

 Early Warning System

IFC-51639

BPC Distribution Upgradation



Quick Facts

Countries	Bhutan
Specific Location	Thimphu, Tenchekha
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-10-31
Borrower	Bhutan Power Corporation Ltd.
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.11 million
Loan Amount (USD)	\$ 20.11 million
Project Cost (USD)	\$ 63.24 million



Project Description

As stated on the project disclosure page, IFC is considering providing an Indian Rupee (INR)-denominated A Loan of up to INR 1.9 billion (approximately US\$20 million) from its own account and mobilizing parallel loans of up to INR 3.8 billion (approximately US\$40 million) from parallel lenders to Bhutan Power Corporation Limited (BPC). The financing will support three components of BPC's capital investment program:

- (i) upgrading the Thimphu transmission system;
- (ii) strengthening the Thimphu distribution network; and
- (iii) integrating upcoming solar power generation capacity around Tenchekha.

IFC has ongoing upstream engagements with BPC covering environmental, social and governance (ESG), FIDIC contract management, cybersecurity risk management, climate change risk management and corporate insurance framework development. IFC delivered foundational ESG and FIDIC contract-management training in 2024, followed by climate-risk and cybersecurity workshops in May 2026. An insurance advisory workshop, advanced environmental, social and governance and FIDIC training are also planned.

The Company and the Project are located in Bhutan. The transmission and distribution investments will be implemented in and around Thimphu, while the solar integration component will be developed in Tenchekha, near the Paro and Thimphu Districts' Boundary.



Investment Description

- International Finance Corporation (IFC)

As stated by the IFC, the total Project cost is estimated at approximately Bhutanese Ngultrum (“Nu.”) 5.97 billion (approx. US\$63 million). IFC proposes to provide a senior A Loan of up to INR 1.9 billion (approx. US\$20 million) from its own account and mobilize parallel loans of up to INR 3.8 billion (approx. US\$40 million). The remaining (approx. US\$3 million) is expected to be funded through BPC’s internal cash accruals. The proposed loans will have a tenor of 15 years and are expected to be structured as a sustainability-linked loan with pricing linked to agreed sustainability performance targets.

IFC A Loan will be utilized for: (a) upgradation of Thimphu transmission system, including upgradation of 220/66kV Semtokha Air Insulated Substation to Gas Insulated Substation, and (b) integration of upcoming solar power generation capacity including construction of 220/33kV Tenchekha Pooling Substation.



Private Actors Description

As stated by the IFC, BPC is Bhutan's state-owned transmission and distribution utility, responsible for developing, operating and maintaining the national grid, supplying electricity to domestic consumers and facilitating cross-border electricity trade. BPC is wholly owned by Druk Holding and Investments, the commercial arm of the Royal Government of Bhutan. As of December 2025, BPC had total assets of Nu. 57.6 billion (approximately US\$606 million).



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Druk Holding and Investments Limited	Parent Company	Finance	owns	Bhutan Power Corporation Limited	Client	Energy



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Bank Documents

- [Environmental and Social Review Summary](#)