

Early Warning System

FMO-55588

NEPAL WATER AND ENERGY DEVELOPMENT COMPANY PVT. LTD.

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Quick Facts

Countries	Nepal
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2019-10-28
Borrower	Nepal Water and Energy Development Company
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.38 million
Project Cost (USD)	$ 647.00 million

Project Description

According to the bank website, the project will be part of the approx. USD 453 million debt package arranged by IFC. This debt package will be used for construction of the Upper Trishuli, 216MW run-of-river hydropower plant on the Trishuli river in Nepal, 70km north of Kathmandu, including financing and development costs.

"UT1 will be a landmark project for Nepal, a Least Developed Country ("LDC") with severe energy shortages. As the largest HPP in the country, UT1 will be a role model for Nepal's hydropower sector with bankable non-recourse project documents, Nepal's first Free, Prior and Informed Consent ("FPIC") FPIC process for Indigenous Peoples ("IP"), and the first HPP to use eDNA as a tool for management of impacts on aquatic biodiversity. Its estimated 1,427 GWh/year output will increase Nepal's domestic generation by ~32% and will reach an estimated 9 million people. With a levelized tariff of USC/ 5.1/kWh, UT1 will be a commercially attractive generation source for the off-taker. The strong and experienced Sponsors have proven to be committed and patient in the face of severe setbacks and challenges over the past years. UT1 is a 100% Green, 100% Reducing Inequalities project and therefore fully in line with FMO's strategy."

Investment Description

- Netherlands Development Finance Company (FMO)

Private Actors Description

According to the bank, "NWEDC is majority-owned by three South Korean strategic investors (together the "Sponsors"): Korea South East Power Company ("KOEN", 50%), Daelim Industrial Co. Ltd. ("Daelim", 15%), and Kyeryong Construction Industrial Co. Ltd. ("Kyeryong", 10%). International Finance Corporation ("IFC") acquired a 15% stake in 2013. The original license holder Mr. Bkesh Pradhanang ("Local Partner") holds 10%. Under the PDA, the Project Affected People ("PAP") are entitled to purchase up to 10% of the Company at par value."

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Korea South East Power Company	Parent Company	-
-	-	-	-	Kyeryong Construction Industrial Co. Ltd.	Parent Company	-
-	-	-	-	Nepal Water and Energy Development Company Private Limited	Client	-

Contact Information

Nepal Water and Energy Development Company
http://www.nwedcpl.com/
No project-specific contact information available at time of disclosure.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism

Other Related Projects

- IFC-35701 Upper Trishuli-1
- WB-P154109 UT1 - Upper Trishuli Hydro Project
- ADB-49086-001 Upper Trishuli 1 Hydroelectric Power Project
- AIIB-000085 Nepal: Upper Trishuli-1 Hydropower Project
- MIGA-13516 Upper Trishuli-1 Hydropower Project