

Second 220kV Guddu-Sibbi-Quetta Transmission Project



Industrial II Transformer Station

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥4,915 million / ¥3,705 million
Loan Agreement	March 1989
Terms and Conditions	Interest rate: 2.5%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	August 1998

Project Profile

The project was to build electricity transmission lines in Balochistan, the province with the lowest level of electrification in Pakistan, in order to meet growing demand for electricity and improve the reliability of supply from electrical power equipment. It aimed to encourage the development of the regional economy and to help stabilize the lives of local residents.

Results and Evaluation

The 220kV transmission lines built under the project increased the power transmission capacity between Guddu and Quetta enormously, ending power outages and ensuring a stable power supply from the main power grid. Balochistan previously suffered from rolling blackouts and extreme voltage fluctuations due to the lack of electricity transmission capacity, but the project largely solved those problems. The reliability of the power supply is adequate to handle the growth in power consumption.

There are no notable problems with the systems for operation and maintenance. On the technical side, however, the priority placed on cost reduction during construction means that some of the transmission lines run through adverse locations, which impedes the management of the facilities. Improvement measures will have to be considered. Furthermore, there is cause for concern over the financial positions of the Water and Power Development Authority, an executing agency, and other state-owned bodies in Pakistan's electric power sector. The government is working on restructuring the sector, and future developments should be watched closely.