Early Warning System

ADB-43281-033

Tanahu Hydropower Project - Additional Financing

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Quick Facts

Countries	Nepal
Specific Location	Tanahu district
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	C
Borrower	Government of Nepal
Sectors	Energy, Hydropower
Investment Type(s)	Loan
Investment Amount (USD)	$ 70.00 million
Loan Amount (USD)	$ 70.00 million

Project Description

As stated by the ADB, the main objective of the ongoing project is to improve electricity supply in Nepal through the construction of a 140-megawatt (MW) storage hydropower facility on the Seti River in the Tanahu district, about 150 kilometers (km) west of Kathmandu, plus related transmission and distribution infrastructure. The ongoing project also includes components for rural electrification and community development in the project area, and a reform and restructuring plan for the national utility, the Nepal Electricity Authority (NEA).

The rationale for the ongoing project centers on the inadequacy and unreliability of power supply from the Nepal's hydropower fleet. At the time of the ongoing project's approval, the country's installed generation capacity stood at 706 megawatts (MW) but with only around 300 MW available during the dry season (November to April). This compared to peak electricity demand at the time of an estimated 1,000 MW. The need for sovereign-backed lending was further justified by the poor financial position and operational inefficiency of the state-owned NEA, the limited involvement of private sector in the electricity sector, and poor coverage and reliability of electricity transmission and distribution networks.

Investment Description

- Asian Development Bank (ADB)

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Other Related Projects

- ADB-43281-013 Tanahu Hydropower Project