

Nepal: Energy Minister highlights European support for rural electricity and clean energy

- New transmission link to enable 600 MW of clean energy to benefit Nepal
- More than 7,200 households to gain first-time reliable electricity access
- European and Nepalese partners highlight benefit of technical and financial cooperation

The impact of expanding access to electricity to rural communities and benefits from harnessing renewable energy were highlighted today at the ground breaking ceremony to formally mark the start of construction of the Chilime-Trishuli transmission system in central Nepal.

“Once complete the new Chilime-Trishuli Transmission link allows thousands of people living in communities in the Trishuli River Basin and beyond to benefit from clean hydropower energy and a more reliable power supply. This crucial energy project is key for sustainable development in Nepal and demonstrates the close partnership between Nepal and European partners.” said Barshaman Pun, Minister of Energy, Water Resources and Irrigation of Nepal, speaking at the ceremony.

The new 27km transmission line will be built through difficult mountainous terrain 50km west of Kathmandu by the Nepal Electricity Authority and financed by the European Investment Bank, the European Union through the Asian Investment Facility, German Development Bank KfW and Government of Nepal.

The ground breaking ceremony in Trishuli was attended by Minister Barshaman Pun, Kul Man Ghising, Managing Director of the Nepal Electricity Authority, Andrew McDowell, Vice President of the European Investment Bank, Veronica Cody, European Union Ambassador to Nepal and Roland Schäfer, German Ambassador to Nepal and local government and community representatives.

Crucial connection to harness renewable energy in Nepal

The new transmission link will enable 600 MW of clean energy generated from hydropower plants, including independent power producers, on the Trishuli River corridor to be connected to Nepal’s national electricity grid and upgrade existing electricity distribution to enable a more reliable supply of energy.

“Over the coming years investment in clean energy will support sustainable development across Nepal and significantly increase use of renewable energy sources. The Chilime-Trishuli transmission line highlights how technical and financial cooperation between the Nepal Electricity Authority and European partners benefits our country and helps to harness low-carbon power sources.”

said Kul Man Ghising, Managing Director of the Nepal Electricity Authority.

New link to expand provision of electricity to rural communities

The distribution scheme under the transmission system will also enable households in remote rural communities to benefit from first time access to electricity and reduce the need for expensive generators and cooking fuels.

European commitment to improve access to electricity in Nepal

The project was supported by a number of European partners working closely with the Government of Nepal and Nepal Electricity Authority.

“Seeing at first hand how local communities benefit from access to electricity and how communities most vulnerable to a changing climate can benefit from clean energy makes today’s groundbreaking important for both Nepal and Europe. This project demonstrates the European Investment Bank’s firm commitment to supporting climate related investment across Asia and we are pleased to provide EUR 30 million to finance construction of the Chilime-Trishuli transmission link.” said Andrew McDowell, European Investment Bank Vice President responsible for energy and South Asia.

“The European Union is pleased to support the Chilime-Trishuli project. The joint cooperation between Nepalese and European partners has enabled detailed preparation to be completed and construction to formally start today. The presence of Minister Pun, EIB Vice President and the German Ambassador here today reflects the high importance we give to this project and highlights our shared goals to improve energy access in Nepal.” said Ambassador Veronica Cody, Head of the European Union Delegation to Nepal.

“Support for energy is a key priority for German cooperation in Nepal. Today provides an excellent opportunity to stand alongside Nepalese friends and European partners to show how together we can support sustainable development in this country.” said Roland Schäfer, Ambassador of the Federal Republic of Germany to Nepal.

The European Union and German government financed comprehensive technical assistance totalling EUR 16.25 million, essential for preparation and implementation of the project, and the European Investment Bank is providing a EUR 30 million long-term loan to finance construction of the new transmission link.

Breakdown of financing for Chilime-Trishuli transmission line project:

Source of finance	Amount	
Nepal Electricity Authority	EUR 19 million	Project implementation
European Investment Bank	EUR 30 million	Long-term loan
German Development Cooperation through KfW	EUR 14 million	Technical assistance grant
European Union through KfW	EUR 2.25 million	Technical assistance grant