

Signing of Japanese ODA Loan Agreement with Papua New Guinea

—Support for a Highly Reliable Power Supply to Lae, the Second Largest City, and the Surrounding Region—

Today, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of Papua New Guinea at the JICA headquarters to provide a Japanese ODA loan of up to 8.34 billion yen for the Ramu Transmission System Reinforcement Project.

This project will reinforce the existing power transmission lines and provide upgrades and repairs to the substations in the Ramu power system that provides power to Lae, the second largest city in Papua New Guinea. By ensuring a highly reliable supply of power to the region where Lae is located, the project will also meet the future power demand in the Ramu power system and improve the living environment for residents in the area, primarily those in Lae. The funds for this project will be allocated to public works, including laying the transmission lines and repairs to the substations, procuring equipment, consulting services (including bidding assistance, overall project management and construction monitoring) and the like.

The target area for the project is Morobe Province, which has a population of 646,000 people. As the commercial and industrial center for the province, Lae is an important base for the distribution of goods. The instability of the power supply currently provided by the transmission lines in the Ramu power system has become a serious problem for Lae, the center of a region where the demand for power is rapidly increasing and will outstrip the power supply capacity of the Ramu power system without improvements.

The Government of Papua New Guinea (commonly referred to as PNG) has identified the need for repairs to the Ramu power system in its "Medium Term Development Plan" for 2011 to 2015. In addition, improving the Ramu power system is essential to achieve the goal of providing power to everyone in the country by 2050, as stated in "PNG Vision 2050." This project is positioned to contribute to that goal. With the use of low-loss power lines, it is expected that the project will curb the burden on the thermal power station caused by transmission loss, which in turn is expected to reduce the amount of greenhouse gases emitted.

JICA has a history of providing support to the power sector in Papua New Guinea, including an approved cumulative total of approximately 18 billion yen in ODA loans for such power generation projects as the Yonki Hydroelectric Project, the Rouna 4 Hydroelectric Project and the The Warangoi Hydroelectric Project. JICA will continue to provide support for efforts to achieve sustainable economic growth in Papua New Guinea.

Reference

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Ramu Transmission System Reinforcement Project	8,340	0.3 (*1)	0.01	40	10	General untied

(*1) Qualifies for the terms of a Climate Change ODA Loan

2. Project Summaries

Executing Agency

PNG Power Limited

Address: Wards Road, Hohola Port Moresby National Capital District, Papua New Guinea

Phone: +675-324-3200, fax: +675-325-0072

3. Planned Implementation Schedule

Completion of project: October 2019 – when the facilities are put into service

Issuing of letters of invitation for consulting services: November 2013

Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package titles: Transmission Line Component, Substation Component

Public release date: November 2014



Gabriel John Klero Dusava (left), CBE, ambassador extraordinary and plenipotentiary, and Akihiko Tanaka, JICA president, shake hands after signing the loan agreement.