

Press Release

The World Bank has agreed to provide USD 75 million-NRs 5.43 billion (USD 33.74 million grant and USD 41.26 million credit) to the Government of Nepal as an additional assistance for the implementation of the **Road Sector Development Project**.

Ministry of Physical Planning and works and Department of Road are concern executing and implementing agencies respectively.

The total cost of the project is USD 125.5 million out of which USD 50.5 million (40.23%) will be borne by the Government of Nepal. The main objective of the project is to provide the residents of beneficiary district to have all seasoned road access thereby reducing travel time and improving access to economic center and social services. The project includes two components namely; (i) Road Development and (ii) Institutional strengthening and policy Reform.

The road development component consists of road upgrading and rehabilitation works of 700 km existing roads (Khodpe-Chanipur(Bjhang)-113 km, Surketh-Jumla 236 km, Sitalpari(Salyan)-Musikot (Rukum)- 86km, Chhinchu (Surketh)- Jajarkot- 84km, Satbajh-Darchula -130 km, Stabajh (Baitadi)- Tripurasundari(Baitadi)- 23 km, Tallo Dungeswor-Dailekh- 28 km) to all weather standards, periodic maintenance of 2550 km black top of strategic roads, emergency maintenance of flood damaged roads in the original project and road safety works for the strategic roads. Secondly, Institutional strengthening and policy Reform will provide support to the Department of Road , Road Board Nepal, National Vigilance Centre and Ministry of Physical Planning and Works to sustain and deepen previous institutional and policy development activities started in the Road Maintenance Development Project, as well as support new ones that have been identified by the Government of Nepal.

After the completion of the Road Development Component of the project, 14% people in eight project districts (Baitadi, Bajhang, Darchula, Daliikh, Kalikot, Jumla, Rukum, and Jajarkot) have all season road access within 20 minutes walking distance and also expected to decrease in journey time to key economic centers by 35% and to key social service centers by 25 %. On the other hand, Institutional Reform component will support further modernization of DoR to enhance its service delivery. This project will scale up the original project that has been under progress since 21 February 2008. This project is expected to complete on 30 June 2015.

Mr. Rameshore Prasad Khanal, Secretary, Ministry of Finance and Ms Susan G. Goldmark, Country Director, World Bank, Nepal Country Office signed the agreement on behalf of the Government of Nepal and The World Bank respectively.

The Government of Nepal has expressed its sincere appreciation to the Bank for the continued support in the socio-economic development of Nepal.

Ministry of Finance

Kathmandu, Nepal

4 March 2011 (20 Falgun 2067).