



Press Release

The Asian Development Bank (ADB) has agreed to provide additional loan assistance US \$60m (equivalent to Rs. 7 Arab 8 Crores) for the implementation of the Electricity Grid Modernization Project (EGMP). An agreement to this effect was signed and exchanged at the Ministry of Finance, Kathmandu, today.

The additional finance to the Electricity Grid Modernization Project (EGMP) aims to further improve transmission and distribution system of Nepal. The assistance amount will be used in expanding, strengthening and modernization of both transmission capacity and distribution network in the project areas. Under this, a total of 16 km of 132 kilovolt transmission lines will be constructed from Nepalgunj to Kohalpur and from Chovar to Lagankhel and an additional 477 megavolt-ampres of substation capacity will be introduced to the system through the construction of substations in Dumkibas, Lagankhel, Mulpani and Nepalgunj. In addition to this, an enterprise resource planning system and a revenue management system will be implemented and a project supervision consultant firm will be appointed to oversee improvements to the integration of NEA's financial and customer information systems.

The Electricity Grid Modernization Project (EGMP) was implemented in Nepal with financial assistance from the Asian Development Bank with the high priority for the reform and improvement of transmission and distribution system in Nepal as well as sector reform and the financial sustainability of NEA. The project will install the smart meters in the Kathmandu valley and automate of existing grid substations throughout the country and finance the modernization of the other distribution and transmission system in various parts of the country. The project is scheduled to complete on March, 2026.

Mr. Madhu Kumar Marasini, Secretary, Ministry of Finance and Mr. Arnaud Cauchois, Country Director, Nepal Resident Mission, Asian Development Bank signed the Loan Agreement on behalf of the Government of Nepal and the ADB respectively. Similarly, Mr. Kulman Ghising, Managing Director, Nepal Electricity Authority and Mr. Arnaud Cauchois signed the project agreement.

The Government of Nepal has expressed its appreciation to the ADB for this assistance and its continued support in the socio-economic development of Nepal.

Ministry of Finance
Singh Durbar, Kathmandu
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