

Signing of Japanese ODA Loan Agreement with the Republic of Iraq

Restoring the power infrastructure to improve people's lives

On February 23, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of Iraq to provide a Japanese ODA loan of up to 20.224 billion yen for the Hartha Thermal Power Station Rehabilitation Project at JICA Headquarters in Tokyo. This is the 21st Japanese ODA loan to Iraq, which brings Japan's cumulative commitments to Iraq to over 490 billion yen.

Due to decades of wars and economic sanctions, the electricity infrastructure in Iraq such as power stations and transmission and distribution networks has seriously deteriorated. The daily capacity of electricity production in Iraq was only 12,000 megawatts in 2014, compared to a demand of 16,000 to 18,000 megawatts, and severe power shortages cause blackouts for more than 10 hours a day. Establishing a stable supply of sufficient electricity is an urgent task for reconstruction, economic development, and social stability in the country.

The Hartha Power Station, which is located in Basra in southern Iraq, is one of the largest power plants, providing around 25 percent of the total electricity produced in Basra. It is also a crucial power plant for the country as it supplies electricity to the capital city and central Iraq via transmission lines.

The Hartha Power Station was first constructed by a Japanese company in 1982. Iraqi engineers trained with Japanese assistance repeatedly repaired the power station during the wars. The Ministry of Electricity considers the project under which the station was built to be "symbolic of the relationship between Japan and Iraq." As more than 30 years have passed since it was constructed, major rehabilitation is now required.

The objective of the project is to restore normal functionality of the Iraqi electricity supply system by rehabilitation facilities at the Hartha Thermal Power Station. The loan will be applied to civil engineering works, procuring materials and equipment, consulting services and the like.

The project is expected to improve power output and the operating ratio of the Hartha Thermal Power Station, contributing to a stable electricity supply and thus boosting economic activities for social development and reconstruction of the country.

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			
The Hartha Thermal Power Station Rehabilitation Project	20,224	0.8	0.01	15	5	General untied

2. Executing Agency

Ministry of Electricity (MOE)

Address: MOE Building, Baghdad, Iraq

3. Planned Implementation Schedule

(1) Completion of project: October 2018 – with completion of the construction work

(2) Issuing of letters of invitation for consulting services: already released

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

Procurement package title: EPC (Engineering, Procurement and Construction)

Release date: not yet determined



Akihiko Tanaka (left), president of JICA, and Alaa Abdulmajid Al-Hashimy, Ambassador of the Republic of Iraq to Japan, after the signing