

 Early Warning System

ADB-59475-001

Preparing Smart and Green Grid Program



Quick Facts

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| Countries | Bhutan |
| Financial Institutions | Asian Development Bank (ADB) |
| Status | Approved |
| Bank Risk Rating | U |
| Voting Date | 2025-12-20 |
| Borrower | Government of Bhutan |
| Sectors | Energy, Infrastructure, Law and Government, Technical Cooperation |
| Investment Type(s) | Advisory Services |
| Investment Amount (USD) | \$ 1.50 million |



Project Description

As stated by the ADB, the Smart and Green Grid Program, a results-based lending (RBL) program, in Bhutan will support the government's long-term commitment to the National Energy Policy 2025 and the Renewable Energy Development Roadmap 2040 by addressing bottlenecks in the power grid that constrain the country's ability to meet growing electricity demand and increase green electricity exports. By modernizing and digitalizing grid operations, the program will:

- (i) enhance reliability, safety, and climate resilience;
- (ii) facilitate regional integration through seamless cross-border power flows;
- (iii) optimize grid efficiency and operations; and
- (iv) strengthen cybersecurity and the digital resilience of the power system.

The program will include:

- (i) high-priority transmission components, focusing on the East-West transmission line, the planned cross-border interconnection between Bhutan and India;
- (ii) smart grid components to improve reliability, efficiency, and climate resilience through network upgrades, automation, and advanced monitoring; and
- (iii) institutional capacity enhancements to strengthen power trade readiness, digital capabilities, disaster risk management, and safeguard compliance.

The program is aligned with the following impact: energy security, regional integration, and digital connectivity enhanced. The outcome of the program will be transmission network capacity increased; and quality, efficiency, and reliability of electricity supply improved. The program will have three outputs:

- (i) transmission network strengthened to integrate renewable energy;
- (ii) grid modernized and digitalized, and operational resilience enhanced; and
- (iii) institutional capacity for power trade, smart grid, climate risk management, and safeguard management increased.

The Government of Bhutan has requested a regular loan of \$150 million from the ordinary capital resources of the Asian Development Bank (ADB), using the results-based lending (RBL) modality. Further, a grant not exceeding \$15 million was allocated from the Asian Development Fund (ADF 14) thematic window to support the program.



Investment Description

- Asian Development Bank (ADB)



Contact Information

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