



Pakistan: Second Power Transmission Enhancement Investment Program - Tranche 1

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|--|---|--|--|----------------------------|---------------------|--|--|--|--------------------|
| Project Name | Second Power Transmission Enhancement Investment Program - Tranche 1 | | | | | | | | |
| Project Number | 48078-003 | | | | | | | | |
| Country | Pakistan | | | | | | | | |
| Project Status | Active | | | | | | | | |
| Project Type / Modality of Assistance | Loan | | | | | | | | |
| Source of Funding / Amount | <table border="1"><tr><td colspan="2">Loan 3419-PAK: Second Power Transmission Enhancement Investment Program - Tranche 1</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 115.00 million</td></tr><tr><td colspan="2">Loan 3420-PAK: Second Power Transmission Enhancement Investment Program - Tranche 1</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 10.00 million</td></tr></table> | Loan 3419-PAK: Second Power Transmission Enhancement Investment Program - Tranche 1 | | Ordinary capital resources | US\$ 115.00 million | Loan 3420-PAK: Second Power Transmission Enhancement Investment Program - Tranche 1 | | concessional ordinary capital resources lending / Asian Development Fund | US\$ 10.00 million |
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| Loan 3420-PAK: Second Power Transmission Enhancement Investment Program - Tranche 1 | | | | | | | | | |
| concessional ordinary capital resources lending / Asian Development Fund | US\$ 10.00 million | | | | | | | | |
| Strategic Agendas | Environmentally sustainable growth Inclusive economic growth | | | | | | | | |
| Drivers of Change | Governance and capacity development | | | | | | | | |
| Sector / Subsector | Energy - Electricity transmission and distribution | | | | | | | | |
| Gender Equity and Mainstreaming | Some gender elements | | | | | | | | |
| Description | The objective of the proposed multitranches financing facility (MFF) is to improve Pakistan's power transmission infrastructure and management. Tranche 1 outputs (subprojects) are for construction of new transmission lines, extension and augmentation of existing substations, and installation of shunt reactor and replacement of protection equipment at 11 grid stations. Tranche 1 includes assistance on the preparation of a safety manual, professional third party project management and information system, capacity development program tailored for the investment program requirements, and an action plan to meet the government's quota for the employment of 10% women. | | | | | | | | |
| Project Rationale and Linkage to Country/Regional Strategy | A reliable and sustainable energy sector is essential to the economic growth and wellbeing of Pakistan. Load shedding has become common and severe, leading to civil strife and factory closures. Over one-third of the population does not have access to grid electricity which lessens opportunities for inclusive growth. Chronic power shortages are estimated to have reduced gross domestic product (GDP) growth by at least 2% in 2012 and 2013, and are considered the major cause of the slowdown in large-scale manufacturing, which grew at only 1.1% in fiscal year (FY) 2012 and 4.1% in FY2013. | | | | | | | | |
| Impact | (i) Transmission infrastructure and management improved, and (ii) Energy market transparency and efficiency improved. | | | | | | | | |

Project Outcome

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| Description of Outcome | Coverage reliability and coverage of the power transmission service in Pakistan improved. |
| Progress Toward Outcome | Consultant recruitment is ongoing, with the request for proposal on Facility Management Consultant will be issued to shortlisted firms by early-April 2017. |
| Implementation Progress | |
| Description of Project Outputs | Rehabilitation, augmentation, and expansion of the high voltage transmission network Operations and management of NTDC strengthened |

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| Status of Implementation Progress (Outputs, Activities, and Issues) | <p>Consultant is yet to engage. Consultant recruitment is ongoing. Capacity development plan is yet to be prepared. Action plan is yet to be developed. NTDC posted a draft type test requirement on its website and organized a seminar on 2 January 2017 to seek feedback from manufacturers, suppliers, and contractors. For ADB-106 (formerly ADB-80R), contract of Lot 1 (\$6.5 million) was signed on 20 January 2017 and Notice of Award of Lot 2 and 3 (\$11.8 million) will be issued soon. ADB approved rebidding of Lot 4 which was repackaged as ADB-108; NTDC will issue the BD soon. Out of total 9 packages, BD for 6 packages (ADB 100-105) are being finalized with revised requirements on type test of major equipment, reflecting the lessons from MFF1.</p> |
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Geographical Location

Safeguard Categories

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| Environment | B |
| Involuntary Resettlement | B |
| Indigenous Peoples | C |

Summary of Environmental and Social Aspects

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| Environmental Aspects | <p>According to ADB's Safeguard Policy Statement (2009), tranche 1 has been categorized B for environment. Civil works in tranche 1 will be limited to the substations and the final alignment of the transmission lines. Environmental impacts will be limited to the construction phase of these projects. The proposed alignments do not traverse any environmentally sensitive areas. Separate initial environmental examination studies have been performed for the components and disclosed on the ADB website. The project has been rated a medium risk to climate change. A climate change assessment will be undertaken for each tranche to ensure that appropriate risk mitigating measures are incorporated into the project design.</p> |
| Involuntary Resettlement | <p>No physical displacement of persons from housing or loss of more than 10% of income generating resources will occur. Environment, land acquisition, and resettlement impacts are assessed as insignificant. An environment and social impacts cell staffed with environment, social, and resettlement officials has been established in the PMU. Capacity will be strengthened through the facility management consultant until the environment and social impacts cell has sufficient resources.</p> |
| Indigenous Peoples | <p>Project areas have no indigenous peoples.</p> |

Stakeholder Communication, Participation, and Consultation

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| During Project Design | <p>Stakeholder consultation was conducted during project design.</p> |
| During Project Implementation | <p>Stakeholder consultation and participation will be promoted throughout project implementation.</p> |

Business Opportunities

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| Consulting Services | <p>The recruitment of consultants will follow ADB Guidelines on the Use of Consultants (2013, as amended from time to time), using quality- and cost-based selection method with 90:10 quality/cost weighting.</p> |
| Procurement | <p>Projects will be procured through international competitive bidding following ADB's Procurement Guidelines (2015, as amended from time to time).</p> |

Responsible Staff

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| Responsible ADB Officer | Zhang, Lei |
| Responsible ADB Department | Central and West Asia Department |
| Responsible ADB Division | Energy Division, CWRD |
| Executing Agencies | <p><i>National Transmission & Despatch Company Limited</i> <i>WAPDA House</i> <i>Shahrah-e-Quaid-e-Azam</i> <i>Lahore, Pakistan</i></p> |

Timetable

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| Concept Clearance | - |
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| Fact Finding | - |
| MRM | 03 Jun 2016 |
| Approval | 31 Aug 2016 |
| Last Review Mission | - |
| Last PDS Update | 31 Mar 2017 |

Loan 3419-PAK

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|---------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 31 Aug 2016 | 29 Nov 2016 | 24 Feb 2017 | 31 Dec 2020 | - | - |

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 161.00 | Cumulative Contract Awards | | | |
| ADB | 115.00 | 31 Aug 2016 | 6.68 | 0.00 | 6% |
| Counterpart | 46.00 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 31 Aug 2016 | 0.06 | 0.00 | 0% |

Loan 3420-PAK

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|---------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 31 Aug 2016 | 29 Nov 2016 | 24 Feb 2017 | 26 Aug 2026 | - | - |

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 10.00 | Cumulative Contract Awards | | | |
| ADB | 10.00 | 31 Aug 2016 | 0.17 | 0.00 | 2% |
| Counterpart | 0.00 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 31 Aug 2016 | 0.00 | 0.00 | 0% |

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| Project Page | https://www.adb.org/projects/48078-003/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=48078-003 |
| Date Generated | 06 July 2017 |

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