



SCALING UP ELECTRICITY SECTOR EFFICIENCY AND SUPPLY RELIABILITY PROGRAM

(ADDITIONAL FINANCING)

BACKGROUND

Jordan has made significant progress in promoting energy efficiency, expanding renewable energy, and modernizing its electricity grid. The share of renewable energy in the country's electricity mix increased from less than 1% in 2014 to 27% in 2023, positioning Jordan as a regional leader in solar and wind energy adoption. Investments in clean energy have reduced reliance on imported fuels and enhanced energy security. Despite these advancements, challenges remain. The National Electric Power Company (NEPCO) faces financial constraints, rising operational costs, and the need for enhanced grid resilience. Jordan's Economic Modernization Vision (EMV) emphasizes the importance of a reliable, cost-effective, and sustainable power sector to fuel economic competitiveness and growth.

The Government of Jordan (GoJ) approved a comprehensive program in 2023 to promote efficiency, reliable supply, and financial recovery in the electricity sector. Phase 1 (2023–2025) aims to counter NEPCO's financial losses by improving operational efficiency, increasing collection rates for the public sector electricity bills, bolstering supply reliability, and enhancing sectoral governance. The World Bank supported this program with a US\$250 million **Electricity Sector Efficiency and Supply Reliability Program for Results (PforR)**, focusing on cost-saving and revenue-enhancing measures, maintaining renewable energy supply, ensuring service reliability, and strengthening NEPCO's governance. Phase 1 is expected to yield savings of US\$517.5 million between 2023–2025, with 60% driven by measures under the PforR.

THE ELECTRICITY SECTOR EFFICIENCY AND SUPPLY RELIABILITY PROGRAM FOR RESULTS (ADDITIONAL FINANCING)

US\$250 MILLION

Building on the successful implementation of the PforR, the World Bank has approved an **additional financing of US\$250 million**. This will extend Phase 1 to end-2027 and expand and introduce new cost savings and revenue enhancement measures in the sector, and will enhance NEPCO's transmission network operations and supply reliability, focusing on cybersecurity preparedness. Under the extended Phase 1, NEPCO's losses are projected to decline by another US\$614 million in 2026–2027, with 65% driven by activities supported by the additional financing.

Through this additional financing, the Government program will continue to play a pivotal role in securing Jordan's energy future, supporting economic competitiveness, and ensuring reliable electricity for businesses and households.





KEY TARGET RESULTS

By the end of the extended phase one (end 2027) the additional financing is expected to have:

- **Increased the share of renewable energy** in Jordan's electricity mix, with a target of 31% by 2030, supporting energy security and sustainability.
- **Reduced financial losses** in the electricity sector through the implementation of cost-saving and revenue-enhancing measures to stabilize NEPCO's financial position.
- **Enhanced energy efficiency in public sector buildings**, implementing measures to reduce energy consumption and operational costs.
- **Strengthened electricity grid resilience** through upgraded operational technology and cybersecurity enhancements.



By enhancing energy efficiency, improving grid reliability, and strengthening financial sustainability, this program supports the country's shift toward a more resilient and sustainable power sector. The additional financing also plays a key role in mobilizing private sector investments in renewable energy and innovative energy efficiency solutions.