

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB7508

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Project Name	Road Safety Support to Road Sector Development Project
Region	<i>South Asia</i>
Country	<i>Nepal</i>
Sector	<i>Transport</i>
Lending Instrument	<i>Specific Investment Lending</i>
Project ID	P149606
<i>{If Add. Fin.}</i> Parent Project ID	<i>Not Applicable</i>
Borrower(s)	Government of Nepal
Implementing Agency	Department of Roads, Ministry of Physical Infrastructure and Transport
Environmental Screening Category	[]A [X]B []C []FI []TBD (to be determined)
Date PID Prepared	<i>January 22, 2014</i>
Estimated Date of Appraisal Completion	<i>February 17, 2014</i>
Estimated Date of Board Approval	April 25, 2014
Concept Review Decision	<i>{Insert the following}</i> Following the review of the concept, the decision was taken to proceed with the preparation of the operation.
Other Decision <i>{Optional}</i>	<i>Teams can add more if they wish or delete this row if no other decisions are added</i>

I. Introduction and Context

Country Context

1. Nepal is one of the least developed countries in the world. It has the second lowest GDP per capita in the South Asia Region. Remittances play a large role in the Nepalese economy and it accounts for 20% of GDP in 2010. Between 2005 and 2010, Nepal's real GDP grew at an average annual rate of 4.2%. Services sector is the largest and growing at a fastest rate. Nonetheless, Nepal's economy is significantly dependent on the agricultural sector that accounted for about a third of GDP and employed roughly two thirds of Nepal's working population in 2010.

2. Nepal's topography and geology have significantly complicated efforts to provide road connectivity to many district headquarters. Nepal's road infrastructure is particularly poor relative to other lower income countries. Nepal has one of the lowest Logistics Performance Index, as per a 2010 World Bank logistics study¹ (Nepal was one of the 10 lowest performers and its infrastructure ranked 149 among 155 countries).

¹ http://siteresources.worldbank.org/TRADE/Resources/239070-1336654966193/LPI_2012_final.pdf

Sectoral and Institutional Context

3. National highways, feeder roads and other roads of national importance constitute what is known as Nepal's 'Strategic Road Network' (SRN). The Strategic Roads Network plays a particularly critical role in Nepal's economic growth and development. SRN roads comprise Nepal's primary corridors for trade and economic activity. SRN roads also form the key linkages providing socially important connectivity between Nepal's development regions.

4. The Government of Nepal has sought to increase investment along the SRN. Between 2007/08 and 2011/12 the budgetary allocation for strategic roads increased from 5.2% to 8.0% of the national budget (1.2% to 2.3% of GDP)². Several development partners and bilateral sources have actively engaged to support the Government's strategy of increased investment (including the International Development Association (IDA), the Asian Development Bank, Japan International Cooperation Agency (JICA), the Government of the Peoples' Republic of China, and the Government of India. IDA is currently supporting two SRN related operations, including: (i) the Road Sector Development Project (RSDP); and (ii) the Bridges Improvement and Maintenance Program (BIMP). The combined total investment in infrastructure and institutional systems under these two operations is about \$175m.

5. A key aim of RSDP is to connect eight remote district headquarters in the Mid-Western and Far-Western regions with all-weather roads³. As of end-October, 2013 two district headquarters have gained access to all weather road linkages. RSDP is on target to complete linkages to six further districts by December, 2014.

6. Aside from increasing investment to provide connectivity, the Government of Nepal is taking greater measures to ensure that roads are safe. However, road safety remains an acute challenge in Nepal. Between 2009 and 2010 approximately 1,700 people died as a result of road accidents. This equates to roughly 14.3 fatalities per 10,000 vehicles on Nepal's roads (WHO, 2010). This is amongst the poorest road safety records in the world. The comparable figures from Cambodia and the United Kingdom are 11.0 and 0.54 respectively⁴.

7. In September, 2012 a local newspaper reported that a total of 193 lives were lost on Surkhet-Jumla Road (an RSDP road that is being improved) in the four years prior period. Although the exact causes of these accidents remain unknown, anecdotal evidence suggests that driver behavior and poor road conditions are foremost amongst contributing factors. Additional funding to support incremental road safety investments (beyond those included in the ongoing IDA operation that comprise improve road geometry and slope protection works) can help to make RSDP roads safer. The Department of Roads is seeking to install crash barriers on particularly hazardous sections to reduce casualties and fatalities that result when accidents do occur. Further investment under RSDP will also target interventions such as road marking and improved signage.

Relationship to Interim Strategy Note

8. Proposed operations align well with the Interim Strategy Note (ISN) for Nepal and the forthcoming World Bank Group Country Partnership Strategy (CPS). Pillar two of the draft CPS

² Nepal Road Sector Assessment Study by the World Bank

³ District headquarters are: Baitadi, Darchula, Bajhang, Dailekh, Kalikot, Jajarkot, Rukum and Jumla

⁴ http://www.who.int/violence_injury_prevention/road_safety_status/2013/country_profiles/en/index.html

specifically highlights improving connectivity throughout Nepal as a key consideration for inclusive economic growth and rural poverty reduction.

II. Proposed Development Objective(s)

8. The Project Development Objective is: *to improve the safety features of RSDP roads and support implementation of Nepal's Road Safety Action Plan.*

9. The key result indicators for the achievement of the project development objectives will be as follows:

- (i) 620 km of RSDP roads with improved road safety features; and
- (ii) X-number of activities supported from the Road Safety Action Plan.

III. Preliminary Description

Description

10. The proposed project entails a Global Road Safety Facility (GRSF) grant for GBP 5 million equivalent to improve road safety features along 700km of strategic roads that are being upgraded under the IDA-supported RSDP operation. The project will also support the implementation of Nepal's Road Safety Action Plan which recently obtained GON approval and has entered implementation. The funding source of this particular grant is the Department of International Development, UK (DFID, UK).

11. DFID will channel £5m into the Global Road Safety Facility (GRSF) Multi-donor Trust Fund managed by the World Bank. DFID's £5m will be lodged in the IBRD/IDA concerning the Global Road Safety Phase 2 Multi Donor Trust Fund (TF No. 071699).

Specific components of this project would include the following:

12. **Component A – Procurement and installation of crash barriers on RSDP roads (GBP 4.5 million equivalent)** – this component will finance procurement and installation of roughly 7,000m of crash barriers in critical sections of RSDP roads. The RSDP Project Management Unit (PMU) has initiated a safety audit for roads under the project. Upon completion, this work will produce detailed drawings to guide design and installation of crash barriers. DOR engineers and RSDP consultants will supervise installation according to these plans.

Component B –Institutional strengthening linked to road safety (GBP 0.5 million equivalent) supports the implementation of the Road Safety Action Plan, which has recently been approved by the Government. The activities are being identified with MoPIT/DOR.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
Natural Habitats (OP/BP 4.04)			X
Pest Management (OP 4.09)		X	
Physical Cultural Resources (OP/BP 4.11)			X
Involuntary Resettlement (OP/BP 4.12)			X
Indigenous Peoples (OP/BP 4.10)	X		
Forests (OP/BP 4.36)			X

Safety of Dams (OP/BP 4.37)		X	
Projects in Disputed Areas (OP/BP 7.60)*		X	
Projects on International Waterways (OP/BP 7.50)		X	

V. Tentative financing

{Same as in AUS}

Source: (\$ 8m.; GBP 5m
Equiv.)

Borrower/Recipient

IBRD

IDA

Others (specify) (Global Road Safety Facility)

Total GBP 5 million
GBP 5 million

VI. Contact point

World Bank

Contact: A.K. Farhad Ahmed
Title: Senior Transport Specialist
Tel: +977 (1) 4226792 Ext. 6181
Email: fahmed8@worldbank.org

Borrower/Client/Recipient

Contact:
Title:
Tel:
Email:

Implementing Agencies

Contact: Mr. Keshab Sharma
Title: Deputy Director General
Tel: +977 1 4216317
Email: ksbsharma@gmail.com

VII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas