

PRESS RELEASE

The Asian Development has agreed to provide grant assistance of US Dollar twenty one million (approximately NRs 2 billion 91 million) to the Government of Nepal as the Project Preparatory Facility for hydropower projects. The Grant Agreement regarding the implementation of the project was signed between the Government of Nepal and the Asian Development Bank today.

The objective of the Project is to support the 10 year road map for hydropower development with the aim of generating an additional 10,000 MW of hydropower. Large reservoir type hydropower projects are said to helpful to achieve the said objectives. The proposed project preparatory facility aims at developing large reservoir storage hydropower projects. The facility consists of two major output components: i) feasibility studies and detail engineering studies and ii) public private partnership project development services.

The first components includes: feasibility studies, including initial environmental examinations (IEEs), environmental impact assessments (EIAs) and social impact assessments (SIAs) of Sun Koshi 2 (1110 MW), Sun Koshi 3 (536 MW) and an update of feasibility study with detail engineering studies of Dudh Koshi (300MW) hydropower projects. All the three abovementioned projects are storage type hydropower projects. The second component will help for project development services to facilitate private sector investment to develop hydropower projects with a potential to export.

The total cost of the project is estimated to US \$ 26.25 million. The Government has to contribute twenty percent (20%) of the total costs mostly in the form of taxes, duties, office accommodations. The project preparatory facility grant closing date is June 30, 2019.

Government of Nepal through a subsidiary grant agreement will provide a portion of the grant to Nepal Electricity Authority as equity contribution to implement some of the project components.

The grant agreement was signed by Mr. Madhu Kumar Marasini, Joint Secretary, Ministry of Finance and Mr. Kenichi YOKOYAMA, Country Director, the Asian Development Bank 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 for this assistance and also for its continued support in the socio-economic development of Nepal.

Ministry of Finance
Singhadurbar
Kathmandu, Nepal
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