

PRESS RELEASE

The International Development Association (IDA) of the World Bank Group has agreed to provide an additional assistance of US\$ 39,000,000 (Thirty Nine million US dollars) equivalent to Nepalese Rupees 4 billion to the Government of Nepal for the implementation of Nepal India Electricity Transmission and Trade Project (NIETTP). Out of the total US \$39 million financing US \$ 37 million is loan assistance and the rest US \$2 million is grant aid. The Financing Agreement regarding the implementation of the project was signed between Government of Nepal and the World Bank today at the Ministry of Finance, Kathmandu.

The objective of the project is to facilitate export and import of electricity to and from India and to reduce extreme power shortage especially in the dry season. The project also aims at exporting the surplus power in future when there will be surplus electricity generated in the country. The Transmission line project is under construction since 2011 and IDA had financed US \$ 99 million for this purpose.

The project fulfills the requirement of high voltage (400 KV) transmission Lines across the border between Nepal and India. The completion of this project enables Nepal for the exchange of high voltage of power across the border as per need. The project has following main components: (1) Dhalkebar-Muzaffarpur 400 KV Transmission Line, (2) Hetauda-Dhalkebar-Duhabi Transmission Lines and (3) Substations synchronization of Nepal and Indian grids.

Government of Nepal through a subsidiary loan agreement will on-lend the total loan to investment.

The Additional Financing Agreement was signed by Mr. Madhu Kumar Marasini, Joint Secretary, Ministry of Finance and Ms. Tahseen Sayed, Country Manager, 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 also for its continued support in the socio-economic development of Nepal.

Ministry of Finance
Singhadurbar

Wednesday, 11 September, 2013

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