

 Early Warning System

WB-P181344

Nepal Disaster Resilience Development Policy Credit with Cat DDO  
(NDRC)



### Quick Facts

Countries	Nepal
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-10-08
Borrower	Government of Nepal - Ministry of Health and Population; and others
Sectors	Climate and Environment, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 150.00 million
Project Cost (USD)	\$ 150.00 million

## Project Description

According to the Bank's website, the objective of this project is to strengthen the capacity of the government of Nepal to manage disaster and climate risks, including disease outbreaks. This operation is aligned with the goals of the Paris Agreement. First, the operation is fully aligned with the policy recommendations that have emerged from the Nepal's Country Climate and Development Report (CCDR) and is consistent with the climate priorities outlined in its Second Nationally Determined Contributions (NDC), National Adaptation Plan (NAP), and Long-term Strategy (LTS). Second, on mitigation goals, the reforms under this operation do not significantly increase greenhouse gas (GHG) emissions and do not introduce or reinforce persistent barriers to the country's transition to low-GHG emissions. Third, on adaptation and resilience goals, risks from climate hazards are not likely to have an adverse effect on the prior actions' contribution to the PDO. Prior Action 1 (PA1) aids the NAP and NDC goals to enhance disaster response, while PA2 focuses on updating building designs for climate resilience, in line with NDC and NAP. PA3 targets the NDC goal of expanding multi-hazard early warning systems. PA4 supports the NAP's capacity building initiatives for climate-informed policies and water infrastructure design. PA5 is in sync with the Disaster Risk Reduction (DRR) National Strategic Plan of Action, NAP, and NDC objectives to improve climate-sensitive disease surveillance by 2025. Therefore, all prior actions of the program are aligned with the adaptation and resilience goals of the Paris Agreement.



### Early Warning System Project Analysis

The proposed operation's overall risk rating to achieve its PDO is substantial. Political and governance risks are also substantial. A new coalition government has been established at the federal and provincial levels, except in two provinces where government formation is likely to take place shortly. However, the risks of political uncertainty, overlaps and gaps among the three tiers of government, and the need for more clarity and coherence between policies and devolved powers will remain in the coming period.

Macroeconomic risk is moderate, as fiscal policy has generally remained consistent with macroeconomic stability, although occasional slippages occur. Fiscal prudence has been upheld through the enactment of fiscal-related acts and the establishment of fiscal-related constitutional bodies in line with the fiscal federalism system.



### Investment Description

- World Bank (WB)

World Bank Lending: US\$ 150.00 million

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### Bank Documents

- [Appraisal Program Information Document \(PID\)](#) [Original Source]
- [Nepal - Disaster Resilience Development Policy Credit with Catastrophe Deferred Drawdown Option Proj](#) [Original Source]
- [Nepal Disaster Resilience Second DPC with Cat DDO \(NDRC\) : Annex - Climate Change Technical Note](#) [Original Source]
- [Official Documents- Financing Agreement for Credit 7639-NP.pdf](#) [Original Source]