

 Early Warning System

ADB-59093-001

Preparing the National Highway Expansion Project (Lhamoizingkha-Sarpang) (previously Highway Project Readiness Financing)



Quick Facts

Countries	Bhutan
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-09-02
Borrower	Government of Bhutan - Department of Surface Transport
Sectors	Transport
Investment Type(s)	Grant
Investment Amount (USD)	\$ 2.00 million
Project Cost (USD)	\$ 2.14 million



Project Description

According to the Bank's website, the project readiness financing (PRF) will support the preparation of the Lhamoizingkha-Sarpang Highway. This includes engineering design, environmental and social impact assessments, procurement documents preparation, other relevant due diligence, and independent review. The PRF's scope aligns with ADB's country partnership strategy, 2024-2028 for Bhutan. The design study will focus on (i) biodiversity conservation and sustainable development, (ii) climate resilience measures such as slope protection, and (iii) economic and financial viability.

Bhutan is a landlocked country situated in the Eastern Himalayas, bordered by India to the east, west, and south, and the People's Republic of China to the north. Its geography is characterized by steep mountains and deep valleys, leading to dispersed settlements that pose significant challenges for transportation and infrastructure maintenance. Due to its hilly terrain and the absence of other surface transport systems, Bhutan depends heavily on its road network for the movement of people and goods within its borders and with the neighboring Indian states of Assam and West Bengal.

The Thirteenth Five Year Plan (2024-2029) emphasizes sustainability, innovation, and inclusivity. The government aims to transform Bhutan into a developed nation, as demonstrated by the vision to develop Gelephu, a city on the southern border with India into an economic hub and trade gateway. Due to lack of alternative transport systems, Bhutan's reliance on its road network is crucial. The road network has progressively expanded and provides east-west connectivity through the northern east-west highway in the central region of the country. A key government priority is completing the missing links of the Southern East-West Highway and connecting Gelephu.



Investment Description

- Asian Development Bank (ADB)

Project Financing Amount: \$2,140,000

ADB Financing: \$ 2,000,000

Cofinancing (ADB Administered):

Non-ADB Financing: \$ 140,000



Contact Information

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You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

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ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Grant Agreement \(Special Operations\) for Grant 6054-BHU: Preparing the National Highway Expansion Pr](#)
- [Procurement Plan](#)
- [Project Administration Manual](#)
- [Project Readiness Financing Report](#)