

Signing of Japanese ODA Loan Agreement with Pakistan: Contributing to the stabilization of the power supply in the capital region through a reinforced transmission line

On May 4, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Islamic Republic of Pakistan in Islamabad to provide a Japanese ODA loan of up to 2.665 billion yen for the Islamabad and Burhan Transmission Line Reinforcement Project (Phase 1).

The project will reinforce the existing transmission line between the Tarbela hydropower plant in northern Pakistan and the Burhan substation located about 50 kilometers northwest of central Islamabad, the capital city, thereby stabilizing the power supply to the Islamabad Capital Territory and the surrounding area. The loan funds will be allocated to public works required to reinforce the transmission line, to the procurement of equipment and to consulting services (detailed design work, bidding assistance and construction supervision).

With approximately 190 million people, Pakistan has the sixth largest population in the world, and the demand for electricity grows yearly with the rising population and the energized economy. However, in recent years, the country has been facing a serious supply-demand gap due to the deterioration of electricity infrastructure and transmission and distribution losses, resulting in nationwide load-shedding. Therefore, the enhancement of power generation capacity and transmission network facilities is imperative to meet the growing demand for power and to decrease load-shedding. Especially in Islamabad Capital Territory and the surrounding area, where the peak demand has increased by 20% in the past two years, the transmission facilities must be augmented.

Given these circumstances, an expansion project (output increase of 1,410) is currently being carried out with support from the World Bank at the Tarbela hydropower plant (operation start: 1976), which is located upstream on the Indus River in northern Pakistan and is the largest hydropower plant in the country. Combined with that project, the present project aims to increase the power transmission capacity to the Burhan substation, and it is expected that the power supply to Islamabad Capital Territory and the surrounding area, which is the socioeconomic center of Pakistan, will be reinforced. It is also expected that the transmission loss will decrease through the installation of a low-loss conductor for the first time in Pakistan.

Considering support to the power sector as one of the highest priority sectors in Pakistan, JICA has provided ODA loans for energy sector reform and infrastructure improvement as well as grant aid for the establishment of a training center to enhance operational skills in transmission and substation facilities. JICA also provides technical cooperation for the formulation of a power grid system master plan and dispatches experts to support the launch of the Energy Efficiency Standards and Labeling Program for the promotion of energy-saving products. Through such cooperation, JICA continuously provides support upstream and downstream in the energy sector in Pakistan.

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Islamabad and Burhan Transmission Line Reinforcement Project (Phase 1)	2,665	Yen LIBOR + 10 bp	0.01	30	10	General, untied

2. Executing Agency

National Transmission and Despatch Company
 Address: WAPDA House Shahrah-e-Quaid-Azam, Lahore
 Phone: +92-42-9920-2229, fax: +92-42-9920-2229

3. Planned Implementation Schedule

- (1) Completion of project: December 2020 – when the facilities are put into service
- (2) Issuing of letters of invitation for consulting services (including detailed design work): July 2017
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
 Procurement package title: Procurement of Materials for 220kV Transmission Line Package
 Release date: September 2018

Procurement package title: Construction of 220kV Transmission Line
 Release date: September 2018



signing ceremony