

**World Bank Iraq Trust Fund  
Electricity Reconstruction Project (TF057818/P087734)  
December 2009**

**Project Summary Sheet**

<b>Title</b>	Electricity Reconstruction Project				
<b>Implementing Agency</b>	Ministry of Electricity (MOEI)				
<b>Location</b>	Al Basrah				
<b>Sector code (OECD DAC)</b>	23010 Energy Policy and administrative management				
<b>Compact Priority</b>	4.2.3.1 Adopt and implement policies, legislation, regulations, procedures and build institutions of public service management				
<b>Project Cost</b>	US\$6 million				
<b>Duration</b>	41 months				
<b>Approval Date</b>	April 2007	<b>Effective Date</b>	April 2007	<b>Closing Date</b>	September 2010
<b>Project Description</b>	The project aims to help Iraq restore and improve electricity supply. The project includes an IDA Credit (US\$124 million) that finances the rehabilitation of the Hartha power plant, and a companion Iraq Trust Fund (ITF) grant (US\$6 million) that finances the technical assistance components of the project. The objectives of the project are to: (i) alleviate the power supply shortfall by restoring the base load generation capacity of the Hartha Power Station Units 2 and 3 to 400 MW; and (ii) strengthen in-house capacity for improved power system planning and fuel supply in Iraq. The ITF-grant finances consultant support and training of Iraqi MOEI officials in the preparation of least cost reconstruction and expansion plans, feasibility studies and advisory services for future projects.				
<b>Beneficiaries</b>	The project aims to provide electricity to approximately 1 million households and grid-connected industrial consumers for a period of 20 years. The direct beneficiaries of the ITF grant are MOEI staff, whose skills will be upgraded in technical areas of operations, maintenance and planning, environment and general project management, as well as in financial, legal and general management aspects of power utilities. Indirectly, all power consumers will benefit from improved efficiency and more stable power supply.				
<b>Near Term Employment Creation</b>	N/A				

**Strategic Context and Donor Coordination**

The 2003 Joint Needs Assessment estimated Iraq's electricity reconstruction needs at US\$35.8 billion. The US, Japan, UK, and UNDP have pledged substantial contributions. The electricity sector is a priority sector of Iraq's National Development Strategy and the International Compact with Iraq, which includes elements of MoEI's Master Plan for 2006-2015. Donor coordination among UNDP, CIDA, DFID and World Bank takes place formally twice per year.

**Project Development Objective**

Provide technical assistance to MOEI staff to facilitate project implementation and build capacity for energy sector rehabilitation planning

## Outputs, Key Activities and Procurement

<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Successful project implementation</li> <li>• Increase capacity for sector planning</li> </ul>								
<b>Activities</b>	<ul style="list-style-type: none"> <li>• Institutional Support and Technical Assistance</li> </ul>								
<b>Procurement</b>	<table> <tr> <td><b>Goods:</b></td> <td>US\$0.5 million</td> </tr> <tr> <td><b>Consulting services:</b></td> <td>US\$3.5 million</td> </tr> <tr> <td><b>Operating costs:</b></td> <td>US\$1.0 million</td> </tr> <tr> <td><b>Contingencies:</b></td> <td>US\$1.0 million</td> </tr> </table>	<b>Goods:</b>	US\$0.5 million	<b>Consulting services:</b>	US\$3.5 million	<b>Operating costs:</b>	US\$1.0 million	<b>Contingencies:</b>	US\$1.0 million
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## Financial Data

<b>Funds Committed</b>	US\$3.2 million	<b>% approved</b>	54
<b>Funds Disbursed</b>	US\$0.5 million	<b>% approved</b>	8
<b>Forecast Closing Date</b>	September 2010	<b>Delay (months)</b>	0

## Progress against indicators

Capacity building	<ul style="list-style-type: none"> <li>• Assistance with the development of bid documentation, and ESIA has been provided.</li> <li>• MOEI and the World Bank have agreed Terms of Reference for support for power generation expansion.</li> <li>• MOEI is currently short-listing Consultants to assist with capacity development for power generation expansion</li> </ul>	<b>% of planned</b>	40
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## Qualitative Assessment of Project Performance

About US\$3 million has been committed for services related to the Hartha plant rehabilitation, which was signed in April 2009, after a long delay. MOEI requested that the World Bank provide technical assistance to support the expansion of power generation. The World Bank is working closely with the PMT to finalize short-listing of consultants to assist with power generation expansion.

## Major Implementation Obstacles

The major implementation impediments have been security issues and price increases, which delayed the signing of the rehabilitation contract (financed by IDA) and, therefore, the associated technical assistance (financed by the ITF).