

## Rural Poor People The Focus Of US\$253 Million World Bank Support Package To Nepal

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Press Release No:2008/136/SAR

**WASHINGTON, December 6, 2007**— The World Bank today approved its largest ever support package to Nepal with US\$253 million in grants designed to improve access to basic and primary education, enhance irrigation, expand rural roads, and improve living conditions, livelihoods, and empowerment among the rural poor. The new support package doubles the amount of development resources currently available from the Bank to Nepal.

Earlier, briefing Executive Directors of the World Bank Group and their Advisors, **Praful Patel, World Bank Vice President for South Asia**, said the grant program intends to support government implementation of a development program that enjoys the backing of the seven party coalition in their efforts to sustain the peace and to build the New Nepal. He said it also reflects priorities that have emerged from the Bank's own engagement with the political establishment. *"We all know that peace is needed for development. But in Nepal we also know that development is needed for peace,"* he said. *"Addressing the root causes of the conflict will be key to ensuring lasting peace in Nepal. Rather than say we will wait and see, we have stressed in our dialogue that reinforcing the peace through development is a more inspiring message for the people of Nepal who are demanding positive change."*

The briefing to members of the World Bank Board of Executive Directors in Washington DC follows consultations in Kathmandu on November 8, 2007 between senior managers and staff of the South Asia Region of the World Bank and a wide range of Nepalis, including politicians, senior government officials, development partners, and representatives from civil society, the private sector and the media.

*"Inequality and social exclusion are among Nepal's foremost development challenges,"* said **Susan Goldmark, World Bank Country Director for Nepal**. *"This assistance package approved today demonstrates our commitment to ensure social and economic inclusion of the poor, marginalized groups, and less developed regions. Through improved schools, roads, water provision, and income-generating activities, we hope these projects will help the country step up the delivery of basic services, particularly in areas that have lost over a decade to the conflict."*

The US\$100 million for the **Poverty Alleviation Fund Project II (PAF II)** supports the second phase of the PAF, a community-driven development (CDD) program that has reached over 900,000 rural Nepalis over the last three years. Through income-generating activities and community infrastructure projects, it is designed to improve living conditions, livelihoods and empowerment among the rural poor, with particular attention to excluded groups by reasons of gender, ethnicity, caste, and location. PAF II will cover all 75 districts in the country, and be accessible to some one million rural households.

The US\$60 million in additional financing for the **Education for All Project** is designed to improve access to and benefits from basic and primary education for children, especially from disadvantaged groups, and from literacy programs to poor adults. This additional financing will help fill a financing gap in the original project, which was approved by the World Bank on July 8, 2004. The project is making good progress towards achieving the Education for All goals: access to primary education is steadily rising, and with expanded educational reforms the country is likely to reach the target of 96 percent net enrolment rate.

The US\$50 million for the **Irrigation and Water Resources Management Project** is designed to improve irrigated agriculture productivity and management of selected irrigation schemes, and enhance institutional capacity for integrated water resources management. The project aims to increase availability and reliability of supply of irrigation water, which is expected to lead to higher agriculture productivity and increased cropping intensity.

The US\$42.60 million for the **Road Sector Development Project** supports upgrading roads in five hill districts which currently lack all-season road access, which will help improve access to economic centers and social services. It entails upgrading of about 297 km of existing dry-season roads/tracks to all-season standard with sealed gravel pavements selected from a pool of more than 1000 km of prioritized roads.

The grants are from the International Development Association (IDA), the World Bank's concessionary lending arm.

For more information on the Bank's work in Nepal, please visit <http://www.worldbank.org.np>