

 Early Warning System

ADB-59156-001

South Asia Subregional Economic Cooperation Highway Improvement
and Ecosystem Restoration Project



Quick Facts

Countries	Nepal
Specific Location	Chitwan National Park
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2026-02-09
Borrower	Government of Nepal
Sectors	Infrastructure, Transport
Investment Type(s)	Grant, Loan
Investment Amount (USD)	\$ 220.00 million
Loan Amount (USD)	\$ 200.00 million
Grant Amount (USD)	\$ 20.00 million



Project Description

The project will rehabilitate and upgrade 70 kilometers (km) of the EWH from Narayanghat towards Hetauda from two-lane to four-lane. Along the existing highway that bisects the Barandabhar wildlife corridor, at least a 2 km continuous section will be elevated to recreate the obstacle-free wildlife passage, thereby linking the Terai Arc Landscape and the Chitwan-Annapurna Landscape in Nepal. Additionally, wildlife crossing structures and control measures will be integrated into the at-grade road to mitigate wildlife-vehicle conflicts and minimize the indirect human-wildlife impact on the community. An additional service lane, complete with footpaths, cycle lanes, and road crossing facilities, will be provided in the urban area to enhance road safety for all road users.

The project will also upgrade the remaining 9.4 km Mugling-Abhukarhari section to a four-lane as part of the Mugling to Pokhara Highway. This includes (i) widening of 4.9 km of the existing highway, (ii) rehabilitation of 4.5 km of existing two-lane highway, and (iii) construction of two bridges and 4.5 km two-lane new road, This enhancement aims to establish complete road connectivity from the border points in the Tarrai region to Pokhara, which is situated in the middle mountain region of Nepal. This section was identified as the Phase 2 of the SASEC Mugling Pokhara Highway Improvement Phase 1 Project.

The road linking Pokhara to Mugling, connecting through Narayanghat, Hetauda, Pathlaiya to Birgunj/Raxaul or Kakarbhitta has been identified in three of the SASEC corridors road routes in the action plan for SASEC initiatives for 2024-2026, namely (i) Nepal/Bhutan-India corridor to Kolkata and Haldia, (ii) NepalIndiaBangladesh Corridor to Mongla and Chattogram, and (iii) Nepal/BhutanIndiaMyanmar Corridor to Monywa,. This development is anticipated to significantly reduce transport and trade costs between SASEC member countries and the two most important economic hubs of Nepal.



People Affected By This Project

There have been recent spate of demolitions in Hatuda linked to the upgradation of the Eastern Western highway. According to first-hand testimony and documentation shared by community members and human rights monitors, households in Hetauda and other areas are facing or have already suffered demolition of their homes without meaningful consultation, adequate notice, compensation, or resettlement, affecting thousands of residents. Community estimates indicate that nearly 1,700 houses (home to approximately 10,000 people) may be impacted, although government accounts cite 531 structures. Disturbing reports describe bulldozers arriving at dawn, women pleading for demolition teams to stop, and men being forced away by security personnel. Residents attempting to peacefully assemble or protest were reportedly dispersed or prohibited from gathering, and several individuals monitoring the situation faced intimidation or arrest. The situation is especially alarming given that the Supreme Court of Nepal issued a stay order on Friday 5th November 2025 afternoon instructing authorities to halt all demolition activities. Despite this clear direction, houses were demolished early on Saturday morning, 6th December 2025. This constitutes a direct violation of the Supreme Court's authority and Nepal's constitutional framework.



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Project

Investment Description

- Asian Development Bank (ADB)



Contact Information

Responsible ADB Officer: Chong, Sin Wai

Responsible ADB Department: Sectors Department 1

Responsible ADB Division: Transport Sector Office (SD1-TRA)

Executing Agencies: Ministry of Physical Infrastructure and Transport

ACCESS TO INFORMATION

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

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

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>.



Community Documents

- [Letter of Concern regarding Forced Evictions and Human Rights Violations in Hetauda](#)

Media

- [Evictions in Hetauda linked to Eastern Western Highway](#)