

Signing of Japanese ODA Loan Agreement with Myanmar: Rehabilitating deteriorating hydropower plants to provide a stable supply of power to Myanmar's two most populous regions

On April 25, the Japan International Cooperation Agency (JICA) signed a loan agreement (L/A) with the Government of the Republic of the Union of Myanmar in Nay Pyi Taw, the capital city, to provide a Japanese ODA loan of up to 10.787 billion yen for the Hydropower Plants Rehabilitation Project.

The objective of the project is to rehabilitate the power generation equipment and facilities at the Baluchaung No. 1 Hydropower Plant and the Sedawgyi Hydropower Plant which supply electricity to the Yangon and Mandalay—the country's two most populous regions—thereby reducing unplanned power outages and stabilizing the electricity supply. The loan funds will be allocated to the procurement and installation of generators, turbines, control panels, water gates and other equipment, and to consulting services (including bidding assistance and construction supervision).

Although the total power generation capacity is 4,651 megawatts (as of November 2015), the average power supply is merely approximately 1,823 megawatts (fiscal year 2015) due to issues such as deterioration of power plant equipment and water shortages during the dry season. As the maximum electricity demand is predicted to reach approximately 14,500 megawatts by 2030, building new power plants and rehabilitating the existing power plants are priorities for strengthening the power supply.

The two power plants are situated on rivers with abundant water resources, which enable the plants to function as base load power sources that supply electricity all year round, whereas many of the other power plants around the country have reduced operation rates due to the lack of water in the dry season and other issues. The abundant water resources notwithstanding, the target power stations have been operating for a particularly long time and have undergone significant deterioration, resulting in frequent equipment breakdowns and malfunctions caused by fires and water leaks that require unplanned halts to power generation. This project will rehabilitate the facilities at the two power plants to eliminate unplanned termination of power generation, which currently amounts to 40 hours at the Baluchaung No. 1 Hydropower Plant and 275 hours at the Sedawgyi Hydropower Plant per year. These measures are expected to increase the power production volume by 1.2 times, which is equivalent to the annual electricity consumption of 376,000 people.



signing ceremony

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Hydropower Plants Rehabilitation Project	10,787	0.01	0.01	40	10	General, untied

2. Executing Agency

Electric Power Generation Enterprise, Ministry of Electricity and Energy
Address: Building No. 27, Nay Pyi Taw
Phone: +95-67-431273, fax: +95-67-431272

3. Planned Implementation Schedule

(1) Completion of project: February 2025 – when all of the power plants are put into service

(2) Issuing of letters of invitation for consulting services (including construction supervision): April 2017

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

Procurement package title: Rehabilitation of Relevant Substation and Transmission Line Facilities

Planned release date: May 2018