



EUMP – Electric Utility Management Programme Soft Loan for the Rehabilitation of the Electricity Distribution Network in the West Bank (AID n. 6767)

The Government of Italy is contributing to a USD 91 million, multi-donor initiative in the electricity sector which, under the lead of the World Bank, strives to find a sustainable solution to the “net-lending” (structural indebtedness of the Palestinian public distribution companies towards the Israeli electricity supplier), one of the main determinants of the Palestinian National Authority’s fiscal instability.

More specifically, the EUMP Programme provides the local and national agencies operating in the Palestinian electricity sector, as well as the newly established public/private shareholding companies, with technical assistance and financial resources to improve the efficiency of the electricity distribution network in the West Bank.

Italy participates in the EUMP Programme by offering a EUR 33.5 M credit facility (soft loan) to finance civil works and the purchase of state-of-the-art equipment. The soft loan is being disbursed in two instalments:

- A first instalment disbursed in 1999, for a total amount of EUR 16.2 M;
- A second instalment to be disbursed in 2015, for a total amount of EUR 17.3 M.

The following table provides a summary of the EUMP Programme main facts:

Beneficiaries	<ul style="list-style-type: none">- Palestinian Energy Authority (PEA) and the municipal utilities companies (before the energy reform);- Palestinian Energy and Natural Resources Agency (PENRA) and Palestinian Electricity Transmission Company (PETL).
Total budget	EUR 33.5 M as a soft loan
Activities financed through the 1 st instalment (1999)	Purchase of equipment and civil works for the rehabilitation of the distribution network.
Activities to be financed through the 2 nd instalment (2014-15)	Construction of two new substations of distribution, to be operated by SELCO (Southern Electricity District Company) and NEDCO (Northern Electricity District Company).