

## **Press Release**

Asian Development Bank has agreed to provide grant assistance of USD 12 million (equivalent NRs 0.87 billion) to the Government of Nepal for the implementation of the **Transport Project Preparatory Facility Project**.

Ministry of Physical Planning and works is the concern executing agency and Department of Road as well as Civil Aviation Authority of Nepal are the implementing agencies respectively. This project will identify and prepare high priority investment projects in the road and air transport sub-sectors for potential funding by the government or other development partners. And also help to establish an enabling environment for preparing and implementing the PPP projects.

The total cost of the project is USD 13.8 million out of which USD 1.8 million (13%) will be borne by the Government of Nepal. The main objective of the facility is to help ensure that critically important road and air transport projects are implemented efficiently by reducing the implementation gap period that exist between project concept and loan approval and the commencement of improvement works. The facility will systematically advance the preparation of high-priority transport projects, including feasibility studies, safeguard due diligence, detail engineering design, bidding documents and procurement assistance for advance contracting.

The outputs are (I) feasibility studies and detail design of road and air transport projects, and (II) capacity development support to DOR and CAAN for preparing and implementation of PPP projects. The targeted outcome is a reduced implementation gap for ADB-funded projects from a typical 27 months to 6 months. At least two road transport projects and one air transport project will be prepared under the facility. The road transport component will prepare improvement projects for high-priority Strategic Road Network (SRN) sections of about 1300 km, identified in the Priority Investment Plan (PIP). The air transport component will prepare capacity enhancement and safety improvements at TIA in Kathmandu and other regional airports, as well as the domestic airports serving remote areas that are otherwise inaccessible by road. The improved condition and higher density of the road network will facilitate delivery of social services and access to shops, markets, schools and hospitals and help induce opportunities for non-agriculture employment and incomes. The project is expected to complete in December 2015.

Mr. Rameshore Prasad Khanal, Secretary, Ministry of Finance and Mr. Barry Hitchcock , Country Director of Asian Development Bank, Nepal Resident Mission signed the agreement on behalf of the Government of Nepal and ADB respectively.

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

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