

## PRESS RELEASE

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### Supporting reliable, green energy for communities in Bhutan: €150 million renewable energy investment signed from the European Investment Bank

- **First ever EIB project in Bhutan, one of the only three net-carbon-negative countries in the world, supports new solar photovoltaic and hydropower schemes under the EU's Global Gateway initiative**
- **€150 million 30-year loan will unlock an estimated 310 MW of new renewable energy generation to serve communities in remote regions**
- **Expanded solar photovoltaic capacity addresses hydropower challenges during dry season**

The European Investment Bank (EIB), the world's largest multilateral bank and leading global financier of renewable energy, today agreed its first ever support for investment in Bhutan.

Bhutan is highly vulnerable to the impact of climate change and committed to increasing access to energy without increasing carbon emissions. The €150 million thirty-year loan will increase renewable energy generation throughout the year and support Bhutan's efforts to meet its ambitious Nationally Determined Contribution target of permanent carbon neutrality.

The financing will back the construction of small to mid-size run-of-the-river hydropower plants and solar photovoltaic generation that supports the Bhutanese government's aim of diversifying the power generation mix. The project will allow clean energy to be traded across borders, improve access to green power, supplying thousands of households with reliable and affordable energy, and allowing Bhutan to profit further from its renewable energy resources.

The renewable energy framework loan was signed on the margins of the 2024 IMF/World Bank Spring Meetings by the Finance Secretary of the Ministry of Finance of the Kingdom of Bhutan Leki Wangmo, and Markus Berndt acting EIB Global Managing Director, in the presence of Nadia Calviño, President of the European Investment Bank.



EIB President **Nadia Calviño**, said: "Bringing green, reliable and affordable energy to communities around the world, especially in more remote regions, has huge benefits not just in environmental terms but also by improving access to health, education and economic activity. That's why I am delighted that we've been able to agree this €150 million investment with our Bhutanese partners, under the EU's Global Gateway initiative. We're looking forward to working as a key partner for climate action and sustainable economic development in Bhutan."



Finance Minister of the Kingdom of Bhutan **Lyonpo Lekey Dorji**, said: “As Bhutan strives to maintain its carbon-negative status amidst rising global challenges, this partnership not only strengthens Bhutan's renewable energy sector but also contributes to the broader regional and global effort in combating climate change. We welcome the European Investment Bank as our partner in our pursuit of the sustainable development goals and look forward to more collaboration in the future as we take forward our agenda of building a more sustainable planet.”

**Name last name, role within the EU** said: “...”

The new projects, to be implemented by Druk Green Power Corporation, will contribute to climate action, helping Bhutan to strengthen its energy security, and increase use of renewable energy.

The new EIB financing will support installation of an estimated 310 MW of hydropower and solar power generating capacity and during the first year of operation the initiative is expected to generate around 670 GWh/yr. Increasing solar power generation will reduce the potential need for energy imports during the dry season, when river flows and hydropower generation capacity are reduced.

The new renewable power investment is part of the European Union's Global Gateway initiative in support of projects that improve global and regional connectivity in the digital, climate, transport, health, energy and education sectors.

Bhutan is an environmental leader and one of the only three net-carbon-negative countries in the world, as it sequesters much more carbon than it emits, thanks to substantial hydropower capacity and forests that cover 71% of the country.

While hydropower is providing a reliable source of growth, other renewable energy technologies, including solar photovoltaic, offer ways to diversify Bhutan's electricity mix and increase resilience to changes in seasonal extreme weather patterns that can adversely affect hydropower supply.

Solar power in Bhutan has a complimentary annual power generation profile to hydropower enabling climate adaptation by diversifying the power generation portfolio, creating system change and building resilience against climate change impacts. Adding new hydropower in Bhutan increases the electricity generation during the dry season and allow to exploit the potential of renewable energy generation in the country that may also benefit the wider region in the wet season.

**Notes to Editors:**

For more information about the EIB Group at the WBG/IMF Spring meetings visit: [The EIB at the 2024 World Bank Group-IMF Spring Meetings](#)

***For any interview requests, please reach out to the press contacts below.***

The European Investment Bank (EIB) the long-term lending institution of the European Union (EU). It finances sound investment, contributing to EU policy goals within and outside the European Union. Together with the European Investment Fund the EIB forms the European Investment Bank Group.

EIB Global is the EIB Group's specialised arm dedicated to operations outside the EU, and a key partner of the EU's Global Gateway strategy. We aim to support at least €100 billion of investment by the end of 2027, around one third of the overall target of Global Gateway. Within Team Europe, EIB Global fosters strong, focused partnerships alongside fellow development finance institutions, and civil society. EIB Global brings the Group closer to local communities, companies and institutions through our offices across the world.

**About the EIB in Asia:**

For 25 years, the EIB has supported economic development in Asia and the Pacific region. The projects we finance make people's lives easier - from modernizing the rail fleet in Bangladesh, to providing cheaper, cleaner energy to western Nepal. In Asia, we have chosen to focus our lending on climate action across all sectors. We also work to include gender equality in our projects, ensuring that women, men, girls and boys can benefit from projects equally and equitably.