

Signing of Japanese ODA Loan Agreement with Uzbekistan

Constructing a combined cycle power plant to improve reliability and efficiency while reducing the environmental burden

On November 10, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of Uzbekistan in the capital of Tashkent to provide a Japanese ODA loan of up to 71.839 billion yen for assistance for the Turakurgan Thermal Power Station Construction Project with Parliamentary Vice-Minister for Foreign Affairs Kentaro Sonoura in attendance. This loan agreement was signed under the Electric Power Sector Project Loan framework (86.839 billion yen), for which an Exchange of Notes (E/N) was also signed on November 10 between Japan and Uzbekistan as a Japanese ODA loan framework to provide comprehensive support for multiple projects.

By constructing a gas combined cycle power plant (installed capacity: 900 megawatts) and improving transmission lines and transformer substations in Namangan Province in the eastern part of Uzbekistan, this project aims to improve energy efficiency and power supply reliability, contribute to sustainable economic development, reduce the amount of natural gas consumed and decrease carbon dioxide emissions. The funds for this project will be allocated to the construction of the plant and related facilities, and to consulting services (design, bidding assistance and construction supervision).



Signing ceremony

With approximately 28 million people, Uzbekistan has the largest population of any country in Central Asia and has played a central role in the region since the Soviet era. In recent years, the country has maintained steady economic growth in excess of 7 percent due to favorable market conditions for natural gas, raw cotton and other products. About nine-tenths of the nation's power supply which drives the national economy is supplied by 10 thermal power stations in the country, but over the 40 to 50 years that most have been in operation, they have lost significant power generation capacity and reliability, with the power generation capacity dropping around 30 percent. In addition, the old equipment is not energy efficient, a major factor in the increasing amount of natural gas consumed and carbon dioxide emitted.

The project target area of Namangan Province is located in the Fergana Valley region (which also includes Fergana and Andijan Provinces) in eastern Uzbekistan and has a high population density with approximately 30 percent of the country's population. In addition to a high demand for power, the Fergana Valley has few power generation facilities, resulting in an imbalance in supply and demand and an inefficient power grid that relies heavily on long-distance power transmission from the central part of the country. The country as a whole also does not generate adequate power and relies on power imports from Kyrgyzstan. Because the Fergana Valley is predicted to undergo an annual increase in power demand of 8 percent, which would exacerbate the lack of power, high-efficiency power source development is greatly desired.

This project will utilize high-efficiency power generation equipment that will reduce the environmental burden while improving the stability of the power supply and supporting the development of economic activity in the country overall.

The Government of Uzbekistan has made the efficient and stable use of energy through existing power plant modernization a priority issue, along with the development of new power sources utilizing the country's plentiful natural gas resources. JICA's policy for Uzbekistan is to emphasize cooperation on further economic development, and continue to focus on cooperation for the power sector, which bears an important role in creating an infrastructure with a lower environmental burden and high energy efficiency.

Reference

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Turakurgan Thermal Power Station Construction Project	71,839	0.30	0.01	40	10	General untied

2. Executing Agency

The State Joint Stock Company "Uzbekenergo"

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3. Planned Implementation Schedule

(1) Completion of project: November 2019 – when the facilities are put into service

(2) Issuing of letters of invitation for consulting services (including detailed design work): November 2014

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

Procurement package title: EPC Contract for Power Plant Package

Release date: July 2015