



Second District Heating Efficiency Improvement Project (P172668)

EUROPE AND CENTRAL ASIA | Moldova | Energy & Extractives Global Practice |
IBRD/IDA | Investment Project Financing | FY 2020 | Seq No: 1 | ARCHIVED on 29-Oct-2020 | ISR43522 |

Implementing Agencies: Moldova Energy Projects Implementation Unit, Republic of Moldova

Key Dates

Key Project Dates

Bank Approval Date: 18-Jun-2020

Effectiveness Date: --

Planned Mid Term Review Date: --

Actual Mid-Term Review Date:

Original Closing Date: 31-Dec-2025

Revised Closing Date: 31-Dec-2025

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Development Objective of the Project is to increase the efficiency of the District Heating system in Chisinau.

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

No

Components Table

Name

Optimization of Heat and Electricity Generation:(Cost \$92.00 M)

Energy Efficiency Investments:(Cost \$7.00 M)

Project Management and Technical Assistance:(Cost \$1.00 M)

Overall Ratings

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

Implementation Status and Key Decisions

This is the first ISR for the project.

The loan agreement was signed by the Government on September 30, 2020.

The LA provides for two effectiveness conditions:

(a) The Borrower, through MoEI, has adopted the Project Operational Manual (POM) in a manner satisfactory to the Bank.

(b) The MoF, the MoEI, TE and MEPIU have concluded the Project Implementation Agreement in the manner satisfactory to the Bank.

The draft POM prepared by MEPIU has been submitted to Termoelectrica for review and comments on October 23, 2020.

The draft Implementation Agreement (IA), which has as annex the On-Lending Agreement, has been submitted to Termoelectrica for review and comments on October 16, 2020. [the tex of the drat IA was cleared by the Bank at negotiations]



Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Projected lifetime fuel savings				
▶ Net annual CO2 emission reductions (Tones/year, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	603,000.00
Date	30-Apr-2020	--	23-Oct-2020	31-Dec-2025
Comments:	This indicator measures the net annual emission reduction from the new or reconstructed CHP capacity under the project in comparison with no project scenario under which electricity produced by MGRES.			
▶ Projected Lifetime Fuel Savings (GJ) (Mega Joules (MJ), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	12,376,000.00
Date	31-Dec-2020	--	23-Oct-2020	31-Dec-2025



Comments: This indicator will be tracked annually from reports of MEPIU. This indicator is intended to track and calculate corresponding fuel savings as the decreased gas needs of Termoelectrica for heat and electricity production converted into GJ.

Intermediate Results Indicators by Components

Optimization of Heat and Electricity Generation				
► New generation capacity constructed (Megawatt, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	55.00
Date	30-Apr-2020	--	23-Oct-2020	31-Dec-2025
Comments:	Power Generation capacity built under the project			
► Additional generation capacity of electricity reconstructed (Megawatt, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	18.00
Date	30-Apr-2020	--	23-Oct-2020	31-Dec-2025
Comments:	Additional generation capacity following Turbine reconstruction in source 1 CHP			
► Share of total heat produced in cogeneration mode annually (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	71.80	--	71.80	79.30
Date	31-Dec-2020	--	23-Oct-2020	31-Dec-2025
Comments:	Share of total heat produced in cogeneration mode annually (%)			
► CHP generation efficiency: Ratio of electricity to heat for production in cogeneration mode (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	41.80	--	41.80	62.00
Date	31-Dec-2020	--	23-Oct-2020	31-Dec-2025
Comments:	Ratio of electricity to heat for production in cogeneration mode (annual average)			
► Closure of CHP-1 operations (Date) (Yes/No, Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	30-Apr-2020	--	23-Oct-2020	31-Dec-2025
Comments:	The termination of all CHP Source-2 operations is effective (by end 2022).			
► Self Financing Ratio (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	40.00	--	40.00	70.00
Date	31-Dec-2020	--	23-Oct-2020	31-Dec-2025
Comments:	Ratio of annual investments (in renewal and replacement of existing infrastructure excluding new facilities under the project) to net cash flow (EBIDTA-minus debt service excluding historical gas debt)			
► Debt Service Coverage Ratio (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.10	--	1.10	1.10
Date	31-Dec-2020	--	23-Oct-2020	31-Dec-2025
Comments:	Estimated net revenues of TE to be at least 1.1 times the estimated debt service requirements			

Energy Efficiency Investments				
► People that gained access to more energy-efficient heat-generating facilities (Number) (Core) of which Female beneficiaries (%) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	17,500.00
Date	30-Apr-2020	--	23-Oct-2020	31-Dec-2025
Comments:	The indicator tracks the number of people who benefited from upgrades in more reliable and efficient heat supply through switches from GHS to IHS. 140 IHS supply each about 50 apartments with 2-3 inhabitants in each app. Female beneficiary 53% of total.			
► Percentage of households that reported improved quality of service in buildings where IHSs were installed (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	70.00
Date	30-Apr-2020	--	23-Oct-2020	31-Dec-2025
Comments:	Percentage of beneficiaries reporting better quality of hot water services and more comfortable temperatures in their households. 70% target is based on targets from similar project using same instrument to measure quality of service			



▶ Percent of benefiting households who are satisfied with the process by which they have been consulted (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	70.00
Date	30-May-2020	--	23-Oct-2020	31-Dec-2025

Project Management and Technical Assistance				
▶ Gender-sensitive policies reviewed and strengthened. (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	31-Dec-2020	--	23-Oct-2020	31-Dec-2025
Comments:	Baseline: No assessment (NO). Target: Gender-sensitive policies assessed and strengthened (Yes).			

Performance-Based Conditions

Data on Financial Performance

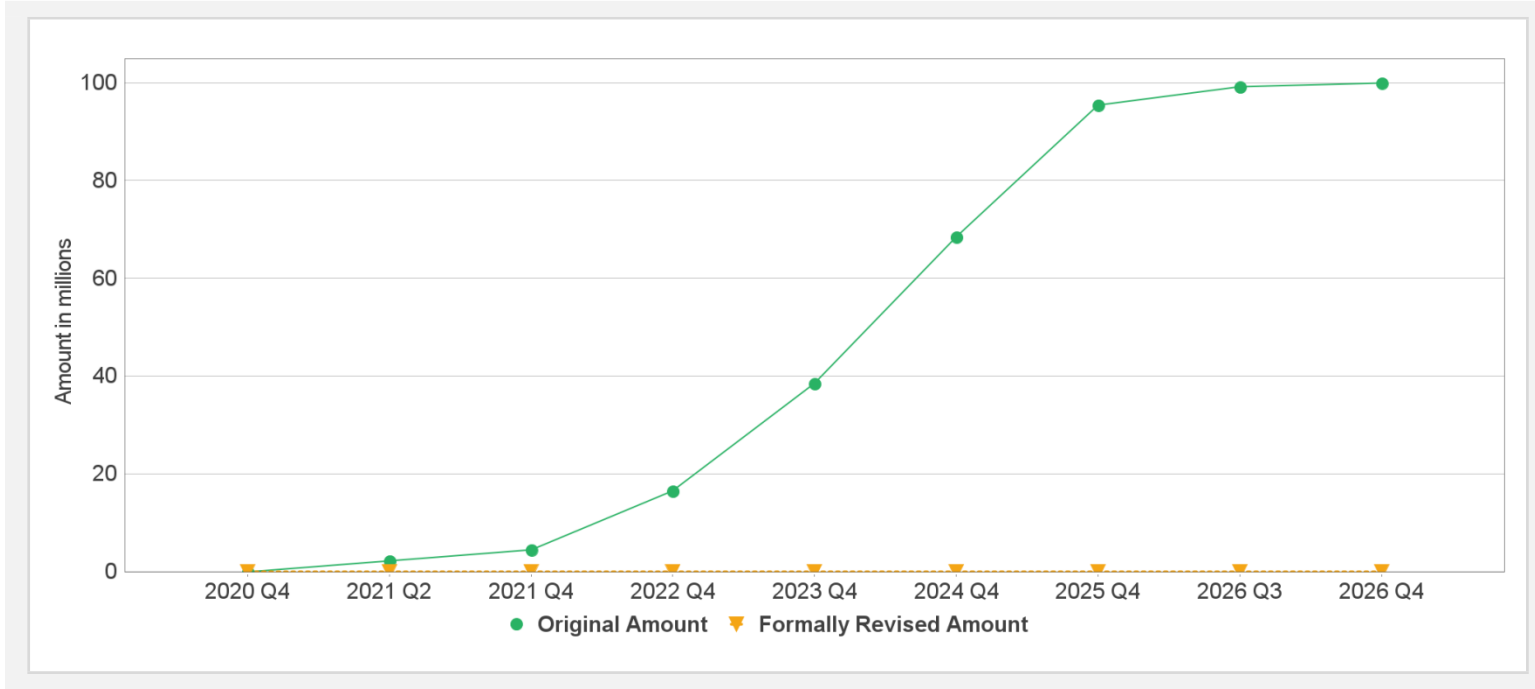
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P172668	IBRD-91340	Not Effective	USD	100.00	100.00	0.00	0.00	100.00	0%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P172668	IBRD-91340	Not Effective	18-Jun-2020	30-Sep-2020	--	31-Dec-2025	31-Dec-2025

Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC

Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.