

Press Release

The World Bank has agreed to provide a combination of Grant and Loan assistance of USD 99 million (approximately Bs. 7.02 billion) - Grant assistance of USD 14.85 million (approximately Rs. 1.05 billion) and a Loan assistance of USD 84.15 million (approximately Rs. 5.97 billion) to the Government of Nepal for the implementation of Nepal-India Electricity Transmission and Trade Project, also known as Cross Border Transmission Line Project. An Agreement to this effect was signed between the Government of Nepal and the World Bank, today, at the Ministry of Finance.

The main objectives of the Project are to establish cross-border transmission capacity of about 1000 MW to facilitate electricity trade between India and Nepal, and increase the supply of electricity in the territory of Nepal by the sustainable import of at least 100 MW of electricity. The Project consists of three parts, Part A: Civil Works and Installation (1. Muzaffarpur-Sursand Transmission Line 2. Dhalkebar-Bhittamod 400 kV Transmission Line) Part B: Civil Works and Installation (1. Hetauda-Dhalkehar-Duhabi Transmission Line and Substations 2. Synchronization of Operation of the Power Grids), and Part C: Technical Advisory Services to NEA. This assistance will be used for the implementation of Part B and Part C of the Project. Ministry of Energy is the Executing Agency and Nepal Electricity Authority is the Implementing Agency. The closing date of the Project is December 31, 2016.

Mr. Lai Shanker Ghimire, Joint Secretary, Ministry of Finance and Mr. Andras Horvai, Acting Country Manager, of the World Bank signed the Financing Agreement and Grant Agreement on behalf of The Government of Nepal and the Bank respectively. Similarly, the Project Agreement was also signed by Mr. Badri Nath Roka, Acting Deputy Executive Director of Nepal Electricity Authority and Mr. Andras Horvai, Acting Country Manager of the World Bank.

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

Ministry of Finance
Singhadurbar, Kathmandu
15 July 2011