

Press Release

Nepal and ADB Sign Agreement for Rural Connectivity Improvement Project-Additional Financing

The Government of Nepal and Asian Development Bank (ADB) today signed a concessional loan agreement amounting to USD 100 million (equivalent to Rs. 13 billion) for the implementation of Rural Connectivity Improvement Project-Additional Financing.

The Loan Agreement was signed by Dr. Krishna Hari Pushkar, 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. Similarly, project agreement was signed by Mr. Bharat Prasad Aryal, Director General, Department of Local Infrastructure, five Province Secretaries Mr. Ramesh Kumar Singh, Mr. Amrit Shrestha, Mr. Shankar Prasad Pandit, Mr. Sunil Poudel and Mr. Vishnu Bhandari; and Mr. Arnaud Cauchois, ADB Country Director for Nepal.

The proposed assistance related to road connectivity will support to improve rural road conditions between selected rural communities, productive agricultural areas and socio-economic centers, and to enhance the capacity of rural infrastructure agencies and road users. The proposed assistance is expected to have a transformational impact by establishing and maintaining year-round road connectivity.

Finance Secretary Dr. Pushkar remarked *“Rural communities are also vulnerable to climate change impact such as increasing frequency and intensity of flooding and landslides which can damage roads”*, Finance Secretary further stated *“In this context, this project has a great relevance and significance in establishing and maintaining year-round connectivity to promote inclusion and growth in rural areas.”*

Mr. Arnaud Cauchois, ADB Country Director for Nepal stated *“ADB's loan will play an important role in scaling up the improvement of rural connectivity through the construction of all-weather roads and bridges across five of Nepal's seven provinces, totaling 324 kilometers”*, Country Director further stated *“Additionally, the project places a strong emphasis on road safety, asset management, and climate resilience, incorporating bioengineering techniques and including bridges to ensure reliable all-weather connectivity.”*

Finance Secretary Dr. Pushkar appreciated the Asian Development Bank for its longstanding and continued support in Nepal’s socioeconomic development.

Ministry of Finance
Singhadurbar, Kathmandu
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