



Phase 2 Advancing Sustainability in Performance, Infrastructure, and Reliability of the Energy Sector in the West Bank a

MIDDLE EAST AND NORTH AFRICA | West Bank and Gaza | Energy & Extractives Global Practice |
Special Financing | Investment Project Financing | FY 2022 | Seq No: 3 | ARCHIVED on 26-Jul-2023 | ISR57054 |

Implementing Agencies: Ministry of Finance, Palestinian Energy and Natural Resources Authority (PENRA)

Key Dates**Key Project Dates**

Bank Approval Date: 11-Apr-2022

Effectiveness Date: 12-Aug-2022

Planned Mid Term Review Date: 30-Sep-2024

Actual Mid-Term Review Date:

Original Closing Date: 31-Dec-2026

Revised Closing Date: 31-Dec-2026

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To improve operational and financial performance of electricity sector institutions and diversification of energy sources in West Bank and Gaza.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

1. Improving Electricity Infrastructure in West Bank and Gaza:(Cost \$14.00 M)
2. Supply of Smart Meters for Distribution Companies in West Bank & Gaza:(Cost \$3.00 M)
3. Enabling Public and Private Sector Engagement in Renewable Energy:(Cost \$4.50 M)
4. Technical Assistance and Project Management:(Cost \$2.00 M)

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Progress towards achievement of PDO | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Satisfactory |
| Overall Implementation Progress (IP) | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Satisfactory |
| Overall Risk Rating | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |

Implementation Status and Key Decisions

The Project's legal agreements were signed on May 29, 2022. The Project became effective on August 12, 2022, and its implementation is underway, and procurement of sub-projects has been initiated.

MPA Program Development Objective

Improve operational and financial performance of energy sector institutions and diversification of energy sources



Multiphase Programmatic Approach (MPA) Status

This ISR reflects findings of the Bank’s mission of the MPA conducted during March 12-23, 2023 and follow-up meetings as pertaining to ASPIRE Phase 2. Phase 2 includes a dedicated focus on Gaza Reconstruction activities identified in the Rapid Damages & Needs Assessment (RDNA) following the May 2021 conflict, in addition to other activities, i.e. upgrading and expanding medium voltage lines in JDECO footprint, supply of Smart meters for Distribution Companies in the West Bank & Gaza, and enabling private and public sector engagement in Renewable Energy.

Risks

Systematic Operations Risk-rating Tool

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|--|--------------------|-----------------|----------------|
| Political and Governance | High | High | High |
| Macroeconomic | Substantial | Substantial | Substantial |
| Sector Strategies and Policies | Substantial | Substantial | Substantial |
| Technical Design of Project or Program | Low | Low | Low |
| Institutional Capacity for Implementation and Sustainability | Moderate | Moderate | Moderate |
| Fiduciary | Substantial | Substantial | Substantial |
| Environment and Social | Substantial | Substantial | Substantial |
| Stakeholders | Low | Low | Low |
| Other | Substantial | Substantial | Substantial |
| Overall | Substantial | Substantial | Substantial |

Results

PDO Indicators by Objectives / Outcomes

| | | | | |
|---|---|-------------------|------------------|-------------|
| PrDO1, PDO1-Ph1&2: Improve operational performance of electricity sector institutions | | | | |
| ▶ Non-technical losses in the West Bank (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 11.00 | 11.00 | 11.00 | 6.00 |
| Date | 30-Sep-2019 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Average based on non-technical losses recorded for each distribution company in West Bank | | | |



| ► Non-technical losses in Gaza (Percentage, Custom) | | | | |
|---|--|-------------------|------------------|-------------|
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 20.00 | 20.00 | 20.00 | 15.00 |
| Date | 30-Sep-2019 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Non-technical losses as per Gaza Distribution Company (GEDCO) | | | |
| ► Annual unplanned supply interruptions on Medium Voltage Main feeders in Gaza (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 2,078.00 | 2,078.00 | 2,078.00 | 1,600.00 |
| Date | 30-Dec-2021 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | The number of supply interruptions recorded through the SCADA system on the medium voltage main feeder lines in the Gaza strip per year. | | | |

| PrDO2, PDO2-Ph1&2: Improve financial performance of electricity sector institutions | | | | |
|---|--|-------------------|------------------|-------------|
| ► Share of electricity sector net-lending in West Bank (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 30.00 | 30.00 | 30.00 | 20.00 |
| Date | 30-Sep-2019 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | 'Net-lending' is a mechanism by which payments due to Israel Electricity Corp are deducted from the clearance revenue mechanism. While the mechanism works for both W. Bank and Gaza. This indicator focuses on W. Bank. | | | |

| PrDO3 and PDO3- Ph2: Diversification of energy sources | | | | |
|---|--|-------------------|------------------|-------------|
| ► New Renewable Energy Supply Connected (MW) (Megawatt, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 145.00 | 145.00 | 145.00 | 260.00 |
| Date | 30-Sep-2019 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | New Renewable Energy Supply Connected (MW) | | | |

Intermediate Results Indicators by Components



| | | | | |
|---|---|-------------------|------------------|-------------|
| 1. Improving Electricity infrastructure in West Bank and Gaza | | | | |
| ▶ Length of MV lines upgraded and constructed in the West Bank & Gaza (Kilometers, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 170.00 |
| Date | 14-Jan-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Length of MV & LV lines upgraded or reconstructed | | | |
| ▶ Capacity of distribution power transformers replaced or added in Gaza (Megawatt, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 38.00 |
| Date | 14-Jan-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Total capacity of the transformers replaced | | | |
| ▶ SCADA Coverage of Medium Voltage Main Feeder Network in Gaza strip (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 60.00 | 60.00 | 60.00 | 90.00 |
| Date | 14-Jan-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Coverage of the SCADA system, in terms of installation of control systems, in main MV feeders in Gaza strip | | | |
| ▶ Annual total duration on electricity supply interruptions (Hours, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 17.22 | 17.22 | 17.22 | 14.22 |
| Date | 10-Feb-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Annual total duration on electricity supply interruptions (Hours) | | | |

| | | | | |
|--|----------|-------------------|------------------|------------|
| 2. Supply of Smart Meters for Distribution Companies in West bank & Gaza | | | | |
| ▶ Number of smart meters installed under RPP-3 in the West Bank & Gaza (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 21,000.00 |



| | | | | |
|-----------|---|-------------|-------------|-------------|
| Date | 14-Jan-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Number of smart meters purchased and deployed | | | |

3. Enabling Private and Public Sector Engagement in Renewable Energy

► Solar PV systems installed in Public health facilities (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-----------|--|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 0.00 | 5.00 |
| Date | 14-Jan-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Solar PV systems installed in Public health facilities | | | |

► Installed capacity of Solar PV systems for dedicated electricity supply to refugee camps (KWp) (Megawatt, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-----------|--|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 0.00 | 3.50 |
| Date | 14-Jan-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Installed capacity of Solar PV systems for dedicated electricity supply to refugee camps | | | |

4. Technical Assistance and Project Management

► PENRA publishes on its website results of citizen engagement survey (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-----------|--|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 0.00 | 2.00 |
| Date | 14-Jan-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | The MPA's first citizen engagement survey will be conducted in 2022 (under Phase 1). Thereafter, the survey will be conducted annually. Feedback compiled through these surveys will inform the project's processes and results. | | | |

► Grievances and feedback cases registered related to delivery of project benefits that are addressed and responded to within a timeframe publicly communicated by the project (Percentage, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-----------|---|-------------------|------------------|-------------|
| Value | 90.00 | 90.00 | 90.00 | 90.00 |
| Date | 14-Jan-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Tracking performance of grievance redressal mechanism. Feedback cases pertaining to the project will also include complaints, queries, suggestions and compliments. The feedback can pertain to all aspects of the project not just be limited to delivery of project benefits. | | | |



| ► Share of female engineers employed in the energy sector (Percentage, Custom) | | | | |
|---|--|-------------------|------------------|-------------|
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 7.00 | 7.00 | 7.00 | 12.00 |
| Date | 14-Feb-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | Number of women formally employed in govt. and private energy institutions | | | |
| ► Beneficiary women-owned businesses reporting improved electricity services (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 25.00 |
| Date | 14-Feb-2022 | 19-Dec-2022 | 23-Jun-2023 | 31-Dec-2026 |
| Comments: | This refers to women owned SMEs that benefit from the financing mechanism for solar PV systems under Phase 1 | | | |

Performance-Based Conditions

Data on Financial Performance

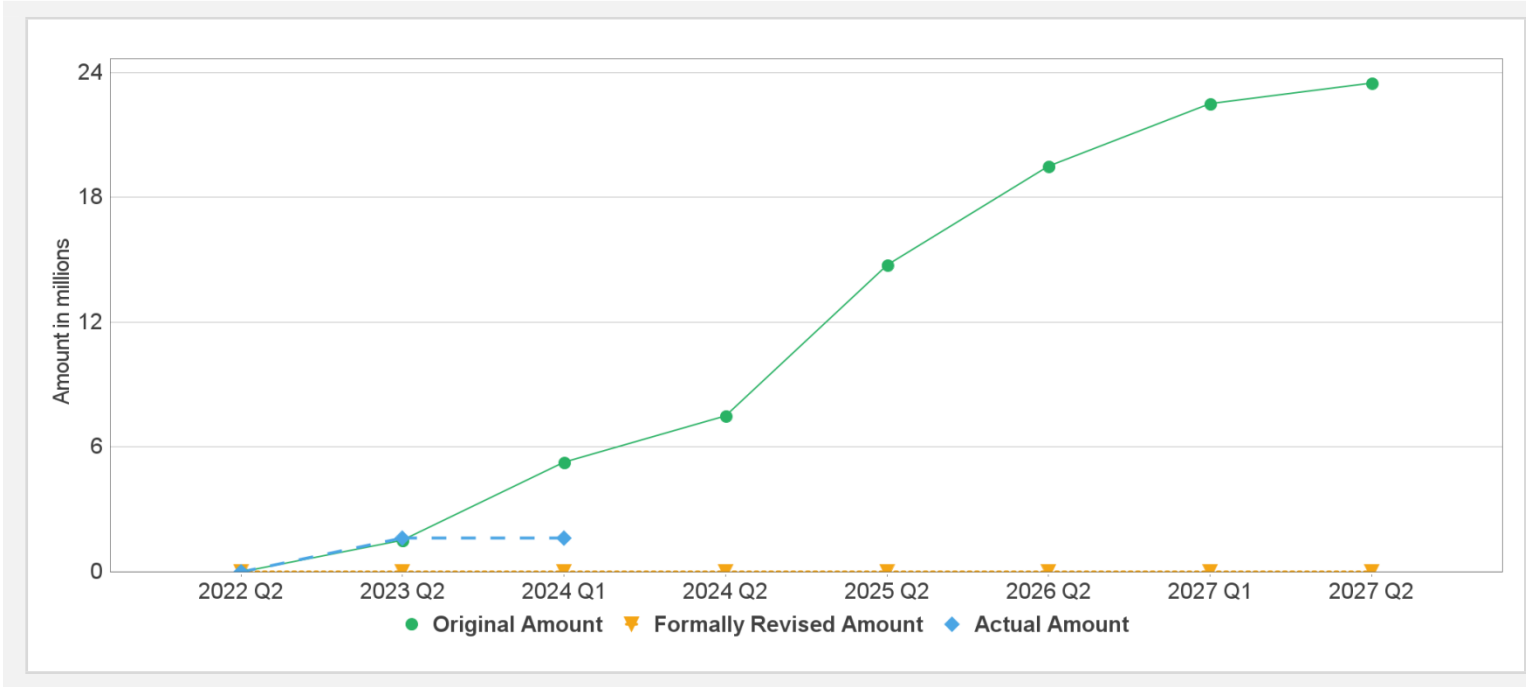
Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P174708 | TF-B8245 | Effective | USD | 8.50 | 8.50 | 0.00 | 0.40 | 8.10 | 4.7% |
| P174708 | TF-B8809 | Effective | USD | 15.00 | 15.00 | 0.00 | 1.20 | 13.80 | 8% |

Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P174708 | TF-B8245 | Effective | 11-Apr-2022 | 29-May-2022 | 12-Aug-2022 | 31-Dec-2026 | 31-Dec-2026 |
| P174708 | TF-B8809 | Effective | 11-Apr-2022 | 29-May-2022 | 12-Aug-2022 | 31-Dec-2026 | 31-Dec-2026 |

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.