



## Nepal Strategic Road Connectivity and Trade Improvement Project (P170409)

SOUTH ASIA | Nepal | Transport Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2020 | Seq No: 6 | ARCHIVED on 25-Jul-2022 | ISR52439 |

Implementing Agencies: Ministry of Industry, Commerce and Supplies, Ministry of Physical Infrastructure and Transport, Nepal

### Key Dates

#### Key Project Dates

Bank Approval Date: 10-Jun-2020  
Planned Mid Term Review Date: --  
Original Closing Date: 15-Jul-2027

Effectiveness Date: 24-Jul-2020  
Actual Mid-Term Review Date:  
Revised Closing Date: 15-Jul-2027

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To improve the efficiency and safety of select transport infrastructure, improve the efficiency of cross-border trade, and strengthen capacity for Strategic Road Network management in Nepal.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components Table

Name

Trade Facilitation:(Cost \$42.00 M)  
Regional Road Connectivity Improvement:(Cost \$659.00 M)  
Institutional Strengthening:(Cost \$100.10 M)  
Contingency Emergency Response

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

### Implementation Status and Key Decisions

This ISR captures the implementation status of the SRCTIP based on the findings of the implementation support review conducted from May 30 to June 17, 2022.

The Project suffered nearly one and half year delays due to Covid-19 related challenges followed by the inadequate staffing issue in the early days, that setback overall implementation resulting in slow disbursement. The review team, however, is pleased to note some notable progress since the last review in December 2021, mainly relating to the completion of major procurement activities in transport component. These include, mobilization of ICB 1 & 2 contractors and supervision consultants for the Nagdhunga-Naubise-Mugling (NNM) road works; and design & ESIA consultants for Kamla-Dhalkebar-Pathlaiya (KDP) road works. Similarly, bid evaluation process for the ICB-3 contract of NNM road is ongoing and expected to be awarded by first quarter of this Fiscal Year. With these advancement in place, the Project is expected to start accelerating pace of implementation and meet the disbursement targets that has been lagging since the start of the Project.



The following critical actions were highlighted to the attention of the respective Implementing Agencies/Ministries, to ensure smooth implementation of the Project in the coming period:

**Trade Component:** (i) *Staffing:* deployment of the required expertise at the Project Coordination Unit such as, Procurement and Occupational Health and Safety specialists; (ii) *Design and Supervision consultant:* expediting of much delayed procurement activities related to infrastructure facilities at Biratnagar, Birgunj and Bhairahawa; (iii) *Large-Scale Imaging-Non-intrusive Inspection (LSI-NII) system:* start of procurement process to onboard international firm to carry out feasibility study for NII implementation. (iv) *Grievance Redressal Mechanism (GRM):* finalization of the GRM note and appointment of a Gender Based Violence (GBV) focal person at NITDB, which is part of legal compliance of the Project.

**Transport Component:** (i) *Staffing:* arrangement of full-fledged staffing and/or separate Project Management Unit (PMU) for the NNM and KDP road sites for smooth preparation and implementation of Project activities; (ii) *ICB-3 contract package:* Expediting of the bid evaluation and contract award process (iii) *Preparatory activities for NNM road:* completion of preparatory activities before the contractors mobilize. (iv) *Counterpart funding:* sufficient counterpart funding required from the Government under the Components 2 and 3 as per the Financing Agreement.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Substantial	☐ High	☐ Substantial
Macroeconomic	☐ Substantial	☐ Substantial	☐ Substantial
Sector Strategies and Policies	☐ Moderate	☐ Moderate	☐ Moderate
Technical Design of Project or Program	☐ Substantial	☐ Substantial	☐ Substantial
Institutional Capacity for Implementation and Sustainability	☐ Moderate	☐ Moderate	☐ Moderate
Fiduciary	☐ Substantial	☐ Substantial	☐ Substantial
Environment and Social	☐ High	☐ High	☐ High
Stakeholders	☐ Substantial	☐ Substantial	☐ Substantial
Other	☐ Substantial	☐ Substantial	☐ Substantial
Overall	☐ Substantial	☐ Substantial	☐ Substantial

## Results

### PDO Indicators by Objectives / Outcomes

1. Efficiency in Select Transport Infrastructure				
▶ Average vehicle operating costs for trucks (NNM road) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	NPR 60.42/Km	NPR 60.42/Km	NPR 60.42/Km	NPR 48.83/Km
Date	16-Mar-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027



Comments:	The final assessment is due on completion of works. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Average vehicle operating cost for trucks (KDP road) (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	NPR 39.31/Km	NPR 39.31/Km	NPR 39.31/Km	NPR 30.36/Km
Date	16-Mar-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The final assessment is due on completion of works. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Average travel time for trucks (NNM road) (Hours, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.35	4.35	4.35	3.15
Date	27-Mar-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The final assessment is due on completion of works. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Average travel time for trucks (KDP road) (Hours, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	5.00	5.00	3.00
Date	27-Mar-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The final assessment is due on completion of works. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			

<b>2. Safety in Select Transport Infrastructure</b>				
<b>► Annual fatalities (NNM road) (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	73.48 fatalities/billion vehicle-Km	73.48 fatalities/billion vehicle-Km	73.48 fatalities/billion vehicle-Km	51.4 fatalities/billion vehicle-Km
Date	16-Mar-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The final assessment is due on completion of works. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Annual fatalities (KDP road) (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	46.6 fatalities/billion vehicle-Km	46.6 fatalities/billion vehicle-Km	46.6 fatalities/billion vehicle-Km	32.6 fatalities/billion vehicle-Km
Date	16-Mar-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The final assessment is due on completion of works. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			

### 3. Efficiency in Cross-Border Trade

#### ► Border crossing time at Birgunj ICP (Days, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.10	0.90	0.90	1.00
Date	07-Feb-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The actual current value is based on the border crossing time at Birgunj ICP which was calculated for another Bank funded project's (Nepal-India Regional Trade and Transport Project) results matrix based on average time difference between gate entry and exit time at Birgunj ICP for consignments except petroleum of data from January 1-31, 2021 based on 12,048 vehicles. The next assessments are due at the mid-term and on project completion.			

#### ► Time taken for Sanitary and Phyto-sanitary certification clearance for select agri-exports (Days, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	30.00	30.00	15.00
Date	16-Mar-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The baseline and the end-target value has been validated and confirmed based on the survey carried out on January 12- March 15, 2021. Frequency to measure the indicator is at the start, mid-term and end of the Project.			

### 4. Capacity Strengthening of Road Network Management

#### ► The percentage of roads within the Core Road Network that are in "good" condition (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	5.00	32.00	60.00
Date	16-Mar-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	Total 15 works packages for 1,054 lane km (10 of 1st year and 5 of 2nd year) awarded and mobilised. The current achieved data for periodic maintenance reported is 477 lane km. Actual "good" condition as per DoR reports on SDI survey results .			



## Intermediate Results Indicators by Components

1. Trade Facilitation				
<b>► Sanitary and Phyto-Sanitary labs improved (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	Next (annual) assessment is due at the end of 1st year of implementation. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Number of parameters for which central labs are internationally accredited (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	101.00	101.00	101.00	176.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The current achieved data reported here is the latest available data for this parameter, that is, the baseline value. Next assessment is due at the end of 2nd year of implementation			
<b>► Sanitary and Phyto-Sanitary training programs conducted (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			

2. Regional Road Connectivity Improvement				
<b>► Roads improved to 2-lane standard (NNM road) (Kilometers, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	95.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	Two out of three contracts awarded and in process of mobilisation. The remaining third contract will also be contracted soon. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			



<b>► Roads improved to 4-lane standard (KDP road) (Kilometers, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	130.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The Design and ESIA Consultants are onboard and mobilised. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value			
<b>► Percentage of wards along the road where people, including females reported separately, are on average satisfied with safety measures taken into consideration during road design &amp; construction (NNM) (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	60.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The final assessment is due upon completion of works. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Percentage of wards along the road where people, including females reported separately, are on average satisfied with safety measures taken into consideration during road design &amp; construction (KDP) (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	60.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The final assessment is due upon completion of works. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Increase in the percentage of road users satisfied with improvement made to the road infrastructure (NNM road) (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The consulting firm to carry out the CE Road User Satisfaction Survey (RUSS) has prepared the methodology and questionnaire completed a pilot survey. The baseline survey for the NNM Road is expected to be carried out by September 2022. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value			
<b>► Increase in the percentage of road users satisfied with improvement made to the road infrastructure (KDP road) (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	20.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The consulting firm to carry out the CE Road User Satisfaction Survey (RUSS) has prepared the methodology and questionnaire and completed a pilot survey on the questionnaire. The baseline survey for the NNM Road is expected to be carried out by September 2022. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			

### 3. Institutional Strengthening

#### ► Expert support to National Road Safety Council (NRSC) (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The selection process of RS-PMC to support the NRSC in fulfilling its mandate and supporting the various stakeholder departments, is ongoing. Presently a Road safety person and an Engineer are engaged to support the NRSC. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			

#### ► Safe Corridor Demonstration Program (SCDP) implemented (Kilometers, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	250.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The selection process of RS-PMC consultant to support this activity is in progress. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value			

#### ► Road Asset Management System developed and functional (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	Next (annual) assessment is due from the 3rd year of implementation. Selection process for PMC-RAMS has started and expected to be within next 5 to 6 months. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			

#### ► Vulnerability mapping embedded in the Road Asset Management System (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	No	No	No	Yes
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	Next assessments are due at the mid-term and on project completion. Selection process for PMC-RAMS has started and expected to be within next 5 to 6 months. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value			
<b>► Training infrastructure built or upgraded for DOR (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	Design for training centre at Gajuri is in finalization process. The indicator will be assessed once the works complete. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Training programs conducted (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	3.00	24.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	(i) IRF online road safety training for DoR officials; (ii) Road safety audit training at IIT-Roorkee, India; (iii) iRAP online training and accreditation for DoR.			
<b>► Number of women trained for skilled employment opportunities in transport and allied sectors (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	500.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The training service provider is currently under procurement process. The progress assessment will be carried out on trimester basis once the service provider is onboard. The current achieved data reported here is the latest available data for this parameter, that is, the baseline value.			
<b>► Number of trained women facilitated for employment or livelihood through placement-counselling and support (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	The training service provider is currently under procurement process. The progress assessment will be carried out on trimester basis once the service provider is onboard.			





The current achieved data reported here is the latest available data for this parameter, that is, the baseline.

► Periodic Maintenance of roads within the Core Road Network (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0 Lane/Km	0 Lane/Km	477 Lane/Km	3,400 Lane/Km
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	Total 15 works packages for 1,054 lane km (10 of 1st year and 5 of 2nd year) awarded and mobilised. The current achieved data for periodic maintenance reported is 477 lane km.			

► Percentage of grievances received that are processed within the stipulated service standards (NNM & KDP roads) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00
Date	13-Apr-2020	25-Nov-2021	15-Jun-2022	15-Jul-2027
Comments:	131 grievances have been lodged with DoR, some of which are historical and not related to the project. DoR is currently categorising these grievances. The grievances will be managed and resolved in line with the project GRM.			

## Performance-Based Conditions

### Data on Financial Performance

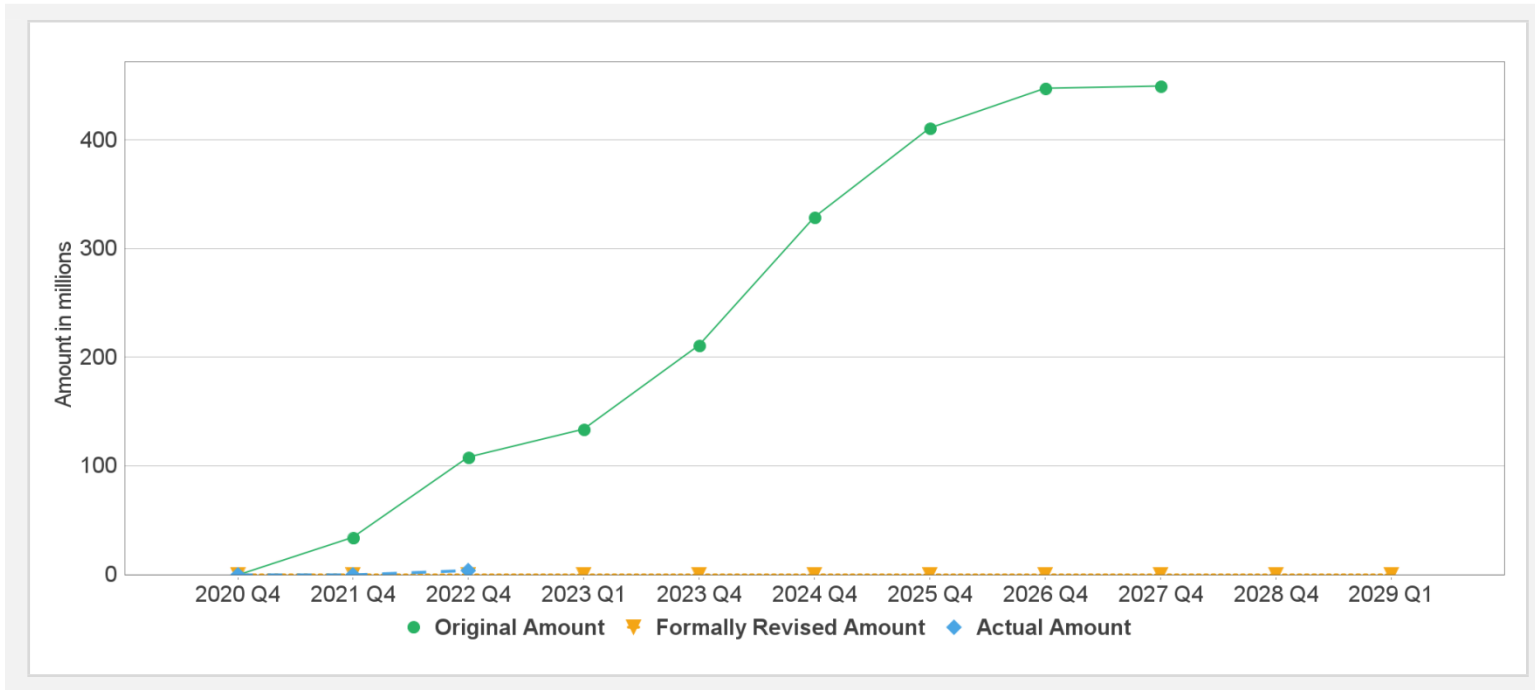
#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P170409	IDA-66730	Effective	USD	300.00	300.00	0.00	3.62	289.75	1.2%
P170409	IDA-66740	Effective	USD	150.00	150.00	0.00	0.41	160.29	0.3%

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P170409	IDA-66730	Effective	10-Jun-2020	17-Jul-2020	24-Jul-2020	15-Jul-2027	15-Jul-2027
P170409	IDA-66740	Effective	10-Jun-2020	17-Jul-2020	24-Jul-2020	15-Jul-2027	15-Jul-2027

## Cumulative Disbursements



### Restructuring History

There has been no restructuring to date.

### Related Project(s)

There are no related projects.