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Syria

37 Al-Zala Thermal Power Plant Project

This project's objective was to ensure the expansion of Syria's electric power supply, promote effective usage of domestic natural gas, and reduce domestic consumption of crude oil to increase the supply for export by constructing a thermal power plant fueled by both natural gas and crude oil and consisting of 3 generators with capacities of 200 MW each in Al-Zala region, and thereby contribute to the country's economic growth and the improvement of its international balance of payments through improvement of the investment environment.

Loan Amount/Disbursed Amount: 46,199 million yen/42,247 million yen
Loan Agreement: December 1995
Terms and Conditions: Interest rate 2.3-2.7%; Repayment period 30 years (grace period 10 years); General untied
Final Disbursement Date: January 2003
Executing Agency: Public Establishment of Electricity for Generation and Transmission (PEEGT)

External Evaluator: Keishi Miyazaki (Overseas Project Management Consultants, Ltd.)
Field Survey: September 2004

Evaluation Result

In this project, the thermal power plant fueled by both natural gas and crude oil and consisting of 3 generators was constructed almost as planned. The project period slightly exceeded the plan, but the project cost was less than planned.

The power plant began its commercial operation in June 2000, and in 2003 the net electric energy production, at 3,792 GWh/year, and the plant load factor, at 70%, had reached the planned levels. The plan was to meet over 50% of the plant's fuel needs with natural gas, and the plan has nearly been achieved, with a 66% natural gas utilization factor in 2002 and 46% in 2003.

Of Syria's total power generation facilities capacity of 7,332 MW in 2003, this project shares approximately 9%. If two other ODA loan projects (i.e. Banias Thermal Power Plant (generators 3 and 4) and Jandar Thermal Power Plant) are included, then the share becomes 26%. Meanwhile, this project accounts for approximately 14% of Syria's electricity production of 27,487 GWh/year in 2003. If the two other ODA loan projects are included, the three projects together account for approximately 38%, which makes a contribution to the stable supply of electric power in Syria. Calculated from Syria's electricity consumption per person, the expected beneficiaries from this project alone amount to approximately 2.74 million persons, and 7.53 million persons (cf. the population of Saitama Prefecture, Japan, is approx. 7.06 million persons) in total from the three projects. The amount of foreign currency obtained from sale of crude oil newly available for export due toutilization of natural gas at this power plant is estimated at 4,150 million yen during the 4 years from 2001 to 2004, and so there was a recognized positive effect on Syria's international balance of payments.

There are no problems in the operation and maintenance system and the financial status of the PEEGT. Training concerning operation and maintenance of this power plant is also being conducted at a domestic training center built with grant aid from the Japanese government, and so the technical capacity is also satisfactory.

Third-Party Evaluator's Opinion

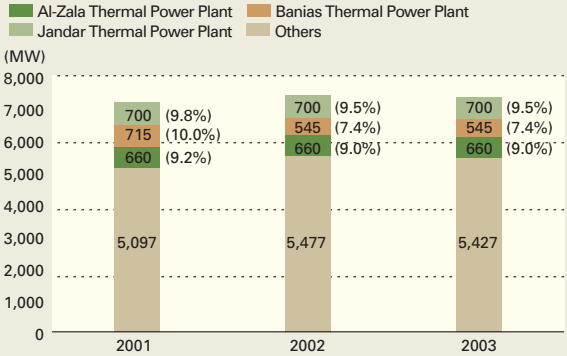
Not only is this project contributing to the employment of over 700 local residents and the improvement of the social environment, it is also contributing to the improvement of the investment environment in this region.

Third-Party Evaluator: Mr. El-Ayoubi M. Saleh (academia)

Obtained a doctoral degree in nuclear power generation from Moscow Power Engineering Institute. Currently is assistant professor in the Department of Machinery and Electric Engineering of Damascus University. Specializes in electric machinery and electricity generation systems, energy, etc.

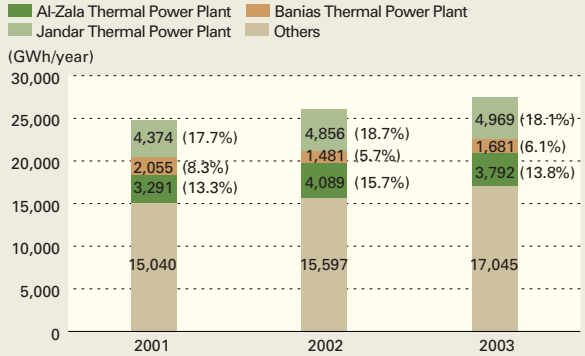
Contribution by 3 ODA Loan Projects

Facility capacity for power generation



Source: PEEGT
Note: The facility capacity for power generation at Tokyo Electric Power Company's Oi Thermal Power Plant in Shinagawa, Tokyo, is 1,050 MW.

Net Electric Energy Production



Source: PEEGT
Note: The electricity production at Tokyo Electric Power Company's Oi Thermal Power Plant in Shinagawa, Tokyo, is 4,325 GWh/year (in 2003).