

 Early Warning System

AIIB-000007

Myanmar: Myingyan 225 MW Combined Cycle Gas Turbine (CCGT)  
Power Plant Project



### Quick Facts

<b>Countries</b>	Myanmar
<b>Specific Location</b>	Taungtha Township, Myingyan District, Mandalay Division.
<b>Financial Institutions</b>	Asian Infrastructure Investment Bank (AIIB)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	A
<b>Voting Date</b>	2016-09-27
<b>Borrower</b>	Semcorp Utilities Pte. Ltd.
<b>Sectors</b>	Energy
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 20.00 million
<b>Loan Amount (USD)</b>	\$ 20.00 million
<b>Project Cost (USD)</b>	\$ 304.00 million



### Project Description

According to the bank document, "the project involves the development, construction, and operation of a greenfield 225 MW Combined Cycle Gas Turbine (CCGT) power plant in the Mandalay region of Myanmar. It will increase much needed reliable and clean energy to the country's demand (currently installed power capacity in Myanmar is around 4,700 MW). When completed, the new facility will help to ease the country's severe power deficit. The Project is located in Taungtha, a township of Myingyan District in Mandalay Division. It is 108 km to Mandalay City and 226 km to Naypyitaw, the administrative capital of Myanmar.

The Myingyan project is an investment to "build, own and operate a greenfield 225 MW Combined Cycle Gas Turbine (CCGT) power plant in the Mandalay region of Myanmar." In addition to IFC, ADB, and potentially AIIB funding, A consortium of Sembcorp Utilities Pte. Ltd and MMID Utilities Pte. Ltd will develop and operate the project. The Project includes the construction and operation of the following facilities:

- 225MW Combined Cycle Gas Turbine Power Plant;
- Gas Supply Pipeline;
- 230kV Overhead Transmission Line; and
- Water Supply Pipeline, Wastewater Discharge Pipeline and Water Intake Pumping Station.

Project documents state that construction will begin in the first quarter of 2016, with an aim to open the project facilities for operation by the first quarter of 2018.

**Location:** The project is located in Taungtha, a township of the Myingyan District in the Mandalay Division of central Myanmar. The power plant will occupy about 11.6 hectares, which will be situated within a 280 hectare government-owned and operated steel mill site (Myingyan Steel Mill No.4).

**Resources needed:** 8 hectares of land acquired for a 12 kilometer cooling water supply line and 3 kilometer overhead power transmission line, affecting 8 to 10 families without legal claims whose homes and small businesses may be physically displaced.

For the environmental and social aspects of the Project, the Bank has decided to apply IFC's Performance Standards (PS) on Environmental and Social Sustainability (2012) since they are consistent with the Bank's Articles of Agreement and materially consistent with the provisions of the Bank's Environmental and Social Policy and relevant Environmental and Social Standards and the monitoring procedures that IFC have in place to ascertain compliance with IFC's Performance Standards are appropriate for the Project".



### Early Warning System Project Analysis

#### APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

Based on IFC documents, the following environmental and social safeguard policies are triggered:

**PS 1 – Assessment and Management of Environmental and Social Risks and Impacts** - triggered due to construction effects identified by project documents, including: air quality impacts, surface water quality, “noise during site preparation, ... as well as increased traffic in access roads; ...soil and groundwater from potential leaks and spills of oil, lubricants, or fuel from heavy equipment; construction waste management; and community health and safety impacts due to increased traffic and influx of construction workers.” Operational effects identified by project documents include: “impacts to air quality...(mainly [nitrogen oxide] emissions); surface water quality due from domestic wastewater discharge; noise associated with the operation of the power plant;... generation of various types of non-hazardous and hazardous wastes from plant [operations & maintenance] activities; and community health and safety” in the event of a natural gas leak.

**PS 2 – Labor and Working Conditions** - triggered due to the workforce required for the construction and operation of this project. The average workforce during construction is 600 people, with a peak of 900 people “at the height of construction activities.” The expected operational workforce is 48 people.

**PS 3 – Resource Efficiency and Pollution Prevention** - triggered due to issues related to noise, vibrations, dust and wastewater emissions, and hazardous waste generation during project construction and operation. Emissions may impact air quality in the project area and surrounding villages.

**PS 4 – Community Health, Safety and Security** - triggered due to “the risk of accidents for the general public during construction,” “raw water intake from the Ayeyarwady River,” which may impact other users of the river, possible community exposure to diseases with the influx of laborers, the possibility of emergencies such as a “fire or explosion due to the use of natural gas at the proposed project site,” and the deployment of “unarmed security personnel” at the project site.

**PS 5 – Land Acquisition and Involuntary Resettlement** - triggered because “land acquisition for the approximate [12 kilometer] cooling water supply line and the approximate [3 kilometer] overhead power transmission line...will be managed by the Myanmar Electric Power Enterprise (MEPE) and will involve an area of about 8 [hectares].” Additionally, approximately 8 to 10 “families of settlers without land titles or legal claims occupying the irrigation canal [right-of-way] will be affected with the potential effects including physical displacement of small businesses (i.e tea shop or food stores), homes, and removal of small plantations of fruit trees.”

#### OUR RISK ASSESSMENT

Based on the IFC’s project documents, this project poses potential risks to the following human rights:

##### Right to Property & Adequate Housing

According to the Asian Development Bank’s Resettlement Framework, the project site is located within a larger site that “economically displaced about 130 villagers from the Sa Khar, Hnan Hwa, and Hpet Taw villages, in a Government-led land acquisition process” from 1998-2000. The larger 280 hectare site is fenced. However, as of 2015, “it was observed that fences were opened in some 2 places by the villagers from Sa Khar to use the site for informal fire wood collection and cattle grazing.” The Asian Development Bank’s Resettlement Framework states that in addition to land informally used for agriculture, “there are approximately 8 to 10 families of settlers without land titles or legal claims with the potential effects including physical and economic displacement of small businesses (i.e tea shop or food stores) and residences.”



## Investment Description

The project is co-financed with other Multilateral Development Banks and commercial banks. The AIIB financing will be in parallel with other lenders including the International Finance Corporation (“IFC”), the Asian Development Bank (“ADB”) and certain commercial lenders.

Amount of bank loan or investment: IFC - \$40 million. AIIB - \$20 million.

- Asian Infrastructure Investment Bank (AIIB)

## Private Actors

- [SembCorp Utilities Pte Ltd](#) (Client)



## Contact Information

### Project Team Leader

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\*There is no information being disclosed at this stage of the project\*

## ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides “an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB’s failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.” Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html>.

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>.



## Bank Documents

- [Project Summary \(September 22, 2016\)](#) [Original Source]

## Campaign Documents

- [Field Report Summary by IFI Watch Myanmar](#) [Original Source]



## Other Related Projects

- ADB-48368-001 Myingyan Natural Gas Power Project
- IFC-36627 Myingyan