

**World Bank Iraq Trust Fund
Electricity Reconstruction Project (TF057818/P087734)
October 2011**

Project Summary Sheet

Title	Electricity Reconstruction Project				
Implementing Agency	Ministry of Electricity (MOEI)				
Location	Al Basrah				
Sector code (OECD DAC)	23010 Energy Policy and administrative management				
Compact Priority	4.2.3.1 Adopt and implement policies, legislation, regulations, procedures and build institutions of public service management				
Project Cost	US\$6 million				
Duration	74 months				
Approval Date	April 2007	Effective Date	April 2007	Closing Date	June 2013
Project Description	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 sector development 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.				
Beneficiaries	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.				
Near Term Employment Creation	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, Japan, US, UK and other development partners, and the World Bank takes place on an informal basis as required.

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

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

Financial Data

Funds Committed	US\$3.7 million	% approved	62
Funds Disbursed	US\$0.8 million	% approved	13
Forecast Closing Date	June 2013	Delay (months)	

Progress against Indicators

Capacity building	<ul style="list-style-type: none"> • MOEI agreed with the World Bank that remaining uncommitted funds would be used for Capacity Development through the hire of individual technical specialists, and for a feasibility study into converting simple cycle gas turbine power stations to combined cycle gas turbine power stations – thereby increasing efficiency and overall levels of supply. MoE has now hired 5 specialist consultants under terms of reference agreed with the World Bank, and these consultants are now in Baghdad providing direct support to MoE teams. The hire of consultants to undertake a study into conversion of SCGT power stations to CCGT is underway. • The Project will also fund direct training of Ministry of Electricity staff that will enable them to better manage the Hartha Power Station. The Ministry of Electricity is now working with its owners engineer to develop a training plan and then undertake the training funded by this Project. • The Project also funds the Owner's Engineer for the Hartha Rehabilitation Contract. Now that work on Hartha power station rehabilitation has now commenced, the Owner's Engineer contract has been executed and has begun to disburse. 	% of planned	50
-------------------	--	---------------------	----

Qualitative Assessment of Project Performance

About US\$3 million has been committed for services related to the Hartha plant rehabilitation. After a number of years of procrastination, the MOEI has now agreed with the World Bank where to commit remaining funds and is in the process of implementing these agreements. 5 individual consultants have been hired to assist the Ministry of Electricity with implementation of its Master Plan for the Electricity Sector, and a consultant is being hired to assist with feasibility study for conversion of open cycle gas

turbine power stations to more efficient closed cycle gas turbine power stations. A detailed training plan is also being prepared.

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).