

Press Release

Saudi Fund for Development (SFD) has agreed to provide a loan assistance of Saudi Riyal 112.5 million equivalent to the US \$ 30 million (approximately NRs 2 billion 859 million) to the Government of Nepal for the implementation of Budhi Ganga Hydropower Project. An Agreement to this effect was signed and exchanged at the Ministry of Finance, Kathmandu, today.

The project will generate 20 MW of electricity. It is located in the Achham District in far western development region. The main objective of this project is to help the local people explore new opportunities through electricity supply and to support to mitigate the regional disparity. Expansion of rural electrification, generation of new employment opportunities, increment in economic activities at the local and regional level are other expected impacts of the projects.

Department of Electricity Development (DOED) under the Ministry of Energy is the implementing agency of this Project. The program is expected to be completed by the end of 2019 A.D. Of the total estimated project cost (US \$ 60 million), the contribution of the Saudi Fund for Development is US\$ 30 million. Kuwait Fund for Arab Economic Development has agreed to provide US\$ 18 million an agreement to this effect was signed last year on 22 March 2013. Government of Nepal through DOED will bear US\$ 12 million for construction of the Budhi Ganga hydropower project.

The Loan Agreement was signed by **Mr. Yuba Raj Bhusal**, Finance Secretary and Honorable Vice Chairman and Managing Director **Er. Mr. Yousuf bin Ibrahim AlBassam** of the Saudi Fund for Development on behalf of the Government of Nepal and the Saudi Fund, respectively.

The Government of Nepal has expressed its sincere appreciation to the Saudi Fund for Development for the continued support in the economic development, especially in infrastructure development of Nepal.

Ministry of Finance

18 June, 2014

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