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US$12 Million Boost for Efforts to Expand Access to Electricity for the Palestinian People

WASHINGTON, January 14, 2018 – The World Bank approved a US$12 million grant today to scale up the ongoing efforts to enhance the operational performance of key Palestinian energy sector institutions, and pilot a new business model for solar energy in Gaza. The new funding builds on the progress under the Electricity Sector Performance Improvement Project and expands the scope of activities to achieve its goals.

"*Energy is an essential input to social services and human development and is even more critical in conflict affected areas. The World Bank will continue to support the building of a creditworthy and sustainable Palestinian electricity sector, addressing power supply constraints and achieving improvements in operational performance of the sector. In addition, scaling-up solar energy in Gaza will strengthen energy security critical for economic activity and people's livelihoods,"* said **Anna Bjerde, World Bank Acting Country Director for West Bank and Gaza and Director of Strategy and Operations for the Middle East and North Africa Region.**

The project was launched in early 2018 supported by a US$4 million grant from the World Bank and US$7 million in donor co-financing. The project has promoted two prominent initiatives to address energy shortages. One of the initiatives, the Revenue Protection Program aims to improve operational and commercial management of large and medium customers by the installation of smart meters, particularly in the commercial and industrial sectors. With the increased revenues, the distribution companies will be able to scale up the quality and efficiency of their services, thereby generating a welfare gain to the society at large.

The second initiative, the pilot Gaza solar revolving fund was launched in October 2018. The fund finances the installation of rooftop solar systems for small businesses (SMEs) and households. The consumers repay the cost of the solar systems in monthly installment over two to four year period to make the systems affordable. Success of the revolving fund lies in the hands of families and business owners in Gaza. As they repay the cost for the installation, more people can receive solar systems through the revolving fund. A complementary Gaza solar for health initiative will finance solar rooftop systems for select hospital and health clinics.

"*Increasing solar system installations in Gaza can provide an important safety net for meeting critical electricity needs. Protecting small and medium enterprises from electricity shortage is important to enable them to provide more jobs and contribute to economic growth. Overall, this scale up will further strengthen the efforts of the Palestinian Electricity and Natural Resources Authorities (PENRA) towards enhancing the competitiveness and sustainability of the economy*," said **Monali Ranade, World Bank Senior Energy Specialist.**

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