

## Press Release

The International Development Association (IDA), a soft lending window of the World Bank, has agreed to provide a grant assistance of US\$ 252.60 million (equivalent to Rs. 15.926 billion) to the Government of Nepal for the implementation of four different Programs / Projects. The agreements to this effect were signed at the Ministry of Finance in Kathmandu, today. This is by far the largest single package of grant assistance commitment by the World Bank Group to Nepal since its operations began in Nepal.

Of the total grant assistance, US\$ 100 million (equivalent to Rs. 6.30 billion) has been provided to the Poverty Alleviation Fund, US\$. 42.60 million (equivalent to Rs.2.69 billion) to Road Sector Development Project, US\$ 50 million (equivalent to Rs. 3.15 billion) to Irrigation and Water Resources Management Project and US\$60 million (equivalent to Rs.3.78 billion) to Education for All (EFA) projects.

The additional contribution to the Poverty Alleviation Fund (PAF) provided by the IDA will be used for financing the implementation of community level income generation, capacity development and small infrastructure scheme under (PAF). It may be recalled that the International Development Association has been contributing to the PAF by extending grant assistance since 2004.

Similarly, under the Road Sector Development Project, the grant assistance will be used for residents of the beneficiary districts to have all-season road access, thereby reducing travel time and improving access to economic centers and social services. This project comprises of two components: (a) Road Development Component (RDC) and (b) Institutional Strengthening and Policy Reform Component. Under the RDC, up-gradation of about 297 km of existing dry-season roads and tracks to all-season standard with sealed gravel pavements will be carried out. These roads will improve the connectivity to six districts, namely, Darchula, Baitadi, Kalikot, Dailekh, Surkhet and Bajhang. Similarly, periodic maintenance of about 297 km of Strategic Road Network (SRN) will also be carried out. Besides, road safety audits will be carried out to identify black spots in the SRN. Under the Institutional Strengthening and Policy Reform Component, the project will provide support to the Department of Roads, the Roads Board of Nepal, and the Ministry of Physical Planning and Works.

Under the Irrigation and Water Resources Management Project, the assistance will be utilized for developing and improving irrigation infrastructure and streamlining and managing irrigation management transfers to the user groups and beneficiaries. The project will also provide institutional and policy support for improved water management, and integrated crop and water management of all districts of Far-Western, Mid-Western, and Western Development Regions along with Parsa, Bara, Rautahat, Saptari, Sunsari, Morang, and Jhapa districts covering of Hill, Mountain, and Terai Regions.

The assistance provided to the Education for All (EFA) program will be used for the implementation of various programs envisaged under this project. The IDA has been extending grant assistance for the implementation of EFA since 2004.

The agreements were signed by Mr. Vidyadhar Mallik, Secretary in the Ministry of Finance, and Ms. Susan Goldmark, Country Director of the World Bank in Nepal on behalf of the Government of Nepal and the International Development Association respectively. The signing ceremony was also attended by Honorable Finance Minister Dr. Ram Sharan Mahat, and Mr. Praful Patel, Vice President, of the World Bank .

The Government of Nepal has expressed its sincere appreciation to the International Development Association for this grant assistance and also for its continued support in the socio-economic development of Nepal.

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Ministry of Finance  
Kathmandu.

