Early Warning System

ADB-53195-002

Master Plan for Road Connectivity

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Quick Facts

Countries	Nepal
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2021-08-23
Sectors	Transport
Investment Type(s)	Advisory Services
Investment Amount (USD)	$ 1.50 million

Project Description

According to the ADB website, the proposed investment will provide knowledge and support technical assistance (TA) for the Master Plan for Road Connectivity. This investment will thus help enhance the planning and programming of transport sector investments in Nepal by supporting the (i) development of the national highway network (NHN) expansion plan, (ii) preparation of the priority investment plan (PIP) for 2023-2033, and (iii) capacity building of the Department of Roads (DOR).

This TA is included in the country operations business plan, 2021-2023 of the Asian Development Bank (ADB) for Nepal, and its objective is identified as one of the three pillars in ADB's country partnership strategy, 2020-2024: improved infrastructure by supporting road transport and logistics to strengthen domestic, regional, and international connectivity.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Nepal is landlocked, bordered to the north by the People's Republic of China, and to the east, south, and west by India. The country is divided into three physiographic areas: the mountains in the north, the hill and Siwalik regions in the middle, and the Terai (lowland plains) bordering India in the south. In February 2021, the United Nations Committee for Development Policy recommended Nepal's graduation from the least-developed country category after a preparatory period of 5 years, to be effective in 2026.

Transport connectivity in Nepal is a challenging and costly undertaking because of its natural terrain and geography. The transport sector comprises roads, aviation, railways, inland waterways, and ropeways. Road transport is by far the dominant mode and, along with air travel, is considered the major mode of transport for freight and passengers. Aviation plays an important role in maintaining international connectivity but the country's terrain as well as inadequate technology and operational skills are constraining its expansion. The transport movement through waterways and ropeways is negligible, whereas the railway network is being examined for expansion with bilateral support from India and the People's Republic of China.

Road transport carries about 90% of freight and passenger traffic in Nepal and is considered the only mode of transport in Kathmandu Valley. Previously the road network was classified as strategic road network (SRN) or local road network. The SRN, which consisted mainly of national highways and feeder roads, was reconfigured into 80 national highways and presented as NHN in the Statistics of National Highway 2020/21 in May 2021. The NHN, covering about 14,923 kilometers (km), is under the jurisdiction of the DOR, and serves as the backbone for the physical and economic integration of the country, and of Nepal with its neighbors. However, less than half of these highways have bituminous pavements, which makes road maintenance a huge challenge.

A midterm review of the 2007 PIP was carried out in 2016 that extended the plan up to FY2022. The review also found that many of those additional SRN links were unsealed local roads or connected to areas with small populations. Resources were shared with these roads and other small projects. The strategic functions of these roads and the actual demand for them over the years shall be reviewed, and any proposed works should be determined independently.

Intermodal transport connection is inadequate in the country. Although the current NHN has provided connections to airports, nearly 85% of goods traded are transported by land and strongly rely on the Kathmandu-Birgunj-Kolkata Corridor and the East-West Highway. The Birgunj inland clearance depot is the only terminal that has rail and road connectivity with India.

Investment Description

- Asian Development Bank (ADB)

Contact Information

Responsible ADB Officer	Chong, Sin Wai
Responsible ADB Department	South Asia Department
Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	Ministry of Physical Infrastructure and Transport Singha Durbar Kathmandu Nepal

ACCESS TO INFORMATION

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ACCOUNTABILITY MECHANISM OF ADB

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Bank Documents

- Master Plan for Road Connectivity: Technical Assistance Report [Original Source]
- Project Disclosure PDF [Original Source]