



Myanmar: Power Network Development Project

Project Name	Power Network Development Project
Project Number	50020-002
Country	Myanmar
Project Status	Proposed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan: Power Network Development Project concessional ordinary capital resources lending / Asian Development Fund US\$ 298.90 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Private sector development
Sector / Subsector	Energy - Electricity transmission and distribution
Gender Equity and Mainstreaming	No gender elements
Description	The project will construct (i) 16.6 km transmission line between Ahlone and Thida substations with a 230/66/11kV 150 MVA Ahlone substation and 230/66/11kV (3x150 MVA) GIS Thida substation; (ii) 286km Mawlamyine-Ye-Dawei transmission line with 230/66/11kV (2 x 50 MVA) Ye substation and 230/66/11kV (2 x 50 MVA) Dawei substation; and (iii) upgrade and construct 48 new 66/33/11kV substations with 843 km distribution lines in the following states and regions: Aeyawardy, Bago, Mon, Kayin and Rakhine. The project will also install a computerized transmission asset management systems (CAMS) and a computerized customer billing system (CCBS) to improve operational efficiency and reduce losses in the transmission and distribution systems.
Project Rationale and Linkage to Country/Regional Strategy	The core developmental problem of Myanmar's power sector is insufficient and obsolete transmission and distribution infrastructure and lack of generating capacity to adequately supply electricity to support economic development and poverty reduction. With forecasted high economic growth, Myanmar's electricity demand is expected to rise fivefold from 3070 megawatt (MW) in 2017 to 14500 MW in 2030. The project will contribute to increasing electricity supply to support inclusive and sustainable development, and to achieving the country's plan of universal electricity access by 2030.
Impact	Universal electricity access achieved
Outcome	Capacity and operational efficiency of power transmission and distribution in central and southern Myanmar increased
Outputs	Myanmar's 230 kV power transmission network expanded New distribution facilities added to the distribution systems in Ayeyarwady and Bago regions and in Kayin, Mon, and Rakhine states New computerized assets management systems (CAMS) and computerized customer billing system (CCBS) installed
Geographical Location	Nation-wide

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	Under the Transmission Component, an environmental impact assessment report with environmental management plan was prepared. These reports were based on the results of site visits, discussions with local authorities and beneficiaries, and the use of secondary sources of information such as similar projects. The assessment provided that expected impacts will occur during the different phases of the project development. The project was initially categorized as A due to the long Mawlamyine-ye-Dawei transmission line potentially encroaching a biodiversity area. However, the final alignment chosen as a result of due diligence completely avoided all environment sensitive areas, hence, the environment assessment confirmed that the project is not considered as highly complex and sensitive and is now re-categorized as B.
Involuntary Resettlement	Land acquisition for the project will result in physical and economic displacement. A total of 39 hectares for land (38 hectares for distribution component and 1 hectare for transmission component) will be acquired permanently to be used for tower footings and substations. The project will have an impact on a total of 814 households. Of these, 18 households will be severely affected: nine households will lose their primary residential structures under the transmission component, and the other nine households will lose more than 10% of the total land holdings or income under the distribution component.
Indigenous Peoples	Three of the five states, namely Mon, Kayin and Rakhine have ethnic groups residing in the project area. The project will not acquire lands that are traditionally used by the ethnic groups nor cause any adverse impact on their identity, social, culture, or spiritual importance or interfere with their socio-cultural beliefs and livelihood systems. Ethnic group communities will benefit from project activities through employment opportunities and household electrifications. However, the project also presents minor risks and challenges concerning ethnic groups, particularly in terms of ensuring that ethnic groups are not marginalized during the project implementation with regards to employment opportunities and access to electricity. The project will ensure adequate consultations and a comprehensive project management approach in project areas where there are already ethnic group organizations providing parallel social services and community infrastructure. REGDPs have been developed with the approaches and entries that ensure project design and implementation shall foster full respect of ethnic groups and full respect for all affected households and stakeholders and that the ethnic groups (i) do not suffer adverse impacts as a result of the project, (ii) have equitable access to benefits of the project, and (iii) can participate actively in the project.
Stakeholder Communication, Participation, and Consultation	
During Project Design	Analyses for the following will be conducted: participation and empowerment; social impacts assessment; employment opportunities; gender issues and Gender Action Plan; ethnic minority issues, if applicable; consultations with project affected peoples, project beneficiaries, stakeholders, civil society organizations to identify issues, propose measures for addressing them through consultations; conduct specific conflict-sensitive consultations in all relevant project areas.
During Project Implementation	Continuous consultation and participation process will involve a stakeholder analysis followed by subsequent consultations with various groups. It is planned to conduct consultations at the household and community level, regional and national 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.
Business Opportunities	
Consulting Services	The project implementation consultants for transmission and distribution components will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). An estimated 281 person-months of consulting services will be required for the transmission component and 300 person-months for the distribution component. The consultants will support the project implementation unit in project implementation, monitoring and reporting; and strengthen the institutional and operational capacity of the EA/IAs.
Procurement	All procurement of goods and works, and advance contracting will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). The project involves the procurement of three (3) plant-design, supply and installation and one (1) IT product contract under the transmission component; and seven goods and one (1) IT product contract under the distribution component. International competitive bidding with single-stage one-envelope method will be used for procurement of these contracts. ADB's prior review procedures will be followed. Line installation works, substation installation works, and supply of concrete poles will be undertaken through national competitive bidding using ADB's standard bidding documents for small works. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Guidelines (2015, as amended from time to time).
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	26 Sep 2016
Fact Finding	22 Jan 2018 to 02 Feb 2018
MRM	04 Apr 2018
Approval	-
Last Review Mission	-
Last PDS Update	24 Oct 2018

Project Page	https://www.adb.org/projects/50020-002/main
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