

PRESS RELEASE

Asian Development Bank (ADB) has agreed to provide US\$ 150 million (approximately NRs 15.4 billion) loan assistance for the implementation of Regional Urban Development Project. An agreement to this effect was signed and exchanged at the Ministry of Finance, Kathmandu, today. The interest rate of the loan will be 1% per annum including the grace period of eight years and 1.5% thereafter. The assistance will be utilized through on budget mechanism.

Regional Urban Development Project supports to develop the urban infrastructure in various areas of Nepal and to enhance the effectiveness and efficiency in the delivery of urban services. The project investment will cover the eight municipalities located in southern terai and far west of Nepal that include Birgunj, Biratnagar, Siddharthanagar, Nepalgunj, Bheemdatta, Dhangadhi, Godawari and Shuklaphanta municipalities. The executing agency of the project is Ministry of Urban Development and implementing agencies are the concerned municipalities and the Kailali based office of Department of Urban Development and Building Construction. The expected completion date of the project is 31 December 2022.

The main objective of the Program is to enhance sustainable urban development and to attain balanced regional development. After the successful completion of the program, it is expected that urban infrastructure in eight municipalities will be rehabilitated, municipal capacity will be strengthened and project preparation capacity will be improved in line with climate resilient and sustainable designs.

The project will enhance urban infrastructure in the Terai region, reducing the flooding duration to less than an hour in those eight municipalities. This includes the construction and rehabilitation of 200 kilometers of storm water drains, improvement of 240 km of roads, construction of at least 40 km of footpaths, building four sanitary landfills and resource recovery centers, and construction of 20 km of sewers.

The agreement was signed by Mr. Shankar Prasad Adhikari, Secretary, Ministry of Finance and Mr. Mukhtor Khamudkhanov, Country Director, Nepal Resident Mission ADB on behalf of Government of Nepal and the Bank respectively.

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

**Ministry of Finance
Singh Durbar, Kathmandu
November 27, 2017
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