

Paraguay

Power Transmission and Distribution Network Construction Project



Limpio substations

Outline of Loan Agreement

Loan Amount / Disbursed Amount	8,800 million yen / 8,721 million yen
Loan Agreement	November 1985
Terms & Conditions	Interest rate 4.75%p.a. Repayment period 25 years (Grace period 7 years)
Final Disbursement Date	November 1990

Project Outline

The project comprised the construction of a new trunk distribution system linking the Itaipu hydroelectric power plant and metropolitan Asunción, and expansions to substation facilities to Alto Parana on the eastern coast of the Parana River, with the aim of expanding electricity supplies.

Results and Evaluation

This project involved upgrading the fourth line comprising the trunk distribution system to the capital of Asunción to 220kV (321km) in order to handle electricity supplied by the Itaipu hydroelectric power plant, the world's largest hydroelectric power plant, which was jointly constructed by Paraguay and Brazil; construction was completed in May 1990.

It enabled the volume of power transmitted from Itaipu hydroelectric power plant to Asunción to be increased from around 300GWh in 1991, to 643GWh in 1995, and contributed to stabilizing electricity supplies to the metropolitan area. In 1996, Administración Nacional de Electricidad (ANDE, the executing agency) financed the construction of the fifth line, resulting in considerable increases in power transmission volume, which reached 913GWh in 2000.

Meanwhile, two substations were constructed in the Alto Parana region and a distribution network has been developed under funding from the Inter-American Development Bank. Power supply in the region has increased almost tenfold, from 8.6GWh in 1991 to 81.9GWh in 2000.

No problems have been observed within ANDE in its technical capacity and the positioning of human resources for operation and maintenance of the project facilities, however, the need for improvements in financial affairs, including a review of electricity tariffs, has been recognized.