

PRESS RELEASE

The International Development Association (IDA) of the World Bank Group has agreed to provide an additional assistance of US\$ 46 million (equivalent to Nepalese Rupees about 4 Arba 53 Crores 20 Lakhs) to the Government of Nepal for the implementation of Kabeli - A Hydroelectric Project. Of the total US \$46 million financing US \$ 40 million is loan and the rest US \$6 million is grant. Similarly, the International Bank for Reconstruction and Development of the World Bank has agreed to provide US\$ 7.9 million Grant (equivalent to NRs about 78 Crores) for the implementation of Extended Biogas Project in Nepal. The Agreements to this effect were signed today at the Ministry of Finance.

The objective of the hydroelectric project is to construct the 37.6 MW hydroelectric projects in Kabeli River running through Taplejung and Panchthar Districts under the public - private - partnership (PPP) model. Promotion of PPP especially in infrastructure development is the priority area of the government. International Finance Corporation (IFC) is one of the co-financers of the project. IFC finances US \$ 38.12 million and the Kabeli Energy Limited finances \$ 22.96 million as an equity share for the project. The project also aims at developing the institutional capacity of the Department of Energy Development (DOED). Investment Board will have an access to US \$ 4 million to strengthen its capacity towards preparation and negotiation of PDA with large size project investors. Total cost of the project is US \$ 102.08 million. The project is expected to be completed by June 2019.

Government of Nepal through a subsidiary loan agreement will relend the total loan to Kabeli Energy Limited through Hydropower Infrastructure Development Company Ltd.

Similarly, the World Bank acting as an implementing agency of the Scaling Up Renewable Energy Program (SREP) in Low Income Countries Multi Donor Trust Fund under the Strategic Climate Fund will support the objectives of the National Rural and Renewable Energy Program (NRREP) for Extended Biogas Project. This project will be implemented by Alternative Energy Promotion Center in five years (2014-2019).

Both the Agreements were signed by Mr. Suman Prasad Sharma, Secretary, Ministry of Finance and Mr. Takuya Kamata, Country Manager, World Bank Nepal office of the World Bank on behalf of the Government of Nepal and the Bank, respectively.

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

Ministry of Finance

Singhadurbar

Monday, 24 November 2014

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