



PRESS RELEASE

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For Immediate Release

SIGNING OF A LOAN AGREEMENT FOR THE QUANG TRI PROVINCE ONSHORE WIND POWER PROJECT IN VIETNAM (PRIVATE SECTOR INVESTMENT FINANCE):

JICA'S FIRST PROJECT FINANCE LOAN FOR WIND POWER PROJECT IN VIETNAM



May 27, 2021

Japan International Cooperation Agency (JICA) has signed a facility agreement on May 21, 2021 to provide up to US\$25 million for an onshore wind power generation project with a total capacity of 144 MW in Quang Tri Province, Vietnam. Power Construction Joint Stock Company No. 1, a major local company in Vietnam in the field of renewable energy development and electromechanical works, and RENOVA, Inc., a leading renewable energy IPP developer in Japan, are sponsors to the project. Three project companies (Lien Lap Wind Power Joint Stock Company, Phong Nguyen Wind Power Joint Stock Company, and Phong Huy Wind Power Joint Stock Company) are the borrowers. The loan is co-financed by Asian Development Bank (ADB) and Export Finance Australia under the Australian government.

This project is JICA's first project finance for a wind power generation project in Vietnam and is expected to serve as a model case for private sector wind power generation projects in the renewable energy sector in Vietnam, including those by Japanese and local companies. In addition, the project will contribute to the Initiative on Overseas loan and Investment for ASEAN (announced at the Japan-ASEAN Summit Meeting on November 4, 2019), and is the first investment by a Japanese company in a new-large scale wind power project in Vietnam.

According to the Ministry of Industry and Trade of Vietnam, electricity demand in Vietnam is expected to increase by 8-8.5% per year from 2021 to 2025, and demand for electricity is expected to be strong. The Vietnamese government has also set a target of reducing greenhouse gas emissions by 9% in 2030 compared to the base-case scenario without climate change measures and has adopted the introduction of renewable energy as a specific measure. In order to increase the supply of electricity and combat climate change at the same time, the government has set a target of using renewable energy sources for about 15-20% of the 125-130 GW of power generation capacity in its power development plan for 2030 of which 6000 MW will be supplied by wind power projects. This project will contribute to Goals 7, 13 and 17 of the SDGs (Sustainable Development Goals).

JICA will continue to work with the private sector and international financial institutions to achieve the SDGs.

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