

Press Release

Asian Development Bank (ADB) and the Government of Norway have agreed to provide an assistance of US\$ 100 million (approximately Rs. 8053 million) to the Government of Nepal for the implementation of Electricity Transmission Expansion and Supply Improvement Project. The assistance consists of US\$ 56 million as Loan and US\$ 19 million as Grant from ADB and US\$ 25 million as Grant (Norway Grant) from the Government of Norway. The Norway Grant will be administered by Asian Development Bank (ADB). The agreements to this effect has been signed between the Government of Nepal and the Asian Development Bank at the Ministry of Finance, Kathmandu, today.

The objective of the Project is to improve the electricity supply capability of NEA networks through improved connectivity between generation and load centers, distribution strengthening and enhanced small hydropower capacity. The Project comprises of three outputs (I) Increased Electricity Transmission (II) Expanded Electricity Distribution, and (III) Enhanced Electricity Generation. The Subprojects under the outputs include 2nd circuit stringing of the Kohalpur-Mahendranagar 132 kV transmission line, construction of the 220kV/400kV Tamakoshi (Khimti)-Kathmandu Transmission Line and associated facilities, expansion of the Chapali grid substation, 12 Subprojects for rehabilitation of distribution systems in DCS East and DCS West, and rehabilitation of Tinau (1MW) and Sundarijal (640 kW) small hydropower plants. The Nepal Electricity Authority is the implementing agency and the Project is expected to be completed by June 30, 2017.

The Financing Agreement and the Grant Agreement were signed by Mr. Lai Shanker Ghimire, Joint Secretary, Ministry of Finance and Mr. Paolo Spantigati, Officer-in-Charge, ADB, Kathmandu on behalf of the Government of Nepal and the Asian Development Bank, respectively.

The Government of Nepal has expressed its sincere appreciation to the Asian Development Bank (ADB) and the Government of Norway for this assistance and also for the keen interest and continued support in the socio-economic development of Nepal.

Ministry of Finance
Singhadurbar,
Kathmandu, Nepal

March 23, 2012 Friday