



## Myanmar: Power Transmission Improvement Project

Project Name	Power Transmission Improvement Project								
Project Number	46390-002								
Country	Myanmar								
Project Status	Active								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"><tr><td colspan="2"><b>Loan 3330-MYA: Power Transmission Improvement Project</b></td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 80.00 million</td></tr><tr><td colspan="2"><b>Loan: Power Transmission Improvement Project</b></td></tr><tr><td>Export-Import Bank of Korea</td><td>US\$ 100.00 million</td></tr></table>	<b>Loan 3330-MYA: Power Transmission Improvement Project</b>		concessional ordinary capital resources lending / Asian Development Fund	US\$ 80.00 million	<b>Loan: Power Transmission Improvement Project</b>		Export-Import Bank of Korea	US\$ 100.00 million
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concessional ordinary capital resources lending / Asian Development Fund	US\$ 80.00 million								
<b>Loan: Power Transmission Improvement Project</b>									
Export-Import Bank of Korea	US\$ 100.00 million								
Strategic Agendas	Inclusive economic growth								
Drivers of Change	Private sector development								
Sector / Subsector	<b>Energy</b> - Electricity transmission and distribution								
Gender Equity and Mainstreaming	No gender elements								
Description	The project will (i) construct 8.2 kilometer (km) of 230 kilovolt (kV) transmission line between Thida and Thaketa substations, and 8.6 km of 230 kV transmission line between Thaketa and Kyaikasan substations; (ii) extend the switchyard of the existing 230 kV Thaketa substation to accommodate two new 230 kV transmission lines; (iii) upgrade the existing 66 kV Kyaikasan substation to 230 kV substation; (iv) build new 230 kV substations at South Okkalapa and West University; and (v) strengthen the capacity of the staff of Myanmar Electric Power Enterprise (MEPE). The project will help to complete the critically important 230 kV transmission ring supplying electricity for the Yangon region and ensure reliable electricity supply to support sustainable economic development for Myanmar.								

Project Rationale and Linkage to Country/Regional Strategy	<p>Uninterruptible and reliable supply of electricity is critical for sustaining economic growth and meeting poverty reduction objective. Recently Myanmar has embarked on wide-ranging economic reforms resulting in a fast growing economy. Gross domestic product (GDP) grew on average at 7.5% per year during the period 2011 _ 2013, reaching \$55.8 billion in 2013. However, GDP per capita stood at \$915, and per capita electricity consumption was only 165 kilowatt-hours (kWh) in 2013. The country's electrification ratio has almost doubled from 16% in 2006 to 31% in 2013 with Yangon City achieving the highest electrification ratio (78%), followed by Nay Pyi Taw (65%), Kayah (46%), and Mandalay (40%). The rural areas have electrification ratios averaging about 21%. This set of indicators for Myanmar is amongst the lowest within the Association of Southeast Asian Nations countries.</p> <p>The Government of the Union of Myanmar is determined to maintain strong economic growth and to improve living standards for its population. According to the projection of the Ministry of National Economic Development, Myanmar's GDP will grow at an annual average rate of 7.1% from 2015 to 2030 under a medium growth scenario. To keep pace with the economic growth and accelerate poverty reduction, demand for electricity is expected to grow at 9.6%, increasing from 10,112 gigawatt-hours (GWh) in 2013 to 49,924 GWh in 2030. To meet the rising demand for electricity against the backdrop of continuous strong economic growth, Myanmar will need to expand the power sector including development of new generation sources and the expansion of transmission and distribution networks. Reliable electricity supply is crucial for the Yangon region. Being the cultural and business hub of Myanmar, Yangon region has been and will be consuming around 50% of the country's electricity supply. To supply power to Yangon region, Myanmar plans to construct a 500 kilovolt (kV) backbone connecting various power stations in the north and the south of the country. Currently, Yangon's transmission system operates mainly at 66 kV. With growing demand, expected in years to come, the 66 kV risks overloading, and therefore more 230 kV transmission lines and substations will be needed to carry greater loads to provide reliable electricity supply. Upon completion of this project, the inner perimeter of the supply grid which currently operates at 66 kV will be upgraded to 230 kV, helping to reduce losses, and increasing reliability for Yangon transmission and distribution system.</p> <p>Priority areas for power sector development. The government, with assistance from the Asian Development Bank (ADB) and other development partners, is formulating long-term development plans for the energy and power sectors. For the power sector, areas of priority have been identified, including (i) improvement and upgrading of the transmission and distribution systems, especially in Yangon and Mandalay regions; (ii) rehabilitating existing power generation plants and constructing new ones; (iii) reinforcing the transmission grid and substations; and (iv) expanding transmission and distribution networks to connect more consumers, particularly in rural areas.</p>
Impact	Economic and social benefits to residential, commercial and industrial consumers from reliable and sustainable electricity supply in the Yangon region

## Project Outcome

Description of Outcome	Improved reliability of Yangon's power transmission system
Progress Toward Outcome	Project implementation in progress.

## Implementation Progress

Description of Project Outputs	<p>A 230 kV power transmission ring including 230 kV transmission lines and substations</p> <p>Capacity of MEPE staff implementing ADB financed projects strengthened.</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	Inception mission fielded in January 2017. Draft negotiated for PIC is for internal review of government. Fielding of PIC is expected in April 2017.
Geographical Location	

## Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	<p>An IEE has been undertaken to identify the potential environmental impacts and measures required to mitigate impacts. The IEE and EMPs have been prepared in consultation with affected communities and stakeholders in Yangon in accordance with the SPS 2009 and the laws and regulations of the Republic of the Union of Myanmar. The IEE has identified that the potential environmental impacts are primarily related to construction, which can be mitigated and managed, and which are not expected to be irreversible, diverse or unprecedented. Expected impacts are site-specific and appropriate mitigating measures have been incorporated into the EMPs.</p>
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Involuntary Resettlement	<p>Involuntary resettlement and indigenous peoples. In compliance with the SPS, MEPE has prepared an RP for Thida-Thaketa transmission line, and due diligence reports (DDRs) for the Thaketa_ - Kyaikasan transmission line, the West University substation, and South Okkalapa substation. The RP assessed the potential social impacts of the construction of the Thida_Thaketa transmission line, and provides policy guidance for land compensation and the entitlements of the affected household and institutions.</p> <p>The DDRs for Thaketa_Kyaikasan transmission line, West University substation, and South Okkalapa substation present the scope of land acquisition and the procedures for conducting negotiated settlement with affected households and institutions. The resettlement policy for Thida-Thaketa transmission line and the procedures for conducting negotiated settlement for Thaketa-Kyaikasan transmission line, West University substation, and South Okkalapa substation are consistent with applicable laws of Republic of the Union of Myanmar and with the SPS and have been prepared in consultation with the affected people and relevant institutions. A grievance redress mechanism and monitoring requirements are specified in the RP and DDRs.</p> <p>The project implementation consultant (PIC) will have international and national safeguards specialist (environment specialists and resettlement specialists) to assist the PIU in implementing the respective EMPs and RP and DDRs. The PIC will also provide on-the-job training to the PIU on environmental management, and implementation of the EMPs as well as the implementation of RP and DDRs. The estimated budget for the implementation of the safeguard mitigation plans has been incorporated in the project implementation costs.</p>
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Indigenous Peoples	There are no indigenous peoples near the proposed project areas.
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### Stakeholder Communication, Participation, and Consultation

During Project Design	The consultation and participation process involve a stakeholder analysis followed by subsequent consultations with various groups. Consultations at the household and community level, national level government officials, development partners, nongovernmental organizations, and commune- and village-level officials and beneficiaries. A series of focus group discussions will be undertaken as part of the socio-economic analysis.
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During Project Implementation	
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### Business Opportunities

Procurement	Advanced contracting will be required for project contract packages and project implementation schedule. Goods, equipment, and works to be financed under the project will be procured in accordance with ADB's Procurement Guidelines (2010, as amended from time to time).
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### Responsible Staff

Responsible ADB Officer	Bui, Duy-Thanh
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Energy Division, SERD
Executing Agencies	<i>Ministry of Electricity and Energy No. B-07, Yadana Shwe Pyi St., Zaya Theidi Ward, Nay Pyi Taw</i>

### Timetable

Concept Clearance	22 Mar 2013
Fact Finding	17 Jun 2014 to 26 Jun 2014
MRM	02 Jun 2015
Approval	23 Nov 2015
Last Review Mission	-
Last PDS Update	27 Mar 2017

### Loan 3330-MYA

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
23 Nov 2015	26 Apr 2016	30 Jun 2016	31 Dec 2019	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	83.30	Cumulative Contract Awards			
ADB	80.00	23 Nov 2015	0.00	0.00	0%
Counterpart	3.30	Cumulative Disbursements			
Cofinancing	0.00	23 Nov 2015	0.00	0.00	0%

Project Page <https://www.adb.org/projects/46390-002/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=46390-002>

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