

 Early Warning System

WB-P178687

NEPAL SECOND GREEN, RESILIENT, AND INCLUSIVE PROGRAMMATIC  
DEVELOPMENT POLICY CREDIT



Quick Facts

Countries	Nepal
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-12-12
Borrower	Government of Nepal - Ministry of Finance
Sectors	Industry and Trade, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 100.00 million



## Project Description

According to the Bank's website, the objective of this project is to improve the enabling environment for Nepal's green, resilient, and inclusive development pathway.

Two pillars support the PDO. Pillar A: Consolidating GRID principles in strategic development planning across sectors, and Pillar B: Sectoral policies for GRID. Together, these pillars include measures for (a) sustainably and productively using natural capital for people's livelihoods; (b) building resilience of urban and rural infrastructure, people, and livelihoods to climate, environmental, and other risks and shocks; (c) promoting more efficient and cleaner production, consumption, and mobility for greater livability; (d) strengthening inclusion in development decision-making and access to assets and services; and (e) mobilizing private sector participation to help green Nepal's economy and create or enable job opportunities from tourism, forestry, agriculture, water security, solid waste management, and urban sustainability.



## Early Warning System Project Analysis

The overall residual risk for the operation is substantial. These risks relate mostly to macro-economic, political and governance, sector strategy and policies, technical design, institutional capacity, fiduciary, and stakeholders risks. Macroeconomic risks are substantial given the increasing frequency of shocks, higher inflation, reduced investment in human capital after the Covid-19 crisis, and increasing inequality. Political and governance risks are substantial, with frequent change in government and residual risks of political uncertainty remaining high. Risk relating to technical design arises from weak implementation of policies in Nepal, whereas institutional capacity for implementation and sustainability risk stems from the reform program requiring technical expertise and coordination across line ministries and tiers of government while the country continues to transition to its federal structure in line with the 2015 Constitution. The substantial fiduciary risk is derived from a weak internal control system and procurement capacity constraints. Further, stakeholders risks are substantial and arise from vested interest groups that benefit from the current policy regime and could resist reform that alters the status quo.



## Investment Description

- World Bank (WB)

A proposed credit in the amount of SDR 73.8 million (equivalent to US\$100 million).



## Contact Information

### World Bank

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### Borrower/Client/Recipient

Nepal

The Secretary

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### Implementing Agencies

Ministry of Finance

The Joint Secretary

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## ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

## ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing [ipanel@worldbank.org](mailto:ipanel@worldbank.org). Information on how to file a complaint and a complaint request form are available at: <https://www.inspectionpanel.org/how-to-file-complaint>



### Bank Documents

- [Appraisal Program Information Document \(PID\)](#) [Original Source]
- [Concept Program Information Document \(PID\) - NEPAL GREEN, RESILIENT AND INCLUSIVE PROGRAMMATIC DPC 2](#) [Original Source]
- [Nepal - Green, Resilient, and Inclusive Development Programmatic \(DPC-2\) : Analysis of Climate Co-Benefit](#)
- [Nepal - Second Green, Resilient, and Inclusive Programmatic Development Policy Credit](#) [Original Source]
- [Official Documents- Financing Agreement for Credit 7651-NP.pdf \(English\)](#)



## Other Related Projects

- WB-P177776 First Nepal Green, Resilient and Inclusive Programmatic DPC