

PRESS RELEASE

The International Development Association (IDA) of the World Bank Group has agreed to provide an assistance of US\$ 130 million (equivalent to Nepalese Rupees about 12 Arba 92 Crores 59 Lakhs) to the Government of Nepal for the implementation of Grid Solar and Energy Efficiency Project. An agreement to this effect was signed today at the Ministry of Finance.

The objectives of the project are to produce 25 MW solar photovoltaic generated electricity to supply to grid and to reduce Nepal Electricity Authority's distribution losses. The project aims to generate 25 MW of solar photovoltaic electricity within 2015. The project also aims at reducing the systemic electricity distribution losses drastically to 10 percent at the end of the project. The distribution loss reduction is said to be an alarming rate of 25 percent of the generation despite some efforts made by NEA. The project is considered to contribute to lessen the present energy crisis both from the point of view of an early production of solar energy and strategic loss reduction endeavor.

Total cost of the project is US \$ 130 million. The project is expected to be completed by June 2020. Government of Nepal through a subsidiary loan agreement relends the total loan to Nepal Electricity Authority to implement the project.

The Agreement was signed by Mr. Madhu Kumar Marasini, Joint Secretary, Ministry of Finance and Mr. Takuya Kamata, Country Manager, Nepal Country 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
Friday, 20 February 2015