



Advancing Sustainability in Performance, Infrastructure, and Reliability of the Energy Sector in the West Bank and Gaza (P170928)

MIDDLE EAST AND NORTH AFRICA | West Bank and Gaza | IBRD/IDA | Investment Project Financing (IPF) | FY 2020 | Seq No: 9 | Archived on 31-Jul-2024 | ISR01352

Implementing Agencies: Palestinian Energy and Natural Resources Authority (PENRA)

## 1. OBJECTIVE

### 1.1 Development Objective

Original Development Objective (Approved as part of Approval package on 26-Apr-2020)

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

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

No

## 2. COMPONENTS

Name

Component 1: Improving Infrastructure for Regional Electricity Interconnections in the West Bank and Gaza:(Cost 13,000,000.00)

Component 2: Improving Sustainability of Service Delivery in West Bank and Gaza DISCOs:(Cost 7,000,000.00)

Component 3: Enabling Private Sector Engagement in Renewable Energy:(Cost 34,000,000.00)

Component 4: Technical Assistance, Capacity Building and Project Management:(Cost 9,000,000.00)

## 3. OVERALL RATINGS

Name	Previous	Current
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Unsatisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial



## 4. KEY ISSUES & STATUS

### 4.1 Implementation Status and Key Decisions

### 4.2 MPA Program Development Objective

Original MPA Program Development Objective (Approved as part of (Seq. ) package on )

Current MPA Program Development Objective (Approved as part of (Seq. ) package on )

### 4.3 Multiphase Programmatic Approach (MPA) Status (Public Disclosure)

The progress towards achieving the Project Development Objective is Moderately Satisfactory. The Implementation Progress rating has been upgraded to Moderately Satisfactory, due to the improved project implementation performance, especially for the Liquidity Support Account and Payment System (LSAPS) activity. Such improvements have increased the project disbursement rate from 8.9% to 48%.

## 5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 27 Apr 2020	Last Approved Rating ISR Seq. 08 - 19 May 2024	Proposed Rating
Political and Governance	● High	● High	● High
Macroeconomic	● High	● High	● High
Sector Strategies and Policies	● Substantial	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● High	● Substantial	● Substantial



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Environment and Social	● Substantial	● Substantial	● Substantial
Stakeholders	● Low	● Low	● Low
Overall	● High	● Substantial	● Substantial

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**6. RESULTS**

**6.1 PDO Indicators by PDO Outcomes**

<b>PrDO1 and Phase1-PDO1: Improve operational performance of electricity sector institutions</b>								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Non-technical losses West Bank (Percentage)	11.00	Sept/2019	9.00	13-May-2024	9.00	13-May-2024	6.00	Jun/2028
	Comments on achieving targets		Average based on non-technical losses recorded for each distribution company in West Bank					
Non-technical losses Gaza (Percentage)	20.00	Sept/2019	18.00	13-May-2024			15.00	Jun/2027
	Comments on achieving targets		Non-technical losses as per Gaza Distribution Company (GEDCO)					
<b>PrDO2 and Phase1-PDO2: Improve financial performance of electricity sector institutions</b>								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Share of electricity sector net-lending in West Bank (Percentage)	30.00	Sept/2019	25.00	13-May-2024	25.00	13-May-2024	15.00	Jun/2027
	Comments on achieving targets		'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.					
<b>PrDO3 and Phase1-PDO3: Diversification of energy sources</b>								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Electricity supply from imports (Megawatt)	36.00	Sept/2019	80.00	13-May-2024			80.00	Jun/2027
	Comments on achieving targets		This indicator refers only to import from Jordan during Phase 1.					



Installed capacity from new IPPs in West Bank and Gaza (Megawatt)	0.00	Sept/2019	25.00	13-May-2024	25.00	13-May-2024	100.00	Jun/2027
	Comments on achieving targets		Installed capacity (MW) from new IPPs					

**6.2 Intermediate Results Indicators by Components**

Component 1: Improving Infrastructure for Regional Electricity Interconnections in the West Bank and Gaza								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Connection points upgraded (Percentage)	16.00	Sept/2019	40.00	13-May-2024			80.00	Dec/2024
	Comments on achieving targets		This indicator is under discussion and will be reviewed in the next ISR following the restructuring.					
Length of MV lines upgraded and constructed (Kilometers)	0.00	Sept/2019	24.00	13-May-2024	24.00	13-May-2024	45.00	Dec/2024
	Comments on achieving targets		MV lines in Nablus, Jenin, Hebron, Gaza					
Substation operationalized (Text)	No	Sept/2019	Yes	13-May-2024	Yes	13-May-2024	Yes	Dec/2024
	Comments on achieving targets		This pertains to Tarqumiya substation in southern part of West Bank.					
Component 2: Improving Sustainability of Service Delivery in West Bank and Gaza DISCOs								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Number of smart meters installed under RPP-2 in West Bank (Number)	0.00	Sept/2019	0.00	13-May-2024	0.00	13-May-2024	10,000.00	Dec/2024
	Comments on achieving targets		Smart meters purchased for installation as Revenue protection program, stage 2					



Number of smart meters installed under RPP-2 in Gaza (Number)	0.00	Sept/2019	0.00	13-May-2024	0.00	13-May-2024	7,500.00	Dec/2024
	Comments on achieving targets		Smart meters installed as Revenue Protection Program stage 2					
Share of female engineers employed in the energy sector (Percentage)	7.00	Sept/2019	19.00	13-May-2024			12.00	Dec/2024
	Comments on achieving targets		Number of women formally employed in govt. and private energy institutions					
Lessons learned reports from design and pilot of PETL liquidity support account and payment system (Number)	0.00	Sept/2019	1.00	13-May-2024			2.00	Dec/2024
	Comments on achieving targets		Lessons learned report to capture insights from the collaborative process for designing the liquidity support account and payment system					
<b>Component 3: Enabling Private Sector Engagement in Renewable Energy</b>								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Beneficiaries served by newly installed solar PV systems (Number)	0.00	Sept/2019	0.00	13-May-2024	0.00	13-May-2024	5,000.00	Jun/2028
	Comments on achieving targets		this indicator will be dis-aggregated by: (i) number of public facilities; (ii) number of MSMEs (also by gender); (iii) number of HHs (of which vulnerable/ FHH)					
Private capital mobilized (Amount(USD))	0.00	Sept/2019	0.00	13-May-2024	0.00	13-May-2024	20,000,000.00	Jun/2028
	Comments on achieving targets		Investment in the solar IPPs by private sector developers, enabled by the PETL liquidity support account.					
Share of RE capacity in West Bank (Percentage)	4.50	Sept/2019	12.50	13-May-2024	12.50	13-May-2024	10.00	Jun/2028
	Comments on achieving targets		The proportion of RE in the total energy mix including all imports and domestic generation. Baseline is calculated as 50 divided by 1100.					
Beneficiary women-owned businesses reporting stable incomes due to improved electricity services (Percentage)	0.00	Sept/2019	15.00	13-May-2024	15.00	13-May-2024	25.00	Jun/2028
	Comments on achieving targets		This refers to women owned SMEs that benefit from the financing mechanism for solar PV systems					

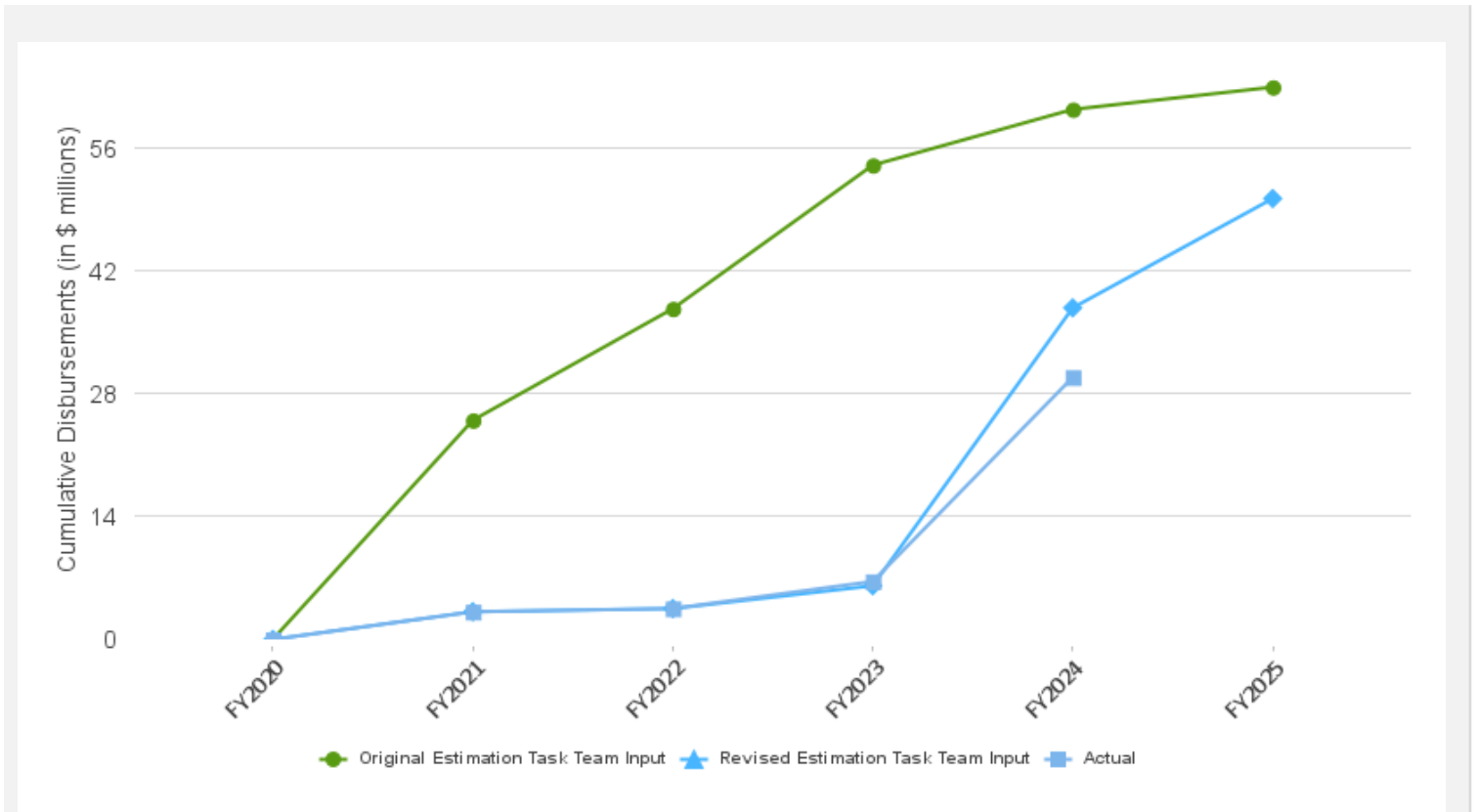


Component 4: Technical Assistance, Capacity Building and Project Management								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Preparation of feasibility studies completed (Number)	0.00	Sept/2019	1.00	13-May-2024			2.00	Dec/2024
	Comments on achieving targets		Feasibility studies for priority infrastructure projects for financing in Phase 2					
PENRA publishes on its website results of citizen engagement survey (Number)	0.00	Sept/2019	1.00	13-May-2024	1.00	13-May-2024	2.00	Jun/2028
	Comments on achieving targets		citizen engagement indicator					
Grievances registered related to delivery of project benefits that are actually addressed (Percentage)	0.00	Sept/2019	100.00	13-May-2024			90.00	Jun/2028
	Comments on achieving targets		Related to grievance redressal mechanism					



## 7. DATA ON FINANCIAL PERFORMANCE

### 7.1 Cumulative Disbursements



### 7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
TF-B3036	Effective	14.00	14.00	0.00	2.76	11.24	19.71%
TF-B3015	Effective	49.00	49.00	0.00	28.65	20.35	58.48%

### 7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
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TF-B3015	Effective	23-Apr-2020	30-Jun-2020	25-Sept-2020	31-Dec-2024	31-Dec-2024
TF-B3036	Effective	23-Apr-2020	30-Jun-2020	25-Sept-2020	31-Dec-2024	31-Dec-2024

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## 8. KEY DATES

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Key Events	Planned	Actual
Approval	27-Apr-2020	27-Apr-2020
Effectiveness	30-Oct-2020	25-Sept-2020
Mid-Term Review No. 01	30-Sept-2024	
Operation Closing/Cancellation	31-Dec-2024	

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## 9. RESTRUCTURING HISTORY

## 10. ASSOCIATED OPERATION(S)

There are no associated operations