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# GZ-Water Sector Capacity Building (P117443)

MIDDLE EAST AND NORTH AFRICA | West Bank and Gaza | Water Global Practice |
Special Financing | Investment Project Financing | FY 2011 | Seq No: 14 | ARCHIVED on 22-Dec-2017 | ISR30908 |

Implementing Agencies: Ministry of Finance, Palestinian Water Authority

## Key Dates

### Key Project Dates

Bank Approval Date:31-Mar-2011
Effectiveness Date:29-Jul-2011
Planned Mid Term Review Date:28-Jan-2013
Actual Mid-Term Review Date:22-Apr-2013
Original Closing Date:31-Dec-2015
Revised Closing Date:31-Dec-2017

## Project Development Objectives

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Project Development Objective (from Project Appraisal Document)
The Project's development objective is to strengthen the capacity of the PWA to more effectively plan, monitor, and regulate water sector development in the West Bank and Gaza.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

## Components

| Name |
|---|
| Technical Planning and Advisory Team (TPAT):(Cost $4.90 M) |
| Supplementary Studies and Training:(Cost $0.30 M) |
| Project Management:(Cost $0.80 M) |

## Overall Ratings

| Name | Previous Rating | Current Rating |
|---|---|---|
| Progress towards achievement of PDO | Moderately Satisfactory | Moderately Satisfactory |
| Overall Implementation Progress (IP) | Moderately Satisfactory | Moderately Satisfactory |
| Overall Risk Rating | High | High |

## Implementation Status and Key Decisions

1 . The Project is rated moderately satisfactory in achieving the project development objective and in the implementation progress. Despite the reform process and the restructuring of the water sector moved slowly, nevertheless, it has achieved some substantial progress (water law, policies, strategic plans, sector technical tools and procedures, etc.) and further improvement is foreseeable (remaining bylaws are in the final process for approval). The new water law; a Project major outcome, stated new water sector structure; at the national level, (i) the Palestinian Water Authority (PWA) will be responsible for policy making, planning and following up on the sector restructuring and development, (ii) the Water Sector Regulatory Council (WSRC) will monitor and regulate the service provider performance, (iii) the Water National Company that is to be established will provide bulk water supply (iv) at the local level, the water utilities and the water user associations to be established will provide domestic water supply and water for irrigation respectively.

2 . PWA has developed several outputs (policies, strategies, plans, bylaws, regulations, working procedures, etc.) . Water Sector policies and strategies are available for the first time in the sector and will provide guidance towards effective water resources management, sector development and efficient water supply services. The Project supported the local capacity of the PWA as the policymaking and sector planning body in developing the sector policies, strategies, plans, and relevant training was provided. Nevertheless, the PWA needs to effectively mobilize its staff towards achieving clearly defined development objectives to attain the desired new sector structure, while being engaged in emergency response and projects implementation for the sector needs.

3 . On the other hand, the WSRC is progressing towards becoming an independent regulator as it has: a) recruited needed staff; developed internal bylaws and regulations, and produced four monitoring reports for the years 2013 to 2016. The WSRC developed through a World Bank support its water data base and is linked with World Bank Water IBNET. However, the WSRC institutional status will remain unsustainable if the approval of the licensing bylaw (formulating the income source for the WSRC) is not granted. The licensing bylaw, once approved, should authorize the payment of licensing fees to the WSRC by the service providers. The bylaw has been finalized and is being forwarded by the PWA to the (CoM) for approval. The WSRC is still dependent on development partners funding for its operational costs.

4 . To complete the water sector restructuring process, the PWA shall establish the National Water Company (NWC), they have completed the road map that suggested the way forward. The PWA's strategic approach is to resolve some of the problems at the bulk water supply level to pave the road for the NWC and address some of the challenges including pricing related issues with the Israeli Bulk Company (Mekorot); water thefts in Area C (under Israeli Authority control); internal regulations regarding staff, assets valuation and accounting and financial statements. A draft bylaw has been developed and need to be sent for the Cabinet of Ministers approval.

5 . At the Local level, PWA has developed a road map to establish the Water Regional Utilities (WRUs) and pilot areas for regional water utilities have been identified. The World Bank's upcoming operation will support the establishment of water utilities at the local level, building on one of the road map scenarios by establishing independent water utilities for selected main municipalities. In parallel, the PWA has developed and finalized a bylaw for the utilities establishment, which is ready for the CoM approval.

1 .

## Risks

### Systematic Operations Risk-rating Tool

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|---|---|---|---|
| Political and Governance | -- | High | High |
| Macroeconomic | -- | High | High |
| Sector Strategies and Policies | -- | Substantial | Moderate |
| Technical Design of Project or Program | -- | Moderate | Moderate |
| Institutional Capacity for Implementation and Sustainability | -- | Substantial | Substantial |

| | | | |
|---|---|---|---|
| Fiduciary | -- | Substantial | Substantial |
| Environment and Social | -- | Low | Moderate |
| Stakeholders | -- | Substantial | Substantial |
| Other | -- | -- | -- |
| Overall | -- | High | High |

## Results

### Project Development Objective Indicators

▸ Sector Reform Planning Document developed, Updated yearly approved yearly by PWA and COMSC (Yes/No, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | N | Y | Y | Y |
| Date | 01-Jan-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

▸ Water law is updated and consulted with stakeholders and approved by responsible Authorities (Yes/No, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | N | Y | Y | Y |
| Date | 01-Jan-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

▸ Water Sector Policy and Strategy approved by PWA (Yes/No, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | N | Y | Y | Y |
| Date | 01-Jan-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

▸ WSRC is strengthened and Functional (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | Not available | WSRC has been | WSRC has been | WSRC |

| | | | | |
|---|---|---|---|---|
| | | established, staffed, strategy underdevelopment. | established, staffed, strategy developed. | established, staffed, strategies, and bylaws approved and under implementation |
| Date | 24-Jun-2015 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

▸ Monitoring Reports on Service Providers performance are developed and published annually (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | None | Three Reports were finalized for 2013, 2014 and 2015 | Annual report is developed and disclosed | Annual report is developed and disclosed |
| Date | 03-Mar-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

Overall Comments

## Intermediate Results Indicators

▸ Quarterly Status Memoranda on Sector Reform produced (Yes/No, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | N | Y | Y | Y |
| Date | 01-Jan-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

▸ New PWA organizational structured established and the redeployed staff implement its functions based on the developed job descriptions (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | No | Done, but still needs the Cabinet of Ministers endorsement. | Done, but still needs the Cabinet of Ministers endorsement. | Yes |
| Date | 01-May-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2016 |

▸ Technical regulations, guidelines, standards, are reviewed/ updated/, developed (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | 0.00 | 12.00 | 14.00 | 14.00 |
| Date | 01-May-2011 | 02-May-2017 | 02-Nov-2017 | 31-Dec-2017 |

▸ Water Regulatory Council establishment action Plan and Bylaw developed (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | No | Yes (partially) | Yes | Yes |
| Date | 01-Jan-2011 | 28-Apr-2017 | 28-Apr-2017 | 31-Dec-2017 |

▸ National Water Company Bylaw developed (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | No | No, still in draft | No, Road map developed and bylaw in draft | Yes |
| Date | 01-Jan-2011 | 28-Apr-2016 | 02-Nov-2017 | 31-Dec-2017 |

▸ Regional Water Utilities Bylaw developed (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | No | No, still in draft | Yes. Approved by the PWA and forwarded to the cabinet of Ministers for approval | Yes |
| Date | 01-Jan-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

▸ Strategies produced and consulted (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | 0.00 | 10.00 | 10.00 | 9.00 |
| Date | 01-Apr-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

▸ Plans and planning support tools developed (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | 0.00 | 13.00 | 16.00 | 16.00 |
| Date | 01-May-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2015 |

▸ Relevant Studies conducted (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | 0.00 | 3.00 | 3.00 | 3.00 |
| Date | 01-May-2011 | 01-Nov-2016 | 02-Nov-2017 | 31-Dec-2015 |

▸ WSRC strategy and implementation plan developed and implemented (Yes/No, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | N | Y | Y | Y |
| Date | 03-Mar-2011 | 28-Apr-2017 | 02-Nov-2017 | 30-Jun-2017 |

▸ WSRC Information system created and maintained (Yes/No, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | N | N | Y | Y |
| Date | 03-Mar-2011 | 28-Apr-2017 | 02-Nov-2017 | 30-Jun-2017 |

▸ WSRC Technical regulations, guidelines, standards, and systems are reviewed/ updated/, developed (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | 0.00 | 11.00 | 11.00 | 11.00 |
| Date | 03-Mar-2011 | 28-Apr-2017 | 02-Nov-2017 | 30-Jun-2017 |

▸ PWA's improved capacities are effectively applied as measured by (i) 85 Staff Trained; Among which 18 females, and (ii) 14 TrainingCourses conducted (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|---|---|---|---|---|
| Value | 0.00 | 95.00 | 95.00 | 85.00 |
| Date | 01-Jan-2011 | 28-Apr-2017 | 02-Nov-2017 | 31-Dec-2017 |

Overall Comments

## Data on Financial Performance

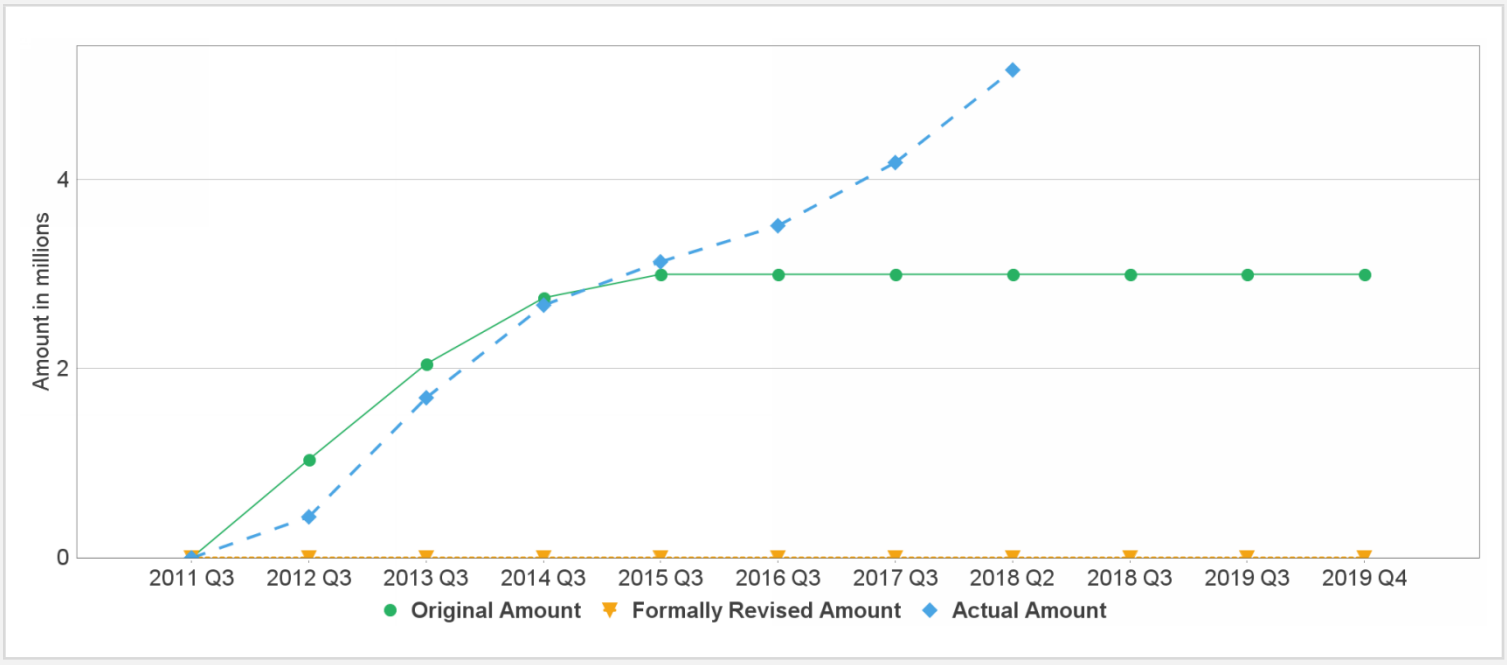
### Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | Disbursed |
|---|---|---|---|---|---|---|---|---|---|
| P117443 | TF-15756 | Effective | USD | 3.00 | 3.00 | 0.00 | 2.16 | 0.84 | 72% |
| P153889 | TF-19350 | Closed | USD | 2.00 | 0.00 | 2.00 | 0.00 | 0.00 | 100% |
| P117443 | TF-99491 | Effective | USD | 3.00 | 3.00 | 0.00 | 3.00 | 0.00 | 100% |

### Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---|---|---|---|---|---|---|---|
| P117443 | TF-15756 | Effective | 05-Feb-2014 | 18-Feb-2014 | 02-Jun-2014 | 31-Dec-2015 | 31-Dec-2017 |
| P153889 | TF-19350 | Closed | 02-Jul-2015 | 02-Jul-2015 | 08-Jul-2015 | 31-Dec-2017 | 30-Oct-2015 |
| P117443 | TF-99491 | Effective | 03-May-2011 | 03-May-2011 | 29-Jul-2011 | 31-Jul-2014 | 31-Dec-2017 |

### Cumulative Disbursements




## Restructuring History

There has been no restructuring to date.

## Related Project(s)

P153889- Water Sector Capacity Building Project Additional Financing