

## PRESS RELEASE

### **The Government of Nepal and Asian Development Bank (ADB) sign US\$ 150 Million concessional loan for SASEC Airport Capacity Enhancement Project and US\$ 40 Million concessional loan and US\$10 Million grant for Priority River Basins Flood Risk Management Project**

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**Kathmandu, December 22, 2020**– The Government of Nepal and Asian Development Bank (ADB) signed US\$ 150 Million concessional loan agreement to finance South Asia Sub regional Cooperation (SASEC) Airport Capacity Enhancement Project and US\$ 40 Million concessional loan and US\$10 Million grant for the implementation of Priority River Basins Flood Risk Management Project. Mr. Shreekrishna Nepal, Joint Secretary, Ministry of Finance signed the agreement on behalf of the Government of Nepal where as Mr. RUDI LOUIS HENDRIKUS VAN DAEL Officer- in-charge, Nepal Resident Mission, ADB signed the agreement on behalf of ADB.

As per the agreement, ADB will provide concessional loan worth US\$150 Million for the said Airport Capacity Enhancement Project. This project will enhance the airport capacity by constructing Parallel Taxiway Extension, Hanger Apron, Next Phase work Design of TIA and Construction of second terminal building at Gautam Buddha Airport (GBA). Likewise ADB will provide concessional loan worth US\$ 40 Million and US\$ 10 Million grant for said Priority River Basins Flood Risk Management Project .The project will contribute to improve flood protection infrastructure, enhanced flood forecasting and response system and improve flood prevention and preparedness capacity.

Addressing the signing program held in the Ministry of Finance, joint secretary Mr.Nepal said “The implementation of these programs will significantly contribute to the national economy by increasing the existing capacity of Nepal's airspace and flood protection infrastructure. He appreciated ADB for its continued support to Nepal's infrastructure Development which has been crucial for the socio-economic development of Nepal” He thanked ADB for its valuable support in the socio-economic development of Nepal and wished the bank to continue its similar support going forward.

Similarly, on his concurrent remarks ADB officer-in-Charge, Mr. Rudi reflected on the necessity of this concessional loan saying, " Both projects can contribute to delivering important results to the people of Nepal. The flood risk management project will improve disaster resilience and make lives safe. The airport project will contribute to improve connectivity, leading to economic growth, once the pandemic is stabilized”.

The loan agreement is said to be effective after 90 days of the signing of this agreement.

Ministry of Finance,  
Government of Nepal

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