

# World Bank Approves \$100 Million Loan for Nepal's Road Infrastructure Improvement project

October 11, 2024



**The Government of Nepal and the World Bank have signed a financing agreement for a US\$100 million concessional loan to support the development of Nepal's provincial and local road network. The Provincial and Local Roads Improvement Program (PLRIP)-Phase 1 will focus on constructing and maintaining approximately 3,000 kilometers of all-weather roads and bridges in Sudurpashchim, Karnali, and Madhesh provinces.**

The program aims to enhance rural connectivity, improve access to services and markets, and reduce travel time and costs for Nepalis. By strengthening the institutional and technical capacity of provincial and local governments, the PLRIP will enable them to effectively plan, design, construct, and maintain road infrastructure.

The financing agreement was signed by Dr. Ram Prasad Ghimire, Finance Secretary of Nepal, and David Sislen, World Bank Country Director for Maldives, Nepal, and Sri Lanka. A separate project agreement was also signed by the Ministry of Urban Development, participating provinces, and the World Bank.

*"This program will help enhance rural connectivity, improve access to services and markets, and unlock Nepal's economic potential in an inclusive manner, while reducing travel time and costs for Nepalis,"* said **Joint Secretary, Ministry of Finance, Mr. Shreekrishna Nepal.**

The PLRIP will introduce several best practices, including performance-based maintenance contracts, self-help group involvement in routine maintenance, community-led infrastructure projects, and an online program monitoring and management system. These initiatives will contribute to the long-term sustainability and effectiveness of the road network.

The World Bank's support for this project aligns with Nepal's federalism agenda and its efforts to empower provincial and local governments. By improving rural connectivity and infrastructure, the PLRIP will play a vital role in driving economic growth and improving the quality of life for Nepalis in targeted regions.