

Signing of Japanese ODA Loan Agreement with the Democratic Socialist Republic of Sri Lanka

Development of transmission and distribution network for sustainable economic growth

On August 11, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of the Democratic Socialist Republic of Sri Lanka to provide an ODA loan of 24.93 billion yen for the National Transmission and Distribution Network Development and Efficiency Improvement Project.

Since conflict came to an end in 2009 after more than 25 years, Sri Lanka has undergone an average annual economic growth of 7 percent, boosted by a significant growth spurt in tourism and other industries. Due to the rapid economic growth, demand for power has increased by 3.9 percent on average over the past decade, and peak demand is expected to rise continuously around Colombo which is the largest demand area.

However, since the original investment in power generation infrastructure was made, the transmission and distribution network has not been adequately updated, and the system has deteriorated substantially. The country faces the challenge of enhancing the power transmission and distribution capacity to meet the growing demand. Also, to reduce power generation costs and mitigate climate change, it needs to reduce transmission and distribution losses for improved energy efficiency.



Signing ceremony

This project will increase the capacity and efficiency of the transmission and distribution network by constructing power transmission and distribution infrastructure throughout the country, thereby contributing to a stable power supply and stimulating economic activities. In this project, the technology of low-loss transmission lines will be applied to reduce energy loss, increase energy efficiency and reduce greenhouse gas emissions. In a region nearby, the Greater Colombo Transmission and Distribution Loss Reduction Project is underway, which is expected to have synergistic effects with this project in improving the power distribution and transmission losses, and stabilizing the power supply.

Loan funds will be allocated to the public works necessary for the construction of power transmission and distribution facilities, the procurement of equipment and materials, and consulting services.

JICA will continue to support Sri Lanka to build an inclusive society toward achieving the status of an upper-middle income country by utilizing JICA's modalities of assistance —technical cooperation, grant aid and Japanese ODA loans.

Reference

1. Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
National Transmission and Distribution Network Development and Efficiency Improvement Project	24,930	0.3*	0.01	40	10	Untied

* Preferential terms (fields of environment and climate change) apply to this project.

2. Executing Agency

Ministry of Power and Energy

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3. Planned Implementation Schedule

(i) Completion of project: April 2019 – when the facilities are put into service

(ii) Issuing of letters of invitation for consulting services (including construction monitoring):

August 2015

(iii) Tender announcement of international competitive bidding on project construction:

Procurement package title:

Construction and Improvement of Power Transmission Lines (Western Province)

Construction and Improvement of Grid Substations

Construction and Improvement of Power Transmission Lines (Central Province and North Central Province)

Construction of New Underground Distribution Cables and 33/11 kV Primary Substation

Release date: August 2016