

# INTERVIEW

## Project Financing for Solar Power Generation and Storage Projects in Uzbekistan

### JBIC's First Loans for Renewable Energy Projects in Uzbekistan

Interview with Deputy Director General HIGASHIDA Yohei and Deputy Director of Division 2 KATO Reo, New Energy and Power Finance Department I, Infrastructure and Environment Finance Group



In October 2025, the Japan Bank for International Cooperation (JBIC) signed project financing loan agreements for two solar power generation and storage projects (Samarkand 1 and 2) with two Uzbek companies invested in by Sumitomo Corporation, Chubu Electric Power Co., Inc., Shikoku Electric Power Company, Incorporated, and ACWA Power Company of Saudi Arabia (ACWA).

JBIC will provide loans of approximately USD253 million for Samarkand 1 and approximately USD382 million for Samarkand 2. The total co-financing amounts are approximately USD585 million and approximately USD861 million, respectively. Both loans are co-financed with the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Islamic Development Bank (IsDB), Sumitomo Mitsui Banking Corporation, the Norinchukin Bank, Standard Chartered Bank, and KfW IPEX-Bank GmbH. Nippon Export and Investment Insurance (NEXI) will provide the insurance for the loans by the private financial institutions.

### Uzbekistan's Largest Solar Power Generation and Storage Facilities

Two solar power and storage projects involving Japanese companies are set to begin on the outskirts of Samarkand, Uzbekistan—a historic crossroads of the Silk Road. The two projects will deliver a total generation capacity of 1,000 MW and a total storage capacity of 1,336 MWh. The electricity generated will be sold to JSC National Electric Grid of Uzbekistan for 25 years.

Uzbekistan is rich in natural resources such as natural gas and rare metals, and has maintained an economic growth rate of around 6% in recent years. Amid rising electricity demand driven by economic growth and population growth, it faces the challenge of aging thermal power plants dating back to the Soviet era. The government aims to increase power generation from renewable sources such as wind and solar energy and has set a target of reducing greenhouse gas emissions by 35% by 2030 compared with 2010 levels. The projects are among the largest of their kind in Central Asia and play a key role in the country's energy policy.

Deputy Director General HIGASHIDA explains the significance of the loans as follows: "These loans align with the Government of Japan's Infrastructure System Overseas Promotion Strategy 2030. The loans will help finance renewable energy projects in which Japanese companies are expected to participate in long-term operation and management. Through this support, the loans will contribute to the decarbonization efforts of Japanese companies and Uzbekistan, while also helping to maintain and enhance the international competitiveness of Japanese industry."

### Finalizing Tough, First-of-Its-Kind Negotiations

These projects were brought to JBIC as a financing request by Sumitomo Corporation around the end of 2023. A key feature of the projects is their joint implementation by ACWA and multiple Japanese companies.

"Until now, ACWA had been a rival to Japanese companies in Middle Eastern projects. But this time, ACWA approached the Japanese side, which led to a joint investment. JBIC already had a track record in Uzbekistan through its 2023 transition finance loan

for the Syrdarya II Combined Cycle Gas Turbine project. But this is JBIC's first financing for solar power and storage projects in the country, as well as its first loans for projects that ACWA Power is investing in. This also marks our first co-financing with all three foreign banks: the ADB, the EBRD, and the IsDB. In addition to the challenges of a series of firsts, the Uzbek government was advancing power-sector reforms, so we had to negotiate contracts while gauging the direction of those policy changes," HIGASHIDA says.

In the spring of 2024, he flew to Uzbekistan, where the sponsors and lenders gathered and full-fledged negotiations began.

Deputy Director KATO, who was involved in coordinating the contract, reflects: "In the actual loan negotiations, both the sponsor and lender sides had many stakeholders to work with, and their teams were spread across London, Dubai, Manila, and Japan. Moreover, business practices differed significantly, so even setting up meeting schedules wasn't easy. Given the diversity of practices and perspectives among the stakeholders, careful coordination was required across various aspects of the project, including constructive discussions with ACWA, a company with a strong track record in the power generation business, on matters such as project profitability, risk assessment, and ensuring a shared understanding of JBIC's lending conditions. We also examined the direction of Uzbekistan's new legal framework and assessed the reliability of large-scale power storage facilities, which serve as reservoirs for electricity, while consulting experts. At the same time, JBIC proactively proposed setting up forums for discussions among the lenders. The institutions shared their respective expertise, helping build consensus on key issues and enabling collective negotiations with the sponsors and the government. I learned a great deal from these experiences."

Although the negotiations were tough until the very end, the parties aligned on the importance of the projects as key parts of Uzbekistan's renewable energy strategy and continued moving toward a shared goal. This led to the signing of the loan agreements in October 2025.

### Contributing to Enhancing Japan's Presence in Central Asia

KATO expresses his aspirations, "The two projects will be completed in 2027, while the government of Uzbekistan has revised its 2030 greenhouse gas reduction target upward and is planning additional renewable energy projects. Building on the lending achievements of these projects under the country's new legal framework, we hope to extend financial support to future projects involving Japanese companies."

"Central Asia is a region of significant geopolitical importance, serving as a gateway between Eastern and Western civilizations. Its historical background and recent economic development have drawn increasing attention from Russia and China. Japan has also been actively promoting political, economic, and cultural exchanges by continuously hosting the Central Asia plus Japan Forum and building strategic partnerships with the countries in the region. Based on the outcomes of these agreements, I hope that our support for Japanese companies as they expand into Central Asia will further enhance Japan's presence in the region," remarks HIGASHIDA.