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## Embassy of Japan

P.O. Box 264, Kathmandu

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### Japan Extends Assistance for the Nagdhunga Tunnel Construction Project

The Government of Japan has decided to extend a loan assistance of up to sixteen billion six hundred and thirty-six million Japanese yen (¥16,636,000,000), approximately fifteen billion, two hundred and eighty-eight million Nepalese rupees (NRs.15,288,000,000), to the Government of Nepal to implement the Nagdhunga Tunnel Construction Project in Japan's Fiscal Year 2016.

Mr. Nobuo KISHI, State Minister for Foreign Affairs, has pledged this project on September 1<sup>st</sup> 2016, at the ceremony of the 60th Anniversary of Establishment of Diplomatic Relations between Japan and Nepal. So this project is regarded as the 60th anniversary commemoration project.

In this context, His Excellency Mr. Masashi OGAWA, Ambassador of Japan to Nepal and Mr. Shanta Raj Subedi, Secretary of the Ministry of Finance of the Government of Nepal has signed and exchanged a set of Exchange of Notes (E/N) on behalf of their respective governments for extending the said loan at an event organized at the Ministry of Finance on December 22, 2016.



Similarly, at the same time, a Loan Agreement has also been signed and exchanged between Mr. Jun SAKUMA, Chief Representative of Japan International Cooperation Agency (JICA) and Mr. Baikuntha Aryal, Chief of International Economic Cooperation Coordination Division of the Ministry of Finance. The ceremony for this event was graciously attended by the Honorable Deputy Prime Minister and Minister for Finance, Mr. Krishna Bahadur Mahara and the Honorable Minister for Physical Infrastructure and Transport, Mr. Ramesh Lekhak.

Under this loan assistance, the project will purchase the products and services necessary to construct 5.05 kilometers of tunnel-road stretches from Baad Bhanjyang, Kathmandu to Sisnekhola, Dhading district. 2.45 kilometers of the stretch will be a two-lane tunnel and 2.20 kilometers (Kathmandu side) and 0.40 kilometers (Dhading Side) will be approach roads. It is anticipated that this project will significantly improve vehicular movement and, accordingly, travel time and transport expenses for fuel and spare parts will also significantly decrease.

Elaborating the importance of tunnel-road in Nepal, the Embassy has remarked that, like Nepal, Japan is a mountainous country in which tunnels are indispensable for domestic transportation routes. Many tunnels run throughout Japan, and with many years experience, Japan has highly developed tunnel construction technology. Expressing extreme pleasure,

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His Excellency Mr. OGAWA said that, finally, the first tunnel road in Nepal would be constructed with Japanese assistance.

Referring to the present condition of this road link, His Excellency Mr. OGAWA also noted that the Naubishe – Thankot section of the Tribhuvan highway has poor road conditions and slow vehicular movement due to the many sharp curves and steep gradient. Considering the complex geological condition of this stretch, it has long awaited either upgrading or re-aligning with a better alternative.

Considering the request of the Government of Nepal, the Government of Japan has decided to implement this project to improve transport infrastructure of Nepal. This project has been long awaited in the transport sector to achieve a higher level of safety and smooth operation for in and out bound vehicles from the Kathmandu Valley. The Government of Japan considers that this project will be a symbolic landmark for the socio-economic development of Nepal and for the deepening relationship between our two countries.

The project components are (1) Civil works (Construction of the Tunnel (2.45km), Construction of the Approach Road (2.6km), Construction of 2 Bridges along Approach Road, Construction of Toll facility, Construction of Control office, Disposal Area Development, Construction of Distribution line (4.1km)) and (2) Consulting service (Detailed Design, Preparation of Bidding Document, Construction Supervision, Capacity Development for Operation and Maintenance, Safeguard).

On the occasion, His Excellency pointed out the necessity of sincere support from the concerned authorities of the Government of Nepal for the successful and hassle free implementation of this project.

His Excellency Mr. OGAWA expressed confidence that as Japan is a close friend and sincere development partner of Nepal, Japan will certainly extend all possible assistance to help Nepal's endeavor in its nation-building.

Japan expects that this project will be instrumental to further strengthening economic activities. It is also expected that the infrastructures being constructed will certainly be yet another cornerstone in enhancing the friendly relations between the people of the two countries.

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