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## PRESS RELEASE

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### **The World Bank supports electricity rehabilitation in Iraq**

**WASHINGTON, March 29, 2007** – The World Bank’s Board of Executive Directors approved today a credit of US\$124 million for the Republic of Iraq for the Emergency Electricity Reconstruction Project. The total cost of the project is estimated at US\$150 million. The World Bank has approved an additional US\$6 million from the World Bank-administered Iraq Trust Fund; and the Government of Iraq is contributing US\$20 million of its own resources.

The primary objective of the project is to restore the base load generating capacity of Units 2 and 3 of the Hartha Power Station to 400 MW. The project will also help lay the groundwork for improved power system planning by building the capacity of the Ministry of Electricity to prepare, implement, and operate current and future projects.

*“The project will double the output of the Hartha Power Station from 400 MW to 800 MW, providing additional generating capacity to the national grid and benefiting household and industrial consumers,”* stated **Tjaarda Storm van Leeuwen, the project’s Task Team Leader**. *“We hope this project is a further step toward a long-term relationship with the Ministry of Electricity to help Iraq provide a reliable supply of electricity to the entire population.*

The Emergency Electricity Reconstruction Project is the second electricity project funded by the Bank to benefit Iraq. World Bank Executive Directors approved US\$40 million in December 2006 for the Dokan and Derbandikhan Emergency Hydropower Project.

The US\$124 million credit will be provided by the International Development Association (IDA), an arm of the World Bank Group that provides financing on concessional terms to eligible countries. The terms of this credit include a 35-year maturity with a ten-year grace period. The US\$6 million from the World Bank-administered Iraq Trust Fund is provided on a grant basis.

This is the fourth IDA-financed credit approved for Iraq. The World Bank has previously approved US\$275 million in IDA credits for education, transport, and electricity projects. In addition, the World Bank Iraq Trust Fund, within the International Reconstruction Fund Facility for Iraq, finances fifteen projects amounting to US\$411 million to improve education, health, socio economic data, irrigation and drainage, social protection, telecommunications, urban infrastructure, and water supply and sanitation.

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