

World Bank Approves \$13.6 Million in Financing for Kyrgyz Kambarata-1 Hydropower Project

March 21, 2025



The Kyrgyz Republic has secured an \$11 million concessional loan and a \$2.6 million grant from the International Development Association (IDA), part of the World Bank, to provide critical technical support for the development of the Kambarata-1 hydroelectric power plant (HPP).

The Kyrgyz parliament ratified the Financing Agreement and Grant Agreement Letter with the IDA on March 18th. The IDA's financing, provided on highly favorable terms, includes a 50-year repayment period with a 10-year grace period. The loan carries a 0% interest rate, with a 0.5% commitment fee on reserved funds, subject to annual review by the IDA's Board of Directors.

This funding will directly support the technical preparations for the Kambarata-1 HPP, a key infrastructure project aimed at generating electricity for Central Asian nations and ensuring a sustainable water supply for the region.

This development follows the landmark agreement signed in Vienna last June by the energy ministers of Kazakhstan, the Kyrgyz Republic, and Uzbekistan. This agreement established the framework for the project, including the formation of a joint-stock company in Kyrgyzstan, with equity participation divided equally among the three nations: 34% for Kyrgyzstan, 33% for Kazakhstan, and 33% for Uzbekistan.

The Kambarata-1 HPP, to be constructed on the Naryn River, is poised to significantly enhance the region's energy security and water resource management. The World Bank's substantial financial commitment underscores the project's strategic importance and its potential to drive sustainable development in

Central Asia.