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Report No: PADHI01216

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED GRANT

IN THE AMOUNT OF SDR 107,700,000
(US\$ 146 MILLION EQUIVALENT)

TO THE

SYRIAN ARAB REPUBLIC

FOR A

SYRIA ELECTRICITY EMERGENCY PROJECT
(P511407)

June 9, 2025

Energy & Extractives
Middle East And North Africa

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CURRENCY EQUIVALENTS

(Exchange Rate Effective June 1, 2025)

Currency Unit = Syrian Pound

US\$ 1 = SYP 13,002

US\$ 1 = SDR 0.73740331

FISCAL YEAR

January 1 – December 31

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ABBREVIATIONS AND ACRONYMS

CE	Citizen Engagement
CPF	Country Partnership Framework
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
E&S	Environmental and Social
ESS	Environmental and Social Standards
EME	Early Market Engagement
EMF	Electromagnetic field
ERW	Explosive Remnants of War
ESHS	Environmental, Social, Health, and Safety
FCV	Fragility, Conflict, and Violence
FM	Financial Management
GBV	Gender-based Violence
GM	Grievance Mechanism
GRS	Grievance Redress Service
HEIS	Hands-on Expanded Implementation Support
HFO	Heavy Fuel Oil
HPP	Hydro Powerplants
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDPs	internally Displaced Persons
IFR	Interim Financial Report
IPF	Investment Project Financing
km	kilometer(s)
kV	kilovolt
kWh	kilowatt-hour(s)
M&E	Monitoring and Evaluation
MENA	Middle East and North Africa
MFD	Maximizing Finance for Development
MoE	Ministry of Energy
MoF	Ministry of Finance
MVA	Mega volt-ampere(s)
MW	megawatt(s)
NDC	Nationally Determined Contribution
NPV	Net Present Value
OE	Owner's Engineer
OHS	Occupational Health and Safety
PDO	Project Development Objective
PETDE	Public Establishment for Transmission and Distribution of Electricity
PMT	Project Management Team
POM	Project Operations Manual
PPSD	Project Procurement Strategy for Development
PSC	Project Steering Committee
ROW	Right of Way
SDG	Sustainable Development Goal
SEEP	Syria Electricity Emergency Project
SEP	Stakeholder Engagement Plan

SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SPDs	Standard Procurement Documents
STEP	Systematic Tracking of Exchanges in Procurement
SYP	Syrian Pound
T&D	Transmission and Distribution
TA	Technical Assistance
TGoS	Transitional Government of Syria
TOR	Terms of Reference
TPMA	Third-party monitoring agency
TWh	Tera watt-hour(s)
UN	United Nations
UNDP	United Nations Development Programme
UNMAS	United Nations Mine Action Service
WAs	Withdrawal Applications



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**DATASHEET****BASIC INFORMATION**

Project Beneficiary(ies) Syrian Arab Republic	Operation Name Syria Electricity Emergency Project		
Operation ID P511407	Financing Instrument Investment Project Financing (IPF)	Environmental and Social Risk Classification Substantial	Process Urgent Need or Capacity Constraints(FCC)

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input checked="" type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input checked="" type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date 24-Jun-2025	Expected Closing Date 31-Dec-2029
Bank/IFC Collaboration No	

Proposed Development Objective(s)

The project development objective (PDO) is to enable improved electricity supply and enhance the capacity of electricity sector institutions in Syria.

Components

Component Name	Cost (US\$)
Component 1: Rehabilitation of Damaged High Voltage Transmission Lines	25,000,000.00



Component 2: Rehabilitation of Damaged High Voltage Substations	107,000,000.00
Component 3: Technical Assistance for Sector Development and Institutional Capacity Building	5,000,000.00
Component 4: Project Implementation Support	9,000,000.00

Organizations

Borrower:	Syrian Arab Republic		
Contact	Title	Telephone No.	Email
Implementing Agency:	The Public Establishment for Transmission and Distribution of Electricity (PETDE)		
Contact	Title	Telephone No.	Email
Khaled Abu Di	Managing Director	+963 989 161 841	eng.khaledabudaye@gmail.com

PROJECT FINANCING DATA (US\$, Millions)**Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)?	Yes
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	146.00
Total Financing	146.00
of which IBRD/IDA	146.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	146.00
IDA Grant	146.00



IDA Resources (US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
National Performance-Based Allocations (PBA)	0.00	146.00	0.00	0.00	146.00
Total	0.00	146.00	0.00	0.00	146.00

Expected Disbursements (US\$, Millions)

WB Fiscal Year	2025	2026	2027	2028	2029	2030
Annual	0.00	20.44	52.56	51.10	17.52	4.38
Cumulative	0.00	20.44	73.00	124.10	141.62	146.00

PRACTICE AREA(S)

Practice Area (Lead)

Energy & Extractives

Contributing Practice Areas

CLIMATE

Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category

Rating

1. Political and Governance

● High

2. Macroeconomic

● High

3. Sector Strategies and Policies

● High



4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● High
7. Environment and Social	● Substantial
8. Stakeholders	● Substantial
9. Other	● High
10. Overall	● High

POLICY COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

ENVIRONMENTAL AND SOCIAL

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8: Cultural Heritage	Relevant



ESS 9: Financial Intermediaries	Not Currently Relevant
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NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

LEGAL

Legal Covenants

Sections and Description

Schedule 2, Section I.A.2. The Recipient shall not later than one (1) month after the Effective Date or such later date as agreed by the Association, establish and thereafter operate and maintain, throughout the Project implementation a committee (the Project Steering Committee) with composition, mandate and resources satisfactory to the Association, as further defined in the Project Operations Manual (“POM”) to provide, inter alia, overall strategic guidance and Project oversight, facilitate co-ordination throughout Project implementation, approve the Annual Work Plan and Budget, and review implementation and evaluation reports, as applicable.

Schedule 2, Section II.2.(a). The Recipient, through the MOE, shall cause the PETDE to prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about twenty-four months after the Effective Date a mid-term report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 of this Section II above, on the progress achieved in the carrying out of the Project from the Effective Date and throughout the period preceding the date of said mid-term report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date.

Schedule 2, Section IV. Other Undertakings. Prior to the award of any works under Parts 1 and 2 of the Project, the Recipient, through MoE, shall cause PETDE to select and hire the PETDE Owner’s Engineer with terms of references and under terms and conditions acceptable to the Association, responsible for assisting the PETDE in the supervision of the activities under Parts 1 and 2 of the Project.

Conditions

Type	Citation	Description	Financing Source
Effectiveness	Article 5.01.(a)	The Project Operations Manual has been adopted by the Recipient and the PETDE, all in form and substance satisfactory to the Association	IBRD/IDA
Effectiveness	Article 5.01.(b)	(i) The Project Management Team has been established; and (ii) a Project manager, and staff responsible for (A) procurement, (B) financial management, (C)	IBRD/IDA



		environmental aspects, and (D) social protection aspects for the Project have been appointed, with terms of reference, qualifications and experience satisfactory to the Association, all as referred to in Section I.A.2 of Schedule 2 to the Finance Agreement	
Effectiveness	Article 5.01.(c)	The Subsidiary Agreement has been executed and delivered, and all conditions precedent to its effectiveness or to the right of PETDE to make withdrawals under it (other than the effectiveness of the Finance Agreement) have been fulfilled	IBRD/IDA



I. STRATEGIC CONTEXT

1. **Syria's recent political upheaval is an opportunity for the country to move forward after almost 14 years of conflict that was a major source of regional instability.** The conflict displaced 4.5 million people as refugees outside of the Syrian Arab Republic (Syria) and 7.4 million people internally. It created the space for significant trade in illicit goods and for armed non-state actors with diverse regional political affiliations. This conflict ended in December 2024, when opposition forces led by Hayat Tahrir al-Sham launched a rapid offensive that resulted in the takeover of Damascus and most of Syria, ending the regime of former President Bashar al-Assad. In January 2025, Ahmed Al-Sharaa was officially appointed interim President of the Syrian Arab Republic. Although the security situation remains fragile, the President and the transitional government of Syria (TGoS) have taken steps to move Syria out of conflict and towards recovery and development, including initiating a National Dialogue Conference and adopting a Constitutional Declaration to provide a transitional legal and institutional framework for up to five years.

2. **The World Bank can now play an essential role supporting Syria's transition to development, in line with the World Bank's unique mandate.** As a multilateral institution, the World Bank can provide development financing and technical support to Syria, in line with calls for support from the international community at international conferences in Aqaba, Riyadh, Paris, Brussels, and Washington DC between December 2024 and April 2025. This support will draw on the World Bank's extensive work experience in post-conflict and fragile environments to help Syria rise from its current dire situation. The World Bank is well suited to work directly with the TGoS to help them rebuild their state institutions. The extra-constitutional political change in December 2024 led to the emergence of a *de facto* government, triggering the World Bank's Operational Policy OP/BP 7.30 (Dealings with De Facto Governments). An OP 7.30 assessment was satisfactorily concluded, confirming the ability of the World Bank to provide financing directly to Syria. Working with TGoS counterparts and the international community to rebuild and transition to development will benefit the country and people of Syria and also contribute to wider stability as a regional public good.

3. **Supporting electricity sector recovery is a first priority to address immediate needs and invest in long-term development.** Electricity is a bedrock of development, but Syria's electricity sector infrastructure has been severely damaged by years of conflict, resulting in unreliable grid services limited to just 2–4 hours per day on average. The power shortage severely compromises the productivity of other key sectors such as water, agri-food, and housing. Rehabilitating the grid infrastructure is a critical first step to enable economic recovery of all sectors in this fragile context. It will facilitate the return of refugees and internally displaced people (IDP) to their home communities and enable the provision of healthcare and other basic services to the population at large. This is a critical step towards stability in Syria and the region overall, and only the first step in a planned increase of World Bank support to Syria on its path to recovery and development.

A. Country Context

4. **The compounded effects of 14 years of conflict, instability, and external shocks on Syria's macroeconomic and growth prospects have been profound, driving sharp rises in poverty and inequality.** The economy contracted dramatically: real gross domestic product declined by an estimated 54.6 percent between 2010 and 2024.¹ Since 2011, the Syrian pound (SYP) has depreciated by a factor of 300, with the market exchange rate plummeting from SYP 48/US\$ to SYP 14,799/US\$ by 2024. A household survey conducted by the Humanitarian Needs Assessment Program shows a sharp rise in extreme poverty (defined as living on less than US\$2.15 a day in 2017 US dollars) over the last decade of conflict, from nearly nonexistent in 2009 to 25 percent of households by 2022². Women and girls are disproportionately

¹ World Bank estimates.

² World Bank. 2024. Syria Economic Monitor, Spring: Conflict, Crises, and the Collapse of Household Welfare.



affected by the crisis, facing heightened risks of gender-based violence (GBV).³ Recent announcements on temporarily waiving, easing, and lifting bilateral sanctions are expected to positively impact economic growth;⁴ but economic instability, marked by high inflation, currency depreciation, and the ongoing liquidity crisis, as well as weak institutional capacity, further pose significant risks to recovery.

5. **The conflict also led to the displacement of approximately 12 million people.**⁵ The governorates of Aleppo and Idlib (in northwest Syria) and Rural Damascus host around 64 percent of the 7.4 million IDPs. Since November 2024, more than 1.2 million IDPs have returned to their original governorates, with more than 60 percent returning to these three governorates⁶. Following the recent political changes, there has been an increase in refugee returns, particularly from Lebanon, Türkiye, and Jordan. During the period of December 8, 2024, to May 15, 2025, a total of 501,126 persons returned, and nearly half of them have settled in Aleppo, Idlib, and Rural Damascus governorates⁷. The combined pressures of ongoing displacement and returning populations in these areas have overwhelmed critical public services such as electricity, water, and health care, all of which remain severely compromised by years of conflict.

6. **Despite recent developments, security challenges and political fragility continue to hamper governance and recovery.** The December 8, 2024 change in regime decreased active conflict within Syria's territory and has launched a national dialogue about recovery and inclusive development. At the same time, Syria continues to face significant security challenges, with occasional outbreaks of violence. State control of the entire Syrian territory is increasing, but there is continued presence of armed nonstate actors. Areas affected by armed conflict over the past decade are likely to contain minefields and explosive remnants of war (ERW). Acts of land sabotage, such as damage to agricultural fields, water systems, and transport networks, further hamper economic recovery efforts. This instability poses significant risks to investment projects and job creation, as fragile security conditions can delay Project implementation, increase costs, and restrict access to Project sites.

7. **Syria is also highly vulnerable to climate change, with high exposure to climate risks and low readiness to adapt**⁸. Climate change compounds the country's fragile recovery by threatening critical sectors and livelihoods. Rising temperatures, prolonged droughts, and declining rainfall are degrading arable land, reducing agricultural productivity, and accelerating rural-to-urban migration. Climate risks such as extreme heat, droughts, flooding, water scarcity, and dust storms are increasingly impacting Syria's energy sector as they degrade equipment, reduce hydropower availability, and increase electricity demand. These risks also represent significant risks to Syria's sustainable development and recovery.

B. Sectoral and Institutional Context⁹

³ UNFPA (United Nations Population Fund), "An Overview of Gender-Based Violence in Syria," Advocacy Brief, January 2024.

⁴ The United Nations Security Council (UNSC) sanctions on certain individuals and entities in Syria remain in place. The World Bank pays due regard to the UNSC sanctions under Chapter VII of the UN Charter. In so doing, the World Bank seeks to avoid a conflict between Member Country obligations to give effect to Security Council decisions under the UN Charter and any obligations that may relate to the World Bank's Articles. While not bound by national/bi-lateral sanctions, the World Bank also screens as an administrative measure selected external national sanctions lists (the United States, United Kingdom, and the European Union consolidated list) as they may have a practical effect on the World Bank's ability to implement financial transactions with counterparties (such as commercial and custodian banks, financial firms such as broker-dealers, and other private sector or regulated service providers).

⁵ Displacement and returnees data come from numerous reports from the United Nations High Commissioner for Refugees (UNHCR) at <https://data.unhcr.org/en/country/syr>

⁶ Data source: <https://data.unhcr.org/en/documents/details/113019>

⁷ Data source: <https://data.unhcr.org/en/documents/details/115680>

⁸ World Bank Climate Change Knowledge Portal - Syrian Arab Republic.

⁹ Numbers referenced in this section are based on World Bank calculations using data and reports provided by the state-owned public establishment for electricity generation (PEEG), PETDE, and MoE, as well as a report by the United Nations Development Programme (UNDP): "Development of Electricity Sector Master Plan Syria - Study Report, 2023".



8. **The electricity sector underwent considerable regulatory and institutional reforms in the past 15 years, including partial unbundling that separated generation from transmission and distribution (T&D) activities.** The enactment of the Recipient's Law 32 of 2010 opened electricity generation and distribution to investments from public, private, and public-private entities, both domestic and international. This law designated the Ministry of Electricity as the sole authority responsible for formulating policies, developing market structure development, licensing, setting tariff, and preparing the Investment Framework for Council of Ministers' approval. Further regulations for liberalizing the sector were introduced through the Recipient's Law 41 of 2022. As part of its ongoing structural reforms, the TGoS recently merged the ministries of electricity, oil and mineral resources, and water resources into a newly established Ministry of Energy (MoE).¹⁰ Moreover, according to the Recipient's Decree 9 of 2020, the wholly state-owned Public Establishment for Transmission and Distribution of Electricity (PETDE) serves as the transmission and distribution system owner, operator and single buyer¹¹, tasked with purchasing electricity from both state-owned¹² and private generation¹³, planning and operating the system, and managing cross-border trade and interconnections. PETDE directly sells electricity to high-voltage consumers, and indirectly to end users through its 14 subsidiary distribution companies across the governates in Syria.

9. **Syria's power generation fleet is mostly thermal, outdated, and operates well below the installed nameplate capacity due to conflict-related damages, chronic maintenance backlogs, and shortages of spare parts.**¹⁴ Available generation capacity dropped from 9,838 megawatts (MW) in 2011 to 5,403 MW in 2023, a reduction of 45 percent. Amid the conflict, 18 percent of the 2011 available capacity was completely destroyed (Aleppo Thermal Station in 2015; Zaytoon in Idlib in 2016; and Thayyem in Deir al-Zor in 2017). Several other power plants faced partial damage and required major rehals, including the thermal power plants Mhardeh, Al-Zara, and Tishreen, and the hydropower plants (HPPs) Tishreen, Al-Thawrah/Tabaqa and Freedom/Baath. The existing thermal generation fleet is highly inefficient, characterized by low availability and poor performance, with internal generation losses amounting to 5 percent of the total production¹⁵, and fuel efficiency of approximately 250-280 grams fuel equivalent per kilowatt-hour (kWh) produced. The contribution of hydropower generation in the supply mix dropped from 20 percent in the early 2000's to 1.1 percent in 2024, mostly due to climate change (droughts and decreased flow in the Euphrates River), water flow limitation from Türkiye, and significant damage to the three HPPs due to conflict and lack of maintenance and spare parts. This considerable decline further limits electricity generation capabilities. Intermittent renewable energy (such as solar and wind) plays a negligible role in the current supply mix, slowly increasing from 0.1 percent in 2020 to 0.4 percent in 2024.

10. **Fuel availability has been significantly disrupted due to conflict-related damage to domestic oil and gas fields, and limited control over these resources.**¹⁶ Before the conflict, Syria's electricity sector fuel needs were fully addressed by its indigenous energy sources, primarily oil, natural gas, and limited hydropower. A shortage of heavy fuel oil (HFO) and

¹⁰ Presidential Decree 9/2025.

¹¹ As part of the World Bank's due diligence process on PETDE, the entity confirmed it does not have any concession agreements with third parties.

¹² PEEG is the primary government body responsible for owning and operating the country's thermal power plants. The state-owned Euphrates Dam Authority owns and operates the three HPPs along the Euphrates River in Syria.

¹³ According to Law 41 of 2022, private sector generation is licensed through the Ministry of Electricity. PETDE may enter into power purchase agreements with private sector generation. Additionally, the law allows wheeling and self-consumption schemes for private sector generation.

¹⁴ Before the conflict, the Syrian power sector relied heavily on fossil fuel-based generation (heavy fuel oil and natural gas), amounting to 85 percent of the 2011 installed capacity (9838 MW). Out of Syria's 19 power plants back then, 16 were thermal based (steam, combined cycle, and simple cycle), and 3 were hydro power plants (HPPs) along the Euphrates River. The available thermal generation capacity dropped from 8293 MW in 2011 to 4434 MW in 2023, while the HPPs capacity fell from 1535 MW in 2011 to 970 MW in 2023.

¹⁵ Internal generation losses refer to the ratio between the difference of the gross and net electricity production to the gross production of the power plants. The internal generation losses in comparable countries with high thermal generation share are in the range of 2.7-3.3 percent.

¹⁶ On March 10, 2025, the Syrian presidency announced the conclusion of an integration agreement with the Syrian Democratic Forces (SDF) - a Kurdish-led coalition of groups that control northeastern Syria in partnership with an Autonomous Administration for North and East Syria (AANES) - recognizing the de facto government and affirming their intent to integrate with national security forces in conjunction with a ceasefire and guarantees of constitutional rights. The SDF and interim authorities are to negotiate its implementation (including on oil and gas fields) by the end of 2025.



natural gas compromised Syria's ability to meet electricity demand, impeding both economic and social development. Data from MoE indicates a significant reduction in fuel supply from 2011 to 2022 – the supply of HFO fell by 50.4 percent and that of natural gas by 56.7 percent. HFO is currently being imported through auctions held by the MoE. Bilateral support from Qatar and Türkiye will provide additional natural gas for the gas-fired power plants (e.g., Deir Ali).

11. Syria's T&D infrastructure suffers from high losses and needs urgent restoration and modernization. The country's 400 kilovolt (kV) interconnectors with Jordan and Türkiye—once crucial for electricity regional trade and grid stability—are currently nonoperational due to conflict-related destruction and prolonged neglect. In many areas, key substations have been either destroyed or left in disrepair, contributing to high technical losses, estimated at more than 6 percent in the transmission system and almost half of the 22 percent distribution system losses. Together with losses in the power plants, total system losses amount to 33 percent. The lack of maintenance, spare parts, and investment has compounded the deterioration, rendering much of the backbone grid unreliable and vulnerable to frequent outages. Rehabilitation of network infrastructure, especially close to the demand centers, will play a major role in reducing the technical losses in the system. Restoring and modernizing the transmission network is essential not only for improving domestic power delivery but also for increasing the share of renewable energy in the supply mix, reestablishing regional interconnectivity and energy security. Despite efforts by PETDE to rehabilitate the network infrastructure, about 40 percent of it remains damaged, mostly high voltage substations. According to MoE, the total estimated investment needed to address the immediate rehabilitation needs of the T&D system is approximately US\$1 billion.

12. The electricity sector has long struggled to meet demand, especially over the past five years, leaving large segments of the population and economy in a persistent state of energy insecurity. Energy poverty has increased, with per capita annual electricity consumption falling from 2,378 kWh in 2011 to 1,190 kWh in 2020.¹⁷ While the total demand for electricity increased by 14 percent between 2020 and 2024, unserved energy increased by 121 percent for the same period (from 11.5 TWh in 2011 to 25.4 terawatt-hours (TWh) in 2024). Total energy supplied by PETDE dropped from 25.5 TWh in 2020 to 17.1 TWh in 2024; a reduction of 32.9 percent. Efforts to restore electricity supply have been hampered by damaged infrastructure and limited fuel availability. The available fuel supply is barely sufficient to run the system at 1800 MW; providing two to four hours of electricity per day, on average.¹⁸ The electricity shortage severely affects economic activities and basic services such as health care: more than 70 percent of Syria's 122 public hospitals struggle with unreliable electricity; 41 percent of hospitals are unable to maintain vaccine cold chains; and over 50 percent experience disrupted diagnostic services. The consequences of such deficits disproportionately impact women and children, as evidenced by increasing maternal and infant mortality rates.¹⁹

13. In response to the limited supply of grid electricity, many Syrians have resorted to costly coping mechanisms. Typical solutions include expensive privately-owned off-grid diesel generators, with electricity costs reaching as high as US\$1.10/kWh. Some stand-alone solar photovoltaic systems also exist for those who can afford the upfront cost. Grid-supplied service is the least-cost option, with the cost to supply electricity at approximately US cents 12.5/kWh in 2023 and anticipated to decline as more efficient supply is added to the grid moving forward. Investing in the rehabilitation of the grid and increasing service reliability and daily supply hours would facilitate a transition from expensive off-grid solutions to more affordable on-grid electricity, thereby reducing energy costs for households and businesses and stimulating economic activity.

14. The electricity sector is financially unsustainable and suffers from weak governance. In 2023, the average tariff stood at US cents 1.5/kWh, while the actual cost to supply electricity is approximately US cents 12.5/kWh; thus PETDE

¹⁷ In contrast, the Electricity consumption per capita in Türkiye was about 3,000 kWh in 2020 (International Energy Agency statistics).

¹⁸ The TGoS announced plans to increase grid service provision to 8 hours daily by the end of 2025, and to 24 hours by 2028-2030, with reduced service interruption due to grid outages. According to the UNDP analysis, this goal necessitates an estimated total investment of more than US\$11 billion in electricity sector infrastructure upgrades and expansions by 2030.

¹⁹ World Bank, *The Welfare of Syrian Households after a Decade of Conflict*, 2024.



incurred a loss of US cents 11 per kWh, leading to total electricity sector financial deficit reaching US\$2 billion in 2023. Of the country's 4.9 million residential consumers, about 1.9 million are not metered. Significant commercial losses stem from widespread meter tampering and unauthorized connections. Collection rates are low – about 55 percent for PETDE in 2023 – due to weak enforcement, affordability issues, and drastic demographic changes caused by displacement. Inflation caused an additional significant setback to the sector revenues, since the bills are collected in local currency, while most of the sector's cost (fuel, spare parts and maintenance services) is paid in foreign currency.

C. Project Rationale

15. **The proposed Syria Electricity Emergency Project (SEEP) supports Syria's urgent needs to rehabilitate damaged critical electricity infrastructure and pave the way for future investments necessary for full restoration of electricity services.** The conflict caused extensive damage to Syria's electricity infrastructure, deteriorated further by lack of investment, thus significantly disrupting economic activities, livelihoods, and the delivery of basic services. The proposed Project prioritizes no-regret transmission infrastructure investments to support the immediate rehabilitation of critical infrastructure that benefits the electricity system in Syria. These investments will restore delivery of electricity network services by rehabilitating high voltage substations and enable electricity imports by rehabilitating the damaged Syrian portions of the existing high voltage interconnections with Jordan and Türkiye.

16. **Although SEEP is prepared as an emergency operation, it will also help re-set the sector towards long-term and sustainable recovery, by providing fundamental analytics and institutional capacity building support.** The long-term recovery of Syria's electricity sector hinges on a range of factors, and defining a programmatic, phased electricity sector recovery framework is essential to guide priority investments and reform actions and coordinate development partners on Syria's vision for electricity sector recovery. The proposed SEEP will inform the development of such a framework through solid analytics and capacity building for sector institutions. Support for a least-economic-cost masterplan for the sector investments, design of a renewable energy program, and review of cost-of-service and revenue protection program to be completed under the proposed SEEP will help identify immediate short-term measures (e.g., fuel provision and urgent infrastructure repairs) and mid-term actions (e.g., systematic reconstruction and revenue protection). These will be followed by medium- to long-term policy and regulatory reforms and necessary investments to be planned.

17. **The proposed Project complements other efforts to support reconstruction of the sector.** PETDE is prioritizing rehabilitating the distribution infrastructure with its available resources. Development partners—including the Islamic Development Bank, Japan, Qatar, Saudi Arabia, Türkiye, and the United Nations Development Programme (UNDP)—have initiated support to the electricity sector. For example, since March 2025, Qatar has financed the supply of natural gas to Syria's thermal power plants via the Arab Gas Pipeline, utilizing Jordan's Floating Storage and Regasification Unit, to secure liquefied natural gas.²⁰ This would provide the Syrian energy sector with sufficient natural gas to generate 400 MW of electricity daily at the Deir Ali power plant in Syria, while the financing for gas lasts. Meanwhile UNDP, which has previously funded extensive technical assistance for the sector, including electricity master planning, recently announced plans to mobilize US\$50 million to rehabilitate the Deir Ali power plant.²¹ But the transmission network remains heavily damaged, with no clear financing plan for its reconstruction, despite being the crucial link connecting generation to demand centers and ensuring reliable power flows across the country. The proposed SEEP's focus on transmission infrastructure complements ongoing efforts by TGoS and other partners, and could also enable collaboration between Syria and its neighbors through the rehabilitation of the high voltage interconnectors.

D. Relevance to Higher Level Objectives

²⁰ UNDP, 2025.

²¹ Reuters. April 2025.



18. **In the absence of a Country Partnership Framework (CPF)²², SEEP is closely aligned with priority policy areas identified in key assessments conducted by the World Bank and key development partners, as well as the overarching goals of ending poverty and boosting prosperity on a livable planet.** Key analytical reports by the World Bank, such as the Syria Economic Monitor (Spring 2024),²³ the Syria Earthquake Rapid Damage and Needs Assessment (RDNA, 2023),²⁴ and “The Welfare of Syrian Households after a Decade of Conflict (2024)”,²⁵ acknowledge the urgent need to restore electricity infrastructure. A forthcoming damage assessment identifies overall infrastructure and building reconstruction needs exceeding US\$200 billion.²⁶ Moreover, the newly launched Syria Electricity Master Plan (developed by UNDP) prioritizes the rehabilitation of electricity infrastructure as a key focus for Syria's recovery from 14 years of conflict. The proposed Project prioritizes the rehabilitation of essential electricity network infrastructure for areas with high concentrations of IDPs and returnees that has been severely impacted by conflict, recognizing that such reconstruction is a crucial foundation for access to basic services and household welfare. In directing interventions toward regions with high concentrations of IDPs and returnees, the proposed Project seeks to promote economic stabilization, strengthen the resilience of vulnerable communities, and support sustainable recovery and foundations for job creation. This strategic approach is fully aligned with the Middle East and North Africa (MENA) regional strategy on inclusive and sustainable development in post-conflict contexts. Broadly, it will also contribute to the United Nation’s Sustainable Development Goal (SDG) #7 (energy), SDG #9 (infrastructure), SDG #10 (reduced inequality), and SDG #13 (climate action).

19. **SEEP will contribute to the World Bank’s mission of ensuring job creation and boosting employment through both direct and indirect impacts.** By rehabilitating electricity infrastructure and restoring access to power, the proposed Project will create immediate and long-term employment opportunities. Targeted investments in rehabilitating substations and high voltage transmission interconnectors to Syria’s neighbors will promote local economic activity and support livelihoods tied to electricity-dependent sectors across the country. The construction, repair, and maintenance activities conducted under the proposed Project are expected to generate jobs across various skill levels. Restored electricity services will enable the revival of small businesses, support agricultural productivity, and facilitate the delivery of essential services such as water supply and health care, contributing to World Bank’s development mandate such as delivering quality, affordable health services to 1.5 billion people by 2030.

20. **SEEP aligns with the World Bank Strategy for Fragility, Conflict, and Violence (2020–25), particularly the pillar focused on assisting countries in transitioning out of fragility.** Specifically, the proposed SEEP promotes reliable and equitable electricity services, which are essential for restoring state legitimacy and rebuilding the social contract in conflict-affected areas. By concentrating on the rehabilitation of vital energy infrastructure, the proposed SEEP aids in reestablishing basic service delivery in regions severely impacted by conflict and displacement, creating conditions conducive to potential regional economic and political stability, refugee and IDP returns, and community recovery. The proposed Project can play a crucial role in reducing vulnerability, rebuilding trust in institutions, and laying the foundation for long-term development.

21. **SEEP aligns with the World Bank’s Maximizing Finance for Development (MFD) approach, promoting a conducive environment for development partners and the private sector to contribute to Syria’s recovery.** The proposed Project has the potential to play a pivotal role in encouraging private sector participation in the country’s energy sector. By investing in critical network infrastructure (Components 1 and 2), the proposed Project helps establish the technical foundation necessary to accommodate additional generation capacity from both public and private sources. Furthermore,

²² While the proposed Project is proceeding without a CPF for Syria, it is anticipated that it will be fully aligned once the CPF is in place given the critical importance for the country to urgently address energy crisis.

²³ World Bank. 2024. Syria Economic Monitor, Spring: Conflict, Crises, and the Collapse of Household Welfare.

²⁴ World Bank. 2023. Syria Earthquake - Rapid Damage and Needs Assessment.

²⁵ World Bank. 2024. The Welfare of Syrian Households after a Decade of Conflict.

²⁶ World Bank. 2025 (forthcoming). The Syrian Conflict: Physical Damage and Reconstruction Assessment Report.



by enhancing institutional capacity and providing greater clarity in sector strategies and policies, the Project can build confidence among private investors and mitigate perceived risks. Notably, the implementation of the proposed SEEP with World Bank financing can improve trust and transparency, demonstrating a commitment to governance standards and accountability—key factors for attracting and sustaining private sector engagement.

22. SEEP aligns with the strategic priorities of the TGoS for recovery, reconstruction, and development of the electricity sector. Restoring electricity services is considered essential for Syria’s broader economic recovery, as reliable and affordable electricity is crucial for both public services and the functioning of key economic sectors, including agriculture and industry. The TGoS’s recovery strategy is structured in three phases: (i) addressing urgent rehabilitation needs in critical electricity network assets to meet partial demand, contingent on fuel availability; (ii) rehabilitating generation assets and T&D networks, while scaling up renewable energy deployment and improving sector operational efficiency (reducing losses and improving collection rates); and (iii) focusing on energy security and closing the supply-demand gap to achieve 24-hour electricity access across the country by 2030. Expanding interconnections with Jordan and Türkiye is a critical component of this strategy. Additionally, the proposed SEEP’s TA component will support the TGoS in developing necessary comprehensive policy reforms to optimize the sector structure, cost of service, tariff and social safety nets, and an investment masterplan with an increased share of renewable energy and private sector engagement, among others.

E. Situation of Urgent Need of Assistance or Capacity Constraints

23. Because of the urgent need for financing and the extremely severe capacity constraints of the TGoS, the proposed Project is being processed under Condensed Procedures. The proposed Project is being prepared in accordance with Paragraph 12 of the World Bank’s Investment Project Financing (IPF) Policy and the World Bank Procedure on the Preparation of Investment Project Financing for Projects in Situations of Urgent Need for Assistance or Capacity Constraints. The Condensed Procedures allow for certain exceptions to the IPF policy requirements when the World Bank deems that the Recipient urgently needs assistance due to a disaster or is experiencing capacity constraints due to fragility or specific vulnerabilities, as is the case in Syria. The turnaround times for certain steps, especially procurement, could be reduced, and further accelerated through advanced procurement and Hands-on Expanded Implementation Support (HEIS) to strengthen institutional capacity and to facilitate the delivery of early visible results in the targeted project areas.

II. PROJECT DESCRIPTION

A. Project Development Objective (PDO)

24. The PDO is to enable improved electricity supply and enhance the capacity of electricity sector institutions in Syria.

B. PDO Indicators and Theory of Change

25. Figure 1 outlines SEEP’s theory of change, indicating the outputs, outcomes, and impacts anticipated. The achievement of the PDO will be measured through the following indicators:

a. **Outcome 1: Improved electricity supply enabled**

- i. PDO Indicator 1: Regional interconnection capacity enabled through transmission lines rehabilitated (megawatts, MW)
- ii. PDO Indicator 2: Substation transformer capacity rehabilitated (kilo Volt-Ampere, KVA)

b. **Outcome 2: Electricity sector institutional capacity enhanced**

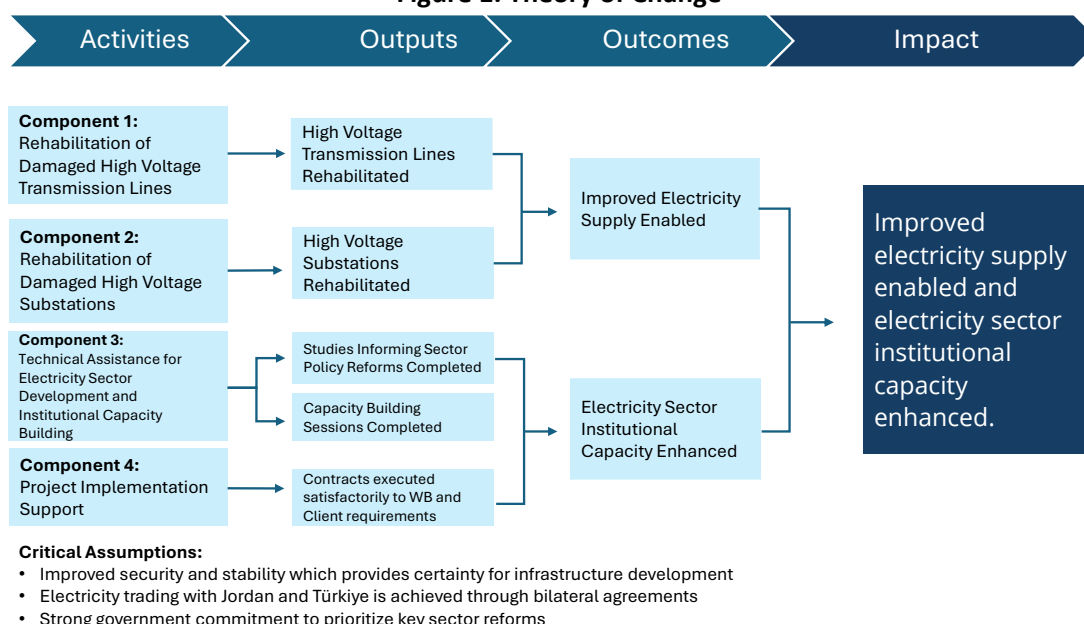
- i. PDO Indicator 3: Electricity sector policies/strategies/investment plans informed by technical assistance and capacity building (number)

C. Project Beneficiaries

26. **The ultimate beneficiaries of the proposed Project are the people in Syria, including those living in areas severely impacted by the conflict, as well as refugee and IDP returnees.** Rehabilitating the high voltage interconnection

transmission lines is expected to increase Syria’s capacity to import electricity from both Türkiye and Jordan, thereby reducing the deficit between electricity supply and demand. The provision of improved electricity services will (i) contribute to the enabling conditions to bring IDPs and refugees back to their hometowns; (ii) supply electricity to essential services, such as water, healthcare and education; (iii) enhance security in public areas and homes through reliable lighting, (iv) boost economic activities, particularly for micro and small businesses, creating jobs and improving livelihoods, (v) offer affordable electricity to households to improve quality of life, (vi) reduce reliance on coping mechanisms like air polluting diesel generation; and (vii) reduce fuel consumption by reducing technical losses in the national grid. The proposed Project will contribute to alleviating energy poverty for women, who are particularly vulnerable to disrupted electricity supply which impacts their ability to complete domestic chores (which are socially delegated to them). Reliable electricity could help women find suitable work opportunities and participate in social interactions.

Figure 1. Theory of Change



27. **Additional beneficiaries include the implementing entity and the energy-sector line ministry, namely PETDE and MoE.** PETDE will benefit from the Project through the rehabilitation of its transmission network, as well as TA for Project implementation, capacity building, and analytical studies. The proposed Project will enable PETDE to strengthen its technical and operational performance. The TA component will equip the Recipient to prepare and implement essential development programs and reforms in the electricity sector and enhance PETDE’s capacity to fulfill its mandates in delivering quality electricity services to the Syrian population.

D. Project Components²⁷

Component 1: Rehabilitation of Damaged High-Voltage Transmission Lines (estimated cost of US\$25 million)

28. The activities under Component 1 will focus on rehabilitating damaged high-voltage transmission lines including parts of the two critical 400 kV high-voltage interconnector transmission lines in Syria that were damaged during the conflict,

²⁷ The project will not finance any investments in disputed territories and conflicted areas. The selection of specific investments is based on technical due diligence of PETDE’s damage and needs assessment, which ranks the rehabilitation needs of PETDE’s electricity network based on (a) the level of damage to the infrastructure; (b) the level of urgency to restore the infrastructure, and (c) the level of potential contribution to network reliability and reduction of technical losses. More details are documented in the Project Appraisal Summary section.



restoring Syria's regional connectivity to Jordan and Türkiye. The Component will also include preparatory activities linked to the said rehabilitation. The restoration of these lines is essential for enabling electricity imports into Syria and improving the stability of PETDE's electricity network. It is expected that about 30 kilometers (km) of the two 400 kV transmission lines will be rehabilitated inside Syria under this component, enabling the import of around 600 MW combined from Jordan (in from the south) and Türkiye (in from the north), which will benefit the entire electricity network across Syria. This electricity is expected to come at a much lower cost than the coping mechanisms now adopted by consumers, and offset considerable greenhouse gas emissions from local diesel generation. The TGoS is advancing the discussions with the governments of Jordan²⁸ and Türkiye²⁹ with respect to electricity imports to Syria upon the completion of the works under Component 1.

29. Rehabilitating both lines is considered a no-regret investment that will benefit electricity consumers across Syria for several reasons. First, these lines are critical to connecting Syria's electricity system back to the regional interconnection network³⁰, and have been highlighted as key interconnectors in a recent World Bank report.³¹ Second, investments under Component 1 will also contribute to improving the grid stability and reducing the frequency of the blackouts through connecting the Syrian network to stronger networks with adequate frequency control. Third, rehabilitating the interconnector to Türkiye is a pre-requisite to the full integration of the electricity networks of MENA and Europe through Syria and Türkiye, thus enabling Syria to play an important role as an energy transit hub, and potentially realizing economic benefits of the electricity interconnections and trading between neighbors.³²

Component 2: Rehabilitation of Damaged High-Voltage Substations (estimated cost of US\$107 million)

30. Component 2 focuses on rehabilitating damaged, critical high-voltage transformer substations and providing necessary spare parts and maintenance equipment. The Component will also include preparatory activities linked to the said rehabilitation. It is anticipated that at least seven substations will be rehabilitated under this Component; thus, restoring approximately 600 mega volt-amperes (MVA) 400/230 kV, 750 MVA 230/66 kV and 510 MVA 66/22 kV of transformation capacity back to PETDE's network.

31. The range of activities within this component are designed to (i) address transformation capacity limitations in the transmission network caused by damaged or deteriorated substations in areas where the demand from returnees and IDPs is highest; (ii) accommodate anticipated increase in electricity demand, including due to returnees' resumed economic activities; and (iii) decrease service downtime caused by a shortage of spare parts, maintenance facilities, and testing equipment across PETDE's network.

32. Rehabilitating the damaged substations will benefit electricity consumers across Syria for several reasons. First, restoring the damaged substations near demand centers in the most impacted areas will enable PETDE to optimize the power flow across its network, reduce high loading levels on existing substations that currently serve the impacted areas, reduce the technical losses, and improve operational flexibility of the entire power system. As such, the quality of service for the consumers across PETDE network is expected to improve. A preliminary power flow assessment indicates that the technical losses of the transmission network are expected to be reduced due to improved power flows from 6.5 percent

²⁸ <https://www.aa.com.tr/en/energy/electricity/jordan-ready-to-supply-electricity-to-syria/46626>

²⁹ <https://www.reuters.com/business/energy/syria-sign-deal-import-electricity-turkey-minister-says-2025-05-04/>

³⁰ Egypt, Iraq, Jordan, Libya, Lebanon, West Bank, Syria, and Türkiye share a regional interconnection network that was initiated in 1988 as part of an effort to upgrade their electricity systems to a regional standard.

³¹ Value of Trade and Regional Investments in The Pan-Arab Electricity Market, the World Bank, 2021

³² It has been reported that the European Transmission System Operator (ENTSO-E) approved the plans of the Turkish utility (TEIAS) to increase electricity export to Syria through synchronizing the power system of the Aleppo region with TEIAS/ENTSO-E system in islanded operation once the Syria- Türkiye interconnection is rehabilitated. The plans to fully connect the full Syrian power system to Türkiye through installing a Back-to-Back converter at the Turkish side of the interconnector have been revived following the change in Syrian political regime.



in 2024 to 4 percent in 2029. Reducing transmission energy losses will benefit all consumers across Syria because it will allow PETDE to use this energy to supply consumers rather than losing it in the network.

Component 3: Technical Assistance for Electricity Sector Development and Institutional Capacity Building (estimated cost of US\$5 million)

33. **Component 3 will provide TA to (i) inform the TGoS's key electricity sector strategies, policy and regulatory reforms, and investment plans for medium to long term sustainability; and (ii) support the electricity sector institutional capacity to implement these strategies and reforms.** This component will finance: (i) consultancy services to prepare technical and economic studies supporting the electricity sector policy reforms (including the energy sector strategy and master plan, optimization of the electricity sector costs and revenues, revenue protection regulations, electricity market restructuring, and utility unbundling); (ii) establishing an accurate, transparent, and reliable financial and accounting reporting systems for PETDE; (iii) regulatory and commercial reforms aimed at maximizing private sector engagement in the electricity value chain; (iv) feasibility studies and advisory services for the renewable energy program (including wind and solar energy assessments) and dam safety assessments for the hydropower facilities; (v) capacity building of PETDE staff (both male and female) on technical, financial, and commercial aspects (including training and the purchase of software licenses for PETDE's power system planning and operation departments); and (vi) an environmental, social, health, and safety (ESHS) capacity-building program, including needs assessments and feedback from male and female PETDE employees.³³ The studies will be strategically sequenced and inform a comprehensive funding strategy for the electricity sector investments with the support of development partners.

Component 4: Project Implementation Support (estimated cost of US\$9 million)

34. **Subcomponent 4.1: International Owner's Engineer Consultancy Services (estimated cost of US\$7 million).** This subcomponent will finance the Owner's Engineer (OE), who will be hired by PETDE. The OE will be responsible for technical supervision of the main contracts under Components 1 and 2 of the Project. This includes monitoring contractors' compliance with environment and social (E&S) requirements, supervising sites and ensuring quality control, addressing climate resilience and adaptation needs in all designs, managing financial aspects and reporting, and reviewing and approving payment certificates, and other aspects of contracts related to Components 1 and 2. The PMT will oversee the OE's work, and remain responsible for project progress. Given the critical importance of OE for ensuring investment readiness, PETDE will employ advance procurement for the OE contract, which is expected to be launched in June 2025.

35. **Subcomponent 4.2: Support for the Project Management Team (PMT) (estimated cost of US\$2 million).** This subcomponent will finance: (i) individual consultants within SEEP's PMT and those supporting the ministerial-level Project's Steering Committee (PSC) for strategic guidance and overall supervision of the Project; and (ii) an external audit for the Project's financial reports, alongside efforts to strengthen financial management (FM) and reporting within the PETDE. Further details can be found in Section III (Implementation Arrangements) and Annex 2.

Project Financing

36. **The total Project cost is US\$146 million, financed through an IDA grant, as outlined in Table 1.**

³³ Although women compose 20 percent of the workforce, their representation in technical fields is much lower. The PETDE is committed to enhancing the representation of women in these fields, and capacity-building programs will include women as both trainees and trainers. PETDE expressed interest in joining the World Bank-supported Regional Network in Energy for Women in the Middle East and North Africa [RENEW MENA]) aimed at increasing the visibility of women in the sector.



Table 1. Project Financing of SEEP

Project Components	Total Costs	IDA	IDA
	(US\$, millions)	(US\$, millions)	%
Component 1: Rehabilitation of Damaged High-Voltage Transmission Lines	25	25	100
Component 2: Rehabilitation of Damaged High-Voltage Substations	107	107	100
Component 3: Technical Assistance for Electricity Sector Development and Institutional Capacity Building	5	5	100
Component 4: Project Implementation Support	9	9	100
Subcomponent 4.1: Owner’s Engineer Consultancy Services	7	7	100
Subcomponent 4.2: Support for the Project Management Team	2	2	100
Total Costs	146	146	100

E. Rationale for World Bank Involvement

37. **The World Bank’s extensive experience in supporting countries affected by FCV during and following conflict is critical as Syria recovers from a long conflict and widespread damaged infrastructure.** The World Bank has a proven record of supporting countries in post-conflict reconstruction. This includes support to countries in shaping their post-conflict recovery paths by offering TA that includes the necessary analytics to help governments develop recovery strategies, policy reforms, investment plans, and private sector engagement plans, among others. Accordingly, the proposed SEEP will provide reconstruction support to rehabilitate key transmission infrastructure including cross-boundary high voltage transmission lines and provide critical TA that would help TGoS articulate its medium- to long-term plan towards sustainable recovery of the sector, which could further support jobs creation and economic growth.

38. **The proposed SEEP could play a pivotal role in enabling concerted efforts and providing the critical infrastructure needed for wider contributions/investments, particularly in electricity generation.** The proposed Project represents an important and prudent investment in the network infrastructure necessary for delivering more reliable electricity services and reducing the demand-supply gap. Without the proposed SEEP investments, additional fuel supply to existing generation may not translate into increased service hours due to frequent network outages and technical malfunctions. Investments in the network financed through the proposed Project are essential for restoring and stabilizing the grid, and a prerequisite for future renewable energy investments, especially those involving private participation. The proposed SEEP’s support in TA, both through institutional capacity development and technical studies related to sector reforms and renewable energy, is expected to pave the way for other partners and private sector entities to contribute to government-led efforts aimed at recovering and modernizing the electricity system towards energy security.

F. Lessons Learned and Reflected in the Project Design

39. **The design of SEEP incorporates lessons learned from the World Bank’s experiences in FCV countries and in post-conflict reconstruction projects.** These lessons are reflected in Project design and implementation arrangements to enhance implementation efficiency while reducing fiduciary, environmental and social risks in FCV context.

40. **Choice of instrument.** The use of an IPF approach ensures that the grant will primarily fund capital expenditures which have been structurally underfinanced for decades. The IPF approach facilitates close supervision and monitoring of Project activities as well as hands-on capacity building, which Syrian counterparts critically need.

41. **Simplicity.** The proposed Project design is kept simple and streamlined to enable rapid implementation and effective delivery. Recognizing the challenges posed by conflict, displacement, and weakened governance structures, the proposed Project avoids overly complex components or requirements that could delay execution or overwhelm local implementing agencies. This simplicity is essential for ensuring timely support to affected populations, facilitating coordination with partners, and establishing a manageable foundation for future, more complex interventions as capacity improves.



42. **Balance between short-term interventions to restore essential services and long-term reconstruction and development.** Financing the rehabilitation of interconnection transmission lines with Jordan and Türkiye (within the territory of Syria) along with transformer substations is feasible in the short term and serves as a long-term investment in infrastructure development. Additionally, SEEP investments provide medium-term benefits by continuing to reduce network downtime through provision of spare parts and maintenance equipment to quickly restore services. This balance is crucial for emergency operations in FCV contexts, as it establishes a sustainable development trajectory that extends beyond immediate needs.

43. **Expanded capacity building and implementation support.** PETDE currently lacks experience in implementing World Bank projects due to the absence of operations in this sector and country. While its technical capacity is adequate, PETDE's fiduciary and E&S capacity is limited. To address these, the proposed Project supports the PMT through Subcomponents 4.1 and 4.2, which include hiring consultants to carry out essential activities. The World Bank will also provide training and guidance for the PMT, alongside HEIS in E&S and procurement (at the Recipient's request) to ensure the PMT is familiarized with World Bank procedures.

III. PROJECT IMPLEMENTATION

A. Institutional and Implementation Arrangements

44. **The World Bank is committed to strengthening the capacities of national institutions in Syria and working through them to implement World Bank-financed projects.** The proposed Project will strengthen national institutions, contribute to greater social inclusion and create new opportunities for people. As such, PETDE will serve as the implementing entity for the proposed Project, supported by its OE, and will report to a Project Steering Committee (PSC) chaired by the Minister of Energy (or the minister's delegate). The OE will be hired before awarding contracts under Components 1 and 2.³⁴ PETDE has adequate technical capacity to execute its mandate under the Electricity Law 32-2010 and its 2020 amendment. The MoE will be responsible for overseeing project progress while PETDE will be responsible for overall implementation, including procurement, FM, and monitoring and evaluation (M&E). A subsidiary agreement between the Ministry of Finance (MoF) and PETDE will be established prior to the effectiveness of the Financing Agreement. Figure A2.1 in Annex 2 depicts the proposed implementation arrangements for the proposed Project. These arrangements are intended to strengthen compliance with the Association's operational policies, including procurement, anti-corruption, and E&S requirements.

45. **The ministerial level PSC will oversee Project implementation, ensuring alignment with national energy policies and interministerial coordination.** It includes the Managing Director of PETDE and a senior representative from the Ministry of Finance. It will provide oversight, guidance, and coordination for key Project activities such as annual work plans, project reports, and safeguard issues. The PSC will facilitate interministerial coordination and resource allocation, addressing critical issues, mitigating risks, and ensuring compliance with the Financing Agreement, regulatory frameworks and international standards. The PSC will be maintained and in operations throughout Project implementation to ensure coordination with relevant ministries and applicable Syrian government policies.

46. **Project Management Team (PMT).** A dedicated PMT will be established within PETDE, and will comprise PETDE staff who will be appointed to be fully dedicated to overseeing the day-to-day implementation of the Project. The PMT will include the following core positions: (i) a project manager, who will coordinate all Project activities and serve as the World Bank's primary counterpart during implementation; and staff responsible for (ii) procurement, (iii) FM, (iv) environmental aspects, and (v) social aspects. Key PMT positions, including those on the fiduciary team, will be filled before the effectiveness of the Financing Agreement. More specialists/contractors could be recruited under the PMT during Project

³⁴ The HEIS and use of the advanced procurement arrangements under the Project will prioritize the OE procurement process (Component 4.1) to ensure no delay to the implementation of the other Project components.



implementation on a need-driven basis. Prior to effectiveness of the Financing Agreement, the PETDE (through PMT) and Recipient will prepare and adopt a POM that meets the World Bank's requirements in form and substance. The POM will articulate detailed guidelines, procedures, and responsibilities for Project implementation, management, and monitoring. The PMT will ensure that Project activities are conducted efficiently and in compliance with applicable World Bank policies. Given the resource constraints in which the proposed Project is being developed, and the fragility of state institutions due to conflict, procurement and E&S HEIS (at PETDE's request) will be integrated into the Project to adequately support all functions with World Bank specialists, particularly since this is the first operation to be implemented in Syria.

47. To expedite Project implementation, a streamlined procurement approach will be used that will incorporate HEIS throughout the process. Advance procurement activities will be conducted to facilitate the timely preparation of procurement documents for Components 1, 2, and 4.1. The PMT, with support from the World Bank via HEIS (expected to be approved by the Association), will prepare bidding documents and proceed with the procurement processes for critical Project elements, including high-voltage lines, high-priority substations, and the OE. The technical specifications for Components 1 and 2 have been thoroughly appraised, and the procurement and technical capacity of PETDE staff have been deemed sufficient to support this approach. Consequently, the role of the OE will be limited to time-based tasks and will not involve procurement for Components 1 and 2. This approach will ensure that the procurement process proceeds without delay, thereby enabling the prompt initiation of Project activities and aligning with urgent implementation needs.

B. Results Monitoring, Evaluation, and Verification Arrangements

48. The M&E of the proposed Project will be conducted by the PMT in accordance with the M&E requirements outlined in the POM. The PMT will systematically track and assess Project progress outcomes, providing reports to the World Bank twice a year or during supervision missions as well as through a World Bank-hired Third Party Monitoring Agent (TPMA). The PMT's M&E practices will be led by qualified M&E specialists and closely aligned with the Results Framework of the proposed Project. These activities will cover key Project activities including procurement, construction progress, contractual payments, and other aspects of Project management and quality control. Reports will also address the implementation of E&S aspects (including comprehensive incident reporting), as well as issues related to citizen engagement and grievance redress. Additionally, the PMT will prepare financial monitoring reports, while Project financial statements will undergo independent financial audits. The proposed Project will also be subject to periodic Implementation Status and Results Reports, a Mid-term Review, and an Implementation Completion and Results Report at Project closing.

49. The World Bank will also engage a qualified and experienced TPMA to provide further assurance that funds provided to PETDE under SEEP are utilized for the intended purposes of the Project. This will enhance the World Bank's validation of supervision of Project results and reports. The TPMA will evaluate, verify, and report on the Project's implementation progress, outcomes, and compliance. This includes ensuring transparency, accountability, and adherence to World Bank standards and regulations with respect to fiduciary, E&S, citizen engagement, among others. A TPMA is particularly relevant in situations where regular validation of supervision is limited.

C. Disbursement Arrangements

50. The proceeds of the Grant will be disbursed in accordance with the World Bank's disbursements guidelines for projects, as outlined in the Disbursement and Financial Information Letter (DFIL). This Project will utilize transaction-based disbursement. Disbursements for key project activities representing US\$144 million out of the total US\$146 million in Project financing will be made through direct payments, including for rehabilitation of damaged high-voltage transmission lines and substations, as well as primary consultancy contracts (TA under Component 3, and international OE consultancy services under Subcomponent 4.1). Expenses under Subcomponent 4.2, including the operational costs of the PMT and local experts, are expected to be financed using the reimbursement disbursement method. If a flow-of-funds mechanism of a financial institution is assessed to be acceptable to the World Bank, the World Bank will consider allowing



advances to a Designated Account (DA) as a disbursement method, and the DA will be opened to be managed by PETDE. A low DA ceiling and additional supervision measures will be used to mitigate risks and ensure adequate oversight of the use of these US\$2 million of funds. The TPMA scope of work will include reviewing the PMT expenses under subcomponent 4.2 for eligibility as per the financing agreement before they are submitted to the World Bank for reimbursement or later when a DA may be established (as detailed further in the financial management appraisal section below).

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

(i) Technical Overview

51. **The proposed Project is designed to respond to the most urgent and critical investment needs identified by PETDE.** The selected investments reflect key TGoS priorities, i.e. to enable additional electricity supply to the grid and improve network stability, including in affected areas, where unreliable service severely hampers the return of refugees and IDPs and delays the restoration of basic services and economic activities. The World Bank's technical due diligence has been conducted based on the damage and needs assessment prepared by PETDE, and complemented by other assessments prepared by international development partners, in 2023 and 2024.

52. **Findings of the World Bank's technical due diligence confirm the adequacy of PETDE's assessment to inform investment priorities and cost estimation of Project components at this stage.** The PETDE's damage and needs assessment ranks the rehabilitation needs of its electricity network based on (a) the level of damage to the infrastructure; (b) the level of urgency to restore the infrastructure, based on technical merits including enabling electricity imports and service provision, restoration of and impact on public services and economic activities to enable broader and smoother return of IDPs and refugees; and (c) the level of potential contribution to network reliability and reduction of technical losses. The World Bank team has thoroughly reviewed the PETDE assessment and found that the assessment is adequate to inform the costing and scope of the proposed Project components at this stage, considering the factors of prioritization and technical merits outlined. The World Bank team has also visited a sample of the damaged infrastructure to be financed under the proposed Project and was able to confirm the scope of work and level of damage in the facilities visited. The World Bank team, together with the PETDE, will confirm the prioritization of Project investments at the Appraisal stage.

53. **Given the urgency of the situation, it is important to prepare for timely implementation.** Based on the damage assessment, the PETDE technical departments have prepared the necessary bill of quantities and technical specifications for rehabilitation requirements based on industry standards. Through advance procurement and HEIS, the World Bank team will support the PETDE in preparing bidding documents and finalizing procurement according to the World Bank procurement regulations and E&S requirements for IPF projects.

54. **Component 1 will finance the rehabilitation of damaged high voltage transmission lines (within the territory of Syria) to restore Syria's regional connectivity to Jordan and Türkiye.** The length of damaged parts of the lines to be rehabilitated under this Component is approximately 30 km, with approximately 17 and 13 km for the Syria-Türkiye and Syria-Jordan interconnection lines, respectively. The scope of work of Component 1 includes (a) supply and installation of approximately 80 new towers that will replace damaged ones, foundations, and partial replacement of approximately 30 km of conductors and optical ground wires, insulators, accessories, and other required equipment, (b) supply of necessary transmission line spare parts and maintenance equipment to the PETDE to reduce frequency of network outages and maintenance downtime moving forward. The transmission lines to be rehabilitated will follow the existing right of ways (ROWS) which include 38 meters from both sides of the transmission line as buffer areas. Specifications and design of the transmission lines will adopt international climate resilient standards (foundations and tower design reflect necessary safety factors against extreme wind, flooding, seismic activity, etc.), in addition to bird-collision avoidance measures. Proper vegetation management will be part of the facilities management to eliminate hazards and risks of fires. The Project area for Component 1 is limited to the sections of the two transmission lines that will be rehabilitated.



55. **Component 2 will finance the rehabilitation of damaged critical high voltage transformer substations and needed spare parts and maintenance equipment.** The rehabilitation of PETDE damaged substations will prioritize substations in the governorates of Aleppo, Idlib, and Rural Damascus which host the largest number of returnees and IDPs (see paragraph 5). The substations are selected to enable grid services in the most impacted governorates to address the needs of returnees and IDPs, and for water pumping, agricultural and other economic activities. The targeted substations are also selected to optimize the power flow and reduce technical losses by rehabilitating the existing damaged substations near to the demand centers. Finally, this component will finance necessary spare parts and maintenance equipment that the PETDE needs to reduce service downtime caused by maintenance work or equipment failure across the network.

56. **The damaged substations range from 230/66/20 and 66/20 kV and are mostly of the Air Insulated Substation (AIS) technology.** One key 400/230/66/20 kV substation in Aleppo F will require partial rehabilitation on the 400 kV and 230 kV sides, including supplying 2x300 MVA transformers. This substation plays a key role in stabilizing the interconnection between Türkiye and Aleppo moving forward. In general, the damaged substations are in the governorates of Aleppo, Idlib, and Rural Damascus, and mostly serve agricultural and residential loads. The scope is expected to cover the rehabilitation of one 400/230/66/20 kV substation (the 400 kV switchgear and 2x300 MVA 400/230 kV transformers), three 230/66/22 kV substations (one of which is gas-insulated), and four 66/22 kV substations. All but one 230/66 kV substation are expected to be air-insulated technology. For Component 2, the Project area encompasses the current sites of the selected substations.

57. **The rehabilitation works comprise design, supply, and installation of high voltage substations (that will replace the damaged ones) under which primary and secondary equipment within the rehabilitated substations will be delivered** (including high voltage and measurement transformers, switchgear, busbars, disconnecting switches, capacitor banks, protection and control panels, remote terminal units, battery systems, grounding, foundations, and other required equipment). To minimize the outage times associated with maintenance, this component will also supply high voltage and medium voltage spare parts (230 kV and 66 kV circuit breakers and disconnecting switches, 20 kV cells, protection and control panels, 20/0.4 kV distribution transformers of various ratings) to minimize service downtime across the network (and not just the governorates where the substations will be rehabilitated).

58. **The selected substations will be rehabilitated on the existing sites, with no additional fence expansion or new land acquisition, with the feeding transmission lines existing and in service.** The specifications and design of the transformers, switchgear foundations, control buildings and panels, etc. will adopt international climate resilient standards (reflecting necessary safety factors against extreme wind, flooding, earthquakes, etc.). Moreover, and in line with international best practices, transformers will be equipped with necessary cooling systems to ensure climate resilient performance against extreme heat conditions. All substations will be designed in accordance with the best international industry practices with full consideration to eliminating, minimizing and mitigating fire risks, occupational and community health and safety and environmental protection. The substations will also be equipped with necessary firefighting and fire alarm systems, in line with international standards, to protect against fire risk. For any work that involves rehabilitation of the control room of the substation, EDGE certification level 1 (or equivalent) will be embedded in the design requirements.

(ii) Paris Alignment

59. **The proposed SEEP aligns with Syria's climate priorities, as outlined in its Nationally Determined Contribution (NDC) submitted in 2018.** The proposed Project could enable the transmission and trade of electricity generated from greener energy sources while reducing technical losses, generating climate mitigation effects. Meanwhile, the Project enhances reliability and resilience of the grid, prioritizing the consideration of climate risks and their possible effects when designing energy infrastructure. This is in line with a balance of both mitigation and adaptation efforts in the NDC. Moreover, SEEP directly addresses a key energy-sector challenge identified by the NDC, i.e. restoration of T&D network.

60. **The proposed SEEP's design reflects climate adaptation considerations, given that Syria faces escalating climate risks that threaten power infrastructure.** A climate risk screening was conducted to assess adaptation risks. Climate risks



notably include wildfires, droughts, landslides, earthquakes, and extreme heat, all of which are projected to intensify, threatening power sector infrastructure. The increase in maximum temperatures over a seven-day average is projected to be as much as 3°C in the 2020–30 decade. The frequency of extreme heat spells has been increasing, inducing an increase in energy demand. The rehabilitation of grid infrastructure presents an opportunity to meet this increased demand through enabling the transmission of more electricity and improving network reliability and efficiency. Climate resilience measures will be adopted in the design of infrastructure to be financed under SEEP, bringing residual material risks to low/acceptable levels. The risks will be continuously monitored and managed. For Component 1, overhead lines and other equipment will adopt international climate-resilient standards, such as the Institute of Electrical and Electronics Engineers Standard 693 for seismic design of substations. The design will also incorporate considerations of temperature-induced performance degradation and increased maintenance needs. For Component 2, all substations will be equipped with necessary firefighting and fire alarm systems, in line with international standards, and facilities management will include the proper management of vegetation to reduce fire risk. Moreover, the risks of dust storms in compromising infrastructure performance will be addressed through adequate technical specifications to ensure climate resilience.

61. On the mitigation side, all activities proposed under the proposed SEEP are Paris Aligned. The mitigation benefits associated with each activity are significant. Component 1 on rehabilitation of high-voltage lines can significantly enhance the network’s capacity and stability to evacuate renewable energy. Component 2, focused on the substations, will support specific areas and communities and better integration and management of variable energy sources such as solar. Component 3 (Technical Assistance) is also Paris aligned as it will finance TA dedicated to advancing sector reforms that increase the role of the private sector in renewable energy. Component 4 is Paris-aligned given that it will support and enhance the implementation of Components 1 and 2 (which are Paris aligned) through consultancy services and implementation support. The transmission lines rehabilitated under the Project are not dedicated to evacuation of fossil fuel generated electricity; in the long term, the rehabilitation will facilitate integration of renewable energy sources once they become available. Rehabilitation will take place on existing sites under Component 2 and there is no risk of deforestation due to land use change and construction.

(iii) Economic and Financial Analysis

62. The proposed Project is viable both economically and financially, with strong returns under base case and sensitivity scenarios. The economic analysis, over a 20-year horizon, yielded a net present value (NPV) of US\$121.46 million and an economic internal rate of return (IRR) of 25%, well above the 10% discount rate. The financial analysis, over a 5-year period aligned with SEEP’s closure, yielded a financial NPV of US\$56.7 million and a financial IRR of 23%. Costs in both assessments primarily comprise capital investments and incremental O&M costs. Key economic benefits include reduction of unserved energy, lower costs for consumers previously reliant on diesel generators, and fuel switching through cheaper electricity imports. Key financial benefits include increased PETDE revenues from improved power flows and longer service hours due to Project interventions. Sensitivity analyses tested 20% increase in capital costs and 20% reduction in benefits, with both analyses confirming the Project remains robust under these scenarios. The economic analysis also included climate benefits based on the methodology outlined in the World Bank’s ‘Greenhouse Gas Accounting for Energy Investment Operations’. The Project will contribute to avoiding carbon emissions by 1,255,808.65 tons of carbon dioxide equivalent (tCO₂e) annually and approximately 25,116,172.96 tCO₂e over the lifetime of the asset (20 years), including both the avoided emissions from rehabilitated transmission lines and reduced technical losses.

B. Fiduciary

Financial Management (FM)

63. The World Bank team conducted an assessment of PETDE’s FM systems as part of Project preparation. The assessment indicated that, with the implementation of agreed-upon actions, the proposed FM arrangements will satisfy



the minimum requirements of the World Bank's IPF Policy and the World Bank's Procedure on Preparation of Investment Project Financing for Projects in Situations of Urgent Need for Assistance or Capacity Constraints.

64. **The proposed Project FM risks include:** i) PETDE's limited knowledge of the World Bank's FM policies and guidelines, ii) residual limitations on the flow of funds due to past bilateral sanctions which have in the meantime been temporarily waived, eased or lifted and iii) misuse of funds considering the high perception of fraud and corruption in a high-risk and weak control environment. The following FM risks mitigation measures are considered: (i) centralizing financial management functions and authorities within the PMT, (ii) processing most project payments through the direct payment disbursement, (iii) financing PMT expenses under component 4.2 using the reimbursement disbursement method. A DA with a low ceiling, to be managed by PETDE, could be considered if a flow-of-funds mechanism of a financial institution is assessed to be acceptable to the World Bank), (iv) contracting a TPMA to support the World Bank in monitoring of Project implementation, including FM matters, particularly verifying the PMT expenses under subcomponent 4.2 for eligibility before they are submitted to the World Bank for reimbursement or later when a DA may be established, (v) developing robust FM arrangements to be documented in the POM, (vi) providing intensive FM training to PETDE staff, (vii) engaging an international OE for technical supervision, and (viii) contracting a private sector audit firm for annual audits of the project financial statements. The residual FM risk, with the mitigation measures, remains High. Annex 2 provides additional information on the FM assessment and details of the recommended mitigation measures.

65. **The Project's FM arrangements, including budgeting, accounting, financial reporting, internal controls, and external auditing, will be centralized under the authority of the PMT.** A full-time qualified Financial Officer, appointed from the PETDE's Finance Department to the PMT, will handle the FM and disbursement functions. The Financial Officer will receive intensive training on the World Bank's FM and disbursement guidelines.

66. **As part of the POM, the FM manual will document the Project's FM arrangements, including and not limited to, payment verification, authorization, and execution processes, authority limits, and physical control of assets.** The PMT will prepare quarterly, unaudited Interim Financial Reports (IFRs) and annual project financial statements under the cash basis of accounting. The PMT will submit IFRs to the World Bank within 45 days after the end of the period concerned. An international external auditor acceptable to the World Bank will be engaged to audit the Project's annual financial statements. Audit reports will be sent to the World Bank no later than six months following the end of the Project's fiscal year. The PMT will prepare the terms of reference (TORs) for the auditors and submit them to the World Bank for approval.

Procurement

67. **The procurement of works, goods, and services under the Project shall be carried out in accordance with the World Bank Procurement Regulations for Borrowers under Investment Project Financing, 6th edition, dated February 2025.** "The Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by the International Bank for Reconstruction and Development (IBRD) Loans and the International Development Association (IDA) Credits and Grants (dated October 15, 2006, and revised in January 2011 and as of July 1, 2016)", shall apply to the Project. Procurement is being processed under Paragraph 12 of the World Bank Policy for Investment Project Financing "Projects in Situations of Urgent Need of Assistance or Capacity Constraints," where "Simplified Procurement Procedures" will apply³⁵.

68. **As the proposed Project's implementing entity, PETDE will be responsible for procuring all Project components.** The PETDE has no previous experience with World Bank-financed projects or procurement policy and regulations, and moderate experience in procurement planning, monitoring, and contract management. The procurement assessment, conducted as part of the Project preparation, revealed that Syria's public procurement system, governed by the Recipient's Uniform System of Contracts Law No. 51 issued in 2004, has various gaps and outdated practices that could hinder

³⁵ Simplified procurement procedures may include: (i) using simplified template for PPSD and defer its completion along with the Procurement Plan to the implementation stage, (ii) providing HEIS, (iii) utilizing advance procurement, (iv) use of direct selection if justified, and (iv) using other procedures defined in accordance with World Bank Guidance: Procurement in Situations of Urgent need of Assistance or Capacity Constraints.



competition, transparency, and private sector participation. The legal framework is uncertain and lacks provisions on key aspects such as transparency, conflict of interest, independent complaint mechanisms, value for money, or fit for purpose, among others. Management capacity and institutional arrangements suffer from inefficiency and a culture of avoidance of responsibility, while procedures and practices show the preferential treatment of state-owned enterprises, weak procurement planning, and a lack of transparency in bid evaluation and contract management. Despite the presence of some modern procurement principles, the system continues to face the same weaknesses and shortfalls elaborated in the World Bank’s Country Procurement Assessment Report (CPAR) of September 2010.

69. **The following procurement risks were identified:** (i) while bilateral sanctions are being temporarily waived, eased, or lifted derisking of potential bidders is still impacting fiduciary implementation under the proposed Project, which may lead to potential adverse effects on the international bidders participation in the bidding processes; (ii) lack of PETDE capacity in World Bank procurement policy and procedures, procurement planning, and management of large and international contracts; (iii) high perceptions of fraud and corruption in a high-risk and weak control environment; (iv) limited local market with only a few interested regional or international suppliers due to the prevailing security conditions (which may result in less competition and higher bid prices); and (v) possible delays in implementation due to security conditions. The residual procurement risk, with the mitigation measures, remains High. Annex 2 provides additional information on the procurement risk assessment and the recommended mitigation measures.

70. **A PMT will be established within the PETDE by the effectiveness of the Financing Agreement to act as the World Bank’s counterpart for all procurement aspects of the Project.** The PMT will be supported by an international consulting firm (the OE to provide Project implementation and supervision support for the contracts to be signed under Components 1 and 2, as well as capacity development). Due to the emergency nature of the Project, HEIS on procurement will be provided by the World Bank, upon receiving a formal request from the Recipient, in close coordination with the World Bank’s technical experts to facilitate expedite procurements under the Project.

71. **With World Bank support, the preparation of a simplified Project Procurement Strategy for Development (PPSD) has been initiated.** All major contracts for rehabilitation of transmission lines under Component 1 and of substations under Component 2 are expected to be procured following an open international competition using Bank’s Standard Procurement Documents for Plant Design Supply and Installation using Single Stage two envelope method without Pre-Qualification/Initial Selection. The PETDE, with World Bank support, will carry out Early Market Engagement (EME) for all contracts with an estimated cost of US\$10 million or more with competitive open international procurement. The PPSD will outline the most appropriate procurement arrangements for the Project, based on market and risk analysis. Given the emergency nature of the Project, adoption of the full-fledged PPSD, building on the simplified PPSD that will be further developed, and Procurement Plan for the Project’s first 18 months will be deferred to the early stages of implementation. During implementation, the PPSD and Procurement Plan will be updated with the World Bank’s approval, at least annually and as required, to reflect actual Project implementation needs. The PETDE shall use the World Bank’s Systematic Tracking of Exchanges in Procurement (STEP) system to prepare, clear, and update its procurement plan and document procurement transactions. Detailed Procurement Arrangements are in Annex 2.

C. Legal Operational Policies

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No



D. Environmental and Social

72. **The E&S risks are assessed as Substantial.** The overall impacts of the Project are positive. While the proposed Project brings benefits to the citizens and economy, the proposed Project involves civil works, procurement of goods, and management/TA activities (Components 3 and 4). The civil works under Components 1 and 2, which will be implemented by international construction firms (with local partners), are expected to have E&S risks and potential negative impacts that are geographically limited to the specific corridors of the lines and sites of the substations to be rehabilitated. These impacts are confined within the existing boundaries of the damaged substations and are primarily expected during the construction phase. However, these could also occur on a small-scale during operation. In addition, these risks can be mitigated with the appropriate mitigation measures. The PETDE, will manage these risks through its PMT E&S focal points supported by an independent Owner's Engineer (OE) firm staffed with qualified ESHS specialists. PETDE's E&S capacity strengthening will take place throughout project implementation benefiting from the E&S HEIS.

73. **Environmental risks are assessed as Substantial.** During the construction stage, potential environmental risks include soil and water contamination by heavy metals, oil, and chemical spills such as polychlorinated biphenyls (PCBs). There is also a risk of airborne asbestos release and hazardous building materials during site clearing. Handling and disposal of hazardous waste like damaged transformers, broken insulators, and contaminated soil are significant concerns. Rehabilitation of high voltage overhead transmission lines usually involves risks such as habitat disruption due to tree cutting, vegetation clearing, and creating temporary access roads for construction equipment. However, such risks are minor in the current transmission lines corridors since the land uses are primarily used for agricultural crops and short orchard trees. No new access roads will be required since existing ones used to access agricultural fields can be used. In addition, most electric components, metal parts of transmission lines, substations, and even transformer oils were stolen indicating the low potential for presence of hazardous wastes. The landmines and ERW which could be present along project sites and routes, should be dealt with as hazardous wastes. They will be removed before commencement of the work. Due to the lack of proper disposal sites in Syria to receive such wastes, good international practices (e.g. Controlled On-Site Detonation or Open Burning in designated pit areas), will be followed. The landmine/ERW decontamination process will be undertaken by the United Nations Mine Action Service (UNMAS) – which will be hired by the PETDE using the Project's proceeds³⁶ – which follows best international practices for de-mining, ERW removal and safe disposal. These practices will be part of an action plan to be included in the POM. PETDE will share UNMAS decontamination confirmation certificates with the World Bank before starting any SEEP Project-related activities when the rehabilitated transmission infrastructure is operational, some additional risks could evolve. The main environmental risks at this stage include the risk of bird collision, buzzing noise, use of chemicals, and water (such as for insulator cleaning purposes), and improper disposal of wastes. Occupational health and safety risks, primarily electrocution and working at height, are quite significant. The maintenance equipment – procured by the proposed Project – may be associated with use of herbicides, road safety risks and occupational health and safety risks. Measures to mitigate all operational risks and impacts will be clearly determined and included in the relevant site-specific ESMPs.

74. **Natural hazards. (a) Seismic risks have been assessed to be significant.** The 7.8 magnitude earthquake of February 6, 2023, originating near Gaziantep, approximately 100 km from Aleppo, caused intensity VII–VIII shaking in Aleppo and Idlib, leading to significant damage and highlighting the region's vulnerability³⁷. In the southern corridor, the proximity to the DSFS also presents a credible seismic hazard, historically evidenced by the 1837 Safed earthquake. (b) Flooding,

³⁶ The IDA financing of the contract between PETDE and UNMAS for the landmine and ERW clearance activities was approved by the World Bank Management on June 7, 2025. The direct selection of a UN agency per Paragraphs 6.47 and 6.48 of the Procurement Regulations will be followed for the contracting of UNMAS.

³⁷ Nature (2023). Türkiye –Syria earthquake: what scientists know. Retrieved from: <https://www.nature.com/articles/d41586-023-00364-y>



Flooding in the southern corridor may arise from rapid runoff along wadis such as Wadi Al-Zaydi, while waterlogging may affect flat agricultural plains in the north, especially during the winter rainy season. (c) Sandstorms and Dust Events. Syria experiences periodic sand and dust storms, particularly during spring and autumn. These events are increasing in frequency and intensity due to desertification and prolonged droughts, reducing visibility, damaging insulators.

75. **Mitigation measures will be determined in the site-specific environmental and social management plans.** The ESIA/ESMPs will further investigate the risks related to natural hazards and will recommend special measures to address such risks. Such measures will be reflected in the technical designs of the transmission lines and substations.

76. **Initial environmental assessment findings determined that there is no significant biodiversity risk associated with the rehabilitation or operation phases of components 1 and 2.** The surrounding areas are primarily agricultural lands, away from any declared nature protected areas or ecologically sensitive habitats. However, past military operations, IDP camps, poaching, illegal wildlife trade, and climate change impacts have significantly harmed local ecosystems. No interference with migratory bird routes or important bird areas (IBA) were identified. However, the site-specific E&S instruments will include specific mitigation measures proportionate to the risks and impacts which will be further assessed as part of the E&S instrument's preparation.

77. **The risk of exposure of the public to electromagnetic fields (EMF) is assessed to be low.** There is no empirical data demonstrating adverse health effects from exposure to typical EMF levels from power transmissions lines and equipment. To address any public concerns in this regard, the PETDE and its OE will be required to ensure that existing technical specifications and designs will not result in public exposure beyond recommended limits. Application of engineering techniques to reduce the EMF produced by the power lines, substations, and transformers would include shielding with specific metal alloys and modifications to size, spacing, and configuration of conductors.³⁸

78. **Technical Assistance (Component 3) and Implementation Support (Component 4).** These activities will include field visits and detailed field surveys for technical, environmental, and social purposes. Specialists and consultants conducting these tasks will be exposed to occupational health and safety risks and road safety concerns. They may also be exposed to dust, extreme weather conditions, dangerous wildlife in agricultural lands, and oil-contaminated sites. Environmentally, risks such as disturbance to wildlife and habitats are not expected due to absence of sensitive habitats in the project areas.

79. **Social risks are assessed as Substantial.** The proposed Project will entail several social risks that encompass both contextual and project-specific risks. There will be no need for land acquisition because the project primarily involves rehabilitating existing transmission lines and substations within existing rights-of-way. There is however a potential risk of destroying properties, temporary physical and/or economic displacement, and loss of livelihoods of the people who have encroached on the Project area.

80. **PETDE has documented ownership and easement rights for the land at the proposed sites.** The PETDE follows the requirements of the national Expropriation Law No. 20 of 1983 and the Legislative Decree No. 437 of 2000, which include tables for estimating the value of irrigated and rainfed lands and fruit trees. However, the law has certain gaps vis-a-vis ESS5. As such, the proposed Project will implement the provisions of ESS5 and all compensations will be done at the replacement costs. The preliminary investigation showed no significant encroachment cases are expected on the ROW within the Project area (outlined in Section IV-A above). The E&S screening for site-specific rehabilitation works will identify the exact risks regarding physical and/or economic displacement or encroachment on the right of way (ROW) and relevant Resettlement Plans (RPs) and/or Livelihood Restoration Plans (LRPs) will be prepared and implemented to address these risks. Under the proposed SEEP, the PETDE will develop and implement the RPs/LRPs by paying compensation to Project Affected Persons (PAPs), in compliance with ESS5 provisions for compensation at replacement cost.

³⁸ World Bank Group, 2007. EHS Guidelines for Electric Power Transmission and Distribution.



81. **Risks related to labor and working conditions mainly involve occupational health and safety (OHS), working conditions, access to jobs, and potential labor influx.** The influx of labor, potentially including foreign workers, may lead to social pressure on local services, increase risks related to sexual exploitation and abuse/sexual harassment (SEA/SH), and lead to potential conflicts with local communities. The post-conflict situation, including the return of refugees, could lead to tense competition for available local jobs. The PETDE adheres to the Public/Civil Servants System under the Recipient's Law No. 50 of 2004 and the Recipient's Labor Law No. 17 of 2010. The Labor Law covers foreign labor and requirements to engage them for local projects. To manage risks related to labor (including labor influx) and working conditions under the project, a Labor Management Plan (LMP) will be developed. This plan will include measures including adequate labor working conditions, encouraging hiring local labor to the extent possible, providing adequate accommodation and services for workers, age verification procedures, workers' GM, and implementing codes of conduct to prevent and address any negative social behaviors.

82. **While the proposed Project itself will not cause risks related to Sexual Exploitation and Abuse (SEA)/ Sexual Harassment (SH), the prolonged conflict, displacement, prevailing insecurity, and economic crisis have heightened these risks, particularly affecting women and girls in local communities.** These risks might also be heightened due to the use of the Recipient's security services or personnel who could be employed to safeguard project workers, sites, assets, and activities. To mitigate and address potential SEA/SH risks, the Project will develop and implement a comprehensive SEASH Prevention and Response Action Plan. The SEA/SH Action Plan will involve conducting risk assessments, training staff on SEASH prevention and response, implementing community outreach to raise awareness and promote gender equality, exploring referral services for survivors, and establishing monitoring and evaluation mechanisms to track and adjust the plan's effectiveness.

83. **The proposed Project will prioritize the social inclusion of vulnerable groups throughout all stages of planning and implementation to ensure equitable distribution of project benefits.** The proposed Project's draft stakeholder engagement plan (SEP) has identified all potential vulnerable groups within the proposed Project locations, including minorities, women, refugees, local farmers and returning IDPs. It includes relevant and appropriate methods to engage these groups, ensuring they are not adversely affected by the Project and can access its benefits. Moreover, the proposed Project will involve integrating gender-sensitive approaches to address the specific needs of women and promote their empowerment. During project implementation, PETDE, monitored by the TPMA, will promote social inclusion through regular engagements with stakeholders, local communities, and civil society organizations, ensuring equitable access to project benefits and minimizing risks of exclusion or elite capture.

84. **Existing Grievance Mechanism (GM) at PETDE.** The PETDE operates a GM that is designed to handle various types of complaints and grievances related to service provision, land acquisition, legal issues, and more. The existing GM at PETDE will be enhanced and utilized for the Project, with a GM focal point assigned at the central level to oversee project-related complaints handling and reporting. This focal point will coordinate with local GM functions through the electricity companies in the governorates covered by the project. The GM will be strengthened to handle SEA/SH complaints, and a dedicated GM structure will be developed before project implementation. The GM process includes several steps to ensure effective grievance handling. Grievances can be submitted through multiple channels, such as emergency numbers, walk-ins, online Application "Al Shakawa," One-Stop-Shop in electricity companies, and more. The proposed Project GM, building on PETDE's GM, is fully described in the draft prepared SEP.

85. **Relevant E&S Standards.** Based on the World Bank's initial environmental and social assessment of the project's potential risks and impacts, the following ESSs are relevant to the operation: ESS1, ESS2, ESS3, ESS4, ESS5, ESS6, ESS8, ESS10. Relevant risks and impacts will be thoroughly assessed, and practical mitigation measures will be determined following the risk mitigation hierarchy and incorporated in the E&S instruments. To address the environmental and social impacts of the project interventions, especially given the emergency nature of the project, the PETDE will prepare several key instruments. A Stakeholder Engagement Plan (SEP) has been developed and disclosed on May 26, 2025, to cover all project components, tailored to the project's scale and potential risks. Additionally, an Environmental and Social



Commitment Plan (ESCP), in accordance with ESS1 requirements, outlining measures for compliance with relevant ESSs, will be part of the legal agreement with the World Bank. The ESCP includes environmental and social requirements for bidding documents and ensure the clearance of project sites from landmines or ERW risks by an internationally qualified agency (UNMAS). Additionally, the ESCP (under ESS4) includes specific requirements to assess and manage risks associated with security including the risks of deploying the Recipient's security services or engaging security personnel to safeguard project workers, sites, assets, and activities.

86. The SEP and ESCP were discussed, reviewed, approved by the World Bank, and disclosed on the MoE website on May 26, and June 2, 2025, respectively. During implementation, the PETDE will prepare an Environmental and Social Impact Assessment (ESIA) to address all E&S risks and impacts, including management plans for transmission lines, substations, occupational health and safety, hazardous waste, and traffic. The ESIA will be consulted, cleared by the World Bank, and disclosed before procurement activities. Furthermore, standalone Labor Management Procedures, Security Management Plan, SEA/SH Prevention and Response Plan, and site-specific Resettlement or Livelihood Restoration Plans will be developed within specified timeframes after the effectiveness of the Financing Agreement. The implementation of the risk mitigation measures will be supervised by the E&S specialists within the OE supervision team and will be monitored by the PMT E&S focal points. Moreover, the World Bank's TPMA will support the World Bank in conducting planned and random checking of the E&S performance in the various project work sites.

87. PETDE E&S Capacity. The PETDE has strong technical capacity in their area of expertise. In addition, PETDE has a dedicated Occupational Health and Safety (OHS) department at the central and branch levels. This department is staffed by OHS officers who receive regular training internally within PETDE and externally from local institutions (such as universities and vocational training centers). The OHS department may require new special health and safety equipment, and its staff may need to receive additional specialized OHS training given the expected their workload, due to the Project interventions. While there is no dedicated E&S department or assigned E&S officers within PETDE, the engineers and technicians possess good environmental awareness, which can be further strengthened. To enhance PETDE Environmental and Social Health and Safety (ESHS) capacity, the proposed Project will deploy specialists to support the Project Management Team (PMT) E&S focal points. The technical assistance under Component 3 includes capacity building to enhance PETDE's ability, including E&S, to implement the proposed Project effectively. This will also include deploying E&S-HEIS during Project implementation. In addition, resources will be allocated through Component 4 to ensure that the OE has qualified ESHS specialists on board to supervise the E&S implementation.

E. Gender

88. This proposed Project will support PETDE efforts to promote women's technical skills and employability in the electricity sector by ensuring they are given the chance to go through practical training, and access networking opportunities to become trainers. While underlying social norms have traditionally been among the obstacles that prevented women in Syria from seeking economic opportunities, the female labor force participation has more than doubled post conflict due to deteriorating economic conditions that have pushed women to enter the labor market to support their households. However, the lack of safety has compounded barriers for women entering and staying employed, yielding high unemployment rates. As the largest employer in the sector, PETDE is committed to adhering to labor law, and advancing women within the enterprise, setting the example for future businesses and other employers supporting the electricity sector. PETDE partially addresses constraints that women face through providing safe transport for its employees, as well as an onsite childcare facility. The proportion of women in the organization is just 20 percent, the majority of which are in administrative positions, and only 11 percent of technical staff are women. PETDE is committed to implementing gender-equitable practices, but women have less access to job and career development opportunities, as well as to professional networks, in addition to general constraints women face. Employees at PETDE are assigned to training programs according to assessment of both organizational needs in terms of skillsets and succession planning, as well as personal career development plans. Throughout this operation, PETDE will provide increased capacity



building opportunities for more women to become certified in technical, operational, and financial tracks, enabling them to acquire certificates that are recognized within PETDE and nationally through professional syndicates for engineers and financial professionals. PETDE will progressively increase the share of women in capacity building programs offered through the Project, as well as through the PETDE training center (from a baseline of 30 percent to 50 percent in 2029). The utility plans to train around 500 employees annually, provide them with training certificates, and certify women to be trainers (50 percent of the total count of trainers). Additionally, to expand women’s professional networks, the utility will connect women technical engineers with the Regional Network in Energy for Women in the Middle East and North Africa (RENEW MENA), as a regional professional networking platform convened by the World Bank. The combination of capacity building and networking opportunities will open doors for more women to engage in the sector, allowing them to competitively remain at work, advance in their careers and apply for other job openings in the market. To continue its efforts in improving the workplace for women, PETDE will hold annual surveys targeting its female workers to help identify and address needed areas for improvements.

F. Citizen Engagement

89. **The proposed Project will enhance PETDE’s citizen engagement (CE) capacity through technical assistance in partnership with development partners.** Effective and inclusive CE is essential for the successful implementation of projects, especially in post-conflict settings where communication channels may be fragmented, and vulnerable populations risk exclusion from basic services such as electricity. Given the limited experience of PETDE in implementing Bank projects and the decade-long disengagement, special emphasis will be placed on providing systematic capacity building to ensure PETDE is equipped with fundamental knowledge and skills for CE, which could have further spillover effects on the sector overall. An Intermediate Indicator under Component 3 has been included to measure the CE capacity building, that is, “number of PETDE staff trained under capacity building programs on citizen engagement and community liaison matters”. The capacity building programs will be delivered in collaboration with development partners operating in Syria, to bring international best practices and tailor to electricity sector issues. Moreover, in line with the SEP, a grievance mechanism will be established, and citizen engagement aspects will be closely monitored, especially through the TPMA, to ensure social inclusion and equity.

G. Grievance Redress Services

90. **Grievance Redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank’s independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank’s Grievance Redress Service (GRS), visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank’s Accountability Mechanism, visit <https://accountability.worldbank.org>.

V. KEY RISKS

91. The proposed SEEP will be implemented in a complex environment due to the country’s political and geopolitical context, security situation, and macroeconomic constraints. The Overall risk rating is assessed to be High.



92. **Political and Governance risk is rated High.** The Syrian authorities are making progress towards stabilization, including adopting a Constitutional Declaration to govern the transitional legal and institutional framework for up to five years and appointing a new government on March 30, 2025. At the same time, the political transition is still evolving, and security challenges remain acute, with armed groups retaining significant influence in some regions; occasional outbreaks of sectarian violence; and continued regional instability. The proposed Project focuses on critical electricity sector needs that are broadly acknowledged as an urgent priority. But continued fragility and governance constraints represent a high risk to Project implementation.

93. **Macroeconomic risk is rated High.** The proposed SEEP faces considerable macroeconomic risks, including ongoing economic instability, high inflation, currency depreciation, weak institutional capacity, and UNSC sanctions³⁹ (noting that bilateral sanctions have been temporarily waived, eased, or lifted, though contractors and service providers might be hesitant to enter into contractual relations due to derisking). Moreover, Syria's use of multiple exchange rates since the civil war has caused economic distortions and inefficiencies, though recent efforts have aimed to unify rates and stabilize the currency. To mitigate these risks, the Project will use direct payments and advance procurement planning to minimize disruptions. The proposed Project will involve only minimal contracting in local currency, mitigating the risks related to inflation and depreciation. While the exchange rate system remains fragmented, the risk to IDA project funds is minimal, as nearly all resources will be disbursed directly to international contractors in foreign currency. Increasing support from development partners and IFIs is also expected to help strengthen economic and public financial management.

94. **Sector Strategies and Policies risk is rated High.** While the roles of the MoE and PETDE are clear in the respective national laws of the Recipient, and the TGoS is committed to sector development, this risk is High due to the lack of policies and strategies associated with the electricity sector, especially as the country comes back from a long period of conflict. This risk is mitigated by actively identifying issues and exploring solutions through regular dialogue with the TGoS, close monitoring of the Project implementation in coordination with partners, and proposed technical assistance as part of the proposed Project.

95. **Institutional Capacity for Implementation risk is rated Substantial.** This is the first proposed Project in Syria since 2010.⁴⁰ PETDE is still new to World Bank IPF operational policies and requirements, including on procurement and E&S. While the PETDE team has reasonable engineering resources and technical capacity, strong support will be required to build PETDE capacity to implement Bank-financed projects. Moreover, capacity gap could remain with respect to communications and stakeholder engagement. Risk mitigation measures include deploying HEIS during project preparation and implementation, institutional capacity building financed under Component 3, and hiring an international OE to support PETDE in implementation financed under Component 4.

96. **Fiduciary risk is rated High.** The fiduciary risk includes FM and Procurement risks, which include: i) PETDE's limited knowledge of World Bank's policies and guidelines, ii) restricted access to project sites and possible delays in implementation due to security conditions, iii) residual limitations on the flow of funds due to previous bilateral sanctions which have meanwhile been temporarily waived, eased or lifted, iv) misuse of funds due to potential fraud and corruption, v) limited local market with only a few interested regional or international suppliers due to the prevailing security conditions, and vi) potential labor shortages, contractor unavailability, or supply chain disruptions (common in FCV settings). The following fiduciary risk mitigation measures are proposed: (i) centralizing financial management functions and authorities within the PMT, (ii) processing most project payments through the direct payments, (iii) financing PMT expenses under component 4.2 using the reimbursement disbursement method (while using a DA with a low ceiling, to

³⁹ The risks from UNSC sanctions are considered limited because only a few individuals or entities are sanctioned. The scope of these sanctions includes travel bans, arms embargoes, and asset freezes. The World Bank uses the STEP for transactions to ensure compliance. Additionally, remedial actions can be taken based on the Financing Agreement if needed.

⁴⁰ The last Bank-financed Investment Project Financing to Syria was the Urban Upgrading Strategy for Rural Damascus Project (P123698), approved by the World Bank Board of Executive Directors on September 2, 2010, and closed on March 31, 2013.



be managed by PETDE, will be available if a flow-of-funds mechanism of a financial institution is assessed to be acceptable to the World Bank), (v) contracting a TPMA to support the World Bank in monitoring project implementation and use of funds, vi) providing fiduciary training to PETDE staff, vii) conducting EME to interact with prospective suppliers, viii) use advance procurement planning to minimize disruptions, ix) engaging an international OE for technical supervision, and x) contracting a private sector audit firm for annual audits. The World Bank screens as an administrative measure selected national/bilateral sanctions lists (the United States, United Kingdom, and the European Union consolidated list) as they may have a practical effect on the World Bank's ability to implement financial transactions with counterparties. Detailed FM and Procurement risk assessments are in Annex 2.

97. Environmental and Social risk is individually rated Substantial. The key E&S risks are primarily linked to components 1 and 2 involving works, which could have potential negative E&S impacts. These are found to be geographically limited to specific corridors and locations, within the same pre-existing footprint, short-lived, and can be mitigated with technically and financially feasible measures. The Project will not involve land acquisition, but may pose social risks such as potential property destruction and displacement for those encroaching on Project areas. The PETDE will adhere to ESS5 provisions to ensure compensation at replacement costs, in line with resettlement and livelihood restoration plans developed. Project procurement packages will emphasize the E&S experience of contractors to attract reputable international construction firms with good E&S record and capacity. Site-specific ESMPs will be part of the works bidding documents and constitute a contractual obligation. Their implementation will be closely supervised by the OE ESHS specialists with close monitoring by the PMT E&S focal points. The World Bank's TPMA will support the World Bank in conducting planned and random checking of the E&S performance in the various proposed Project work sites. When the rehabilitated assets start to operate, risks will be confined to substations locations and transmission lines' corridors. These risks will be managed through proper design and maintenance practices.

98. Stakeholder risk is rated Substantial, primarily due to anticipated coordination challenges given the involvement of multiple actors, including regional authorities. Successful implementation of the Project will require strong commitment from the TGoS and PETDE, as well as effective collaboration with a broader set of stakeholders—such as the ministries of civil and defense affairs, specialized UN agencies, and civil society organizations. To mitigate these risks, the Project will adopt a multi-pronged approach that includes: (i) proactive and regular stakeholder engagement; (ii) a transparent governance structure to enable clear decision-making and accountability, including a prioritization mechanism for investment selection; and (iii) strategic partnerships with international organizations to strengthen coordination. The proposed Project will also support institutional strengthening for the PETDE to enhance its stakeholder engagement capabilities. The GM will serve as a critical tool for capturing and addressing feedback throughout the Project lifecycle.

99. Other risk is rated High. The continued instability and localized outbreaks of conflict in Syria pose significant security risks to Project personnel, contractors, and local communities. These include potential attacks, kidnappings, and other forms of violence. To mitigate these risks, the PMT will develop a SMP in collaboration with security experts and under terms satisfactory to the World Bank. This plan will include measures such as risk assessments, security protocols, training for staff and contractors, and the establishment of secure project sites. Continuous monitoring of the security situation and adaptive measures will be essential to ensure the safety of all involved. In addition, it is likely that minefields and ERW exist in areas where armed conflict took place over the past decade. To mitigate these risks, PETDE will hire the UNMAS using the Project proceeds to ensure that all worksites under SEEP and their access routes are free from landmines and ERW. UNMAS will provide a certificate that confirms clearing each work site and its access route from such material, and their safe disposal as hazardous wastes. PETDE will share each worksite certificate and necessary documentation to demonstrate that the decontamination process has been conducted following good international practices. UNMAS will conduct training to project workers and awareness campaign for communities near to the work sites. Any removed mines or ERW will be dealt with as hazardous waste and will be completely neutralized and disposed of following good international practices. Supporting documentation and evidence of safe disposal will be provided.



ANNEX 1. RESULTS FRAMEWORK

PDO Indicators by PDO Outcomes

Baseline	Closing Period
Improved Electricity Supply Enabled	
Regional interconnection capacity enabled through transmission lines rehabilitated (Megawatt)	
Dec/2024	Dec/2029
0	600
Substation transformer capacity rehabilitated (Kilovolt-Ampere(KVA))	
Dec/2024	Dec/2029
0	1,000,000
Electricity Sector Institutional Capacity Enhanced	
Electricity sector policies/strategies/investment plans informed by technical assistance and capacity building (Number)	
Dec/2024	Dec/2029
0	4

Intermediate Indicators by Components

Baseline	Closing Period
Component 1: Rehabilitation of Damaged High Voltage Transmission Lines	
High voltage transmission lines rehabilitated (Kilometers)	
Dec/2024	Dec/2029
0	28
Component 2: Rehabilitation of Damaged High Voltage Substations	
High voltage substations rehabilitated (Number)	
Dec/2024	Dec/2029
0	7
Component 3: Technical Assistance for Sector Development and Institutional Capacity Building	
Number of studies informing electricity sector policy reforms completed (Number)	
Dec/2024	Dec/2029



0	4
Component 4: Project Implementation Support	
Owner's Engineer (OE) is mobilized (Yes/No)	
Dec/2024	Dec/2029
No	Yes
No. of employees receiving certificate of technical qualification upon completion of training course (Number of people) (Number)	
Dec/2024	Dec/2029
0	400
➤ Number of female employees receiving certificate of technical qualification upon completion of training course (Number)	
Dec/2024	Dec/2029
0	200
Number of PETDE staff trained under capacity building programs on citizen engagement and community liaison matters in collaboration with development partners (Number)	
Dec/2024	Dec/2029
0	20



Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

PDO1: Improved Electricity Supply Enabled	
Regional interconnection capacity enabled through transmission line rehabilitated (megawatts)	
Description	This indicator measures the increased cross-border transmission capacity of PETDE network, expressed in megawatts. This indicator reflects the ability of the network to handle and transmit electrical power from neighboring countries through rehabilitation of high voltage transmission lines.
Frequency	Biannually
Data source	PETDE
Methodology for Data collection	Primary data
Responsibility for data collection	PETDE-PMT
Substation transformer capacity rehabilitated (Kilovolt-Ampere, KVA)	
Description	This indicator measures the restored transformation capacity of the rehabilitated substations, expressed in kilovolt-amperes (KVA). It reflects the improvements made to the transformers' ability to manage and transmit electrical power efficiently within the network. The rehabilitation of substations ensures increased reliability and stability in power supply, supporting the overall performance and resilience of the electrical grid.
Frequency	Biannually
Data source	PETDE
Methodology for Data collection	Primary data
Responsibility for data collection	PETDE-PMT
PDO2: Electricity Sector Institutional Capacity Enhanced	
Electricity sector policies/strategies/investment plans informed by technical assistance and capacity building (number)	
Description	This indicator measures the adoption of policies by the PETDE, MOE and TGoS which are informed by the studies/analitics undertaken in this project. This indicator reflects the government capacity and willingness to adopt policy reforms which are informed by select analytics produced or delivered through this project.
Frequency	Annual
Data source	MoE, TGoS
Methodology for Data collection	Primary data
Responsibility for data collection	PETDE-PMT

Monitoring & Evaluation Plan: Intermediate Results Indicators by Components

Component 1: Rehabilitation of Damaged High Voltage Transmission Lines	
Kilometers of High Voltage Transmission Lines Rehabilitated (Kilometers)	
Description	This indicator measures the total length of high-voltage transmission lines that have been rehabilitated within the Project. The purpose of this indicator is to track the improvement of the electrical grid infrastructure. The measurement is expressed in kilometers and reflects the physical reinstatement (to a functioning order) of the network to improve service quality.
Frequency	Biannually
Data source	PETDE



Methodology for data collection	PETDE PMT operational data
Responsibility for data collection	PETDE PMT

Component 2: Rehabilitation of Damaged High Voltage Substations	
Number of High Voltage Substations Rehabilitated (Number)	
Description	This indicator measures the total number of substations that have been rehabilitated and integrated into the PETDE’s network. It measures progress in making the grid stabler through tracking the number of substations that have been rehabilitated.
Frequency	Biannually
Data source	PETDE
Methodology for data collection	PETDE PMT operational data
Responsibility for data collection	PETDE PMT

Component 3: Technical Assistance for Electricity Sector Development and Institutional Capacity Building	
Number of Studies Informing Electricity Sector Policy Reforms completed (Number)	
Description	This indicator measures the progress of the Project’s technical assistance component by tracking the completion of the identified policy-informing studies that are essential for electricity sector reforms and recovery. It measures the completion of identified assessments and/or studies that inform/improve capacity for TGOS to take informed policy decisions in the electricity sector.
Frequency	Biannually
Data source	PETDE
Methodology for data collection	PETDE PMT operational data
Responsibility for data collection	PETDE PMT

Component 4: Project Implementation Support	
PETDE staff trained under capacity building programs on citizen engagement and community liaison matters, in collaboration with development agencies (Number)	
Description	This indicator measures the effectiveness of the Project’s citizen engagement mechanism by tracking the number of PETDE staff trained under the capacity building program on CE and community liaison matters. This will be done in collaboration with development agencies. The indicator helps ensure that the Project will enhance PETDE’s citizen engagement (CE) capacity through technical assistance in partnership with development partners.
Frequency	Biannually
Data source	PETDE
Methodology for data collection	PETDE PMT operational data
Responsibility for data collection	PETDE PMT
Owner's Engineer (OE) is mobilized (Yes/No)	
Description	This indicator measures technical progress of Project implementation as well as its compliance with the legal agreement (effectiveness condition), by tracking the mobilization of the OE to support the PETDE PMT in performing its functions.
Frequency	Biannually
Data source	PETDE
Methodology for data collection	PETDE PMT operational data
Responsibility for data collection	PETDE PMT



collection	
Number of participants receiving certificate of technical qualification upon completion of training course (Number)	
Description	This indicator measures the progress of the PETDE toward increasing women’s share in capacity building programs related to technical areas of work (from a baseline of 30% in 2024 to 50% in 2029)—offered through the Project, as well as through the PETDE training center—that will enable women to participate in Training of Trainers (TOT) courses to become trainers. The indicator measures the number of participants receiving a certificate of technical qualification upon the completion of a training course: Baseline 0/Target 400, of which 50% are women. Therefore, the sub-indicator will measure the number of female employees receiving a certificate of technical qualification upon completion of a training course: Baseline 0/Target 200.
Frequency	Biannually
Data source	PETDE
Methodology for data collection	PETDE PMT operational data
Responsibility for data collection	PETDE PMT



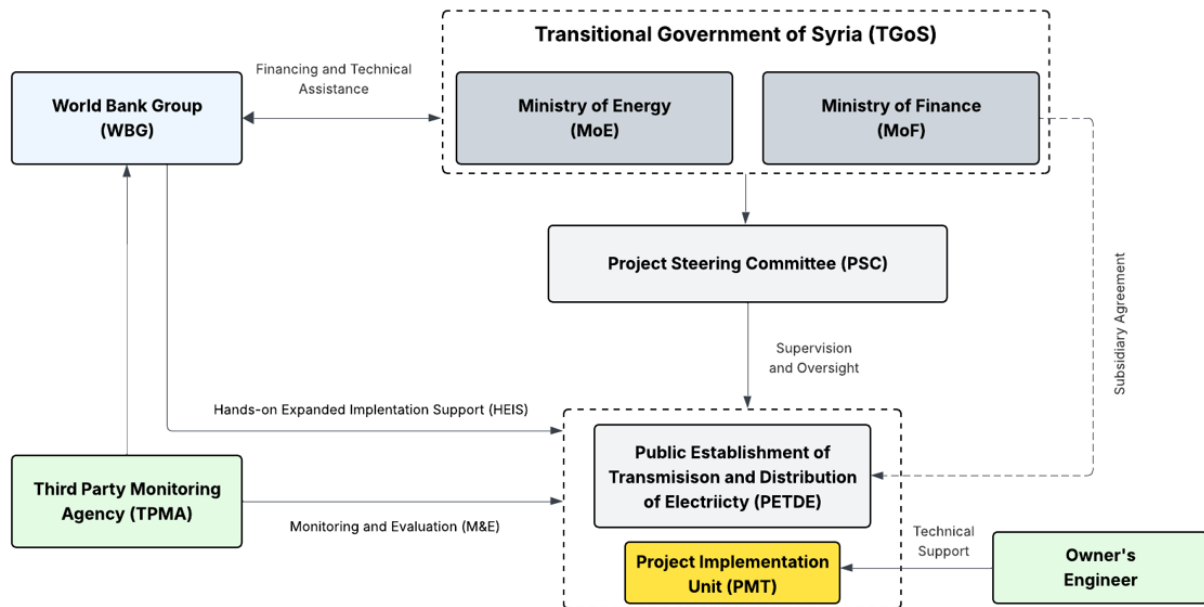
ANNEX 2. IMPLEMENTATION ARRANGEMENTS AND SUPPORT PLAN

Project Institutional and Implementation Arrangements

1. The state-owned utility, the **Public Establishment for Transmission and Distribution of Electricity (PETDE)**, is the **Project implementing agency**. Figure A2.1 provides an overview of the implementation arrangements. PETDE technical and implementation capabilities have been evaluated. The PETDE will establish a Project Management Team (PMT) comprising the PTDED staff seconded to work full-time on the PMT roles as follows:

- A project manager, who will coordinate all Project activities and act as the primary counterpart to the World Bank during Project implementation,
- A procurement focal point,
- A financial officer (FM focal point), and
- Environmental and social (E&S) focal points.

Figure A2.1 Proposed Implementation Arrangements for the Project



2. **All PMT core members will be full-time staff dedicated to the Project.** The key positions within the PMT, including the fiduciary teams, will be filled before the Finance Agreement becomes effective. These teams will receive HEIS for procurement, environmental and social aspects of the Project and ESF, once they are established, even before the effectiveness of the Financing Agreement. This support is especially important as this proposed Project marks the first operation in Syria in over 15 years, making upstream capacity building essential for effective implementation. The PMT will report to a ministerial-level PSC including representatives from the MoE (which will chair the PSC), the MoF, and the PETDE.

3. **The PMT's primary responsibilities include** (i) assisting the PETDE with project management and supervising Project implementation; (ii) preparing bidding documents and managing the bidding process; (iii) monitoring and reporting Project performance; (iv) submitting progress reports to the PSC, the World Bank (including through its Third-Party Monitoring Agent [TPMA]), and other relevant agencies; (v) oversee and manage project's E&S aspects and risk



management requirements as per the ESCP stipulations and other E&S instruments; (vi) managing Project finances; (vii) submitting unaudited interim financial reports (IFRs) and disbursement forecasts to the World Bank; and (viii) organizing annual external audits of Project financial statements.

4. The Project implementation period is estimated at four (4) years, closing on December 31, 2029.

Financial Management (FM)

5. The PMT will oversee Project implementation and assume full day-to-day responsibilities. All FM arrangements for the Project, including budgeting, accounting, financial reporting, internal controls, and external auditing, will be centralized under the PMT's authority. A qualified Financial Officer, appointed from the PETDE, will be assigned full-time to the PMT. Since the PETDE does not have experience in managing Bank-related operations, the Financial Officer will be trained on the World Bank's FM and disbursement guidelines.

6. The proposed Project's FM risk is rated "High." The following measures are proposed to minimize these risks: (i) centralizing financial management functions and authorities within the PMT, (ii) processing most project payments through the direct payment disbursement, (iii) financing PMT expenses and local experts under component 4.2 using the reimbursement disbursement method. A DA will be available to be used by the project subject to a financial institution is assessed to be acceptable to the World Bank flow-of-funds due diligence, (iv) contracting a TPMA to support the World Bank in supervising and monitoring project implementation, including FM matters, particularly verifying the PMT expenses and local experts under subcomponent 4.2 for eligibility before they are submitted to the World Bank for reimbursement and later when a DA is used, (v) developing robust FM arrangements to be documented in the POM, (vi) providing intensive FM training to PETDE staff, (vii) engaging an international OE for technical supervision, and (viii) contracting a private sector audit firm for annual audits of the project financial statements following Terms of Reference acceptable to the World Bank. The FM risk will remain "High" after the implementation of the above measures, mainly due to Syria's fluid political and security situation.

7. **Budgeting.** The PMT will develop a comprehensive annual disbursement plan based on the initial procurement plan and the schedule of outputs outlined in the implementation timetable, along with estimated payment cycles. This plan will be updated as necessary and will serve as a tool for monitoring budget variances and managing cash flow effectively. It will also be incorporated into the quarterly IFRs.

8. **Accounting and financial reporting.** The Project will follow the cash basis of accounting. Key accounting policies and procedures will be stipulated in the POM. Considering the limited number of financial transactions, Microsoft Excel spreadsheets will be used to record financial transactions and generate the following reports:

- a) **Quarterly Interim unaudited Financial Reports (IFRs).** These reports will be prepared following the World Bank templates under the cash basis of accounting. The IFRs will consist of i) the Statement of Cash Receipts and Payments and by each category, ii) the list of all signed Contracts per category showing Contract amounts committed, paid, and unpaid under each contract, and physical progress against financial progress of each contract, iii) Reconciliation Statement for the balance of the DA, and vi) list of assets (good and equipment). The IFRs will be due for submission 45 days after the end of the quarter.
- b) **Annual Project Financial Statements (PFS).** The PFS will be prepared under the cash basis of accounting, and will include i) the Statement of Cash Receipts and Payments and ii) accounting policies and explanatory notes, including a footnote disclosure on schedules: (1) "the list of all signed Contracts per category" showing Contract amounts committed, paid, and unpaid under each contract, (2) Reconciliation Statement for the balance of the DA, and 3) list of assets (good and equipment).

Internal Controls



9. The proposed Project will be executed using centralized FM and disbursement functions under the PMT's authority. Specific controls and procedures for these functions will be specified in the POM, whose FM section will detail the implementation of the Project internal control functions and processes, and also define individual PMT members' responsibilities, which will be summarized in relation to authorization and execution processes.

10. The expenditure cycle will follow, as applicable, these steps: (i) technical review and approval of payments related to the rehabilitation of substations and transmission lines, and analytical studies by PMT technical staff; (ii) verification and approval of payments related to the rehabilitation work by the International OE firm; (iii) review and approval of the accuracy of payment requests and their compliance with contract payment conditions by the financial officer; (iv) administrative approval by the PMT Manager; and (v) issuance of payments, which will depend on completion of the earlier steps.

11. An international OE will be contracted to, *inter alia*, perform the technical supervision of contracts under Components 1 and 2; site supervision and quality control; and review and approval for payment certificates, as well as other aspects related to Components 1 and 2. On the other hand, a TPMA, financed by the World Bank, will be contracted to supervise construction on site. The TPMA will report directly to the World Bank and will conduct several FM functions as stipulated in its Terms of Reference (TOR), including verifying PMT expenses under component 4.2 for eligibility before being submitted to the World Bank for reimbursement. Goods/equipment will be purchased based on supply and installation, while some (spare parts) will be supplied to the PETDE's warehouse. The TPMA will verify the goods/equipment received and their delivery and installation at the respective sites.

12. The FM manual will include a detailed chapter on inventory management for the goods/equipment purchased and delivered to the warehouses of the implementing ministries. The chapter will contain a description of inventory management arrangements, along with controls to safeguard goods, including the TPMA's role in the verification of goods received and their delivery and installation at sites.

13. The PMT Financial Officer will reconcile the Project bank account statement with the account book balance monthly. The reconciliation should be prepared by the PMT Financial Officer and verified by the PMT Manager. All items being reconciled (if any) should be listed, explained, and followed up on. Copies of the reconciliation, together with the bank account statement, should be kept in the Project files and attached to the IFRs.

14. PETDE's internal audit function is carried out by the Internal Audit Department under the umbrella of the Central Authority for Supervision and Inspect. The focus of the Internal Audit Department is conducting financial investigations with some internal audit department that appears to be inconsistent with any internationally recognized internal audit standards. Therefore, PETDE's internal audit function will not be part of the operation.

External Audit

15. The Project financial statements will be audited annually by a Bank-approved international/regional independent private sector auditor. Audits will follow internationally accepted standards and TORs acceptable to the World Bank. The PMT will be responsible for the preparation of the TORs for the auditor and for submitting them to the World Bank for approval. The PMT should engage the auditor within six months of submitting the first withdrawal application. The audit report must be submitted to the World Bank no later than six months after the end of the proposed Project's fiscal year. This report must have the auditor's opinion on the Project financial statements. Additionally, the auditor will provide an opinion on the effectiveness of the proposed Project's internal control system. Finally, a management letter will accompany the audit report, reporting any deficiencies in the control system that the auditor considers relevant, along with recommendations for improvement.

Disbursement Arrangements



16. **Grant proceeds will be disbursed following the World Bank’s disbursement guidelines for projects and as outlined in the DFIL. Transaction-based disbursements will be used under this Project.** Accordingly, requests for payments from the Grant will be initiated using withdrawal applications (WAs). It is envisioned that the proposed Project will have three disbursement methods, namely, direct payments, reimbursements, and special commitments, available as opted by PETDE. All WAs should include appropriate supporting documentation, including a detailed Statement of Expenditures (SOEs). Expenses under Subcomponent 4.2, including the operational costs of the PMT and local experts, are expected to be financed using reimbursement disbursement method. Once a financial institution is assessed to be acceptable to the World Bank flow-of-funds due diligence, a Designated Account (DA) could be opened to be managed by PETDE. The DA is expected to be opened in US dollars with a low ceiling. The account will be used to finance small-value payments mainly for covering operating costs and for some small individual/firm consultancy contracts. Those small contracts under Subcomponent 4.2 will be paid in US dollars or in local currency from an operational account to be opened by the Project, to which funds will be transferred from the DA. The proposed Project will finance the rehabilitation of damaged high-voltage transmission lines (Component 1), the rehabilitation of damaged high-voltage substations (Component 2), and primary consultancy contracts under Component 3 and Subcomponent 4.1 (international OE consultancy services), using direct payments.

Procurement

17. **Applicable procurement regulations.** Procurement under the Project shall be carried out in accordance with the World Bank Procurement Regulations for Borrowers under Investment Project Financing, 6th edition, dated February 2025. “The Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by the International Bank for Reconstruction and Development (IBRD) Loans and the International Development Association (IDA) Credits and Grants,” dated October 15, 2006, and revised in January 2011 and as of July 1, 2016, shall apply to the Project.

18. **Projects in Situations of Urgent Need of Assistance or Capacity Constraints:** Procurement is being processed under paragraph 12 of the World Bank Policy for Investment Project Financing, “Projects in Situations of Urgent Need of Assistance or Capacity Constraints,” where “Simplified Procurement Procedures” may apply for investment project financing. This will enable delivery of early visible results in the context of extreme needs and high expectations in the targeted Project areas.

19. **Procurement Capacity and Assessment:** Procurement assessment and review have been conducted on Syria’s public procurement practices followed by the PETDE which is the Project’s Implementing Agency. The public procurement system in Syria is governed by the Uniform System of Contracts Law No. 51 issued in 2004. The system has various gaps and anomalies that hinder competition, transparency, and private sector participation, with outdated practices. The legal framework is uncertain and lacks provisions on several aspects such as transparency, conflict of interest, independent complaint mechanism, value for money, or fit for purpose, among others. Management capacity and institutional arrangements suffer from inefficiency and a culture of avoidance of responsibility, while procedures and practices show preferential treatment of State-Owned Enterprises, weak procurement planning, and diminished transparency in bid evaluation and contract management. Despite the presence of some modern procurement principles, the system continues to face the same weaknesses and shortfalls reported by the World Bank’s Country Procurement Assessment Report (CPAR) of September 2010.

20. **While PETDE technical engineering experience is reasonably strong, it has no prior experience in World Bank-financed projects or procurement policy and regulations, with little experience in procurement planning, monitoring, and contract management.** A PMT will be established within the PETDE to act as the World Bank’s counterpart for all procurement aspects of the project. The PMT will be supported by an international consulting firm (OE), to provide project implementation support and capacity development. Due to the emergency nature of the Project, HEIS on procurement can be provided by the World Bank upon receiving a formal request from the Implementing Agency. This



will enable the delivery of early visible results in the context of extreme needs and high expectations in the targeted project areas.

21. Key Procurement Risks and Mitigation measures are presented in the table below.

Table A2.1. Key Procurement Risks and Mitigation Measures

Description of Risks	Description of Mitigation Measures
While UNSC sanctions remain in place, bilateral sanctions imposed in Syria have been temporarily waived, eased, or lifted. Additional derisking required by potential bidders may impact procurement implementation under the Project.	The Project will proactively monitor compliance, use direct payments and advance procurement planning. The World Bank screens as an administrative measure selected national/bilateral sanctions lists (the United States, United Kingdom, and the European Union consolidated list) as they may have a practical effect on the World Bank’s ability to implement financial transactions with counterparties. Ultimately, it will be the contractors’ responsibility to analyze the risks and consult with the national administration.
Public procurement practices in Syria differ from those required by the World Bank Procurement Regulations.	<ul style="list-style-type: none"> • Application of the World Bank’s Procurement Regulations is a legal obligation for the Public Establishment for Transmission and Distribution of Electricity (PETDE).
Lack of experience in World Bank Procurement Policy and Procedures, procurement planning, monitoring, and contract management may cause delays in the contracting process, preparation of procurement documents, evaluation, and implementation, as well delay in implementation from the bidder’s side in addition to time and cost overruns.	<ul style="list-style-type: none"> • Provide PETDE Project Management Team staff with comprehensive training on procurement and contract management. • Hire an OE, who will act as the employer’s designated project manager, to expedite and support Project implementation. • Provision of HEIS by the World Bank upon receiving a formal request from the PETDE. The HEIS may include procurement support during Project preparation and implementation.
There is a perception of integrity risks, and fraud and corruption in an environment of high risk and weak control.	<ul style="list-style-type: none"> • Close supervision by the World Bank staff will be done for fiduciary compliance. • The World Bank’s Anti-Corruption Guidelines and Procurement handling mechanism, as outlined in Annex III of the World Bank’s Procurement Regulations, are applicable. • Ensure good record-keeping practices are in place. • Use third party procurement/technical monitoring and audit as needed.
Diminished local market capacity and a lack of interest from qualified international firms due to over a decade of civil war, combined with political and security instability.	<ul style="list-style-type: none"> • Advertise Procurement Plan, General Procurement Notice (GPN), procurement notices, and contract awards for all procurement activities under the Project. • To encourage as many bidders as possible, an awareness program needs to be carried out for interested bidders. • For international procurements > US\$10M, in accordance with the World Bank’s new requirement, Early Market Engagement (EME) should be conducted to interact with prospective suppliers prior to commencing a formal procurement process. For Advance procurement, EME will be carried out at the earliest, especially for the procurement of substations under Component 2.
Security conditions may deteriorate, making it difficult for contractors to access sites and perform supervision.	<ul style="list-style-type: none"> • TGoS will prepare and implement a comprehensive Security management plan (SMP). The plan will be prepared to the World Bank’s satisfaction, and will clearly specify which security measures will be implemented by the TGoS, and which will be within the scope of the contractors.



	<ul style="list-style-type: none"> • Security conditions will be consistently monitored, and mitigation measures should be implemented, as necessary. This includes provisions for force majeure circumstances and use of local staff and workforce.
<p>There could be delays in decision making in the finalization of specifications, evaluations, award of contracts, and payments.</p>	<ul style="list-style-type: none"> • POM will outline decision making steps, detailed timelines including service standards. • Maintain regular follow-up and coordination with the PETDE and the Project’s Steering Committee to prevent delays during procurement. • Advance procurement will be initiated for the main procurement activities. The corresponding procurement processes will receive HEIS until the associated contracts are signed. • An OE will be hired to provide the needed support to the PETDE during contract management.

22. **Project Procurement Strategy for Development (PPSD).** The proposed Project will finance works, goods, non-consulting services, and consultants’ services. The primary procurement packages anticipated under the Project include (i) supply and installation of transmission lines under Component 1; (ii) design, supply, and installation of transmission substations under Component 2; (iii) supply of major electrical spare parts and maintenance equipment under Components 1 and 2; and (iv) hiring of an engineering consulting firm (OE), as well as consultants (firms or individuals), to provide specialized technical support for the electricity sector and for infrastructure recovery, and for the PMT under Components 3 and 4. Major contracts for rehabilitation of transmission lines under component 1 and of substations under Component 2 are expected to be procured following an open international competition using Bank’s Standard Procurement Documents for Plant Design Supply and Installation using Single Stage two envelope methods without Pre-Qualification/Initial Selection. The World Bank, utilizing HEIS for procurement, will support the PETDE in developing a streamlined PPSD for this emergency project. The PPSD will detail the proposed procurement arrangements for the Project, including the procurement methods and market approach, and will outline the availability of contractors/vendors within the country/region for the types of procurement activities specified in the proposed Project design. The PPSD will be concluded with a Procurement Plan for the first 18 months of the Project’s implementation. Considering this is an emergency Project, the finalization of the PPSD and Procurement Plan will be deferred to the early stages of Project implementation.

23. **Early Market Engagement:** The PETDE, with the World Bank support, will carry out Early Market Engagement (EME) all contracts with estimated cost \$10 million or more with competitive open international procurement. PETDE, supported by the World Bank, has initiated preparations for a business outreach workshop focused on transmission lines and substations contractors under components 1 and 2. The workshop’s purpose is to gauge international market interest and gather feedback, address any market concerns or issues, and obtain specific feedback from the market regarding the proposed selection method (Design, Supply, and Install) for the rehabilitation of transmission lines and substations and the bidders’ interest in participating in the bidding. Similarly, EME shall be undertaken for each contract estimated to meet or exceed the specified threshold. The plan and approach to EME shall be detailed in the PPSD. Based on the outcome of EME, the PPSD and Procurement Plan shall be updated. The planned approach should be appropriate for the type of procurement and operating environment.

24. **Advance procurement.** Advance procurement is essential to ensuring timely project execution. To prevent delays in Project implementation, the PETDE is encouraged and supported to initiate advance procurement, especially the preparation of the bidding documents for the procurement activities under Component 1 and 2, and proceeding with the procurement processes before Project effectiveness. Moreover, the OE selection process shall be prioritized since, once



selected, it will help PETDE provide supervision services for the contracts to be signed under Components 1 and 2. The World Bank will support PETDE with advance procurement through HEIS, once requested by PETDE.

25. **Standard Procurement Documents (SPDs).** The World Bank's SPDs must be used when approaching the international market. Further, for open national procurement, the World Bank's SPDs shall be used, due to the absence of National Standard Bidding Documents acceptable to the World Bank.

26. **Using Rated Criteria in Evaluation:** For any international competitive procurement where the World Bank's SPDs are required to be used (excluding pharmaceuticals/ vaccines/ commodities), Rated Criteria shall apply. The weightings for Rated Criteria (e.g., non-price, qualitative, technical matters) should be determined in the Request for Bids/Request for Proposal document. The weightings for Rated Criteria are determined based on the procurement risk and cost as outlined in the World Bank's Procurement Regulations Section V, article 5.50.

27. **Systematic tracking of exchanges in procurement (STEP):** The PETDE shall use the World Bank online procurement planning and tracking tool (STEP) to prepare, clear, and update the Project Procurement Plan and conduct procurement transactions as referred to in the World Bank's Procurement Regulations Section V, article 5.9. The Procurement Plan for the life of the project will gradually be developed by the PETDE and uploaded through STEP. The World Bank will organize training on STEP before Project effectiveness to register the PMTs and familiarize them with the STEP system.

28. **Record keeping.** All records pertaining to the award of tenders, including bid notifications, registers pertaining to the sale and receipt of bids, bid opening minutes, bid evaluation reports, all correspondence pertaining to bid evaluation, communication sent to/with the World Bank in the process, bid securities, and approval of invitations/evaluation of bids, would be retained by the PETDE.

29. **Frequency of procurement supervision by the World Bank.** The World Bank's Prior Review thresholds for High-risk rating projects will apply. In addition to prior review, the World Bank will carry out two supervision missions a year, and one ex-post procurement review covering a sample of contracts awarded during the review period.

30. **Procurement complaints handling.** The PETDE will be guided by the World Bank's Procurement Regulations. The PETDE will inform the World Bank as soon as the procurement complaint is received and the outcome subsequently. The PETDE should update complaints in STEP regardless of being prior or post-reviewed by the World Bank and maintain/update all the documents in the system. The PETDE also should have a system to register and monitor the receipt and resolving of complaints. The progress of such actions will be reviewed by the World Bank during supervision missions.