secretary, Ministry of Finance and His Excellency Mr. Kunio Takahashi, Ambassador of Japan to Nepal and Mr. Mitsuyoshi Kawasaki, Chief Representative of JICA signed the agreements on behalf of the Government of Nepal, the Government of the Japan and JICA, respectively.

The Government of Nepal has expressed its sincere appreciation to the Government of Japan for its continued support in the socio-economic development of Nepal.

Ministry of Finance, Kathmandu  
15 February 2012  
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