



صندوق تطوير وإقراض الهيئات المحلية
Municipal Development & Lending Fund

Semi
**ANNUAL
REPORT
2022**



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Municipal Development & Lending Fund

لحياة أفضل

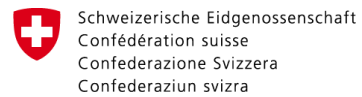
Semi Annual Report 2022

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Semi Annual Report 2022

Municipal Development and Lending Fund (MDLF) - Palestine August 2022





Our Vision

Efficient and effective local government units contributing to achieve better life for citizens

Our Mission

MDLF is a national organization that strives to translate the local government policies into sustainable development programs by managing the funds effectively.

MDLF Values

Transparency	is	Our policy
Professionalism	is...	Our identity
Accountability	is...	Our strength
Credibility	is...	Our principle
Scientific method	is...	Our approach

Our Strategic Themes

- Empowerment of LGUs and enhancement of its responsiveness
- Strengthening MDLF institutional development
- Empowerment of vulnerable communities and enhancement of its resilience

To Our LGUs

It is our promise to demonstrate our persistence to help create more efficient and effective local government units, and improve the lives of our citizens.



Glossary

AFD:	French Development Agency
APLA:	Association for Palestinian Local Authorities
BOD:	MDLF Board of Directors
COA:	Chart of Account
DCF:	Donor Consultation Forum
EC	European Commission
ESMP:	Environmental and Social Management Plan
ESMF:	Environmental and Social Management Framework
EOI:	Expression of Interest
FARV:	Fixed Assets Registration and Valuation
FAO:	Food and Agriculture Organization at the United Nations
FPPM:	Financial Policies and Procures Manual
GD:	Government of Denmark
GIZ:	German Technical Cooperation
GSWMP:	Gaza Solid Waste Management Project
HIMI:	High-Impact Micro- Infrastructure Project
ICUD:	Integrated Cities and Urban Development Project
IFMIS:	Integrated Financial Management Information System
JEDCO:	Jerusalem District Electricity Company
JSCs:	Joint Service Councils
KFW:	German Development Bank
LDP:	Local Development Program
LGRDP:	Local Government Reform Development Program
LGUs:	Local Government Units
MDLF:	Municipal Development and Lending Fund
MIS:	Management Information System
MOLG:	Ministry of Local Government
MOF:	Ministry of Finance
MOPAD:	Ministry of Planning and Administrative Development
NDP:	National Development Plan
PCU:	Project Coordination Unit
PGMIS:	Project Grant Management Information System
PNA:	Palestinian National Authority
PRDP	Palestinian Reform and Development Plan
RHC:	Regeneration of Historical Centres
SDIP:	Strategic Development and Investment Plan
Sida	Swedish International Development Cooperation Agency
SMDN:	Support to Municipal Development for Northern West Bank
TOR:	Terms of References
UPFI:	Urban Project Finance Initiative
WBG:	West Bank & Gaza



Board of Director (BOD)

Mr. Magdi Al-Saleh	Chairman of the Board, Minister of Local Government
Mr. Iyad Zitawi	Board Member, Representing Palestinian Monetary Authority
Mr. Ali Shaheen	Board Member, Representing Ministry of Public Works and Housing
Ms. Mohammad Rabi'	Board Member Representing Ministry of Finance and Planning
Ms. Areej Odeh	Board Member Representing Civil Society Organizations
Ms. Nadia Habash	Board Member Representing Engineers Association
Mr. Musa Hadid	Board Member Representing Association of the Palestinian Local Authorities (APLA)
Mr. Jihad Khair	Board Member Mayor of Beit Sahour Municipality (Representing the Municipalities)
Mr. Abdel Kareem Zubaidi	Board Member Mayor of Salfeet Municipality (Representing the Municipalities)



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Executive Summary

This semi-annual report reflects the progress MDLF has made during the first half of the year 2022 to deliver our services that contribute to achieving MDLF strategic goals. Together with many partners, MDLF addressed immediate challenges and took meaningful steps forward to build stronger, committed and reliable LGUs. As demonstrated by this report, MDLF continued the implementation of all its programs and projects during the first half of the year 2022. Significant implementation progress has been made in the previous six months, disbursement has increased, and several project activities have been procured or completed as described below.

The Municipal Development Program has continued to target all municipalities and has provided municipalities with a combination of technical assistance and bi-annual grants to be utilized for prioritized sub-projects that had improved municipal service delivery. Concerning the progress of MDPIII Cycle 2, accumulatively, **112 municipalities (103 WB, 9 Gaza) have completed all second cycle projects amounting 455 projects with the total allocation of (€45,632,189) amounting (79.7%) of the budget providing municipal services to the Palestinian people under component 1 (Infrastructure service delivery)**. The MDPIII also contributed in strengthening the capacity of municipalities in financial management where the integrated financial management information system (IFMIS) has been implemented in 54 municipalities (merging cycle 1 and cycle 2). Furthermore, the operation and maintenance package as well as the citizens services centers are of the key capacity development packages which have been implemented in (39 municipalities and 21 municipalities, respectively). MDP has also contributed in promoting a culture of transparency and civic engagement through participatory strategic planning, citizens consultation and engagement and Grievance Redress Mechanism “GRM”.

Regarding component 6 which was designed to respond for covid 19, a progress has been made where 764 out of 1179 are either completed or ongoing with a total allocation (EUR 26,734,638 amounting 55% of the entire allocation.

MDLF is in the process of finalising the MDP IV Project Document. The MDP IV builds on the solid experience and lessons learned from past MDPs. Over the years, the MDP has evolved to become an effective and efficient service delivery programme attributing success measured by municipal commitment to the performance measures. The development objective of MDP IV is to “enhance the capacity of municipalities in the West Bank and Gaza towards accountable, sustainable and resilient service delivery to citizens including vulnerable groups (men, women and youth)”. MDLF will have three major funding windows for MDP IV. The content of these windows has been updated based on lessons learned from MDP III. The three windows mainly focus on i) infrastructure service delivery; ii) capacity development of the municipalities; and iii) new funding window specifically focusing on climate adaptation and mitigation.

Building on the successful completion of the program “**Gaza Vulnerable Communities Development**” which was assessed satisfactorily by the evaluators and perceived highly satisfactorily by the beneficiaries; a new phase of the program with support from the SDC was launched by the beginning of the year 2022. The new phase was designed considering the recommended actions stipulated in the evaluation report. The total budget of the new phase is USD 3.4 million and will target new vulnerable communities in Gaza in addition to implement top up interventions and social initiatives in the previously targeted communities. This is considered one of the key program supporting the vulnerable communities and complements MDP and the donors funded programs, given the high need and lack of resources.

MDLF improved the solid waste management services in Gaza Strip by upgrading the methods of solid waste disposal through **Gaza Solid Waste Management Project**. A sanitary landfill was constructed in the southern region of Gaza Strip with the capacity to serve the three governorates until the year 2027 under its first phase.



The new sanitary landfill was equipped to operate at high standards and is complemented by a system of solid waste transfer stations (2 transfer stations) in addition to providing support and measures to improve service-provision at the different stages of solid waste management, including the supply of new solid waste collection. MDLF also provided institutional strengthening measures and training that resulted in establishing the first Standard Operating Procedures (SOP) for waste management across the different JSC-KRM services.

The implementation of the **“Area “C” Development Programme Package 5** had resulted in a positive impact on the living conditions of the lesser-served residents living in area “C” of the West Bank. During the first half of this year, the implementation of the selected fifteen (15) sub-projects was ongoing with an ultimate goal of Improving social, economic and environmental conditions of the residents for better service delivery and enhanced citizen engagement. Eight (8) sub-projects were completed, 6 are ongoing and 3 are suspended. Mainstreaming of social accountability in the local decisions making has been addressed in the programme through set of interventions to build systems and strategies for citizen engagement. MDLF was able to institutionalize citizen engagement and social accountability in local governance through adopting formal guidelines/procedures and good practices for strengthening civic engagement as an approach where marginalized communities have the power to influence the decisions and services provided by the LGUs. This was based on several awareness sessions, orientations, workshops, and capacity building trainings to the local communities including the citizens, and the LGUs’ councils’ members to promote participative leadership in decision-making processes. A new package funded by the AFD through the EU, namely package 6 was recently launched in June 2022 targeting 4 localities and is still under the mobilization phase. Furthermore, the new package funded by the SDC was also launched in May 2022 and still in the mobilization phase as well.

As a sequel to the Missions Series held by the World Bank for the **Integrated Cities and Urban Development Project**, in 2022 an Implementation Support mission was carried out both in person and virtually between January 10th to 14th, 2022, and building on the assessment during the technical discussions of this Mission. The objective of the mission was to review implementation progress and the activities schedule and disbursement timeline for the remaining six months of the project. It was agreed that the project require an amendment to the Grant Agreement for a no-cost extension of the closing date by 6 months to allow the ICUD team to fully complete implementation of the current activities. This will enable the team to capitalize on and build on the achievements so far and fully realize the potential of the project.

Accordingly, the needed correspondence was done and by May 2022, the World Bank has established December 31, 2022 as the closing date. All five urban areas completed their cost analyzed scenarios for urban growth and they have been disclosed to the public through national workshop, publications, public access to the online tool. 9 plans are now developed that are informed by the results of the urban growth scenarios including i) Transportation Assessment for Nablus; (ii) Transportation Assessment for Hebron; (iii) Traffic Assessment for Surda-Abu Qash; (iv) Public Transportation Plan for Ramallah-Al Bireh Urban Area; (v) Strategic Environmental and Social Assessment “SESA” for Ramallah-Al Bireh Urban Area; (vi) SESA-Nablus Urban Area; (vii) SESA-Bethlehem Urban Area; (viii) SESA-Hebron Urban Area; and (ix) SESA - Gaza City. 4 joint strategic spatial and investment plans are also under development that will directly build on the findings of the Urban Growth Scenarios (UGSs) produced under ICUD and will delineate the main public services and facilities.

The Multi-site Regeneration Project was designed to target Jericho with the aim to enhance the economic development of the Jericho city by developing and upgrading public facilities and extending the city’s green spaces. The project witnessed progress during the past period where several donor missions took place reflecting on the progress of the projects’ several components. The new municipal garage was completed with a total cost of EUR 1,433,332, and it is now being operated as planned. The new municipal garage therefore ensures the proper maintenance of equipment crucial for the operation of the city. The other component of the project includes the construction of a new slaughterhouse meeting health and environmental standards with a total of 3,540,000 EURO. The project is ongoing and is expected to replaces the current municipal slaughterhouse, which does not meet hygiene and environmental standards. By the end, the project will make



Jericho more attractive for locals as well as visitors. It is estimated that more than 22,600 inhabitants, 10,000 students, 15,000 holiday home-owners, and local tourists benefit from modernized neighborhoods, stimulated commercial activities and a better urban environment.

While a key focus of our work has been to continue with programs and projects implementation, there were certain spotlights that stood out during the period which we must highlight. MDLF has given expert advice to other organizations working in the same sector so they can support the needs of their residents, meet the requirements of local government sector, and remain transparent and accountable. MDLF has made infrastructure investments to spur economic activity and create jobs, while continuing to reduce vulnerability. MDLF executive management has met with several donor's delegations to share MDLF's programs updates and future plans. The development partners discussed partnership opportunities with MDLF and future plans to support the local government units through different programs and projects. MDLF was able to continue the partnerships with current development partners and renew several programs to new phases such as MDP, GVCD, and Area "C" Development Program benefiting more citizens and enhancing access to services in Palestine.





1. Municipal Development Program (MDP III)

1.1 MDP III Description

A. PDO

Enhance the institutional capacity of municipalities in the West Bank and Gaza for more accountable and sustainable service delivery.

B. Project Beneficiaries

The participants of the project are all municipalities in the West Bank and Gaza. The beneficiaries are the populations in all of the municipalities, which is estimated to 3, 611,649¹ represent 75% of the total population of West Bank and Gaza¹.

C. Project Components

Component 1: Municipal Performance and Service Delivery. MDPIII is the third municipal development project to support and incentivize improvements in the development of municipal management capacity. Previous MDPs financed municipal infrastructure and service delivery through the provision of a basic block and performance-based grants and provided demand-driven capacity development support for municipalities. This approach was very innovative at design and has shown to be highly effective. The proposed MDP III would continue this overall approach while focusing more on improving financial sustainability and accountability in municipal service provision. Like MDPI and MDPII, municipal performance will be measured through Key Performance Indicators (KPIs), yet these have been substantially revised to reflect a greater focus on the sustainability of municipal services. Performance measurements will encompass three main areas for reform: i) Financial Performance and Sustainability, ii) Institutional Performance, and iii) Transparency, Accountability, and Participation.

Component 2: Capacity Development. This component of the project would continue to strengthen municipal capacity in the project's three performance areas: (i) financial sustainability, ii) institutional performance and iii) transparency, accountability and participation. Also, specific attention will be paid to higher-order needs of municipalities that will enable them to improve their financial sustainability and creditworthiness, strengthening other core municipal functions as well as strengthen their social accountability to their citizens and stakeholders.

Municipal capacity development activities will continue to be identified by municipalities and MDLF to enable municipalities to achieve results and improve their performance. The performance measuring system will be applied to identify relevant capacity building activities to the municipality, which will be delivered to improve capacity and sustain results achieved.

Adding to that, this component includes Technical Assistance to enhance preparedness of municipalities to respond to disasters and shocks and strengthen resilience at the local level.

Component 3: Municipal Partnership Projects. This component will provide technical assistance and project financing to municipalities to a) engage more effectively with the private sector, and b) work across administrative boundaries to develop joint and/or innovative investments for municipal service delivery and local economic development. The Bank will finance only the technical assistance portion under Sub-component A.

- **Sub-Component A: Private Sector Partnership Support.:** To better leverage private sector engagement, this component will support municipalities to identify, develop, and structure opportunities for private sector participation in municipal service delivery and local economic development on a demand-driven basis.

¹ Based on Palestinian Central Bureau of Statistics predicted populations for 2016.



- **Sub-Component B.** This sub-component will finance top-up payments complementary to the grant allocations under component 1 to incentivize municipal joint and/or innovative investments based on municipal demands to leverage economies of scale for municipal investments and facilitate financially sustainable municipal investments.

Component 4: Project Implementation Support and Management. This component will finance goods and consultant services for monitoring and evaluation, outreach and communication and local technical consultants for the engineering supervision of Component 1 and the MDLF management fee.

Component 5: This component will finance the costs associated with the scaling-up of MDP-3 support to Gaza municipalities to enable them to expand local services provision through labor-intensive Operation and Maintenance (O&M) and municipal infrastructure development activities.

Component 6: This component will scale up MDP3 support as an emergency municipal response to the COVID-19 pandemic through carrying out temporary labor-intensive public works related to O&M and infrastructure projects, that will enable municipalities to sustain a minimum level of services and provide employment support for lost incomes. It will also provide additional grants to help municipalities with recurrent expenditures.

1.2 Financing Partners Contributions

The MDP III is supported by the Palestinian National Authority along with the Agence Française de Développement (AFD), the Danish International Development Assistance (DANIDA), the World Bank, the German Government through (KfW and GIZ), the Netherlands (through VNG International) and the Switzerland (through SDC) and the European Union “EU”. **Table 1** below illustrates the list of financing agreements and the contributions of financing partners for MDPIII.

Table 1: List of MDP III Signed Agreements

Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
GIZ Agreement (for cycle 1)	€ 150,000	December 5 th , 2017	December 31 st , 2018	This fund will be utilized in the MDP III-1 st cycle. The GIZ contribution to MDP III-Cycle 1 was added as an amendment to the LGRP.
GIZ Agreement (for cycle 2)	€ 600,000	December 1 st , 2019	December 31 st , 2021	This fund will be utilized in both cycles of MDPIII.
KfW Financing Agreement (for cycle 1 & cycle 2)	€ 40,000,000	December 12 nd , 2018	December 30 th , 2022	This fund will be divided equally for the MDP III-1 st cycle and the MDP III-2 nd cycle.
AFD Financing Agreement (for cycle 1)	€ 4,000,000	April 26 th , 2017	December 31 st , 2021	This fund will be utilized in MDPII-1 st cycle
World Bank Agreement (for cycle 1 and cycle 2)	\$16,000,000	September 18 th , 2017	February 28 th , 2023	This fund will be utilized in both cycles of MDPII
Multi-Donor Trust Fund Agreement (for cycle 1 and cycle 2)	\$ 20,000,000	November 27 th , 2017	February 28 th , 2023	This fund will be utilized in both cycles of MDP III
SDC Agreement (for cycle 1 and cycle 2)	€ 4,818,000	November 1 st , 2017	December 31 st , 2022	This fund will be utilized in both cycles of MDP III



Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
VNG Agreement (for cycle 1 and cycle 2)	€ 1,200,000	October 2017	December 31 st , 2020	This fund will be utilized in both cycles of MDPIII
AFD (Financing Agreement for cycle 2)	€ 10,000,000	June 17 th , 2019	December 31 st , 2022	This fund will be utilized in cycle 2
Multi-Donor Trust Fund Agreement (Additional Financing for cycle 2)	\$ 5,000,000	June 17 th , 2019	June 30, 2022	This fund will be utilized in cycle 2
WB Additional Financing for Gaza	\$ 10,000,000	June 17 th , 2019	February 28 th , 2023	This fund will be utilized in cycle 2
EU commitment for Cycle 2	€ 10,000,000	November 8 th , 2020	November 8 th , 2023	This fund will be utilized in cycle 2
Covid 19 Additional Financing Agreements				
WB Additional Financing for Covid 19	\$ 15,000,000	April 1 st , 2021	February 28 th , 2023	This fund will be utilized in cycle 2
Multi-Donor Trust Fund Additional Financing for Covid 19	\$ 10,000,000	April 1 st , 2021	February 28 th , 2023	This fund will be utilized in cycle 2
AFD Additional Financing for Covid 19	€ 10,500,000	April 1 st , 2021	December 31 st , 2026	This fund will be utilized in cycle 2
KFW Additional Financing for Covid 19	€ 13,000,000	April 1 st , 2021	March 31 st , 2023	This fund will be utilized in cycle 2

Additionally, a residual fund from the PA from MDPII as well as the saving from the (AFD-MDPII) in the amount of **Euro 875,000** was agreed to be utilized under MDPIII.

It is worth noting that the PA contribution was committed as 10% of the total fund (excluding the Covid 19 financing). Accordingly, **the total cost of the MDP III reaches €183,770,647 from which €51,049,082 million was invested in the 1st cycle, and €123,721,564 has been utilized for cycle II.**

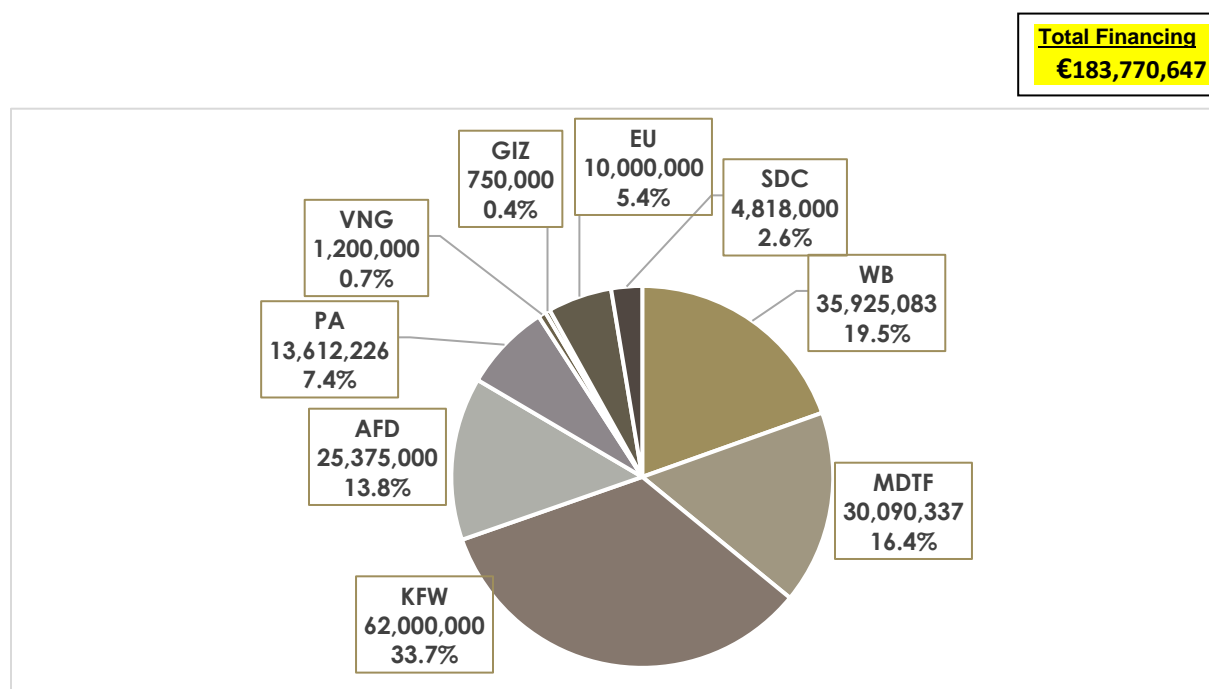
Table 2: Distribution of MDP3 Financing by Donor per Component

Financing Partner	MDP3 -Cycle 1	MDP3-Cycle 2	Total (EUR)	Percentage
WB	7,443,245	6,685,144	14,128,389	11%
WB additional financing to Gaza (labor intensive municipal services)	0	9,400,000	9,400,000	7%
KFW	20,000,000	20,000,000	40,000,000	31%
AFD	4,000,000	10,000,000	14,000,000	11%
AFD residual from MDPII	875,000	0	875,000	1%
MDTF	9,548,956	8,140,918	17,689,874	14%
MDTF (additional financing)	0	4,136,000	4,136,000	3%
GIZ	150,000	600000	750,000	1%



Financing Partner	MDP3 -Cycle 1	MDP3-Cycle 2	Total (EUR)	Percentage
PA	4,493,800	6,118,426	10,612,226	8%
PA-residual Fund	1,500,000	1,500,000	3,000,000	2%
VNG	600,000	600,000	1,200,000	1%
SDC	2,438,081	2,379,919	4,818,000	4%
EU - VAT exempted	0	10,000,000	10,000,000	8%
Sub - Total Excluding Covid 19	51,049,082	79,560,407	130,609,490	100%
Financing Partner	MDP3 -Cycle 1	MDP3-Cycle 2	Total (EUR)	Percentage
WB Additional Financing for Covid 19	0	12,396,694	12,396,694	23%
Multi-Donor Trust Fund Additional Financing for Covid 19	0	8,264,463	8,264,463	16%
AFD Additional Financing for Covid 19	0	10,500,000	10,500,000	20%
KFW Additional Financing for Covid 19	0	22,000,000	22,000,000	41%
Sub-Total Covid 19 Additional Financing	0	53,161,157	53,161,157	100%
Total Financing	51,049,082	132,721,564	183,770,647	

Chart 1: Distribution of MDP3 Financing Per Donor





1.3 The Grant Allocation Mechanism “GAM” / applied for Comp.1

The Grant Allocation Mechanism is the backbone of the MDP. A performance-based formula has been used in conjunction with infrastructure grants in Palestine. Grant Allocation Mechanism (GAM) concept for MDP III is based on the revised and updated GAM of MDP II. The concept aims at changing contents and procedures gradually and as far as justified by challenges identified in the stakeholder assessments, while maintaining proven features. The MDLF and the Financing Partners agreed that the allocation formula for MDP III will be as follows:

- **50% of the total component 1 financing would be allocated for the block grant**

The block grant will be allocated based on population (40%) and needs (60%). All municipalities will receive block grants, subject to simple eligibility criteria. Regarding the needs, it consists of a flat rate of 25.000 € (no change compared to MDP II), and a remaining needs allocation will be distributed based on existing infrastructure and access to services²).

- **50% for performance:**

(Equal to MDP II), but with modified key performance indicators (21 KPIs for MDP III- vs. 16 KPIs for MDPII) and with modification on the graduation ladder.

In regards to the graduation ladder as well as the key performance indicators, and after having long discussions between MDLF, MOLG and the Funding Partners, it was agreed that the graduation ladder will be 10 levels (D, C, C+, C++, B, B+, B++, A, A+, A++) as illustrated in **Table 3** below. Within each ranking level (D, C, B, and A) specific key performance indicators were identified which reflect the municipal performance in:

- Financial Performance and Sustainability (FPS)
- Institutional Performance (IP)
- Transparency, Accountability, and Participation (TAP)



² Under MDP II, the remaining needs share after the flat rate was attributed to 50% according to infrastructure equipment and to 50% according to household income data on governorate level. PCBS is presently not updating the governorate based household income data, so there is no recent database available and the link to poverty on the municipal level is weak.



Table 3: Key Performance Indicators for MDP III

I. Basic Grant allocated based on population and needs				
Eligibility Conditions	i. Annual Budget approved by the Municipal Council and submitted to MoLG on a timely basis ii. SDIP prepared according to new Guidelines (from year 3)			
II. Performance Grant. The grant allocated to municipalities based on performance according to KPIs				
Categories	D	C	B	A
No. of KPIs	3 KPIs	6 KPIs	6 KPIs	6 KPIs
Graduation	Compliance of 3 KPIs	C: compliance of 2 out of 6 C+: compliance of (3,4) out of 6 C+: compliance of 5,6 out of 6 In addition to the KPIs in rank D	B: compliance of (2) out of 6 B+: compliance of (3,4) out of 6 B++: compliance of (5,6) out of 6 In addition to the KPIs in rank D & rank C	A: compliance of (2) out of 6 A+: compliance of (3,4) out of 6 A++: compliance of (5,6) out of 6 In addition to the KPIs in rank D & rank C and rank B
Performance Areas	Key Performance Indicators Matrix			
Financial Performance and Sustainability			7. At least 10% of the budget execution for O&M a) O&M expenditure > 10% of total operational expenditure in last complete FY	1.O&M Plan in place a) Computerized plan in line with manual b) Annually updated c) Plan consistent with assets registry and new works and services d) The plan includes institutional development
		13. Year on year increase or > 50 NIS own-source revenues (excluding enterprise revenues) a) Own source revenues (see manual) have increased compared to previous FY or reached 50 NIS per capita	8. Operational Surplus achieved a) Operational expenditures are below operational revenues of the last complete FY	2. Staff Costs <45% WB <70% GZ of Operational and Capital expenditure a) Total staff expenditure operational budget <45% (WB) or <70% (Gaza) of total expenditure operational budget in last complete FY
	19. Separate bank Accounts for Enterprise revenues established a) Bank statements showing that separate bank accounts are opened and in use.	14. Separate financial accounting for enterprise revenues and expenditures established a) Executed enterprise budget of last FY with an income statement and bank reconciliation (if any enterprise activities)	9. No increase in net lending a) No increase in net lending according to MoF data b) Administrative reduction of net lending has not been counterbalanced by an increase in net lending	3. Cost Accounting Systems set up a) financial statement for each fund in the last complete FY b) report for each cost center of enterprise fund in the last complete FY c) documented and justified overhead allocation in the last complete FY



Institutional Performance	20. Financial Accounting Policies and Procedures in place a) two last quarterly reports available and conforming with minimum content according to manual	15. Executed Budget Statement for the previous FY submitted to MoLG on time a) An executed budget covering complete fiscal year (January – December) available b) MoLG informs MDLF	10. Unqualified Audit Opinion from Annual external audit a) Audit report satisfactory concerning items listed in the manual b) The audit follows up previous management letters and municipality has addressed issues raised adequately	4. IFMIS implemented a) system is conforming to minimum requirements (see the main manual) b) timely issuance of last two quarterly reports within one month after the end of the reporting period
		16. Fixed Asset Register in place and updated a) Fixed asset registry set up according to manual b) Fixed asset registry has been updated annually	11. At least 70% Budget Execution a) Operational revenues executed > 70% of budget plan b) Operational expenditure does not exceed planned operational revenues, except covered by executed revenues	5. Green Spaces implemented a) maintained green areas, sports areas, playgrounds and parks (source PCBS) > 0.5 m ² per capita in WB urban and > 0.3 m ³ in WB rural and Gaza
Transparency, Accountability, and Participation	21. Public Disclosure of annual budget, SDIP, and MDP performance ranking a) Information disclosed in line with public disclosure procedures b) (second cycle) Annual budget plan disclosure done in the readable budget format	17. Public Disclosure of executed budget and executed SDIP a) Council decision approving executed budgets (see manual) b) Council disclosed executed the budget and executed SDIP according to disclosure procedures by March 31 of the following year c) (second cycle) Budget disclosure done in the readable budget format	12. Audit opinion disclosed to citizens and stakeholders a) External Audit in the last complete FY b) Disclosure of audit opinion by foreseen means	
		18. Municipal Complaint System established a) Complaint process posted on homepage / Facebook or bulletin's board		6. Functional Municipal Complaint System following MoLG guidelines a) (still to be specified)



Funds are allocated based on ranks; municipalities with a higher ranking are eligible for more funding than those with a lower ranking. The MDP works closely with municipalities through its capacity-building packages to help them graduate from lower levels up to a higher-ranking level. **Chart 2 and Chart 3** show the municipal ranking and the compliance of municipalities with the KPI-16 before launching MDPIII (2017) and after the completion of MDPIII cycle 1 (2019).

Chart 2: Municipal Ranking – MDP III (2017 Vs 2019)

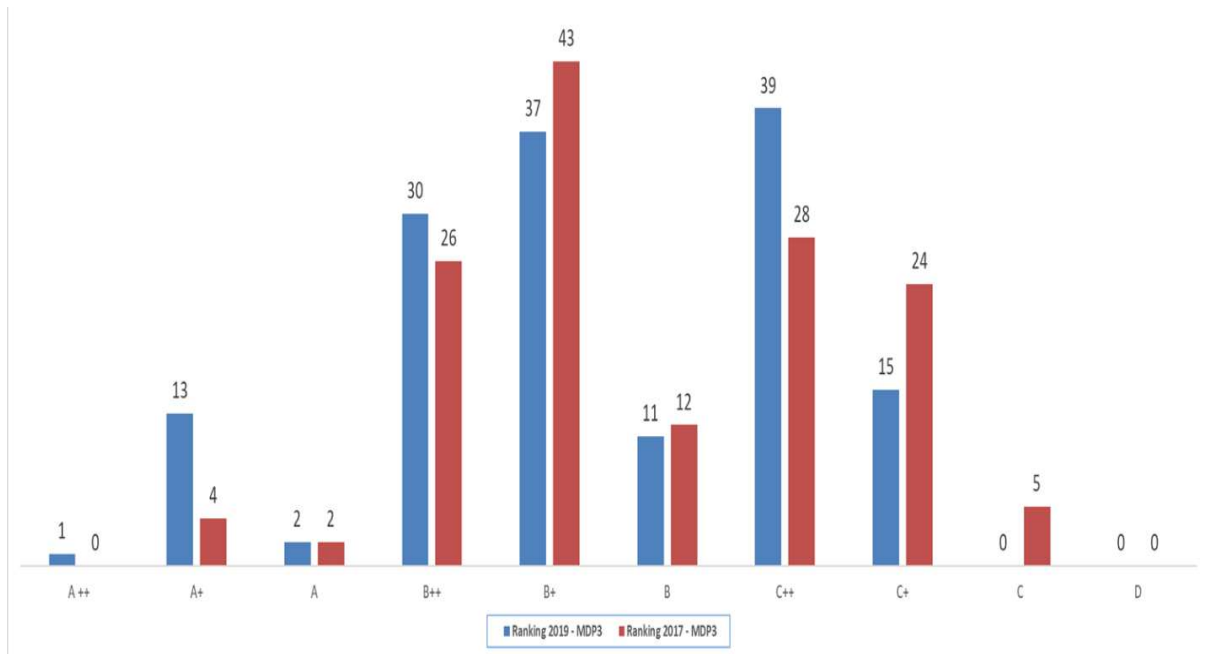
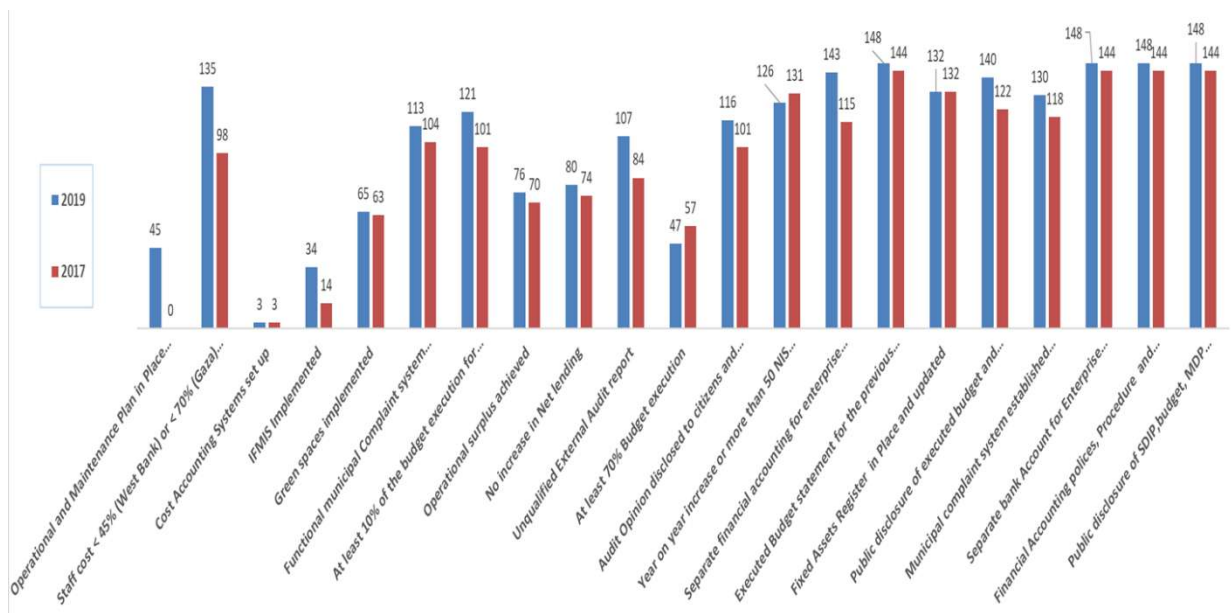


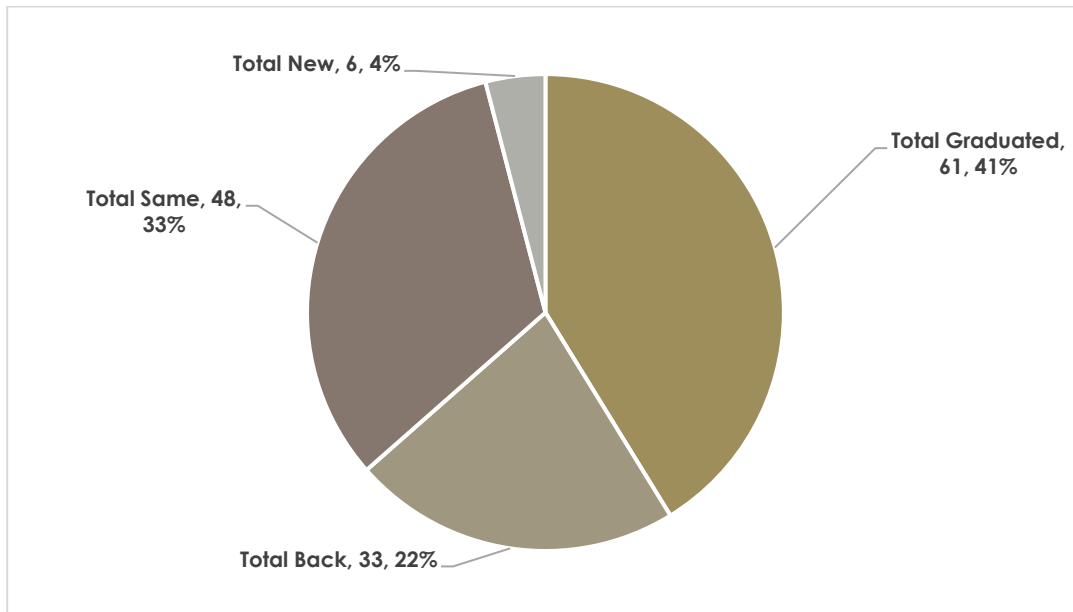
Chart 3: Compliance of Municipalities with KPI-21 (2017 Vs 2019)





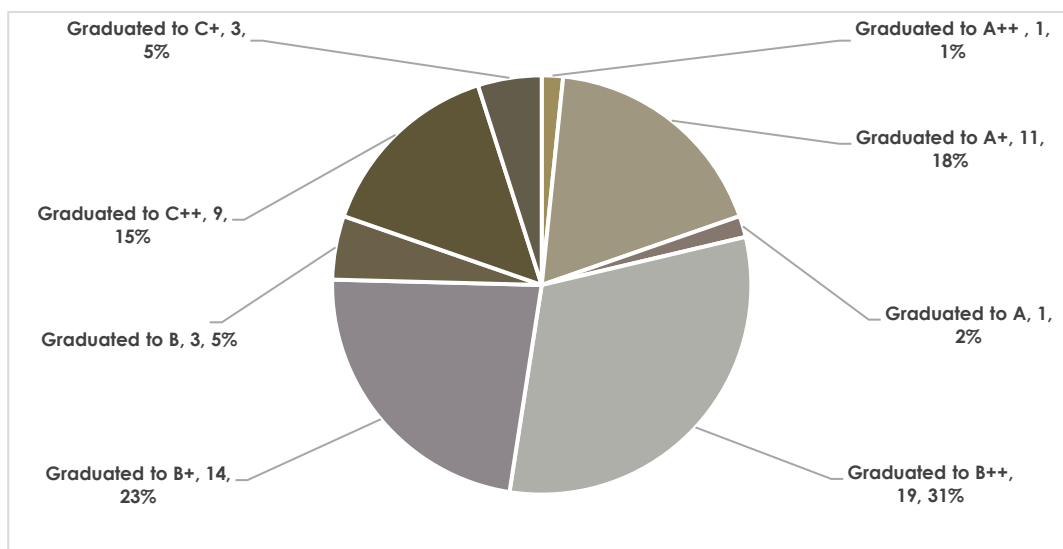
To summarize, **Chart 4** shows the distribution of the municipalities according to their graduation status based on the comparison between the results of 2017 and 2019. The chart shows the number of graduated municipalities, remained in the same rank, and those which got worse ranking. In total 61 municipalities graduated, 48 municipalities kept their same rank, and 33 municipalities lost their rank and got a worse rank.

Chart 4: Graduation Status 2017 Vs 2019



Finally, the distribution of the 61 graduated municipalities according to the ranks is presented in **Chart 5**. The chart reveals that only 1 municipality graduated to A++, another 11 municipalities graduated to A+, 1 municipality graduated to rank A, 19 municipalities graduated to rank B++. 14 municipalities graduated to B+, 3 graduated to B, 9 municipalities graduated to C++, and 3 municipalities graduated to C+.

Chart 5: Distribution of the 61 Graduated municipalities according to ranks





✓ **Municipalities Allocation (1st and 2nd cycle)**

Allocations were calculated using the new criteria for MDP III (50% performance, 20% population, 30% needs). The total allocated amount for this component is equal to **€42,818,489** and **€57,274,235** for the 2nd cycle with a substantial increase in per capita allocation from 11.8 to 15.28 as shown in Table 4 below.

Table 4: Distribution of allocation 2017 Vs 2019 (Cycle 1 Vs. Cycle 2)

	2017		2019	
	WB	Gaza	WB	Gaza
Allocation (EUR)	23,515,696	19,302,793	31,582,669	25,691,566
Population	1,948,335	1,673,509	1,983,247	1,754,665
Avg. Per Capita	12.07	11.53	15.92	14.64
Average Per Capita	11.8		15.28	
Total Allocation (EUR)	42,818,489		57,274,235	
Allocation (% increase)			34%	33%
Population (% increase)			2%	5%
Avg. Per Capita (% increase)			32%	27%

MDP III - Implementation Status and Activities

✓ **Component 1: Municipal performance and Service Delivery (1st Cycle)**

This Component allocates the block and performance-based grants related to municipal service provision and (operating expenditures for Gaza). The fund is distributed across 144 municipalities (119 in West Bank and 25 in Gaza Strip). The total allocated amount for this component is equal to **€42,818,489** out of which **55% are allocated for West Bank and 45% for Gaza Strip**.

Table 5: MDP III-Cycle 1 Allocation

	WB	KFW	AFD+AFD residual	MDTF	PA	SDC	Total (EUR)
	6,142,218	18,240,712	4,433,750	7,810,529	4,179,234	2,012,045	42,818,489
West Bank	3,474,296	10,451,013	2,585,202	4,475,042	1,377,340	1,152,801	23,515,696
Relative Weight	57%	57%	58%	57%	33%	57%	55%
Gaza	2,667,921	7,789,698	1,848,548	3,335,488	2,801,894	859,244	19,302,793
Relative Weight	43%	43%	42%	43%	67%	43%	45%

The municipalities were informed about their allocation in October 2017 and they were asked to apply for their investment priorities using a standardized application form published on the web. Since then, the municipalities started filling out the application forms under direct supervision from MDLF engineers. 4 orientation workshops attended by all municipalities in WB&G were conducted during the 1st quarter of 2018. During the workshops, MDLF presented the updated ranking, infrastructure application forms, Environmental and Social Management Framework (EMSF), Land Acquisition and Livelihood (Policy) Framework (LALPF), Cost-Benefit Analysis as well as the financial and procurement arrangements. MDLF had also presented the lessons learned from the MDPII implementation regarding the infrastructure priorities, procurement, and bidding documents.



One of the major obligations of MDP III is to conduct site visits to the municipalities during the appraisal stage. A great effort from MDLF was made by conducting such visits every week. The executed site visits



were conducted in the stage of request for application form where MDLF had the chance to meet with the municipalities' representatives, assist the municipalities in filling the standardized application forms, visit the projects' sites and do the documentation with photos.

MDLF had received almost all the filled application forms from all municipalities in late April 2018, the applications/proposals were subject to revision and appraisal from the technical, social and the environmental perspectives to ensure the compliance with the regulations and guidelines as per the updated operational manual.

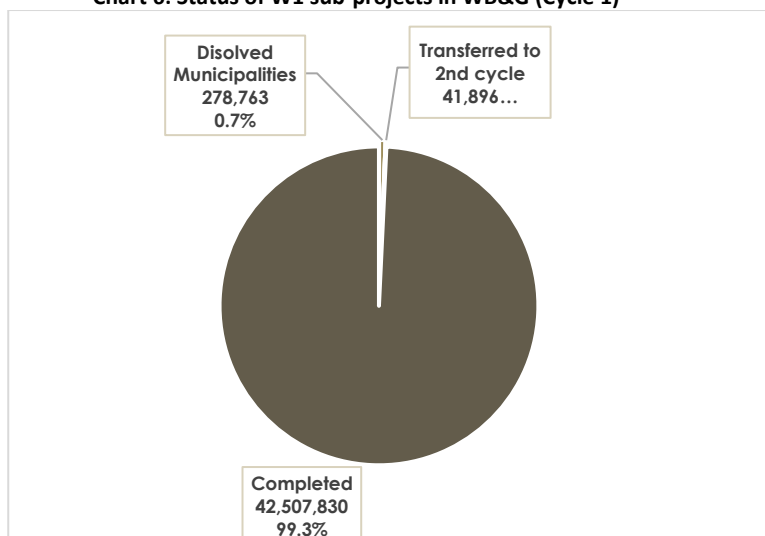
✓ **Status of W1 sub-projects (cycle 01)**

The implementation status of W1 – 1st cycle sub-projects in the West Bank and Gaza can be illustrated in **Table 6 and Chart 6** below:

Table 6: Window 1 - Cycle 1 / West Bank & Gaza

	Status	Dissolved Municipalities	Approval & Pre - Approval	Transferred to 2nd cycle	Tendering & retendering	Evaluation	Awarded	Ongoing	Completed	Total
West Bank	Allocation	278,763	-	41,896	-	-	-	-	23,205,037	23,525,696
	No. of Projects	-	-	1	-	-	-	-	150	151
Gaza	Allocation	-	-	-	-	-	-	-	19,302,793	19,302,793
	No. of Projects	-	-	-	-	-	-	-	202	202
Total Allocation		278,763	0	41,896	0	0	0	0	42,507,830	42,828,489
Total No of Projects		0	0	1	0	0	0	0	352	353
Percentage (Allocation)		0.7%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	99.3%	100.00%

Chart 6: Status of W1 sub-projects in WB&G (Cycle 1)



- **348 sub-projects out of 349** were completed with the total allocation (€**42,507,830**) amounting (**99.3%**) of the budget.
- **One sub-projects out of 349** was postponed to 2nd cycle, particularly the “Remediation of the Old Garage” for Jericho Municipality to be in line with the Renovation of Spanish Garden in cycle 2, with total allocation (€**41,896**) amounting (**0.1%**) of the budget.
- The remaining allocation (€**278,763**) amounting (**0.7%**) of the budget, is considered residual which belongs to Al-Ittihad and Al-Zaitouna municipalities which were dissolved. The residual amount was decided to be utilized to cover the cost of the LTCs for component 6.



✓ **Component 1: Municipal performance and Service Delivery (2nd Cycle)**

The allocation for cycle 2 was distributed across 153 municipalities (128 in West Bank and 25 in Gaza Strip). The total allocated amount for this component is equal to **€57,274,235 out of which 55% are allocated for West Bank and 45% for Gaza Strip. Table 7 below illustrates the distribution of cycle 2 allocation per by donor per region.**

Table 7: Distribution of Cycle 2 allocation by donor per region

	WB	KFW	AFD	MDTF	MDTF Additional Financing	PA	EU	SDC	Total (Euro)
	5,606,288	18,294,288	8,235,000	6,893,454	2,026,640	5,000,610	9,200,000	2,017,955	57,274,235
West Bank	3,644,087	12,225,705	5,352,750	4,480,745	1,317,316	3,250,396	0	1,311,670	31,582,669
Relative Weight	65%	67%	65%	65%	65%	65%	0%	65%	55%
Gaza	1,962,201	6,068,584	2,882,250	2,412,709	709,324	1,750,213	9,200,000	706,285	25,691,566
Relative Weight	35%	33%	35%	35%	35%	35%	100%	35%	45%

The municipalities were informed about their allocation in **October 2019** and they were asked to apply for their investment priorities using a standardized application form published on the web. Since then, the municipalities started filling out the application forms under direct supervision from MDLF engineers. 4 orientation workshops attended by all municipalities in WB&G were conducted during the in Dec-2019. During the workshops, MDLF presented the updated ranking, infrastructure application forms, Environmental and Social Management Framework (ESMF), Land Acquisition and Livelihood (Policy) Framework (LALPF), Cost-Benefit Analysis as well as the financial and procurement arrangements. MDLF had also presented the lessons learned from the 1st cycle implementation regarding the infrastructure priorities, technical audit, procurement, and bidding documents.

Most importantly, an orientation on the contract management was also done to all municipalities engineers as one of the weakness issues observed through the cycle 1 implementation.

One of the major obligations of MDP III is to conduct site visits to the municipalities during the appraisal stage. A great effort from MDLF was made by conducting such visits every week. The executed site visits were conducted in the stage of request for application form where MDLF had the chance to meet with the municipalities' representatives, assist the municipalities in filling the standardized application forms, visit the project sites and document that with photos.

MDLF had received all the filled application forms from all municipalities in late **February 2020**, the applications/proposals were subject to revision and appraisal from the technical, social and the environmental point views to ensure the compliance with the regulations and guidelines as per the updated operational manual.

It is worth noting that due to the emergency state declared by the Palestinian Government on 5th of March 2020, to prevent the spread of COVID 19 pandemic, the appraisal process was (somehow) interrupted. The movement was restricted between the governorates and the work continued virtually. On the other hand, the MDLF had communicated with FPs to respond to this pandemic at the municipal level where the municipalities are in the forefront of tackling this issue and being responsive for emergency and relief services. In the end the FPs accepted the suggestion from MDLF to allow for the municipalities in the West Bank (like Gaza municipalities) to utilize 20% of their allocation under MDP3 cycle 2, resulting in reformulating the list of sub-projects including the supply of disinfectants and protective materials for some municipalities as well as the incremental cost to cover the JSCs fees for solid waste collection and disposal for instance.

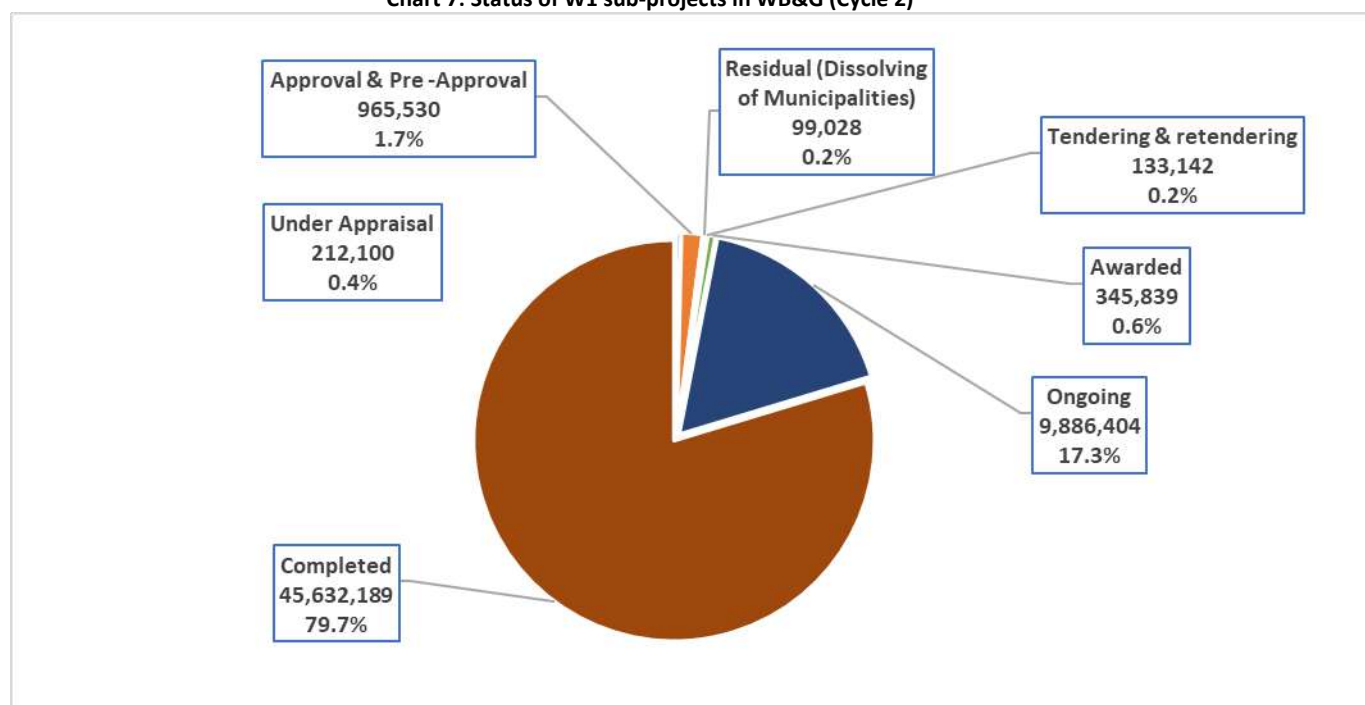
The implementation of W1 – 2nd cycle sub-projects in the West Bank and Gaza is progressing, the status can be illustrated in **Table 8 and Chart 7** below:



Table 8: Window 1 - Cycle 2 / West Bank & Gaza

	Status	Under Appraisal	Approval & Pre - Approval	Residual (Dissolving of Municipalities)	Tendering & retendering	Evaluation	Awarded	Ongoing	Completed	Total
West Bank	Allocation	212,100	612,404	99,028	3,240	-	345,839	5,025,581	25,284,474	31,582,669
	No. of Projects	1	2	-	1	-	1	21	204	230
Gaza	Allocation	-	353,126	-	129,902	-	-	4,860,823	20,347,715	25,691,566
	No. of Projects	-	5	-	3	-	-	26	251	285
Total Allocation		212,100	965,530	99,028	133,142	0	345,839	9,886,404	45,632,189	57,274,235
Total No of Projects		1	7	0	4	0	1	47	455	515
Percentage (Allocation)		0.4%	1.7%	0.2%	0.2%	0.0%	0.6%	17.3%	79.7%	100.00%

Chart 7: Status of W1 sub-projects in WB&G (Cycle 2)



- **455 sub-projects out of 515** were completed with the total allocation (€**45,632,189**) amounting (**79.7%**) of the budget.
- **47 sub-projects out of 515** are ongoing with the total allocation (€**9,886,404**) amounting (**17.3%**) of the budget.
- **1 sub-projects out of 515** was awarded with the total allocation (€**345,839**) amounting (**0.6%**) of the budget.
- **4 sub-projects out of 515** are under tendering with total allocations (€**133,142**) amounting (**0.2%**) of the budget.
- **7 sub-projects out of 515** were approved/pre-approved with total allocations (€**1965,530**) amounting (**1.7%**) of the budget.
- **1 sub-project out of 515** is still under appraisal with total allocations (€**212,100**) amounting (**0.4%**) of the budget. The remaining allocation (€**99,028**) amounting (**0.2%**) of the allocation is considered residual, it belongs to East Bani Zeid which was dissolved.



Table 9: Progress During the reporting Period (1st half of 2022) – MDPIII Cycle 2 – Window 1

Status Category	Previous Report (Annual 2021)	Current Report (Semi Annual 2022)	Progress
Completed	61%	79.7%	Increase (18.7%)
Ongoing	34.5%	17.3%	Decrease
Tendering – Evaluation- Awarded	1.9%	0.8%	Decrease
Appraisal - Approved	2.5%	2.1%	Decrease

It is noticeable that a progress has been made during the reporting period where the allocated amount of completed sub-projects has increased by EUR 10,714,407 amounting 18.7% of the total allocation for cycle 2.

Environmental and Social Management

MDPIII – Cycle 1

Regarding the environmental and social assessment, MDLF commenced environmental and social screening of MPDIII-CI sub-projects in **March of 2018 after finalizing the LALAPF training.**

The progress was slow at the beginning till the end of April of 2018, the social safeguard's procedures were simplified and the municipalities technical staff were able to absorb the new modalities for monitoring social and environmental safeguards.

Sub-projects' Environmental and social screening was done through desk revision and site visits, moreover, a social safeguard committee (including the social officer, technical department manager, the environmental officer) was created to facilitate the social screening progress adhering to LALAPF requirements.

The main environmental assessment was of Category B or C, the nature of the selected sub-projects was of a minor, short term, low-risk environmental impacts. The sub-projects adhered to the physical and the cultural resources and the involuntary resettlement policy which in some cases were listed in the environmental and social assessment summary sheet.

The summary sheet was forwarded to the donors including the environmental assessment category, cultural resources policy, pest control management, the international waterways policy, risks, impacts, and implication to design, and ESMP sector. Also, social safeguards triggering involuntary resettlement were included: (sort the impact by each affected person, proposed mitigation, agreement, and then provided approvals).

The following is a summary of the No. of appraised sub-projects in West Bank and Gaza Strip for the list of MDPIII – Cycle 1 sub-projects.

Table 10: Environmental and Social Assessment Summary (MDPIII – Cycle 1)

Item	West Bank	Gaza Strip
Environmental Assessment		
Total Sub-Projects	151	202
Sub-projects were screened to Category B	133	99
Sub-projects were screened to Category C	18	102
Sub-projects were screened to category B-C (Solid Waste management projects)	0	10
Sub-Projects caused internal displacement	0	0
Sub-project triggered the International Waterways policy	0	0
Sub-project triggered the Physical Cultural Resources Policy	0	0
Sub-project triggered the Pest Control Management Policy	0	7
Social Assessment		
Sub-projects triggered the Involuntary Resettlement policy	1	2
Sub-projects have been approved after having agreements with citizens	49	35
Sub-projects did not trigger involuntary resettlement Policy	101	165



Environmental and Social Management

MDPIII – Cycle 2

Environmental and Social Management Framework (ESMF) and the technical Manual of the MDP has been updated in 2020 to be compatible with Pandemic COVID-19 procedures focusing on some of specific issues related to health and safety of workers such as: (provision of PPE and sanitizers, insurance coverage, code of conduct, a place for rest, and orientation about the health and safety measures at site). Contractors were requested to sign on a commitment letter to follow the MoH requirements at the sub-project site regarding the COVID-19 pandemic disease. As well, the public consultation procedures and stakeholder engagement plans were updated according to COVID-19 situation. The new update also included the no-objection of supplying of pest control materials and disinfection materials in West Bank, as well the sub-projects related to waste collection and transport.

The following is summary of the No. of sub-projects in West Bank and Gaza Strip for the list of MDPIII – Cycle 2.

Table 11: Environmental and Social Assessment Summary (MDPIII – Cycle 2)

Item	West Bank	Gaza Strip
Environmental Assessment		
Total Sub-Projects	230	285
Sub-projects were screened to Category B	140	110
Sub-projects were screened to Category C	82	161
Sub-projects were screened to category B-C (Solid Waste management projects)	8	14
Sub-Projects caused internal displacement	0	0
Sub-project triggered the International Waterways policy	0	0
Sub-project triggered the Physical Cultural Resources Policy	0	0
Sub-project triggered the Pest Control Management Policy	0	3
Social Assessment (Category B Sub-projects)		
Sub-projects still under appraisal	0	0
Sub-projects have been approved after having agreements with citizens	59	44

Sectorial ESMPs, and Environmental and Social, Health and Safety (ESHS) in Bidding Documents

The objective of the sub-project Environmental and Social Management Plan (ESMP) is to cater to the environmental and social needs of the MDP in a simple, responsive and cost-effective manner that will unnecessarily overload or impede the project cycle.

The ESMF provides sectorial ESMPs that must be included in the tender documentation, so that potential bidders are aware of environmental and social performance standards which are all reflected in the bids, including the cost of noncompliance with mitigation-measures.

MDLF prepared sectorial ESMP's for roads, Public Facilities, Energy/Electricity/Street lighting, Water/Wastewater/Strom water drainage sectors to be used where the site-specific requirements were highlighted during appraisal.

Regarding ESHS, most of the sub-projects were of small scale, with a minor environmental, social, health, and safety risk. Thus, these conditions were not applicable for any of the tendered sub-projects.

MDLF reviewed each bid separately, more enforcement to the health and safety measures as well as the measures regarding COVID-19 were added to the technical specifications and BOQ's introductions, based on the complexity of the sub-project and its potential risks and hazards.

Environmental and Social Management during Construction Stage



- The majority of the sub-projects are of small scale and rehabilitation nature that have their impacts mainly on - the continuity of the municipal services. Impacts are minor and temporary; no adverse potential impacts were raised.
- Sub-projects were mostly implemented in a manner that did not cause unwarranted adverse impacts to the environment, with minor environmental impacts during construction phase, and mostly mitigated through proper implementation of environmental, health and safety measures.
- No accidents were registered or noticed in work areas of any sub-project.
- No labor influx was noticed at sites.
- In cases of noncompliance to environmental and social considerations, environmental notes have been issued.
- Main registered environmental notes are for non-compliance to providing traffic warning signs, spraying water, or wearing PPE's.

On the grievance mechanism part:

- The new GRM Manual was discussed with Municipalities and disclosed on MoLG and MDLF websites.
- Complaints' procedures were raised in the Focus Group sessions; citizens were notified about the presence of the system and they were able to submit their complaints formally. The electronic complaining was encouraged according to the COVID-19 procedures.
- During the construction stage, and as part of the supervision and monitoring visits; it was found the most of the sub-projects are of small size with temporary impacts as stated in the environmental sections. Only temporary access through the road segment, or to houses' entrances, in addition to work duration, are the sort of complaints communicated verbally or officially. The LTCs' reports verified the presence of complaints submitted for each sub-project.
- MDLF, and the LTCs have noticed that citizens in small size municipalities convey their complaints verbally to the municipality supervisor engineer, or to the mayor.

Preparation for MDP III Cycle 2 Environmental and Social Management

- New Environmental Specialist has been recruited in MDLF main office in Ramallah to enhance the capacities of MDLF in dealing with the Environmental and Social safeguards.
- MDLF restructured the reporting forms to be used by the LTCs and municipalities' engineers regarding: Focus group reports and the site visit reports focusing on the environmental and social management. In addition to unifying the consultation and agreements minutes for social safeguards procedures.
- MDLF added a new section to the Operation Manual regarding the Grievance Mechanism for the sub-projects stating that: *"when safeguards are triggered and LALAP's is being prepared more rigorous GRM procedures apply as per the LALAPF"*.
- The LTC role for Environmental and Social Management has been modified. MDLF directly contracted Individual consultants to follow up the environmental and social management. It was noticed a good improvement and better follow up and compliance with the Environmental and Social requirements.
- Environmental and Social safeguards and management of MDPII - cycle 2 was introduced to municipalities' engineers during the orientation workshops covering the updated ESMF and LALPF and GRM Manual.

Component / (Window) : Window 2: Component 2: Capacity Development for Municipalities

This sub-component supports municipalities in improving their performance to graduate to a higher performance category in which they are currently classified; it supports consultant's services, training, and equipment for municipalities in both West Bank and Gaza Strip.



The capacity-building packages include:

- Financial Systems (IFMIS & RMIS)
- Operation & Maintenance (O&M)
- E-Municipality (EMS)
- Citizens Services Centers (CSCs_
- Strategic Development & Investment Plans (SDIPs)
- Fixed Assets Registration and Valuation (FARV)
- Financial Policies & Procedures Manual (FPPM)
- Social accountability (SA) package, noting that the SA is a crosscutting issue that is mainstreamed across all MDP III components.



Regarding the implementation status:

Applications for capacity-building packages were received from municipalities as MDLF evaluated the submitted forms along with the supporting documents during the 1st half of 2018 (**concerning the 1st cycle and (January 2020 for the 2nd cycle packages)**). It is worth mentioning that the municipalities were also able to fill and submit their Capacity Building Applications online. The capacity building packages were identified as per municipality after which the municipalities were notified about the awarded packages.

- Online application forms were revised and updated.
- Each package has specific pre-requisites to be fulfilled by the LGUs.
- The municipalities were contacted and informed about the readiness of the applications and the need to look at them.
- Each municipality received a username and password for the online application.
- Orientation workshops for municipalities on the available CB packages as well as the online application were conducted in West Bank and Gaza.
- Municipalities were called upon to submit the final CB application after considering orientation workshop instructions.
- MDLF provided technical assistance during the entire process of choosing a CB package and during the process of filling out the CB packages application for each municipality.
- The final applications were received by MDLF and then evaluated.
- The municipalities were informed of the results as shown in **Table 12 concerning the 1st cycle, and the 2nd cycle.**

Table 12: Distribution of Capacity Development Packages

	SDIP	O&M	Financial Package	E-Municipality	FPPM	FARV	Social Accountability	CSC	Resilience
Number of Benefiting Municipalities 1 st Cycle	92	24	23	6 (upon the readiness assessment that will be done before the final selection)	6 (newly established municipalities)	6	30	7	0
Number of Benefiting Municipalities 2 nd Cycle	0	39	31	6 (upon the readiness assessment that will be done before the final selection)	7 (Training and coaching the newly established municipalities on the financial policies and procedural manual WB)	7	126	21	20



Resilience Sub-component

The spread of COVID-19 pandemic across the globe highlighted the value of making governments, whether at the central or local levels, resilient to emerging complex emergencies, brought about by either natural or man-made hazards. While the impacts of these hazards may be different, there is a clear convergence in the aim of ensuring that communities have the capacities to absorb and recover from the effects of emergencies and disasters. Similarly, governments must equally have the means to mitigate and address the human and economic toll from disasters.

To better integrate the resilience in the Local Governance in West Bank and Gaza (WB&G), the MDPIII was restructured, where a specific sub-component was added with allocation USD 1000,000 for capacity building support to municipalities and technical assistance to the National Disaster Risk Management Center (NDRMC).

The capacity building activities has been implemented since December 2021 after having a contract with the Urban Planning and Disaster Risk Reduction Center (UPDRRC) at (An- Najah National University) to create knowledge and practice for building resilience at the local level. Likewise, the technical assistance will support institutionalizing efforts to support the leadership of the National Disaster Risk Management Center (NDRMC).

The target outcome of this assignment is to lay the foundation for integrating resilience in local governance through the production of technical knowledge, information, and guidelines and conduct the corresponding institutional capacity development.

To achieve this target, the assignment is composed of the following activities:

- a) Conduct of a Multi-Hazard Risk Assessment and Mapping
- b) Development of Guidelines on Local Resilience Planning.
- c) Formulation of Resilience Plans for Pilot Local Governments.
- d) Formulation of resilience standards for critical infrastructure.
- e) Capacity building of the National Disaster Risk Management Center (NDRMC).

In terms of implementation status, the assignment is progressing where the hazards risk assessment was completed and the guidelines for resilience planning was accomplished. During July/August 2022, a number of training workshops were conducted for the selected 20 municipalities in the West Bank and Gaza, particularly: (Jenin, Nablus, Tulkarem, Qalqilya, Salfeet, Tubas, Ramallah, Al-Bireh, Jericho, Bethlehem, Hebron, Al-Yamoun, Beita, Abu Deis, Dura, Jabalya Gaza Deir Al-Balah Khan Younis Rafah). The tool for preparing a resilience scoring was presented and how the resilience plans shall be integrated with current planning processes at the municipalities.

The consultant will be working with the municipalities to pilot the resilience guidelines and prepare the resilience plans for the selected municipalities during the coming few months. Parallel to that, the resilience standards for infrastructure will be disseminated for MDLF and the municipalities to be considered for the municipalities sub-projects.

Regarding the Capacity building to the NDRMC, a strategic plan for the NDRMC associated with a communication strategy will be prepared, and a number of IT equipment/systems will be supplied during the coming few months.



IFMIS Package

- The objective of this package is to implement a modern, comprehensive and integrated financial management information system at the selected municipalities.
- The IFMIS is a management tool that will give municipal officials and MOLG managers the information needed for making decisions, planning their activities, monitoring and evaluating outcomes.
- The integration between the municipalities and MOLG is a crucial part of this assignment and should be done using the best technologies and architectures.
- The integrated financial management information system (IFMIS) is a system that Integrates financial processes executed by different related systems such as budget preparation software (BPS), General ledger (GL), Revenue Management Information System (RMIS), Fixed Assets Registration, Payroll system to derive full benefits from performance-based public financial management. It worth to mention that the integration between the Budget module with the current budget system used by MOLG is essential.
- Given that the implementation of IFMIS cannot be implemented in all municipalities at once, MDLF will initially provide the municipalities with the RMIS to help their readiness for implementing IFMIS for the small municipalities. The RMIS and the IFMIS can be integrated at the implementation stage of IFMIS at the end. On the other hand, the medium-size municipalities MDLF will implement the main modules according to the available capacity that exists inside these municipalities.
- The Financial package will be implemented through three main phases:

Phase one: Institutional Assessment for Financial Package implementation at the selected municipalities. This consulting assignment aimed to determine the Municipalities which will meet the capacity mandatory to qualify for IFMIS modules. And, identify gaps and shortcomings against future staffing and skills requirements on an individual and departmental basis to ensure successful Financial Package implementation.

Phase two: Coaching Municipalities in Implementing IFMIS. This consulting assignment aimed to:

- o Coach the selected municipalities in applying the financial policies and procedures as described in the Financial Policies and Procedure Manual (FPPM) on a modified accrual basis. Coach the financial staff at the selected municipalities in performing all the transactions based on the fund accounting method.
- o Support financial staff to generate all balance sheet line items as of the latest close month and to support sufficient documentation the process has taken to justify all amounts recorded as opening balances.

Phase three: this phase will be performed in parallel with phase two which was aimed to supply and implement the financial software at the selected municipalities according to specified functional requirements.

Phase four: Supply the necessary hardware which has been specified in the first phase.

Operation & Maintenance Package

- The O&M aims at encouraging the municipalities to make sure to allocate budget to operate and maintain their projects, primarily when it relates to roads and public facilities as they appear in their updated Fixed Assets chart. The O&M software also provides what is known as the "Priority Index" which is an effective tool to prioritize the budget expenditure based on the most urgent and most relevant projects, as opposed to keeping it to the often-inaccurate guesses of those responsible for operations or maintenances or their biases.
- Sub-assignments under the O&M package:
 - Physical Inspection for Roads & Public Buildings
 - IT Assessment
 - The O&M Software
 - Hardware Supply and Installation
- The implementation approach will be as follows:

Conducting a physical inspection of roads and buildings about procedures, forms, and templates of the updated O&M manual and as needed to establish the O&M database for each selected municipality.

Data Entry on the O&M software.

Preparing a base map from the updated master plan containing road centerlines, sections and directions.

Coaching the selected municipalities and conducting on the job training on data collection and the use of the physical inspection forms and O&M process, also training on the data entry using the O&M software.

Working on the O&M software.

Conducting a series of training workshop for O&M software the selected municipalities



Citizens Services Centers

- The main objective of this assignment is to support the automation of municipal service delivery mechanisms at selected municipalities.
- The CSCs will provide easy access and reporting on municipal services & complaints, type of complaint and percentage resolved and will provide efficient services to citizens.
- The CSCs will be implemented as follows:

Institutional Assessment for Introducing Citizen Service Centres (mapping, identifying gaps in the working process, optimization of the work process, developing citizens' guidelines for CSCs).

Installation and deployment of the CSCs software system.

IT Assessment conduct IT assessment & BOQ for hardware.

Supply and installation of the hardware that will be identified upon the IT assessment.

Supply of furniture for the CSCs.

Supply of A/C for the CSCs.

Supply of Glass Doors for the CSCs.

Printing of CSCs charter.

Table 13: Updated Status per Package (cycle 1 & cycle 2)

Capacity Building Package	No. of Municipalities	West Bank	Gaza	Updated implementation status
FARV (1 st Cycle)	6	6	0	The assignment was completed
FARV (2 nd cycle)	7	7	0	MDLF is currently in the procurement process. By the end of year 2022 all the newly formed municipalities will be covered for the prerequisite packages.
Training and coaching the newly established municipalities (1 st Cycle)	6	6	0	During the reporting period the TOR has been developed to update the Financial Policies and Procedures manual (FPPM) that includes training the newly established municipalities. The assignment will start in August and will be ended by the end of 2022.
Training and coaching the newly established municipalities (2 nd Cycle)	7	7	0	
Financial Packages	54	45	9	<p>Institutional Assessment:</p> <ul style="list-style-type: none"> - The assignment (for Cycle 1&2) has been completed. - The municipalities which will take either IFMIS or RMIS were identified. - The BOQ and the specifications for the required hardware were identified. <p>IFMIS & RMIS Coaching: Cycle 1 & 2:</p> <ul style="list-style-type: none"> - The coaching activities for Cycle 1 were completed. - For cycle 2, the coaching activities are ongoing until completing the implementation of IFMIS as the assignment will end by 28th of February 2023. <p>Financial Software:</p> <ul style="list-style-type: none"> - MDLF contracted the software provider. This assignment started in October 2020 and has continued through 2022. - During the reporting period, the software provider completed the deployment for all the municipalities by June 30th, 2022. - Training and technical support is undergoing and will continue during the free maintenance period i.e., for two years starting from obtaining the user acceptance test (UAT) for each municipality. <p>Supply Hardware:</p>



Capacity Building Package	No. of Municipalities	West Bank	Gaza	Updated implementation status
				<ul style="list-style-type: none"> - According to the IT assessment reports, BOQs were prepared for both cycles. - The hardware for cycle 1 was completely delivered to WB & Gaza municipalities. - The hardware for cycle 2 was completely delivered to all targeted municipalities in the West Bank. - Although the vendor has been contracted a long time ago, the delivery process for Gaza municipalities is struggling due to the repetitive rejection from the Israeli side. During the reporting period, the vendor has supplied the available items in the local market of Gaza that include PCs and Laptops while the essential items such as servers, and switches are restricted as they must be imported from outside Gaza within procedures that require prior approvals from the Israeli side. Accordingly, MDLF has terminated the contract with the vendor and settled their dues based on what has been supplied. <p><i>The activities of the project (Coaching & Supplying the software) were affected by the emergency situation due to Covid-19, yet efforts continued to overcome all obstacles towards completing the project.</i></p>
CSC (Cycle 1)	7	6	1	<p>Cycle 1:</p> <p>Rehabilitation of the physical space of the Citizen Service Centers:</p> <ul style="list-style-type: none"> - The rehabilitation of the physical space in all targeted municipalities had been completed from their own financing. MDLF provided technical assistance and supervision during the rehabilitation works. <p>Business process re-engineering & IT Assessments:</p> <ul style="list-style-type: none"> - Consultants were contracted to do a business process reengineering and IT assessments in the West Bank and Gaza. - IT Assessment was completed in the West Bank' and Gaza municipalities and the BOQs had been identified. <p>Supply of Hardware:</p> <ul style="list-style-type: none"> - Hardware was completely delivered in West Bank & Gaza. <p>Supply of Furniture:</p> <ul style="list-style-type: none"> - A firm was contracted to supply furniture in West Bank & Gaza and all Furniture were delivered. <p>Supply of computerized software:</p> <ul style="list-style-type: none"> - A firm was contracted to supply software in West Bank & Gaza and the software was delivered completely. <p>Print Services Charter</p> <ul style="list-style-type: none"> - During the reporting period, the design and printing of the charters in the West Bank and Gaza have been completed and delivered to all targeted municipalities.



Capacity Building Package	No. of Municipalities	West Bank	Gaza	Updated implementation status
CSC (Cycle 2)	21	18	3	<p>Cycle 2:</p> <p>Design and Supervision for CSC</p> <ul style="list-style-type: none"> - For West Bank, a firm was contracted to design and supervise the rehabilitation of CSCs. Designs & Supervision for all municipalities in the West Bank were successfully completed. - During the reporting period, and specially for Gaza, a firm was contracted to design and supervise the rehabilitation of CSCs, the assignment is almost completed as will be finished by the end of August 2022. <p>Rehabilitation of the Physical Space of the Citizen Service Centers:</p> <ul style="list-style-type: none"> - For West Bank: The rehabilitation of the physical space in all the targeted municipalities was successfully completed. - During the reporting period, specially for Gaza: the rehabilitation works in the targeted municipalities (three municipalities) are almost completed and will be finished by the end of August 2022. <p>Business process re-engineering & IT Assessments:</p> <ul style="list-style-type: none"> - Two consultants were contracted (one for WB and the other for Gaza). Both assignments were successfully completed. <p>Supply of Hardware:</p> <p>For West Bank, A firm was contracted, and the delivery was successfully completed.</p> <p>For Gaza,</p> <ul style="list-style-type: none"> - Although the vendor (from West Bank) has been contracted a long time ago, the delivery process for Gaza municipalities is struggling due to the repetitive rejection (two times) from the Israeli side. During the reporting period, MDLF has terminated the contract with the vendor and will try to search and purchase the available items in Gaza local market. i.e., desktops and Laptops. To facilitate the implementation process of the system, MDLF has rented three cloud servers for one year. <p>Supply of the Furniture:</p> <ul style="list-style-type: none"> - During the reporting period, the furniture was supplied for West Bank and Gaza. <p>Supply of the Air Condition:</p> <ul style="list-style-type: none"> - During the reporting period, the Air Condition has been supplied for Gaza. <p>Supply of Computerized Software:</p> <ul style="list-style-type: none"> - A firm was contracted for West Bank & Gaza. The software was installed for all municipalities.



Capacity Building Package	No. of Municipalities	West Bank	Gaza	Updated implementation status
				<p>Print Services Charter</p> <ul style="list-style-type: none"> - In West Bank: During the reporting period the service charters booklets were designed and will be printed and delivered in Sept 2022 . - In Gaza, during the reporting period, the printing is almost completed and was handed over by the end of July 2022.
O&M (Cycle 1)	24	16	8	<p>Cycle 1:</p> <p>Physical Inspection</p> <ul style="list-style-type: none"> - The assignment was completed as all deliverables had been submitted according to the TOR. <p>IT Assessment for O&M</p> <ul style="list-style-type: none"> - Two consultants had been contracted for the West Bank and Gaza. - The assessment was completed and the needed hardware had been identified. <p>Supply of Hardware for O&M</p> <ul style="list-style-type: none"> - A firm was contracted to supply the hardware (in West Bank) and the delivery was completed. - For Gaza, all equipment had been delivered except servers as cloud servers has been contracted for three years. <p>The roll-out of O&M Software</p> <ul style="list-style-type: none"> - A firm was contracted to supply the software for the West Bank and Gaza municipalities and the system was delivered completely.
O&M (Cycle 2)	39	34	5	<p>Cycle 2</p> <p>Physical Inspection</p> <p>The assignment was accomplished, which included the following activities:</p> <ul style="list-style-type: none"> - Workshops were conducted with the municipalities explaining the O&M Package. - Preparing maps with coding for roads and buildings. - All the field works of the physical inspections were completed. - The FARV excel sheets were updated. - The FARV data entry on the O&M system was finalized. - The data entry of the evaluation for buildings and roads was finalized. <p>IT Assessment for O&M</p> <ul style="list-style-type: none"> - Two consultants had been contracted for the West Bank and Gaza. - The assessment was completed and the needed hardware had been identified.



Capacity Building Package	No. of Municipalities	West Bank	Gaza	Updated implementation status
				<p>Supply of Hardware for O&M</p> <ul style="list-style-type: none"> - For West Bank, a firm was contracted to supply the hardware and the delivery was completed. - For Gaza, although the vendor (from West Bank) has been contracted a long time ago, the delivery process for Gaza municipalities is struggling due to the repetitive rejection (two times) from the Israeli side. During the reporting period, MDLF has terminated the contract with the vendor and will try to search and purchase the available items in Gaza local market. i.e., desktops and Laptops. <p>The O&M Software</p> <ul style="list-style-type: none"> - A firm was contracted to supply the software for the West Bank and Gaza municipalities and the system is in development phase, it expected to be delivered in December 2022.
Social Accountability Cycle 1)	30	25	5	<p>Cycle 1</p> <ul style="list-style-type: none"> - The SA package for cycle 1 was successfully completed and the lessons learnt were reflected in the TOR for the 2nd cycle. <p>Cycle 2</p> <ul style="list-style-type: none"> - The social accountability package was provided to the municipalities through four contracts, three in the West Bank and one in Gaza.
Social Accountability Cycle 2)	126	106	20	<p>West Bank & Gaza (main deliverables)</p> <p>The Social Accountability activities in the West Bank and Gaza were accomplished including the following:</p> <ul style="list-style-type: none"> - Provide orientation sessions to mayors, municipal council members, and staff on social accountability concepts and practices. - Conduct and complete social accountability diagnostic report per each municipality. - Forming SA committee at each municipality. - Develop and conduct training sessions for social accountability committees and municipality staff. - Develop and complete SACs action plans. - Signing MOUs between the SACs and the municipalities. - All SACs members signed the code of conduct for their participation. - All municipalities developed their disclosure plans. - An assessment of the complaint systems and mechanisms was completed. - Social Accountability awareness campaign was completed. - 30 SA initiatives were accomplished in West Bank, and. - During the reporting period, 18 Social Accountability initiatives were identified and the procurement arrangements were finalized in Gaza.



Capacity Building Package	No. of Municipalities	West Bank	Gaza	Updated implementation status
				- Additionally, the development of SA Index (Gaza) was concluded during the reporting period.
E-Municipality (Cycle1 & 2)	12	9	4	<p>Readiness Assessment & IT Assessment:</p> <p>Cycle 1:</p> <ul style="list-style-type: none"> - A consultant was contracted to select 6 municipalities upon the readiness assessment. (6 municipalities were identified). <p>Cycle 2:</p> <ul style="list-style-type: none"> - A consultant was contracted to select 6 municipalities, upon the readiness assessment. (6 municipalities were identified). <p>Supply of Hardware (Cycle 1 & Cycle 2)</p> <ul style="list-style-type: none"> - Hardware was completely delivered in the West Bank. - For Gaza, EMS hardware has been Merged with the hardware related to Financial package in one Bid. - Although the vendor has been contracted a long time ago, the delivery process for Gaza municipalities is struggling due to the repetitive rejection from the Israeli side. During the reporting period, the vendor has supplied the available items in the local market of Gaza that include PCs and Laptops while the essential items such as servers, and switches are restricted as they must be imported from out of Gaza within procedures that require prior approvals from the Israeli side. Accordingly, MDLF has terminated the contract with the vendor and settled their dues based on what has been supplied. <p>Supply of Software</p> <ul style="list-style-type: none"> - During the reporting period, a firm was contracted for both cycles in West Bank and Gaza. It is supposed to finish in December 2022. <p>Ads and Printing Materials</p> <ul style="list-style-type: none"> - A firm will be contracted for both cycles in West Bank and Gaza after completing the software assignment. It is expected to finish in Sep 2022.

Other CB Interventions:

Readable Budgets

- The readable budget in cycle 1 has been performed by the joint efforts of MOLG, GIZ, and MDLF for 60 municipalities (WB 45, Gaza 15)
- The targeted municipalities published their budget for 2019 in infographic format through their websites and pages on social media.
- In Cycle 2, the municipalities have published their budgets for 2020 in addition to their budgets VS actual for 2019.
- This package was implemented in cycle 2 directly by GIZ for 35 municipalities in West Bank and has been rolled out again by MDLF during the reporting period for 25 municipalities in Gaza FY 2020.



✓ **Credit Worthiness**

An outline of the MDLF approach in implementing creditworthiness activities was prepared and presented to MDLF Funding Partners. The activities under this intervention can be listed as follows:

- Delivery of training to 41 municipalities (**8 in Gaza Strip and 33 in West Bank**). The purpose of the training is to transfer the necessary knowledge about the creditworthiness. The selection criteria for the targeted municipalities was based on their performance. The consulting firm was contracted to perform this assignment last week of June 2021 and completed by the end of Dec. 2021.
- Implementing self-assessment tool in 22 municipalities (**5 in Gaza and 17 in West Bank**). The aim of this assignment is to determine the areas of intervention by MDLF. It was planned that the assessment tool will be developed by GIZ, however, the GIZ has overcome lots of challenges in developing the tool. In the meanwhile, MDLF has customized the applied tool by the World Bank for self-assessment considering some parts of the GIZ tool. Finally, MDLF has validated & finalized the self-assessment tool. During the reporting period, a self-assessment has been finalized through the consulting company which has been contracted for the training. The assignment was completed as MDLF has determined the needed interventions to empower the municipalities' creditworthiness as follows:
 - Improving LGUs' Own-Source Revenue Management to be implemented in 7 municipalities (**3 in Gaza and 4 in West Bank**).
 - Developing a costing framework and simulating the identified costing methods in two municipalities.
 - Training and coaching the municipalities on advanced accounting skills that cover the financial statements and cash flow planning to be implemented in 22 municipalities who were targeted by the self assessment, out of which 5 municipalities will be targeted by coaching assignment.

✓ **Re-Implement IFMIS in Gaza Municipality:**

- The Implementation of IFMIS in Gaza Municipality was planned as part of the MDPII Program
- During the project processes, MDLF recognized that the implementation of IFMIS in Gaza Municipality has been problematic for many aspects in terms of time overruns, unsatisfactory business performance, and the complexity of integration.
- MDLF conducted a risk assessment study. The assessment resulted in the need to deal with the Municipality of Gaza in a separate project that meets the requirements of the existing administrative structure of a such large municipality.
- The work on this project has been postponed until Gaza Municipality recognized its challenges in integrating the IFMIS with its internal management systems.
- Both Gaza Municipality & the software provider have agreed on the detailed levels of the needed integration.
- Gaza Municipality has decided to take the system with considering their request for performing the integration.
- MDLF studied the request of Gaza Municipality and determined the needed actions to facilitate the implementation of the project. Accordingly, MDLF decided to expand the scope of work by including Gaza municipality requirements for integration with some customization of the system functions.
- The project has started since March 2021 and completed by June 2022.
- By mid of June 2022, MDLF evaluated the progress status as well as reviewed the history of performance during the last period (from March/2021 till June/2022) and decided the following:
 - Exclude all modules (RMIS & HR) that have not been completed to date.
 - The dues of the software provider will be settled according to the modules that have been accomplished (GL, Budget, Fixed Assets, Inventory, and Procurement).
 - The MDLF looks forward to sustaining what has been accomplished in the first group modules, which allow the adoption and practice of the new approach by the



municipality for accrual accounting, through the continued technical support provided by an individual consultant until the end of the current year 2022.

✓ **Converting the Financial Policies and Procedures Manual (FPPM) from the Modified Accrual Basis to Full Accrual Basis:**

The assignment has been completed as the consultant updated the FPPM on a full accrual basis to adapt the IPSAS. MDLF is trying to schedule a suitable time with MOLG to deliver an orientation workshop about the updated FPPM. The assignment is considered completed.

Impact Evaluation of Capacity Building Packages

MDLF commissioned an external consultancy firm to conduct an external impact evaluation to assess the effectiveness and impact of the Capacity Building (CB) support to municipalities under the Municipal Development Program (MDP) and to diagnose its usefulness, efficiency, sustainability, and relevancy. The scope of work included an assessment of the CB packages under all three phases of the MDP, to evaluate the process over time and how adaptations were built based on successes and lessons learned from the activities that were implemented. Understanding that the current CB packages were built on the gains and lessons from the predecessor phases, this analysis took into consideration the cumulative impact of the CB activities and paid close attention to how the capacities of the municipalities have developed over time.

In order to have a comprehensive and in-depth analysis, it was crucial to contextualize its relevance of the CB packages and progress against external efficiency within the overall local government sector development. Additionally, by assessing the delivery of the actual outcomes against the expected targets, the evaluation team was able to assess the efficiency and effectiveness of the CB packages in achieving the expected results. This holistic and multi-layered analysis paid particular attention to the process of implementation of the CB packages, monitoring and evaluation and the sustainability of the implemented CB packages, as well as assessed the internal and external impact of each package among all related stakeholders. **The results of this assessment are reflected in Table (14) below:**

Table 14: Summary of Findings from CB Impact Evaluation

Criteria	Summary of Achievement/Impact per Assessment Criteria	Overall Level of Achievement /Impact
Relevance	One of the strongest elements of the MDLF Capacity Building Packages is their relevance to the needs and conditions of the targeted municipalities. This can be attributed to the fact that this is an initiative that was built on the learning of the previous phases, the design was developed in a participatory manner and the MDLF has a strong reputation and positive relationship with the relevant stakeholders and beneficiaries. The professional and open communication created an implementation process that provided flexibility and ability to adjust when needed to consider differences among the municipalities. However, it is also important to note that this remains an area where the initiative needs further development. Specifically, the categorization and ranking did prove a generative framework for the project's activities, but still particular attention should be considered when it comes to how to best serve municipalities with less capacity or are in vulnerable positions.	High
Effectiveness	The effectiveness of the project was found to be high across the project's activities, however as many of the activities are striving for long-term systemic change, in many cases the true effectiveness of the project will take time to be observed. Additionally, there is a challenge when it comes to accommodating the different approaches to work across municipalities and accounting for the different locations' understanding and acceptance of new systems.	High-Medium
Efficiency	Overall, there is a strong appreciation of the performance-based approach taken in the implementation of Capacity Building packages. According to the evaluation	High-Medium



Criteria	Summary of Achievement/Impact per Assessment Criteria	Overall Level of Achievement /Impact
	<p>findings, there was unanimous appreciation among government and municipal stakeholders of the uniform, transparent, methodology used to provide and obtain grants from MDLF. However, there were questions as to whether the rules, particularly regarding the transfer formula, were fair in terms of addressing the different needs (and capacities) of the municipalities (e.g. transient population such as students or tourists, or distance from urban centers and services). There was also a need to contextualize the differences between the municipalities in terms of their vulnerability and stability due to external pressures and limitations they face as a result of the occupation and external political and economic factors. At this time there is a call for a more nuanced ranking criteria to promote improved budget performance. The MDP successfully established a funding allocation mechanism that created equal opportunities for all municipalities in the West Bank and Gaza to receive funding, irrespective of their political affiliation.</p>	
Sustainability	<p>As a result of the ongoing occupation, political instability, and geographic fragmentation, as well as the deteriorating economic situation in Palestine there are real challenges to the sustainability of the CB outputs and products. At this time and for the foreseeable future these initiatives are donor dependent, which creates a situation that is inherently unsustainable for the municipalities. That said the positive changes made in terms of uniting processes and professionalizing the work of the municipalities have shown some progress in reinforcing the relationship between the municipality and the communities they serve.</p>	Medium-low

✓ **Component / (Window) 3: Municipal Partnership Project**

This component will focus on the public-private partnership to better leverage private sector engagement in municipal services delivery and local economic development. This sub-component will support municipalities to identify the potential modalities for private sector engagement, select the most relevant or appropriate modality based on feasibility, and design the implementation of the agreed modality. Specific areas for support would range from permitting and other processes to structuring private sector participation in infrastructure and service delivery (contracting out, joint ventures, special purpose vehicles, and build-operate-transfer agreements), as well as strategic land use planning and associated infrastructure development related to economic growth priorities. This sub-component will be particularly important in terms of supporting technical and human capacity development at the municipal level. The implementation of progress can be summarized as follows:

A) Technical Assistance for Public Private Partnership

➤ **Diagnostic of PPP at LGU level**

- The TOR for the diagnostic study of PPP was cleared by the WB early July, and upon that, MDLF initiated the procurement process to contract a consultant for conducting this study.
- The study was completed and shared with DPs Mid-March 2019. It included a detailed action plan for enabling the environment of PPP at the municipal level.
- The action plan tackled the gaps in PPP enabling environment at the local government level at the policy, the legal and the technical capacity of municipalities' staff in PPP.
- The approach for conducting the study was based on the desk review, quantitative survey (40 municipalities), focus groups and interviews among stakeholders.



➤ **Implementation of action Plan as recommended from the diagnostic:**

- The 1st assignment tackled the development of PPP Policy and regulatory framework including awareness and promotional activities. The assignment was completed and the updated policy and regulatory framework was agreed with MOLG.
- The 2nd assignment tackled the skills and competences in PPP of the selected municipalities in addition to an assessment of potential PPP interventions at the municipal level. The assignment was completed despite the challenges due to Covid 19 pandemic.
- The training activities were delayed. Accordingly, it was extended to cope the situation and the training modality was agreed to be implemented in 10 clusters. (9 in the West Bank and one in Gaza).
- By end of the PPP training, a list of 20 potential PPP initiatives was concluded by the targeted municipalities.

Training Topics	
-	Value Chain Process, Value for money, Evaluation of feasibility study, Palestinian legal framework for PPP mode, Risk Identification and evaluation techniques, Partnership contracts, Monitoring and evaluation of PPP projects.
-	Beside the topics mentioned, the training material was upgraded to include both the PPP policy and regulatory framework which was agreed upon with MOLG as well as the PPP manual.
Targeted Municipalities	
-	95 municipalities had been targeted by the PPP training.
-	The number of targeted staff was 169 Participants from all targeted municipalities. The participant list includes municipality Manger, Mangers of engineering departments, financial managers, Lawyers, head of economic development units, and others.
PPP Initiatives	
-	By end of the PPP training, a list of 20 potential PPP initiatives was concluded by the targeted municipalities.
-	The initiatives were subject to scoring criteria including (eligibility criteria and competitive criteria)
CRITERA	Definitions
Killers	
Relevancy to PPP	Accepted / unaccepted
Sustainability	Accepted / unaccepted
Applicability/ Do ability	Accepted / unaccepted
Scoring Criteria	
Urgency of the project	The initiative shall provide highly demanded public services
Concept	The initiative shall include two to three Pillars of PPP. Namely: - risk allocation, -new technology and -public goods and financial resources.
Readiness	Reflects the steps taken by the municipality in preparation for the implementation of the project in partnership with the private sector. These steps may include allocating land, modifying a structural plan, preparing technical and economic studies, discussing with businessmen...etc.
Attractiveness to private sector	The attractiveness of the private sector can be understood when considering its nature, its profitability, the expected payback period, and the sharing of risks between the two parties. The municipality's name, structure and financial sustainability also play an important role in attracting investors.
Social dimension	The positive effects of partnership projects on poor groups, women, children, youth, or the elderly vary according to the project. Some of these projects provide services to these groups and others give them job opportunities or limit them. All of these factors are evaluated when looking at the project from its social dimension
Environmental impact	The environmental effects of the project include reducing dependence on traditional energy, optimal use of natural resources, reducing and/or utilizing solid waste...etc.



➤ **Residual Utilization of PPP budget line (financed by the WB)**

Additional assignment was agreed to be implemented under this component, particularly the 2nd phase (detailed design) of Comprehensive Public Transportation Master Plan (CPTMP) for Ramallah/Al-Bireh. The outputs of this plan is foreseen to be implemented through private sector collaboration under a potential PPP contract or through hybrid-financing schemes or similar.

The Second Phase of CPTMP will be developed building on phase one of the CPTMP (2021). The assignment will imply the creation of a viable infrastructure to be integrated with the surrounding areas and the creation of an iconic seamless urban transportation system. The study will identify the options for developing the public transportation modes, routes, stations and services, and recommend the appropriate measures and priorities. The study shall consider the spatial, timing, cost, and finance elements, to improve the public transportation services towards a desirable level in accordance to physical, social and financial performance indicators.

The scope of the detailed comprehensive public transportation system includes the following tasks:

1. **A detailed conceptual design of** eco-friendly and sustainable urban transportation system of the selected scenario as concluded from the first phase of CPTMP, in which the public transportation plays a central and key role, by reducing reliance on the private car, encouraging the use of public transport and offering a high quality and safe public space for pedestrian routes through a better distribution of urban spaces. The concept design shall consider state-of-the-art and optimal internationally adopted technical standards and requirements for the proposed public transportation system.
2. **Assessment of the traffic operational conditions and propose improvements along the Major Transport Corridors and the influenced road and traffic network**, in terms of vehicular traffic operations, public transportation, pedestrian flow, parking, and freight traffic. The impact on car circulation should be analyzed in the detailed design of the public transport plan. Different scenarios have to be assessed using appropriate planning and traffic modeling tools.
3. **Parking study to quantify and define the locations for travel and parking in the urban area, including:**
 - Parking demand and parking locations including no parking zones;
 - Purpose of the car parking (work, shopping etc.);
 - Parking duration.
 - Park and Ride.
 - Loading and unloading strategy in CBD area.
4. **Before proceeding with the implementation phase of the Plan, a detailed feasibility study will be prepared.** This study will include a clear picture for the investment opportunities of the private sector, the fare structure, impacts, challenges,... etc. Under this assignment, prefeasibility studies will be reviewed and a detailed one in light of the detailed design of the 2nd phase of the CPTMP will be prepared. The feasibility study will cover the economic, environmental and social aspects of the solution.
5. **Analysis of different scenarios and alternatives for public-private collaboration.** (more accessible, affordable, and efficient). Examples from international best practices of successful public and private sector collaboration in urban transport will be offered to inform the recommendations. Accordingly, a recommended PPP model for implementing the detailed CPTMP will be suggested taking into consideration the context and enabling environment for such arrangements institutionally and legally.

This assignment was contracted on May 5th 2022 for a period of 10 months. The inception phase was completed and the consultant started working on the other activities related to the design, consultation and field survey in accordance to the agreed action plan.

B) Local Economic Development

This component will also support the local economic development in terms of:

- Institutionalization phase for LED in 10 municipalities: (Jenin, Al-Yamoun, Beit Sahour, Beit Ummar, Nablus, Qabatya, Salfit, Surif, Tulkarem, Ya'bad), and
- Operation phase for LED in 5 municipalities :(Ramallah, Al Bireh, Dura, Jericho, Qalqilia).



In terms of implementation:

1- Institutionalization phases:

- A consolidated action plan was prepared to cover the five pioneer municipalities.
- An individual consultant supported the municipalities Institutionalization of LED and developed a unified guideline for the nature of the relationship among the LED unit, LED council and the municipal council.

2- Operation phase:

- The municipalities worked on the Community-Driven Initiatives with a predesigned methodology.
- The CDIs Business cases were developed.
- The pioneer municipalities have implemented selected CDIs as follows:

- **Ramallah:** Infrastructure Project (Sport path for Ramallah)
Interior Design Consultancy for (Business Center- Ramallah)
- **Al Bireh:** Rehabilitation of Al Bireh Cafeteria
Infrastructure Project (Albireh kiosks)
- **Dura:** Rehabilitation of Bir Alwad Road and garden
- Infrastructure Project (Al Jameed project)
- **Qalqilia:** Providing Engineering Services for Qalqilia Aquarium Facility/ Infrastructure Project for Qalqilia (public Bazaar Project)
- **Jericho:** The project was cancelled.



✓ **Component / (Window) 4: Project Management**

❖ **Local Technical Consultants (LTCs)**

To better support the municipalities and build their capacity, the MDLF has utilized the services of LTCs firms to provide the needed technical support to the municipalities in West Bank and Gaza. The main objective of this consultancy assignment is to provide technical assistance to the municipalities for the implementation of subprojects approved by MDLF as follows:

- (i) Sub-project planning and Identification (Stage 1): from the planning and identification of eligible sub-projects, and preparation of applications to ensuring eligibility criteria (including environmental and social safeguards) per MDP procedures, including assisting in the preparation, review and comment on individual procurement plans, infrastructure, and services maintenance, designs, specifications, and bidding documents.
- (ii) Sub-project implementation and supervision: building the capacity of municipalities to implement the sub-projects and assisting them in the supervision including reporting on the progress of implementation, monitoring of indicators, and compliance with the standards as delineated by the MDLF.
- (iii) Ensuring compliance with technical and fiduciary aspects: building the capacity and providing guidance to municipalities on technical and fiduciary aspects of sub-project preparation and implementation to ensure compliance with MDLF's procurement, financial, social and environment safeguards (including the provision of mitigation measures) procedures.

For cycle 01, The local technical consultants were distributed among 9 clusters and they are onboard. However, the LTCs **for cycle 02** were distributed among 8 clusters and were contracted by april 2010. It is worth noting that slight modification on the TOR was done as follows:

- Removing the tasks to assist municipalities in filling application form as its done easily by municipalities.



- The social and environmental specialists were directly contracted by MDLF as individual consultants.
- MDLF selected four municipalities to be out of the scope of the LTCs.

✓ **Component / (Window) 5: Additional Financing for Gaza**

The AF would finance the costs associated with the scaling-up of the project's support to Gaza municipalities to enable them to expand local services provision through labor-intensive O&M and municipal capital investment activities. The scale-up would thus finance:

- **Type 1: O&M activities** to restore or maintain critical municipal services given severe funding constraints facing Gaza municipalities (60% of AF, net of administrative costs - **USD 5.52M**). Each municipality shall prepare an O&M plan that will be submitted to MDLF for review and approval. From the approved O&M plan, the municipality identifies packages for O&M implementation (that also defines required labor inputs). This subproject type focuses on Scaling up of operations and maintenance activities to restore or maintain critical municipal services that require labor intensive methods. Type 1 sub-projects will cover financing of **labor, equipment and supplies** necessary to undertake the approved operation and maintenance activities. Among others these subprojects will include: Solid waste collection, sorting and Disposal; Public Health activities, cleanup and security of coastline and beaches, cleanup and beautification of public spaces, irrigation of municipal green areas, O&M of slaughterhouses, O&M of water and waste water networks and facilities, O&M of Public Facilities (Markets, Municipal Sports facilities, culture centers and libraries, solid waste facilities, cemeteries if operated by municipality, public gardens and parks...etc.), roads repairs and maintenance (filling of potholes, crack repair and sealing, etc.), periodic cleanup of draining system, , solid waste collection and sorting, fumigation.
- **Type 2: Investment grants for Gaza municipal investments** that employ labor-intensive methods in subproject implementation (40% of AF, net of administrative costs – **USD 3.68M**). this subprojects type focuses on Scaling up of investment grants identified in the Strategic Development and Investment Plan (**SDIP**) for Gaza municipal investments that employ labor-intensive methods in sub-project implementation. Municipal subproject that can be financed include: **Infrastructure sub-projects** such as, but not limited to: Roads (internal narrow roads that use labor intensive technology), Wastewater and water, (within internal streets that require only labor-intensive technology), Solid waste management, Parks and open space development, public markets, Landscaping of road medians. **Non-infrastructure sub-projects:** Tax and fees mapping (feeding the RMIS with updated clients' databases for better revenue collection), Archiving of municipal records, Solar energy, Inventory of municipal assets (expanding data entry of the operation and Maintenance software and IFMIS), Public awareness campaigns (e.g. innovative ideas to enhance revenue collection, enhancing citizens' ownership, enhance public relations within the citizens service centers), Enhance the Grievance Redress Mechanism (e.g. through developing Smart Mobile applications).

The scope of this component is to:

- Create short term employment opportunities (44 to 66 working days, 16 \$/Day)
- Create 5,000 short term jobs (750 for female)
- The nature of the sub-projects to be financed/prioritized under this component should have max labor content and High immediate impact on service.

Regarding the status of component 5,

- The municipalities were informed about their allocation in September 2019 and they were asked to prepare a two year operation and maintenance plans and to prepare proposals for their capital investment sub-projects according to the SDIP of each municipality.
- The municipalities submitted O&M plans using a template developed by MDLF covering all sectors subject to maintenance.



- The plans were reviewed by MDLF concluding a prioritization from (O&M) sub-projects in accordance to the appraisal criteria as stated in the POM. Additionally, a part of the capital investment sub-projects was appraised and approved.
- A total of \$ 9.2M under this component were distributed among Gaza municipalities based on a well-defined criterion comprising of (flat allocation \$ 35,000 and the remaining was allocated as per capita).
- A total of 321 sub-projects were completed as it is illustrated in Table 15 below representing 99.1% of the total sub-projects. Chart 8, 9 illustrate the distribution of funds between the Type 1 and Type two sub-projects and the distribution of allocation per sector.
- Table 16 shows the actual job opportunities as per the sub-projects identified where 5572 actual job opportunities were provided. 834 of which were provided to women representing 15%.

Table 15: Status of Component 5 Sub-projects

Status	No. of Sub-projects	%	Allocation (\$)	%
Pre-tendering	-	-	-	-
Tendering and Evaluation	-	-	-	-
Retendering	-	-	-	-
Awarding	-	-	-	-
Ongoing	3	0.9%	88,000	0.96 %
Completed	321	99.1	9,112,000	99.04 %
Total	324	100.0%	9,200,000	100.0%

Chart 8: Classification of sub-projects (40% Development, 60% O&M)

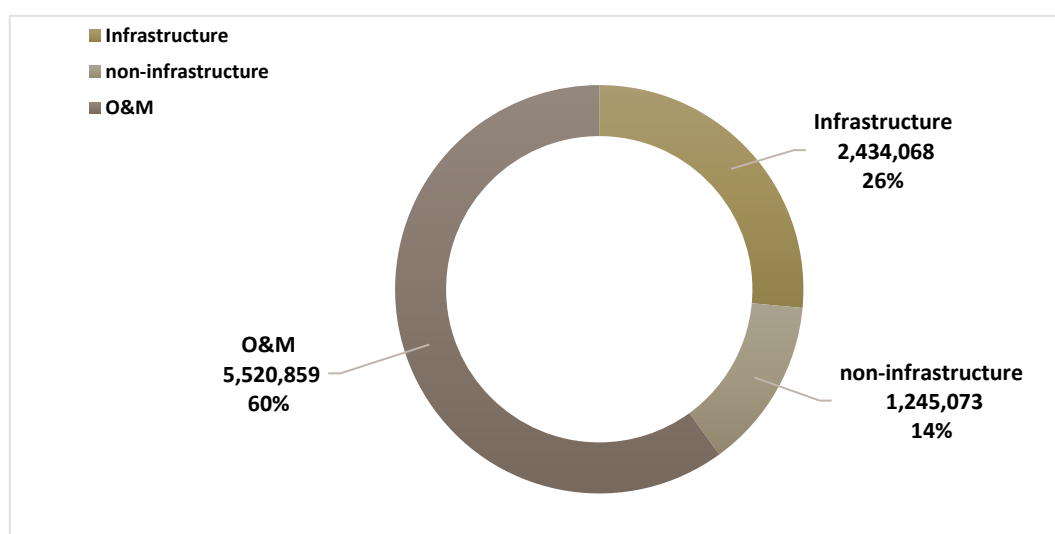
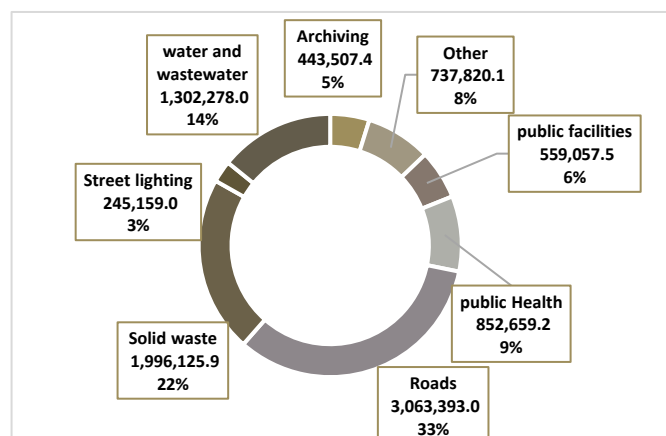




Table 16: Progress of Temporary Job Opportunities

Target Opportunities (Agreement)	5000
Actual Opportunities	5,572
Target Female Opportunities (Agreement)	750
Actual Female Opportunities	834

Chart 9: Component 5 sub-projects Per Sector



Environmental and Social Summary for – Window 5

Environmental and Social Management Plans have been updated to be compatible with Pandemic COVID-19 procedures focusing on some specific issues related to health and safety of workers (provision of PPE and sanitizers, insurance coverage, code of conduct, a place for rest, and orientation about the health and safety measures at site). The public consultation procedures and stakeholder engagement plans were updated according to the COVID-19 situation. The following is Environmental and Social summary of the No. of sub-projects in Gaza Strip for the list of Window 5.

Table 17: Environmental and Social Assessment Summary (Component 5)

Item	Gaza Strip
Environmental Assessment	
Total Sub-Projects	324
Sub-projects were screened to Category B	78
Sub-projects were screened to Category C	210
Sub-projects were screened to category B-C (Solid Waste management projects)	36
Sub-Projects caused internal displacement	0
Sub-project triggered the International Waterways policy	0
Sub-project triggered the Physical Cultural Resources Policy	0
Sub-project triggered the Pest Control Management Policy	0
Social Assessment (Category B Sub-projects)	
Sub-projects still under appraisal	0
Sub-projects have been approved after having agreements with citizens	5
Sub-projects did not trigger involuntary resettlement Policy	319

✓ Component / (Window) 6: Additional Financing for Covid 19

A concept note was prepared by MDLF highlighting the negative impact of the longevity of Pandemic on the Palestinian Local Government Units. This was attributed to the following: i) The increasing unemployment leading to declining income of Palestinian families and ii) shrinking revenues for municipalities which limits their functionality and their capacity to ensure basic services.



The concept was shared with Development Partners in Oct-2020, seeking for quick response to support the municipalities in West Bank and Gaza. Accordingly, the Development Partners positively responded to the MDLF concept note and to the PA request for financing the municipalities which were negatively impacted by the outbreak of COVID-19.

The support to municipalities was based on the fact that municipalities are in the forefront to tackle the diverse impact of the pandemic which were addressed quantitatively and qualitatively by MDLF and MOLG. The specific purpose of the Covid 19 response is to generate short-term employment, to maintain local service delivery, and to improve resilience to the COVID-19 pandemic and crisis management.

The target group of the AF are the estimated 3.7 million habitants of the 158 Palestinian municipalities, which represent around 75% of the total Palestinian population.

Sub-component (6.a)- Emergency labor-intensive Municipal Services:

This component will provide financial support to municipalities to maintain local services provision through labor-intensive O&M and local infrastructure development activities as well as professionals (Backoffice) within municipalities. In addition to supporting the maintenance and continuity of service provision, this component will facilitate temporary job creation through a cash-for-work (C4W) element, partially addressing the wide-scale unemployment challenge expected to result from the current economic shut-down.

Sub-component (6.b)- Recurrent Expenditures:

Given the severe funding constraints facing municipalities resulting from the pandemic induced economic crisis, this component will provide support to municipalities to cover part of their non-wages recurrent expenditures.

Table 18: Expected Results for the Covid 19 - Additional Financing

Indicator	End Target
Number of direct beneficiaries under the Emergency COVID-19 response	200,000
Percentage of beneficiaries satisfied with the impact achieved under the Emergency COVID-19 response ³	80%
Number of jobs created in relation to municipalities C4W projects	9500
% women	15%
Number of paid workdays created through the LIPW interventions supported under the Emergency COVID-19 response	540,000
Percentage of funds allocated under component 6.a towards sub-projects that respond to specific needs of women; Data will be monitored in a sex-disaggregated way whenever possible.	10%

Grant Allocation for Comp.6:

The allocation for each municipality is divided for the two components: **6.a: Emergency labor-intensive Municipal services, and 6b: Recurrent Expenditures Sub-projects**, based on the following:

[60% for component 6.a, and the remaining allocation \(40%\) will be disbursed on component 6.b.](#)

The gross allocation for component 6.a and 6.b will be calculated based on the following:

- The total financing for component 6 will be divided into (50% as population and equalization grant) and (50% for the Relative Impact of Covid 19).
- The population and equalization grant would cover an equalization allocation of EUR 50,000 to each municipality and then the remaining allocation will be equally distributed to municipalities based on population.
- Regarding the allocation for relative impact of COVID-19 amounting 50% share of Component 6, it will be distributed as follows: (25 % based on the pandemic effect in accordance to statistics of infections (MOH reports as of 5th of October 2020), and 25% based on the pandemic effect on household's income).

³Oversampling of women will be required when carrying out the satisfaction survey to assess their level of satisfaction with the infrastructure/facilities developed under the LIPW activities financed by the proposed AF.



The above criteria were applied considering the total allocated fund from DPs for Comp.6 is **48,539,639 EUR**. **Table 19** below illustrates the allocation by donor per region.

Table 19: Distribution of Component 6 Allocation by Donor

	WB	MDTF	AFD	KFW	Total (EUR)
West Bank	7,957,695	4,734,686	6,713,393	14,098,098	33,503,872
Gaza	3,571,230	2,124,818	3,012,816	6,326,902	15,035,766
Total	11,528,926	6,859,504	9,726,209	20,425,000	48,539,639
%	24%	14%	20%	42%	100%

Orientation Workshops to Municipalities:

After disseminating the allocations, the municipalities were split into groups and were invited to participate in scheduled orientation workshops in West Bank and Gaza.

The orientation workshops aim at raising awareness and providing guidance for the following:

- The implementation framework as well as the conditions and requirements for component 6.
- The application form and how to be filled out by the municipalities along with provision of supporting documents.
- Environmental and social impact assessments, the eligible safeguards list, how to use the environmental and social management Framework (ESMF), how to properly manage sub-project environmentally and socially, how to implement health and safety measures during construction and operation, how to receive and solve complaints, and how to report cases.
- Roles and responsibilities for LGUs, LTCs and MDLF.
- How to prepare O&M plans for sub-projects taking into consideration the eligible type of sub-projects.
- Procurement Instructions.
- Financial management and disbursement process.

So far, the implementation status is progressing as illustrated in Chart 10, Chart 11 and Table 20 below:

Chart 10: Status of component 6 in terms of sub-projects

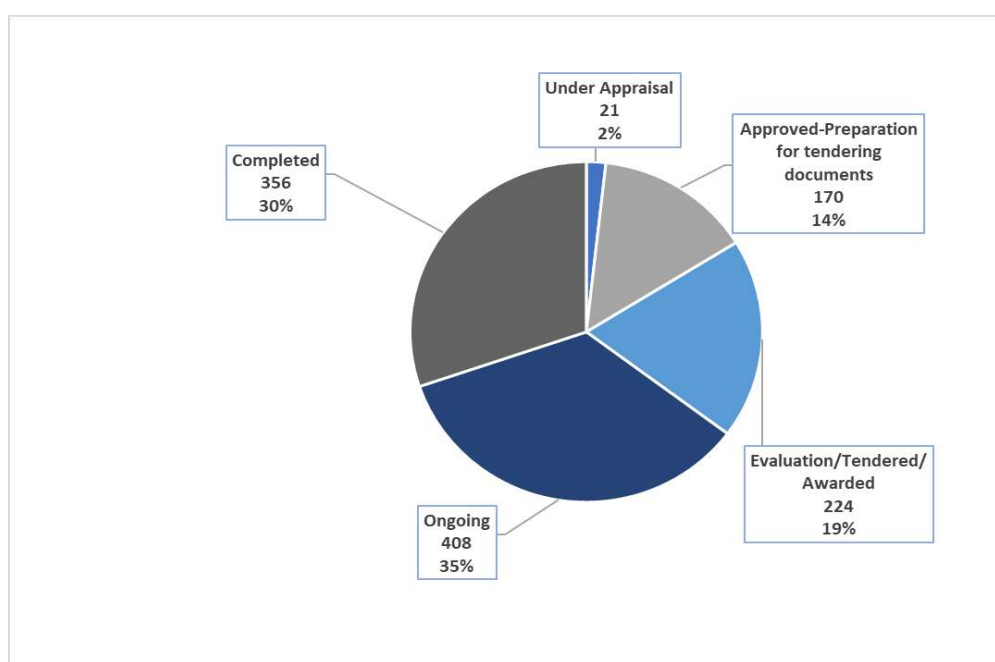


Chart 11: Status of component 6 in terms of Allocation

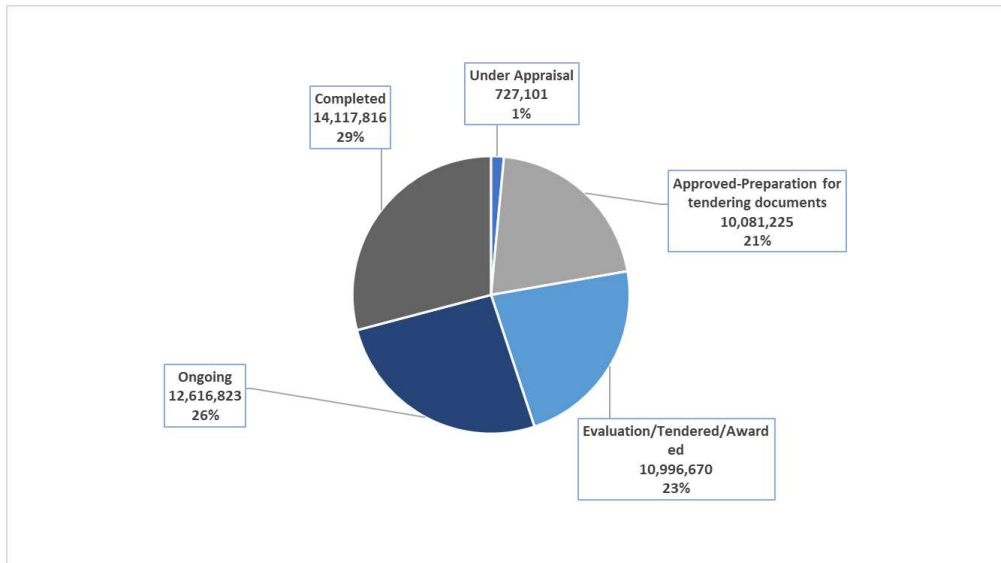




Table 20 below reflects the analysis of Window 6 for both West Bank and Gaza as follows:

Total number of sub-projects in WB and Gaza is **1179 (553 Gaza and 626 WB)** with a total allocation of **48,539,966 Euros (15,035,760 Euros for Gaza, 33,503,873 Euros for WB).**

- ✓ 21 sub-projects in WB and Gaza were under appraisal
- ✓ 170 sub-projects were approved and prepared for tendering.
- ✓ 224 sub-projects were successfully tendered, evaluated and awarded.
- ✓ 408 sub-projects in WB and Gaza are ongoing
- ✓ 256 sub-projects are completed representing 30% of the total number of sub-projects.

Table 20: Status of Component 6 sub-projects in West Bank and Gaza

		Under Appraisal/Pre-Approved		Approved-Preparation for tendering documents		Evaluation/Tendered/Awarded		Ongoing		Completed		Total	
		6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)
Gaza	No. of Sub-Projects	14	2	49	27	92	3	164	50	62	90	381	172
	Allocation (EUR)	562,976	57,922	1,471,204	761,134	2,455,697	61,602	3,315,192	2,615,933	1,216,391	2,517,714	9,021,460	6,014,305
	Sub-Total (No. of Sub-Projects)	16		76		95		214		152		553	
	Sub-Total Allocation (EUR)	620,897		2,232,338		2,517,299		5,931,125		3,734,104		15,035,765	
West Bank	No. of Sub-Projects	4	1	87	7	125	4	88	106	25	179	329	297
	Allocation (EUR)	102,349	3855	7,742,597	106,290	8,423,386	55985	3,258,951	3,426,747	575,040	9,808,671	20,102,323	13,401,548
	Sub-Total (No. of Sub-Projects)	5		94		129		194		204		626	
	Sub-Total Allocation (EUR)	106,204		7,848,887		8,479,371		6,685,698		10,383,711		33,503,871	
West Bank & Gaza	No. of Sub-Projects	18	3	136	34	217	7	252	156	87	269	710	469
	Allocation (EUR)	665,325	61,777	9,213,801	867,424	10,879,083	117,587	6,574,142	6,042,680	1,791,431	12,326,385	29,123,782	19,415,853
	Sub-Total (No. of Sub-Projects)	21		170		224		408		356		1179	
	Sub-Total Allocation (EUR)	727,101		10,081,225		10,996,670		12,616,823		14,117,816		48,539,635	

It is noticeable that a progress has been made during the reporting period where the allocated amount of completed sub-projects has increased by EUR 4,230,913 amounting 8.7% of the allocated amount of ongoing sub-projects has increased by EUR 4,665,617 amounting 9.6%. This also applies for the sub-projects under tendering as well as the approved projects.



Environmental and Social Summary for – Component 6

The Environmental and Social Management Framework has been updated to be compatible with Pandemic COVID-19 procedures focusing on some specific issues related to health and safety of workers (provision of PPE and sanitizers, insurance coverage, code of conduct, a place for rest, and orientation about the health and safety measures at site). The public consultation procedures and stakeholder engagement plans were updated according to the COVID-19 situation.

The following Environmental and Social requirements are considered for component 6 sub-projects:

- **Environmental and Social Assessment has been carried out by MDLF/MDLF consultant for each sub-project.** The E&S assessment report is filled after a site visit to the sub-project location.
- **The ESMP is prepared by the municipality and approved by MDLF/MDLF consultant for each sub-project.** The majority of the sub-projects are of small scale and of maintenance nature, and the overall risk in the sub-projects is rated at low level.
- **Environmental and Social Commitment Letter:** it is a formal letter from the municipality to commit that the municipality will follow the ESMP measures during the implementation.
- **Focus Groups:** Municipalities are requested to conduct consultation meeting (Focus Group) with concerned people. During the focus group; the sub-projects components are presented as well as the complaints channels.
- **All workers have to sign contracts describing their scope of work,** duration of the contract and working hours ...etc.
- **Insurance:** All workers under component 6 will be covered by insurance.
- **PPE and First Aid Box:** All workers will be provided by PPE and first aid box at the site.
- **Code of Conduct:** All workers will sign a code of conduct at the beginning of their work stage.
- **E&S orientation for workers:** All workers should have orientation session at the first week of work to know their tasks, content of the COC, health and safety measures at the site, and complaints channels.
- **Public disclosure and Communication:** Municipalities are requested to share information for the local communities about the sub-project by using the different tools such as social media. Most of municipality share the ESMP on the social media.

The following tables 21 & 22 present the Environmental and Social requirements which have be used for component (6); Operation and Maintenance, and Recurrent Expenditure.

Table 21: Environmental and Social Summary for 6.a (Operation and Maintenance)

Type of Sub-project	Short description	Environmental assessment category	Environmental screening	ESMP	Site Specific requirements	Additional requirements
Hiring of employees for municipal office work	Employees to work on IT, GIS, design, archiving tasks, PR, accounting, lawyers, and any office work for the municipality.	C	Not required	N/A	N/A	Code of Conduct COVID-19 requirements Orientation session for the new employees on the regulation and environment and social safeguards
Hiring of workers for waste collection / health department	Hiring workers to collect waste, sweeping streets and tasks of the health department such as inspection tasks ..etc	B-C	Not Required	Waste collection ESMP	Waste should be received at a landfill, or at a transfer station which used as a collection point and then the waste is transferred to the landfill in a regular basis	Code of Conduct COVID-19 requirements Orientation for workers PPE for workers Valid Insurance Safety Measures for workers



Type of Sub-project	Short description	Environmental assessment category	Environmental screening	ESMP	Site Specific requirements	Additional requirements
Hiring of workers for roads and sidewalks maintenance	Workers will be used to implement maintenance of streets and not paving large scale streets	B	Required	Roads ESMP	Historical locations, and waterways are not accepted in this program. For any involuntary resettlement, Land acquisition Framework (LALPF) should be followed.	Code of Conduct COVID-19 requirements Orientation for workers PPE for workers Valid Insurance Safety measures for workers Singing contracts
Hiring of workers for water and wastewater' networks' maintenance and cleaning	Workers will be used to implement small scale rehabilitation of water or wastewater or stormwater networks / cleaning of the water and wastewater networks or cleaning of stormwater inlets and gutters.	B	Required	Water/Wastewater ESMP	Historical locations, and waterways are not accepted in this program. For any involuntary resettlement, Land acquisition Framework (LALPF) should be followed.	Code of Conduct COVID-19 requirements Orientation for workers PPE for workers Valid Insurance Safety measures for workers
Hiring of workers for public facilities maintenance	Workers can be used for finishing public facilities, retaining walls, maintenance of public buildings, small scale rehabilitation of markets or gardens...etc	B	Required	Public facilities ESMP	Historical locations, and waterways are not accepted in this program. For any involuntary resettlement, Land acquisition Framework (LALPF) should be followed.	Code of Conduct COVID-19 requirements Orientation for workers PPE for workers Valid Insurance Safety measures and tools at the site
Hiring of workers for electricity and mechanical works	Workers can be for electricity and mechanical works such as lighting of streets, works at municipal workshops ...etc.	B	Required	Electricity/Energy ESMP	Safety measures	Code of Conduct COVID-19 requirements Orientation for workers PPE for workers Valid Insurance Safety measures and tools at the site
Hiring of workers for marine rescue	Marine lifeguards can be used at the beach during the swimming seasons	C	Not required	N/A		Code of Conduct Valid Insurance Safety measures and safeguards at the sites
Hiring of awareness staff	Staff can be used for environmental education campaigns	C	N/A	N/A	N/A	Code of Conduct COVID-19 requirements Orientation for staff Privacy spaces for women employment,



Table 22: Environmental and Social Summary for 6.b (Recurrent Expenditure)

Type of Sub-project	Short description	Environmental assessment category	Environmental screening	ESMP	Specific requirements
Supply of Fuel / oils	Supply of fuel	C	N/A	N/A	- Storage of fuel in the municipal workshops will not be accepted, but in case of supply of big quantity of fuel; a proper storage should be available with proper safety tools e.g. fire extinguishers at the storage site.
Supply of Spare parts / small – medium size equipment / PPE / construction materials	Supply of spare parts for municipal vehicles and generators, small and medium size equipment e.g. equipment used in the municipality workshops or tools used for gardening or lighting ...etc. Supply of PPE for workers. Supply of construction materials.	C	N/A	N/A	- Review specifications which have less environmental impact.
Supply of outreach or awareness materials	Supply of brochures, awareness videos, fact sheets ...etc	C	N/A	N/A	N/A
Fees / Payments	Water, Wastewater, Waste, Electricity, Telephone fees ...etc	C	N/A	N/A	- Waste should be clear that it was sent to a landfill. - Wastewater should be clear it was sent to a treatment plant.
Renting of vehicles / tools	Renting of service vehicles or tools such as tools of surveying, generators ...etc.	C	N/A	Based on the type of rented tool	- Insurance of vehicles are required
Supply of any chemical materials used in the municipal field	Supply of pesticides or chemicals for water purification, or water quality tests, Supply of Alcohol or sanitizers ... etc	C	N/A	ESMP based on the sub-project nature	- MoH approval of the used pesticides materials (list of allowed materials)
Insurance	Insurance of workers and equipment	C	N/A	N/A	-
Design of IT systems	IT systems such as SCADA system to manage the water supply system	C	N/A	N/A	-



Type of Sub-project	Short description	Environmental assessment category	Environmental screening	ESMP	Specific requirements
Supply of computers, electronics, stationary for municipality	Supply of furniture and electronics for municipality	C	N/A	N/A	-
Supply of Pumps	Supply of small pumps used for water and wastewater pumping	C	N/A	N/A	- Review specifications which have less environmental impact.
Consultancy services	IT, Design, Financial, Managerial, legal experts ...etc	C	N/A	N/A	-

Geo-Enabling Initiative for Monitoring and Supervision (GERM)

KoBo Toolbox software is a tool for field data collection for use in challenging environments e.g. data collection during COVID-19 situation. The software is free, open source and works online/offline.

It was agreed with the World Bank to start a pilot of using GERMS in the ES monitoring of some selected sub-projects from Component 6. An orientation workshop was carried out for the environmental and social consultants about how to use GERMS tool as they will be responsible on filling the online forms during their site visits, whereas MDLF staff will validate the results by random site visits.

The total number of selected sub-projects for the pilot phase is (68) in 45 municipalities distributed in West Bank and Gaza Strip. Only (14) sub-projects are ongoing until now with a total Number of submissions (32).

Hence, the GERMS questionnaire was designed jointly by MDLF and the World Bank staff, which consists of different types of questions such as:

1. Text: Questions which need a narrative answer.
2. Number: Questions which need a numeric answer.
3. Date: questions which need a date answer.
4. Location: Map showing the location of the sub-project
5. Multi-choice questions: Questions which provide different choice and the filler can choose between them based on the status in the field and this is the traditional question for asking on the compliance of all ES measures.
6. Documents: documents can be uploaded such as upload the image of the insurance or COC.

All results are collected and analyzed on a kobo toolbox database, and a summary report can be printed for the overall sub-projects or for any specific sub-project anytime.

Environmental and Social Summary for – Component 6

The following is Environmental and Social summary of the No. of sub-projects in West Bank and Gaza Strip for the list of Component 6.

Table 23: Environmental and Social Assessment Summary Component 6

Item	West Bank	Gaza Strip
Environmental Assessment		
Total Sub-Projects	626	553
Sub-projects were screened to Category B	189	173
Sub-projects were screened to Category C	421	323
Sub-projects were screened to category B-C (Solid Waste management projects)	16	57



Item	West Bank	Gaza Strip
Sub-Projects caused internal displacement	0	0
Sub-project triggered the International Waterways policy	0	0
Sub-project triggered the Physical Cultural Resources Policy	0	0
Social Assessment (Category B Sub-projects)		
Sub-projects have been approved after having agreements with citizens	23	3

1.4 Results Framework

The following tables reflect the progress against the PDO's and the intermediate results during the reported period:

Table 24: Assessment of PDO Results

Indicator Name	Target	Achievement Progress
Number of municipalities that move up one rank in the performance assessment system	MTR Target: 50 End Target : 100	61 Municipalities – Graduated The end line assessment (2022) is planned to be conducted by mid 2022
People provided with improved urban living conditions	MTR Target: 250,000 End Target: 500,000	469,425 (222659 WB -- 246766 Gaza) As for the 2 nd cycle (it is still under assessment) to make sure there is no double counting.
Municipalities with public disclosure of executed budget and executed SDIP	MTR Target: 50 End Target: 100	140 Municipalities disclosed the executed budget and the executed SDIP The end line assessment (2022) is planned to be conducted by mid-2022
Number of municipalities with operational and enterprise surplus and no increase in arrears	MTR Target: 60 End Target: 80	61 Municipalities have surplus with no increase in net lending The end line assessment (2022) is planned to be conducted by mid-2022

Table 25: Assessment of Intermediate Results

Indicator Name	Target	Achievement Progress
Number of municipalities graduated to category A	MTR Target: 10 End Target :15	16 municipalities are ranked, out of which (12 municipalities are graduated to A) – to be assessed by mid-2022
Number of municipalities completing sub projects within each cycle	MTR Target: 100 End Target: 140	Cycle 1: 108 municipalities completed all 1st cycle projects within the time frame of cycle 1. (89 WB, 19 Gaza) cycle 2: (so far) 112 municipalities completed all 2nd cycle projects (103 WB, 9 Gaza)
Number of municipalities with functional complaint system	MTR Target: 44 End Target: 100	113 municipalities have functional complaint system. to be assessed by mid-2022
Percentage of investments financed under the project in adequate technical state and used as intended	MTR Target: 60% End Target: 80%	80% of W1 investment (subject to technical audit & usability assessment) are functional and used as intended. to be assessed by mid-2022
% Of beneficiaries satisfied with municipal sub projects executed under MDP 3	MTR Target: 70% End Target: 80%	85% (average satisfaction of beneficiaries regarding – relevance, coverage, impact, quality)- to be assessed by mid-2022. The assignment of BIA is still under procurement.



Indicator Name	Target	Achievement Progress
Percentage of municipalities satisfied with MDLF support	MTR Target: 85% End Target: 95%	Average satisfaction 89% in terms of MDLF support, interaction, transparency...etc.- to be assessed by mid-2022. The assignment is still under procurement.
Road Map for MDLF as Lending Intermediary consulted with relevant stakeholders	End Target: Yes	Achieved (The road map was prepared and shared with DPs).
Municipal audit standard developed	End Target: Yes	Done by the GIZ
Number of municipalities with yearly increase in revenues collected by the municipality	End Target: 120	126 Municipalities have increased their own source revenues. To be assessed by mid-2022
Number of municipalities reporting enhanced capacity to engage with private sector for municipal service delivery and/or local economic development	End Target: 25	23 municipalities reported enhanced capacity in PPP. (20 municipalities prepared initiatives on PPP, 3 municipalities have been implementing CDIs financed from the VNG), in addition to 33 municipalities applied PPP concepts to MOLG competition for LED.
Number of subprojects completed by Gaza municipalities under the Additional Financing (Number)	End Target: 30	321 sub-projects have been identified and completed
Number of temporary jobs created in Gaza by the Additional Financing (Number)	End Target: 5000	Actual: 5572
Female beneficiaries (Number)	End Target: 750	Actual: 834
Number of Gaza municipalities successfully implementing an O&M activity (Number)	End Target: 25	Achieved: 25

1.5 Challenges and Obstacles

- There is a lack of commitment from the municipalities regarding the submission of the needed documents for MDLF appraisal and verification as requested. Additionally, it was noticed that the submitted design documents in some cases are neither complete nor acceptable.
- The ongoing crisis brought by the COVID-19 pandemic caused a delay to the planning and implementation of the project. Many sites were not allowed to be visited resulting in slow-down of the appraisal process in general.
- The GRM was performing well during the first cycle of MDP III, however, it is expected to face some difficulties during the current cycle, as cycle II already recorded some delay cases in the implementation of the purchase of vehicles spare parts sub-projects through the recurrent expenditure as well as the supply of hardware components related to capacity development packages.
- The consultation process associated with the documentation regarding the social safeguards took longer time than anticipated.
- The PA contribution of 10% to the project financing was not transferred on time, this issue was addressed with the MOLG and MOFP outlining the main concerns such as the disruptions of project implementation and the lack of commitment to the national municipal sector program.
- The municipal staff did not assume ownership of their projects in some cases, and they heavily relied on LTCs engineers, consultants and MDLF staff in quality control, and financial management, especially in the context of irregular payment of municipal employees' salaries due to the financial crisis being in place.
- There was a gap among the municipalities regarding their capacities especially in the ESMF requirements which lead to further works from MDLF and LTCs to ensure the compliance with standards and guiding procedures according to the MDLF operational manuals.



- The procurement for the different capacity development packages started simultaneously concluding large numbers of EOIs and technical proposals to be evaluated technically.
- The Slow process in response to financial management reforms: (an adaptation of new procedures, software, reporting and monitoring systems etc.).
- Year 2020 has an outstanding year with Covid 19 pandemic which had negative implications on the planned activities. The MDLF team had to replace the compressive workshops into small groups meeting to assure social distancing as well as the use of virtual meetings. The assignments took more time than anticipated.
- The aggression on Gaza in May has had negative impact and sever damage to the infrastructure services, increased burdens on municipalities to mitigate the effects of destruction, as well as restricting the entry of construction materials for more than two months, which has delayed the implementation of projects.
- Municipalities inability to cover current expenditure due to COVID-19 crises and its implications of municipalities work. The additional financing that covered the recurrent expenditures in window (6) helped the municipalities to continue providing services in times of emergency. There was a quick response from the municipalities in dealing with this unexpected challenge, and some municipalities asked to increase the percentage of recurrent expenses.
- Window (6.b) included two types of employments: **1) University Graduates employment** (Backoffice support). **2) Workers** (Skilled and non-skilled workers for Infrastructure maintenance projects). Municipalities received huge number of applicants from university graduates, which was higher than expected and planned. On the other hand, there was a shortage of skilled & unskilled labours in local market: specially for the operation and maintenance of the municipality's infrastructure. Municipalities filtered the applications carefully and choose Backoffice workers as much as needed, such as archiving, administrative tasks, engineering tasks to improve their skills. Municipalities who did not receive the needed number of applicants made extra effort in advertising about the available opportunities. Some municipalities asked the workers to cover the required employment needs, while small number of municipalities failed to cover the required employment.
- The elections of local Authorities caused delays of decision-making in the municipalities during the election period.
- The emergency condition: The increasing number of infections from Corona Virus that led to closures of some municipalities and restrictions of movement.
- Planned wages in project doc does not reflect reality.





2. Area C Development Programme in the West Bank – Package V “EU-DRO”

2.1 Background

This action is based on the Financing Agreement “Support to Sustainable Economic Development and Enhanced Governance - ENI/2018/041-137”, the Financing Agreement was signed between the European Union (EU) and the Palestinian Authority (PA) on 18th June 2019.

The EU and PA agreed on the following approach with regard to projects implementation in Area C: “the Implementation of infrastructure projects in communities in Area C may start once a statutory outline plan has been formally approved by the Israeli authorities or is considered as tacitly approved if no major objection has been raised within 18 months following the submission of the plan by the Village Councils to the ICA”.

The Municipal Development and Lending Fund (MDLF) has been nominated for the

implementation of basic infrastructure in Area C based on (i) the recommendation letter of the Ministry of Local Government (MoLG) on 20th of April 2016 and (ii) compliance to eligibility conditions and essential selection criteria as stipulated in the Technical and Administrative Provisions of the signed financing agreement.

A Steering Committee composed of the European Union (EU), PA (Palestinian Authority), MDLF and of other donors financing the action was formed as an organizational set-up of implementing this program. The Steering Committee is mandated to discuss and endorse the localities as well as the selected projects to be implemented in the target localities in Area C.

The PA/MOLG and the MDLF prepared competitive selection criteria for the identification and selection of eligible localities and respective social infrastructure projects in Area C. These criteria were shared and discussed with financing partners (European Union “EU” and the Danish Representative Office “DRO” and finally approved by the Steering Committee on 30th June 2016).

The selection criteria⁴ is composed of sub criterion starting from the high-level eligibility and screening, followed by a competitive scoring of the eligible localities, and ending with a competitive selection criterion for projects. Upon that, a set of localities were nominated by MOLG/MDLF during the meeting on 19th February 2020 and then endorsed by the SC on 24th February 2020 to be targeted by this action.

It is worth noting that the selected projects are based on the statutory outline plans (accompanied by detailed planning packages for transport, water and wastewater networks as well as action plans for essential social and public infrastructure projects). These plans were developed in a participatory manner by the target communities and were supported by Non-Governmental Organizations (NGOs) or private urban planning firms. The statutory outline plans and the detailed planning packages were submitted to the PA and to the Israeli Civil Administration (ICA). At the Israeli Civil Administration, the plans were registered and processed through a complex and cumbersome authorization process.

The communities developed the statutory outline plans and the action plans for essential social and public infrastructure in a participatory inclusive mode, taking the demographic and socio-economic development needs for the next 20 years into account. Accordingly, a set of projects proposed in this action were suggested and identified by the local communities with the view to improve the quality of life for the inhabitants within those communities. These projects were re-confirmed during the identification phase of this action including approvals from the respective governmental bodies or ministries.



⁴ For more details on the selection criteria please see section 2.1.3.2 of the grant proposal.



2.2 Description

Objectives of the Action

The overall objective (impact) of the action is to improve the social and economic conditions of Palestinian communities in Area C which is crucial for maintaining Palestinian presence in Area C and for the development of the Palestinian economy.

The specific objective (outcome) of the action is composed of two folds (i) to improve access to essential and public infrastructure in Area C; (ii) strengthening the Palestinian institutions' capacity to deliver essential social and public infrastructure in Area C.

Expected Outputs

- It is expected to enhance the living conditions of 26,062 residents in 15 localities: (Almorooj (500)-Wadi rahhal –Abdulla Ibrahim (1819), -Alkhader municipality (1715)-Ras Elwad (900)-Um Addaraj(1009)-Ramadeen(4150)-Maeen(825)-As-Semia(571)-Izbat Shoufeh(1456)-Khirbet Fares(250)-East Aba(571)-Bir Albash(1725)-Qalqilya(2000)-Jensafout (2571)-Al-Ezariya(6000); through the implementation of 16 sub-projects as follows:
 - **Roads:** Construction and rehabilitation of 5 different road's projects with a total length of 3.7 KM.
 - **Schools:** Construction of new schools in three different localities. The total area is about 2,340 SQM.
 - **Public Buildings:** Finishing works for the existing building in one locality, (total Area 800 SQM), the scope of work includes repairing, electrical and mechanical fixtures and painting, maintenance works for the kindergarten, construction of boundary walls, provision of furniture, and insulation works for the roof of the building, in addition to the construction of boundary walls.
 - **Water:** Construction of 3 elevated water tanks with total capacity of 1250 Cubic Meters including transmission lines in 3 localities, construction of water networks in 2 localities including provision of house connection and water meters for one locality, the total length of water networks is estimated (11.75 KM).
 - **Electricity:** Rehabilitation of existing electrical networks in 2 localities. The total length of the networks is estimated (3.2 KM).
 - **Capacity development** of the concerned LGUs and community mobilization activities with regards to social public infrastructure implemented under the EU programme in Area C.

2.3 Financing

The "MDLF" has received a grant from the European Union "EU" towards the cost of "Development of Area C in the West Bank " in a total of (Euro 5,775,142.31). The agreement was signed on June 23th, 2020 for 40 months. Table 26 illustrates the budget breakdown.

Table 26: Breakdown Budget – Area C Development Programme –Package V

Item	Budget (Euro)
1- MDLF management fees (indirect cost) = 7% of direct eligible cost	377,650
2- Total Direct Eligible Cost	5,395,000
2.1 Other Costs and Services	55,000
Expenditure Verification/Audit	10,000
Evaluation Cost	15,000
Visibility Actions	30,000
2.2 Other	5,340,000
Legal Fees	15,000
Cost of Infrastructure Sub-Projects	4,890,000
Local Technical Consultancy for Design, Supervision and Communities Mobilization Activities	240,000
Technical support Expert/s	125,000
Consultancy for Civic Engagement	70,000
3- Provision for contingency reserve	2,492.31
Total Cost of the Action	5,775,142.31



2.4 Sub- Projects Identification and Description

The selected projects in the target localities were identified based on the outline plans and the action plans developed by the local consultancy firms/NGOs. The outline plans were validated by the communities through community participation workshops in the field, involving a broad spectrum of the affected communities, including the women, boys and girls and the elderly in the community, and then endorsed by the Ministry of Local Government.

The selected projects were visited by MDLF staff in collaboration with the MOLG where the council's members as well as the local communities there have emphasized the importance and vitality of those projects to their localities. The total allocated amount for sub-projects in the targeted LGUs in the West Bank is € 4,890,000. The allocated budget can be summarized in Chart 12 and Chart 13 below:

Chart 12: Distribution of Financing Per Sector

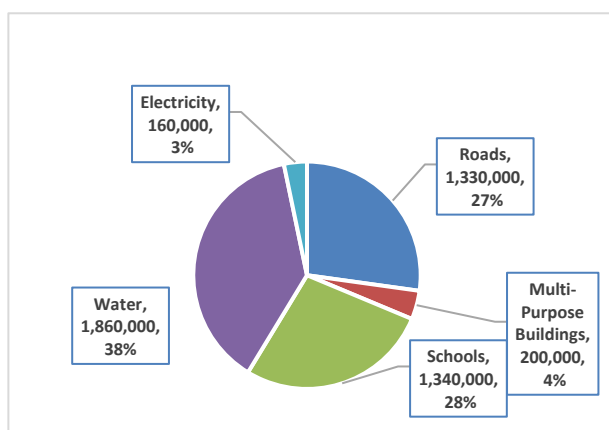
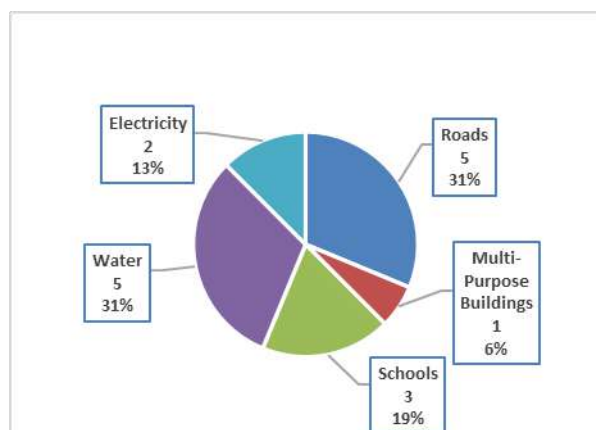


Chart 13: Distribution of Projects Per Sector



2.5 Results and Activities

2.5.1 Assessment of Results Achieved

Results chain		Indicator	Baseline (value & reference year)	Target (value & reference year)	Achieved	Percentage of Achievement
Overall objective: (Impact)	To improve the social and economic conditions of Palestinian communities in Area C which is crucial for maintaining Palestinian presence in Area C and for the development of the Palestinian economy	Number of residents living in Area C in the targeted localities	26,062 (2020) [TBC during the design phase] Disaggregated by sex 12,769 females 13,293 males	5% increase beyond the natural growth rate (2027)	Not yet Assessed	-----
		% Increase of LGUs revenues as a result of the implemented interventions (water, electricity, new crafts and shops)	0 (2020)	15% increase (2027)	Not yet Assessed	-----



Results chain		Indicator	Baseline (value & reference year)	Target (value & reference year)	Achieved	Percentage of Achievement
Specific objective(s): Outcome(s)	SO 1: To improve access to essential and public infrastructure in Area C (Schools, public buildings, roads, water distribution and electricity distribution)	Number of direct beneficiaries that have been supported to get access to essential and public services , in Area C, under MDLF programmes	40,000 people (52 % women & 48 % men), (2020)	82,000 people (52 % women & 48 % men), (2025)	Not yet Assessed	-----
		Number of localities supported through EU Area C Development Programme in the West Bank	31 (2020)	46 (2025)	46 have been supported	100%
		Number of individuals with access to safe and equitable potable water	0 (2020)	8,500 (2025)	1 subproject completed 570 individuals	6.7%
		Number of individuals with improved access to electricity	0 (2020)	1,600 (2025)	1 subproject completed (1009) individuals	63%
		Number of students benefited from the schools constructed or expanded a) primary education, b) secondary	Primary 360 (2020) Secondary 360 (2020) (enrolled to unfortunate and crowded education facilities)	Primary 450 (2025) Secondary 420 (2025) (to be enrolled to better educational facilities)	Not yet achieved	-----
	SO, 2: To strengthen the Palestinian institutions' capacity to deliver essential social and public sustainable services in Area C	% Of citizens satisfied with the outcomes of the implemented projects and services provided by the LGUs (representative sample of citizens and projects)	TBC (2020)	75% (2025)	Not yet assessed	-----
		Number of localities benefiting from capacity building support in management of aftercare period for the completed projects	0 (2020)	15(2025)	Undergoing	-----
		% Allocated of LGU budget for operation, sustainable performance and development projects in Area C	0 (2020)	10%, (2027)	Not yet assessed	-----
		% Of inhabitants participated in community mobilization activities	0 (2020)	15% (2025) in average	Undergoing	-----



Outputs	New/improved public facilities implemented in Area C including: (schools, public buildings, roads, water and electricity) and Improved services delivery	Number and areas of schools constructed or expanded	0 (2020)	Three (3) schools with total area of 2,340 SQM of constructed/expanded. (2025)	Undergoing	-----
		Number and area of public buildings renovated/developed	0 (2020)	One public building renovated/developed with total of 800 SQM, (2025)	completed	100%
		Total length of roads constructed/rehabilitated	0 (2020)	3.7 KM of roads constructed/rehabilitated, (2025)	4 subprojects 4.35 Km	117%
		Length of water distribution networks and main carrier lines implemented by the project	0 (2020)	11.7 KM of water distribution networks and main carrier lines are installed and in use, (2025)	2 sub-projects 5.84Km water line 29 House connections	49.9%
		Number of additional safe storage of Cubic Meters (CM) of potable water	300 CM (2020) Stored at rusted and unhealthy conditions	1250 CM (2025) Stored in safe and healthy conditions	Undergoing	
		Length of electrical distribution networks developed by the project	0 (2020)	3.2 km of electrical distribution networks developed, (2025)	1 sub-project completed 3.9 km	121.8%
		Number of social mobilization workshops (design, social responsibility, water and electricity public awareness concepts)	0 (2020)	50 (2025)	Undergoing	
		Number of operational and maintenance plans prepared by the project	0 (2020)	15 (2025)	Undergoing	

2.5.2 Implementation Progress at the Activity Level

a) Infrastructure Component

Since the signature of the agreement between MDLF and the EU, MDLF has started the coordination with the key stakeholders effectively (EU, the MOLG and the target LGUs) to meet the planned targets and to avoid any miss communication during the implementation. In this regard, MDLF conducted several meetings with MOLG and the targeted LGUs to make sure that all the preparatory activities were done properly focusing on getting the permits and approvals from the line ministries such as: the needed approval from the Ministry of Education for adding classrooms, and the approval from the Palestinian Water Authority for the expansion/construction of water networks, etc.



In parallel to effective communication with the key stakeholders, MDLF contracted a Local Technical Consultancy firms for design and supervision. Additionally, a Technical Support Expert (TSE) was also contracted to assist MDLF in the daily follow up of the project activities.

The LTCs were contracted on 8th and 11th of October 2020 (LTC for North Area of West Bank) and (LTC for South Area of West Bank) and the TSE was contracted on July 1st 2020. Following the contract with the LTCs, kick-off meetings were conducted to ensure a clear understanding from the consultant of the scope of work and to agree on the next steps. Upon the kick-off meeting, the LTCs were requested to communicate with the targeted LGUs and conduct the field visits to projects; locations to verify the description and the costing of the projects.

Preliminary Stage:

- A kick-off meeting with LTC representatives (North area) was conducted on November 11th 2020 and on November 24th 2020 with (South Area) were conducted to discuss the project components, allocations, and other issues.
- Field visits were conducted to the targeted LGUs in all Governorates by MDLFs' engineers and the LTCs to introduce the team and start collecting the needed data.
- The field survey was carried out including the projection of all structures, manholes, poles, walls and any underground facilities if any within the effective corridor of the road project and within the effective area of the public facilities.
- Following the field investigation, MDLF and the LTCs effectively communicated with the planning department/MOLG to make sure that all the projects' sites are located within the master plan boundaries.
- A procurement plan (PP) was prepared for all the work packages where some of them are consultancy, non-consultancy services, works, and goods.
- Regarding the infrastructure sub-projects, there are 11 NCB sub-projects (Works) with total allocation of € 4,310,000 amounting 88.14 %of the total allocated budget and 5 Shopping sub-project (works) with total allocation of € 580,000 amounting 11.86 % of the total allocated budget.

Design Stage:

To prepare a complete design for every single project the following steps were undertaken:

- The needed design data were collected and the site investigation was conducted to decide and verify the steps needed in every single project.
- The collected data was represented in the format that would assist in preparing an environmental risk assessment and social risk assessment.
- A direct consultation was conducted with the targeted LGUs and line ministries to verify the required standards and design criteria.
- The LTCs with direct support from MDLF instructed the LGUs to create and organize an independent project file for every single project.
- The soil tests and structural investigations were conducted.



Table 28: Status of Sub-projects											
No	Locality	LGU	Governorate	Population ⁵	Recommended Title	Sector	Brief Description	Allocated budget	Contracted (EUR) ⁶	Sub-project status	Cost at completion
1	Almorooj	Janata Municipality	Bethlehem	500	Development of Water Distribution Network	Water	The project will replace the current low-capacity water supply line (1/2") with new water line (2") with total length of 1.8 KM. It includes upgrading the boosting station within Janata municipality jurisdiction.	100,000	59,232.50	Completed	62,490
2	Abdulla Ibrahim	Wadi Rahal Village Council	Bethlehem	1819	Renovation and development of an existing multipurpose building	Public Facilities	The project consists of finishing works for the existing multipurpose building (2 floors with total area 800 SQM), which comprises of community hall, village council premises and kindergarten, construction of boundary walls, provision of furniture, and insulation works for the roof.	200,000	101,608.95	Completed	101,608
3					Development of Wadi Rahal Secondary Boys School	Education	The project consists of construction 3 new rooms (horizontal expansion) and staircase of total area 240 SQM, rehabilitation of existing school yard, entrance road to school, sanitary unit and upgrade the electricity connection. The land for the new classes lies within the existing school site.	220,000	255,533.46	Ongoing	
4	Alkhader	Alkhader Municipality	Bethlehem	1715	Construction of an Internal Road in Al Khader town	Roads	The project consists of the construction of about 0.5 KM length. The works will include excavation, levelling, concrete sidewalks, retaining walls, boundary walls and road furniture, sanitary pipe line. The roads' width is 6 m and up to 1 m sidewalks each side.	290,000	206,333.00	completed	
5	Ras Al Wad	Za'tara Municipality	Bethlehem	900	Construction of Ras Al-Aad	Education	Construction of an elementary school comprised of nine (9) classrooms, laboratory premises, teacher's room,	630,000	853,423.00	Ongoing	

⁵ Data Source: MOLG

⁶ Excluding VAT.



Table 28: Status of Sub-projects											
No	Locality	LGU	Governorate	Population ⁵	Recommended Title	Sector	Brief Description	Allocated budget	Contracted (EUR) ⁶	Sub-project status	Cost at completion
					Elementary Mixed School		library premises, sanitary unit (toilets and septic tank), and external works. The furniture and equipment for the elementary school will be provided by the Ministry of Education. The total area of the school is 1,200 SQM.				
6	Um Addaraj	Al Ka'beneh Village Council	Hebron	1009	Rehabilitation of the Electrical Network	Electricity	The project consists of rehabilitation of the existing network including poles, underground cables and transformer. The total length of the network is 2 KM.	70,000	49,500.00	Completed	59,071
7	Al Ramadeen	Al Ramadeen Municipality	Hebron	4150	Construction of an Elevated Water Tank and Main Transmission Line	Water	The project consists of construction of an elevated water tank of 500 Cubic Meter, the work consists of mobilization works, earth works, concrete works, piping works, external works, testing works. The works include supply and install of 1 KM of transmission line.	510,000	526,249.75	Ongoing	
8	Ma'een	Al Karmel Municipality	Hebron	825	Construction of the Secondary Girls School	Education	The project consists of construction of six (6) classrooms, in addition to science laboratory, teacher's room, library room, staircase (toilet units and septic tank), and external works. The furniture and equipment for the school will be provided by the Ministry of Education. The total area is about 900 SQM.	490,000	755,668.00	Ongoing	
9	As-Semia	Al Samu' Municipality	Hebron	571	Rehabilitation of the Electrical Network	Electricity	The project consists of rehabilitation of existing network. The work consists of supplying and installing medium voltage cable 36 KV of 1.2 KM, transformation station of 36KV to 400KVA and development of low voltage network.	90,000	93,000.00	Suspended due to verbal SWO from Israelis	
10	Izbat Shoufeh	Shoufeh Village Council	Tulkarem	1456	Construction of an Elevated Water Tank and Main Carrier Line	Water	The project consists of construction of an elevated water tank of 250 Cubic Meter, the work consists of mobilization works, earth works, concrete works, piping works, external works testing works and main carrier line of 1.7 KM.	370,000	315,785	Suspended due to verbal SWO from Israelis	



Table 28: Status of Sub-projects											
No	Locality	LGU	Governorate	Population ⁵	Recommended Title	Sector	Brief Description	Allocated budget	Contracted (EUR) ⁶	Sub-project status	Cost at completion
11	Khirbet Fares	Zabdah Al Jadeedeh Village Council	Jenin	250	Rehabilitation of Internal Roads	Roads	The project consists of reconstruction of two roads with total length of 0.75 Km. The roads' width is 4 m and up to 1 m concrete shoulders each side. The works also includes road furniture. The works includes the replacement of 0.4 KM water pipe line.	120,000	81,465.0	Completed	90,898.9
12	East Aba	East Aba Village Council	Jenin	571	Construction of Water Distribution Network	Water	The project consists of construction of water distribution network; work includes supply and install of steel pipe lines of different diameters (totalling 7.25 KM) and new valves of different types, house connections with water meters.	390,000	209,079.62	Ongoing	
13	Bir Albasha	Bir Albasha Village Council	Jenin	1725	Construction of an Elevated Water Tank and Upgrading of Existing Water Distribution Network	Water	The project consists of construction of elevated water tank of 500 Cubic Meter, the work consists of mobilization works, earth works, concrete works, piping works, external works, testing works. The works also includes upgrading works for the existing distribution work to change the distribution method from direct pumping to gravity distribution.	490,000	428,570	Ongoing	



Table 28: Status of Sub-projects											
No	Locality	LGU	Governorate	Population ⁵	Recommended Title	Sector	Brief Description	Allocated budget	Contracted (EUR) ⁶	Sub-project status	Cost at completion
14	Qalqilya	Qalqilya Municipality	Qalqilya	2000	Rehabilitation of an Internal Road	Roads	The project consists reconstruction of one road with total length of 1.2 Km. The roads' width is 6 m and up to 1 m concrete shoulders each side and; The road is considered commercial; the technical design should consider the traffic management and parking areas. The works will include excavation, levelling, drainage, concrete shoulders/sidewalks, and roads furniture/light, infrastructure works (electrical and sewage).	440,000	558,476* (Contribution from municipality)	Completed	
15	Jensafout	Jensafout Village Council	Qalqilya	2571	Rehabilitation of an Internal Road	Roads	The project consists of construction about 0.75 KM length. The works will include excavation, levelling, and concrete shoulders, retaining walls, and roads furniture. The roads' width is 6 m.	190,000	156,837.94	Completed	153,651
16	Al-Ezariya	Al-Ezariya Village Council	Jerusalem	6000	Reconstruction of an Internal Road	Roads	The project consists of reconstruction of about 0.5 Km length. The works include electrical lighting, sidewalks and concrete shoulders, retaining walls, guardrails, and drainage storm water pipelines and manholes. The works includes also the road furniture	290,000	330,000.00	completed	
				26,062	Total Construction Estimated Cost (Excluding VAT)			4,890,000			



b) Civic Engagement and Community Mobilization

The Communities Mobilization Activities are designed based on previous experience and lessons learned gained from the implementation of the completed four packages under the Area C Development Programme, as well as the lessons learned from the mid-term evaluation of Area C conducted through the EU. It was stated by the evaluators: *“The Project has been carried out more or less as an engineering/construction project focusing and constructing a certain number of infrastructure sub-projects. Following such a top-down construction management approach has left little space for participatory processes to take place. The Project could have been more effective if the construction activities were augmented by other accompanying socially and/or environmentally related training/interventions. It is important, in this case to strike the right balance between administrative management requirements to carry out the construction component versus engaging in a development dialogue/support with the LGUs”.*

Addressing the needs of the marginalized communities by improving service delivery and their participation in decision making process cannot be fully realized without the effective involvement and assistance of civil society. The civic engagement activities were designed in a way to engage reputable and experienced civil society organizations (CSOs) as an implementing partner to empower the local community activities. The primary objective is to complement the Program’s hard infrastructure Component by enhancing civic participation of vulnerable communities in local-decision making and thereby improving citizen-local governmental relations and the latter’s accountability.

✓ Objective of Citizens Engagement

The overall objective of citizens engagement is to mainstream citizen engagement and social accountability in local decisions making to improve the development results and contribute to building sustainable systems and strategies for citizen engagement with local governance sector.

The specific objectives of such activities is to institutionalize citizen engagement and social accountability in local governance through adopting formal guidelines/procedures and good practices for strengthening civic engagement as an approach where marginalized communities have the power to influence the decisions and services provided by the LGUs.

✓ Progress So far (general):

- A local NGO was contracted by MDLF late May 2021 for 18 months.
- Several coordination meetings were held at MDLF with the NGO to ensure the full understanding of the assignment and to discuss the implementation plan. Special attention was given to assure the synergy with other consultants who are currently implementing similar activities under MDP3 at the municipal level, given that some of the target localities under this assignment are either VCs or Municipalities targeted under MDP3-SA package. The NGO was requested to assess the crosscutting activities with other assignments to ensure the harmony and complementarity between the assignments and to avoid any potential duplication.
- In June 2021, the NGO with support of MDLF conducted introductory meetings to the (15) targeted LGUs for introducing the team, objectives, and activities of the assignment. The infrastructure sub-project’s locations were also visited by the NGO team to have a better understanding of the projects and area ‘C’ boundaries in each locality.
- The local NGO completed the assessment of social accountability (SA) and community participation (CP) environment, alongside the Training Needs in the (15) targeted localities. The assessment included the collection and analysis of both quantitative and qualitative data of the LGUs’ officials, civic groups (CBOs), and local social mobilizers. The key tools used for the assessment were questionnaire, interviews and focus groups. The assessment has mainly focused on a list of baseline indicators for SA and CP in the targeted localities in addition to some selected indicators relevant to the expected social impact of the infrastructure projects under this package.



- The Data collected during the field sessions has been analysed to get a clear picture about the CP and SA enabling environment in each locality as well as the training needs of LGU officials, civic groups (CBOs), local social mobilizers. Results of data analysis have been reflected on a well-structured and comprehensive diagnostic assessment reports for each locality including: key SA components, service delivery, citizens' satisfaction in addition to the Grievance Redress Mechanism "GRM".

✓ **Results of Diagnostic Assessment of SA and CP:**

- Limited capacity of both LGUs and local communities regarding the SA.
- Limited community awareness regarding the importance and impact of SA on the local community level.
- Lack of SA institutionalization at the LGUs and communities' levels.

✓ **Training Needs Results:**

The training needs assessment focused on **four pillars** targeting the LGUs' officials, civic groups (CBOs), local social mobilizers as shown below:

- Knowledge Level regarding the SA and CP concepts, tools, and components.
- Skills level regarding the application of the SA and CP tools.
- Attitudes towards the SA and CP.
- Behavior level regarding the application of SA and CP without any intervention.

✓ **SA & CP, and Training Needs Recommendations:**

- Forming/enriching SA committees in the targeted LGUs while taking into account building on the existing SA committees if any and ensuring proper representation of area "C" residents.
- Improving the capacities of LGUs and local communities regarding the SA concepts and tools alongside the supporting knowledge and skills.
- Raising the community awareness regarding the SA role in enhancing the services provided to area "C".
- Developing and/or updating the action plans of the SA committees for the benefits of the residents of area "C" and at the same time mitigating the impact of the political obstacles imposed on area "C".



Meetings with MDLF Team (Left) and NGO-Team (Right)



SA Environment Assessment Session in East Aba (Left)



✓ **Implementation Phase of the SA and CP component**

Following the development of the awareness plans by the SACs in cooperation with the relevant LGUs and supported by the NGO team, each SAC started the actual implementation of the activities as per the developed awareness plan. The tables below show the actual type and the number of awareness materials used up to this reporting period as well as descriptions of the awareness activities that have already been implemented by the SACs in each targeted locality. Several awareness activities have been implemented across the targeted localities including: Two Posters with two different messages, One Notebook with 4 different SA and CP messages, 13 Social Media Posts, 2 Videos, and 8 Social Media Quotes taken from the LGUs, SACs.



Part of the Social Media Posts and Quotes

Table 29: Awareness Activities and Materials implemented/being implemented and Status

Awareness Tool	No. of Copies	Status
Posters	300 (150 for each Poster)	Printed Out, to be distributed in June and July 2022
Notebooks with Four SA and CP Messages	800	Printed Out, to be distributed in June and July 2022
Social Media Awareness' Messages (Posts)	13	9 posts were published on FB Pages, 4 posts to be published in June and July 2022
Videos	2	2 videos were published on FB Pages,
Quotes	8	To be published in June and July 2022
Activities	10	10 Activities were implemented



Photo 6-7: Awareness Activities Took Place in Al Khader(left) and As Semia (Right)



Awareness Activities Conducted In Cooperation with Lahtha Co. in East Aba (Upper left) and Wadi Rahal (Upper Right), and Ras Elwad (bottom)



c) Rapid Assessment of the Status and Usage of Previous Packages

One of the main activities under this package is a rapid assessment of operational and maintenance conditions as well as the technical status of the completed sub-projects which had been implemented under Packages I-IV of the Area C Development Programme in the West Bank. The rapid assessment was conducted by MDLF with support from an individual consultant familiar with Area C. Forty-Two (42) sub-projects in Thirty-One (31) localities were subject to the assessment based on a well-defined criterion using a comprehensive template for data collection with documentation of the visual observations from site visits. The following conclusions can be listed as follows:

- 88% of the sub-projects are fully operational and 12% are partially operational.
- 69% of the sub-projects require periodic maintenance, 21% are in good condition and 10% need remedial actions.
- 78.6% of the sub-projects are satisfactory in terms of technical status, 11.9% are fairly satisfactory and 9.5% didn't meet expectation.
- All roads' projects were technically in good condition and look sustainable. They improved accessibility between different areas within the targeted villages. Additionally, the inhabitants have been encouraged to build their own houses a long side these roads. A periodic maintenance is required for the painting and traffic signs.
- For the buildings and other facilities, the majority are technically good, but some lack of the required maintenance and cleaning. More will be presented in the table of technical observations and findings.
- The educational facilities are functional and operated by the Ministry of Education. They are in good shape but still requires periodic maintenance. The additional classrooms solved the pupils overcrowding.
- A couple of kindergartens which are managed by the village councils are not in good shape. Not fully operational and require periodic maintenance like Al Masqoufa and Ras-Tira kindergartens.
- There are few technical problems that could be solved through remedial actions and periodic maintenance. More will be presented in the table of technical observations and findings.
- It is recommended to contact MOLG/LGUs and MOE to assure the periodic maintenance of the sub-projects.
- More focus is needed to empower the VCs focusing on those located in Area C and getting the benefits from the ongoing village support program.



Construction of buildings



Construction of water distribution network



d) Diagnostic Baseline Study

Arab World for Research and Development (AWRAD) was commissioned by DANIDA to carry out a Diagnostic Baseline Study for the Development of Area C in the West Bank for seven projects (electricity and water projects).

The main purpose of the diagnostic baseline study is to establish the baseline for seven projects related to water and electricity sectors. The meant projects are located in seven localities distributed across four governorates in the West Bank. The baseline figures will be used as the basis of the final evaluation by setting up a point of reference by which the change will be measured after the post-implementation. The objectives of the study are to:

1. Evaluate the institutional and operational capacity of the selected LGUs (Janata Municipality, Al Ka'beneh Village Council, Ar Ramadin Municipality, Al Samu' Municipality, Shufa Village Council, East Aba Village Council, Bir Albasha Village Council). Through the assignment, the consultancy firm "AWRAD" was requested to:
 - I. Identify gaps and underlined barriers to improve service provision.
 - II. Evaluate the sustainability factor of the 7 projects.
2. Design and execute a survey/questionnaire(s) amongst a representative sample population in close consultation with the MDLF to measure the satisfaction and perception of the direct beneficiaries at the household level about access to drinking water and electricity provision.
3. Produce a set of key indicators and targets based on the diagnostic baseline study data to update the project Results Framework where necessary.

The base line was conducted using both qualitative tools and quantitative tools as follows:

- **16 KIIs were conducted**, of which 9 – LGUs; 3 - partner organizations; 3 - relevant government and non-government institutions.
- **14 FGDs were conducted**: 2 in each locality; one with community members and another one with municipality/ VC members and staff.
- **650 questionnaires were distributed in accordance to the following sample**

Area	Total	%	Male	Female
Ar Ramadin	260	40%	47%	53%
Izbat Shufa	92	14.2%	51%	49%
Bir Al Basha	109	16.8%	49%	51%
East Aba	37	5.7%	49%	51%
Almorooj	51	7.8%	51%	49%
As-Semia	37	5.7%	46%	54%
Um Addaraj	64	9.8%	50%	50%
Total	650	100%	49%	51%

✓ Conclusions

Since the first baseline assessment, there has been progress on some projects. These include Est Aba, Morooj and Um Addaraj. However, in other areas, there is more to be done. The following conclusions might be drawn:

1. In completed and operational project, the scores for all indicators are relatively high where there is a witness shift on water & electricity accessibility & reliability. An example is the project "**Development of Water Distribution Network in Al Morooj**". Regarding accessibility to water, 90% of respondents described their access to water as weak, of which 85% do not have access at all.



While after implementing the project, 97% of the respondents describe that their access to sufficient amounts of water is above average, and only 3% do not have access at all. On the other hand, the scores for all indicators for other “Ongoing, not operated or suspended” projects are relatively low, with indicator 1 on accessibility (scoring 30.5%) and indicator 4 on sustainability and impact (scoring 30.9%). The indicator on institutional capacity is also challenging (with a score of 34.7%).

- a. These results highlight and depict the intensive demand and accessibility to the water & electricity services of the citizens in the targeted locations and the significant expected results that will create a shift in water and electricity accessibility.
 - b. Indicators are initially proposed by the consultancy firm and revised by MDLF to ensure accordance with Theory of Change and the feasibility of data collection. Upon the closing of the programme, a similar endline survey will be conducted to collect information and compute endline values of the indicators. The comparative analysis of baseline and endline values is expected to generate substantive evidence on the contribution and extent of attribution of the programme to the outcomes and outputs at the national level.
2. The baseline survey gives a clear and overall picture of the programme areas, a good reference for programme’s interventions. Most of the indicators at benchmark, which are low, need strong efforts in coordination and collaboration between and amongst the related stakeholders to achieve ambitious targets.
 3. While the project targets vulnerable and marginalized communities in Area C, the targeted communities vary by population size (ranging from 500 to 4200), linkage with nearby communities (strength of relation, reliance, and type of administration, to source of infrastructure and services (nearby community, municipality, village council, JSC, Palestinian or Israeli provider).
 - (1) The data show that the targeting of the project is almost always well-targeted, where six of them show clear marginalization using all baseline indicators, while one (As-Semia) while highly marginalized at the levels of citizen engagement and sustained impact, it is above average regarding access to the supported service and institutional capacity.
 - (2) Based on the results, the following data reveal the following overall conclusions about the targeted communities:
 - **‘Izbat Shufa** is the most marginalized based on indicators 1 (accessibility) and 2 (institutional capacity). It is the third most marginalized based on indicator 3 (citizen engagement) and the second most marginalized based on indicator 4 (sustainability and impact). In total, ‘Izbat Shufa is the most marginalized of all seven targeted communities.
 - **East Aba** is the most marginalized based on indicator 4 (sustainability and impact), and almost as marginalized as ‘Izbat Shufa based on indicator 3 (citizen engagement). It is the second most marginalized based on indicators 1 (accessibility) and 2 (institutional capacity). In total, East Aba is the second most marginalized of all seven targeted communities.
 - **Bir Al-Basha** is the third most marginalized based on indicators 1, 2 and 4. It is the fourth most marginalized based on indicator 3 (citizen engagement). In total, Bir Al-Basha is the third most marginalized.
 - **Om Adaraj** is the most marginalized based on indicator 3 (citizen engagement). It is the fourth most marginalized based on indicators 2 and 4 and third most marginalized based on indicator 1. In total, Um Addaraj is the fourth most marginalized.
 - **Ar Ramadin** is the fourth most marginalized based on indicator 1 and the fifth most marginalized based on indicators 3 and 4, and almost equal to Um Addaraj based on indicator 2. In total, Ar Ramadin is the fifth most marginalized.



- **Almorooj** is the sixth most marginalized based on indicators 1 and 2, but almost equal to As-Semia based on indicator 3. It is the least marginalized based on indicator 4. In total, Almorooj is the sixth most marginalized. The relative positive assessment of the situation in Almorooj might be explained by the implementation of the project in the community and the feeling of the members of the benefits of the project.
- **As-Semia** is the least marginalized community based on indicators 1 and 2, and almost equal to Almorooj based on indicator 3. Yet, it is the fifth most marginalized based on indicator 4. In total, As-Semia is the seventh most marginalized. While the project in As-Semia has been suspended due to the stop working order from the Israeli Authorities, the evaluation for the overall electricity infrastructure and services is due to the fact that the community has full linkage to the network provided through the nearby Sai'r community, which obtains its electricity from the Israeli company directly. This does not negate the need for the intended sub-project, which represents (1.9%) of the infrastructure entire budget and aims at the Rehabilitation of the Electrical Network in As-Semia, which continues to be deemed as a core priority for the local leaders and community members.



Development of Water Distribution Network in Al Morooj



Om Adaraj - Al Ka'abneh.
Rehabilitation of the Electrical
Network



Table 30: Updated Work Plan

Task	Responsibility	2020				2021				2022				2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<ul style="list-style-type: none"> Task 1 - Mobilization (Preparatory Activities) 																	
Effective coordination between MDLF, MOLG with the LGUs encouraging them to be well prepared for the implementation.	MDLF, MOLG			completed													
Preparation of the local technical consultant terms of references. Special focus will be given to the quality control, supervision, composition and qualifications of the requested personnel. The terms of reference will include a specific part for the technical assistance of the local governmental units.	MDLF																
Preparing a detailed implementation plan including (procurement plan, disbursement plan, and communication and visibility plan).	MDLF																
Contracting an individual consultant/s (technical support expert/s) to assist the MDLF staff in the day to day follow up the project activities under this package	MDLF																
Signing the Grant Implementation Agreement (GIA) between MDLF and the LGUs describing the roles and the responsibilities for MDLF and the LGUs.	MDLF, LGUs																
Preparation of the TOR for community mobilization and civic engagement	MDLF																
Impact and Sustainability Assessment that will be financed by DRO for water projects (Baseline Assessment)..	DRO																

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Task	Responsibility	2020				2021				2022				2023		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Task 2- Preparation for the implementation (Sub-projects Design)																
Contracting two local technical consultants (LTCs) for sub-projects design and supervision	MDLF															
Rapid assessment for the status and usage of the funded previous packages									completed							
Preparing the design and the bidding documents for the selected sub-projects including the Environmental and Social Management Plan (ESMP) by the contracted LTC.	MDLF, LTC								Completed							
Advertising/announce for bids, composition of opening and evaluation committees (with MDLF prior approval), evaluating.	LGUs								Completed							
Contracts award following MDLF no objection. MDLF shall approve and endorse all contract by co-signing or initialing these with the wording "reviewed, cleared and endorsed by the MDLF".	LGUs, /MDLF								Completed							
Contracting the firm/NGO specialized in community mobilization	MDLF															
Task 3 – Sub-projects Implementation Stage																
Technical Assistance for supervision																
Assist the LGU's in the supervision of subprojects	MDLF, LTC															
Monitor and Ensure compliance with MDLF standards	MDLF, LTC															
Communities' mobilization activities	NGO/ Local Firm															
Financial Management																
Monitor and Ensure compliance with MDLF financial procedures	MDLF															
Social Safeguards Monitoring																



2.6 Beneficiaries/affiliated Entities and Other Cooperation

2.6.1 Key Stakeholders.

The key stakeholders of the action can be listed as follows:

- The Ministry of Local Government “MOLG” as the lead policy-maker and regulatory body for LGUs in Area C in the West Bank.
- The Ministry of Civil Affairs “MOCA” who coordinates with the ICA regarding the planning meetings and follow up the stop working orders/confiscation of equipment once happened.
- The Prime Minister Office, particularly the unit in charge of coordination the external support including Area C development interventions.
- The Municipal Development and Lending Fund “MDLF” as the selected implementing Agency for this action and will be responsible for managing the fund and do all the arrangements for successful implementation of the action.
- The Local Government Units “LGUs” where the proposed projects will be implemented and will be the owners and/or final beneficiaries of the public infrastructures that will be resulted from the action.
- The Local Technical Consultant (LTCs) who will be responsible for the design and the supervision of the infrastructure sub-projects.
- The Contractors and Suppliers who will be responsible for direct implementation of the sub-projects within the targeted communities and will be managed directly by the LGUs with technical support from the LTC and the MDLF.
- The European Union as a donor and other financing partners working in Area C, i.e the financing partners who are members or observers in the steering committee for instance Denmark
- Association of Palestinian Local Authorities “APLA” which is an independent organization aiming to represent and lobby for the collective interests of its members LGUs (in general), and is currently managing an intervention for institutional development for the LGUs (including Area C) funded by the EU.

2.6.2 Coordination among the Key Stakeholders.

MDLF effectively coordinated with stakeholders during last period as follows:

- MDLF worked in close collaboration with the local technical consultant (LTC) as well as the LGUs and the MOLG to meet the planned targets and to avoid any miss-communication.
- A close communication between MDLF, MOLG and the target localities was done to ensure that all the preparatory activities were done regarding the permits and approvals from the line ministries.
- MDLF also shared the design of water and school projects with PWA and MOE respectively to ensure the compliance of designs with technical requirements for both line ministries.
- MDLF shared the information related to this package with the Prime Minister Office as part of MDLF regular reporting.
- There was continuous communication between MDLF and the EU notifying them about the progress and achievements as well as the challenges throughout the implementation.
- MDLF early notified the EU, MOCA and MOLG for the case of stop working order/confiscation of material and equipment for the project: (Al-Simya electrical network) to follow up and track the case as needed.



- A close communication with the local technical consultants was done to ensure the clear understanding of the consultants regarding the scope of work.

2.7 Visibility

Area C Development Programme in the West Bank – Package V promotional and media coverage

MDLF prepared a communication and visibility plan for this package including a list of activities to be undertaken throughout the implementation. The plan was cleared by the EU and was used as a base for promotional purposes to ensure the visibility of the Area C programme and to convey messages across the beneficiaries and stakeholders. Several activities were planned to be conducted within the framework of communication and visibility of the programme, and could be listed as follows:

✓ **Ongoing: Printings and Promotional material:**

Throughout the year 2022, MDLF has already started working on different printing materials under this package, including: i) an Informative brochure in Arabic and English about Area C Development Programme in the West Bank – Package V; ii) Technical Fact Sheets for different projects, iii) Rollups, iv) Design and produce of foam boards with messages and images, v) Design and produce of Billboards. MDLF also started working on 2023 Calendar for Area C Development Programme which will be ready at the end of this year.

Also, MDLF started working on spots that will promote Area C Development Programme in the West Bank – Package V Achievements. The MDLF facebook page is already activated promoting the programme and all its components and achievements.

✓ **Completed Activities: Event Management:**

- MDLF organized a fun day activity for children in the European day which was successfully implemented in Wadi Rahhal.
- MDLF organized three awareness raising initiative on the importance of water in different schools. The main objectives of the awareness raising initiatives were to improve the awareness on water issues and encourage local community members and their families to take action in conserving water. Messages were received positively by the local community especially the direct linkage between the initiatives and the projects being implemented to improve access to water in the targeted localities. The awareness initiatives were raised through a variety of channels such as interactive activities, role playing, and creating artworks to engage the public in topics such as: water conservation; hygienic water use; or preservation, and public and private water networks conservation. In addition, a big part of the activity was dedicated to the involvement of the community itself by formulating focus groups to create their own awareness materials recognizing the importance of water for our lives.
- MDLF also engaged social media influencers who have large engagement in the targeted communities. The citizens of the targeted communities will be more involved and aware of our projects due to influencers actions that included sharing photos or stories on their Instagram, Facebook, Twitter pages.

✓ **Planned activities: Field Visits & inaugurations**

MDLF will organize under the communication and visibility plan five inaugurations' events including all the logistics and event management tasks. The events will include design and production of invitations, design and printing banners, and preparing branding guidelines for the venue. In addition to inviting the press, preparing media kits, press releases, taking photos and videos.



Additionally, Once MDLF complete all the projects under this package, a tour bus for the media will be organized where the local and international media will be invited. The expected outcome from this activity is to increase the awareness on Area C Programme, and share the results of the successful implementation of the projects. Accordingly, MDLF will also collect and document success stories about the implemented projects.

2.8 Challenges

Challenges faced during the Diagnostic Baseline Study:

- **Limited responsiveness:** Some of the participants were unresponsive to the FGDs invitation or to the survey, either due to their dissatisfaction with the LGUs or to limited belief in the utility of such workshops and surveys. There is, however, an increasing feeling that such processes are not producing tangible or transformative results that improve their lives.
- **Lack of awareness:** Some of the community members are not aware of the project that is intended to be implemented or that has already started.
- **Area C:** The targeted areas are considered Area C, and this has put extra challenges and difficulties on the field researchers to reach such areas and localities.

Challenges faced during the implementation of the SA and CP activities:

- The timing of the actual implementation of awareness activities was challenging due to Ramadan, and the LGUs Local Elections.
- The Strike of school teachers highly affected and delayed the implementation of some of the awareness activities that were planned to target the school students which in turn forced the SACs to change the target audience of the activities.
- The political and security situations that occurred in area “C” have also affected the implementation of some of the awareness activities such as in Al Khader and Jenin which witnessed clashes and the fall of more than one martyr in the last period. This, in turn, had delayed the implementation of some activities, mainly the publication of the social media posts which was considered inappropriate timing to publish the posts on the SAC and LGU FB pages.
- Lack of cooperation or the absence of the local council affected the implementation of the awareness activities specifically in Bir Al-Basha and Um Addaraj.
- Weak communication with some of the SACs’ focal points due to the change in their residential areas caused a delay in the implementation of some awareness activities.
- The change of the local councils as a result of the last two rounds of the local elections caused a delay in the implementation of some of the awareness activities.
- Awareness and SAC plans were not integrated into the LGU plans.

Challenges faced during the infrastructure projects:

- The lack of the capacity and skills of most LGU’s to prepare ESMP as well as the preparation of bidding documents and procurement plans. To overcome this challenge; on-job training and site visits were conducted by the contracted LTCs.
- The designs of the 3 sub-projects, namely, (Ras Elwad school, Maeen school, Wadi-rahhal school) were subject to substantial delays due to MOE and Civil Defence requirements.
- Two sub-projects, namely “As-Semia electrical network, Izbit Shoufa water tank” were subject to verbal SWO from the Israeli Authorities with confiscation of equipment. The equipment was



released however the implementation is still suspended in both sub-projects. This issue has been followed by MOCA/MOLG and the EU as well.

- One sub-project, particularly, Jeinsafout road was subject to verbal SWO by the Israeli with confiscation of the roller. Fortunately, the implementation was resumed and successfully completed despite the SWO. However, the confiscated roller has been released.
- Evaluation of sub-projects' bids took long time to finalize due to procurement verifications.
- Maeen school subproject contract agreement was signed and new site was selected by LGU since the original site is considered within the archaeological area according to the Israeli archaeological plan.
- Several obstacles were encountered in more than one project for the following reasons:
 - i. The inability of the village councils to bind the citizens to the pledges they signed before implementing the projects, which led to a change in the scope of work and a delay in the implementation process.
 - ii. The emergence of design problems in some projects during the implementation, which led to making change orders, disputes between the contractor and the consultant, and a delay in the implementation process of the projects (Al-Khader Roads Project - Bir Al-Basha Reservoir Project).

2.9 Recommendations

Recommendations proposed during the implementation of the Diagnostic Baseline Study:

(1) Developing LGUs Capacities and Management

- The unique circumstances of the targeted communities regarding the multiplicity of actors influencing the infrastructure and service provision require significant efforts to align, synchronize and unify efforts, procedures, requirements and monitoring. For example, in the field of water, many of the localities targeted have no independence in running their infrastructure or services. This requires clear roles and lines of responsibility between the locality, the nearby LGU, the source of water, the relevant JSC, and the PWA. A similar pattern applies to electricity infrastructure.
- Improve the information sharing with the local community, leadership and VC regarding services.
- Capacitate the VCs to improve accessibility to and quality of services delivered, clarity of VC procedures and average customer time spent to obtain each service.
- Increase the financial funds for the VC to improve the quality of the implemented project and improve the community members quality of life.
- Conduct trainings in relation to professional project management, monitoring and evaluation, and to include small VCs in such trainings.
- The village councils have a limitation in human resource in all fields; a system that will allow these villages to benefit from hiring joint staff would be a consideration. MoLG had already experiment with this, but it was a temporary arrangement. A more permanent modality could be adopted.
- The JSCs could play a primary role in coaching and guiding the work of village councils. This must be further systemized and monitored to ensure effectiveness.



(2) Promote Civic Engagement and Accountability

This is an area for significant development. Improving levels of consultation, participation and engagement and knowledge-sharing with citizens will lead to improved infrastructure, services and revenues. The following specific recommendations are proposed:

- Capacitate the VCs to enable them to engage in meaningful consultation processes in relation the selection of priorities based on thorough analysis of community needs.
- Capacitate the VCs to properly use social media and new technology to raise awareness about its work and announce their activities to citizens.
- Ensure that the consultation process goes beyond the leading tribe and political leaders, by ensuring that the participation of women, youth and persons with disability (PWDs) is genuine and institutionalized.
- Involve and include women, youth and PwD in the participatory process to bring the approach to a successful conclusion and make sure that their voices are heard, however, future efforts must seek to maintain their quality roles and contributions.
- Develop and implement an awareness raising campaign which provides information on VC services and the rights and responsibilities of citizens in relation to their proper management to encourage more citizens to consider an active role in municipal accountability mechanisms.

Recommendations proposed during the implementation of the SA and CP interventions

- Selection of a more appropriate timeframe for the implementation of the awareness activities
- More attention to be given to the school children in the awareness activities.
- More time and resources to be secured for any awareness campaign because educating people and changing some of their conceptual orientations and attitudes are in need for a long time period.
- Special training to be provided to the SACs and LGUs on reporting techniques through Social Media Pages i.e. disaggregation of viewers or followers of the FB pages per the geographical locations, gender, etc.
- Awareness and SAC plans to be integrated into the LGU plans and mainly in the upcoming SDIP

Other recommendations

- Continue strengthening the LGU's institutions and improving their staff capacities through on job training and transfer of know-how. This will enable the LGU's to be an efficient and sustained institution.
- Pay more attention to training and workshops especially for social and environmental aspects.
- Conduct training workshops for the local consultants before the implementation stage to ensure that the consultant accommodates the requirements of the Procurement Manual of MDLF.



2.10 Success stories

Success story #1: Rehabilitation of an Internal Road in Qalqilya

The road has a structural width of 16 m and is located in Area C in the city serving a densely populated area with a population of around 2000 people.

Before rehabilitating the road by MDLF, the road suffered from a severe shortage in the infrastructure services provided to citizens in the area including (water, sewage, electricity, and complementary elements such as sidewalks and others). The situation of the road caused many traffic problems and accidents because it is wasn't paved over its entire width (only 6 meters).

MDLF was able to rehabilitate the road with all complementary needed elements. The works included excavation, levelling, drainage, concrete shoulders/sidewalks, and roads furniture/light, infrastructure works (electrical and sewage). The road now serves around 15,000 workers per day who are coming from outside the city towards the northern crossing of the city. The road also serves city visitors coming towards the National Zoo. Most importantly, it also serves multiple homes, commercial establishments, and housing. The rehabilitation constituted in reducing pollution and dust in residential areas located within Area C. The implementation of the project was completed on 25th May, 2022 and all objectives of the project were achieved.



Rehabilitation of an Internal Road



Success story #2: Development of Water Distribution Network in Al Morooj

The project replaces the current low-capacity water supply line (1/2") with new water line (2") with total length of 1.8 KM. It includes upgrading the boosting station within Janata municipality jurisdiction.

A water network is available in the Jannatah area; however, it is an old network that needs rehabilitation. In addition, there are no water pumps or water tanks, to meet the needs of the citizens and this results in poor water supply and water loss.

The project after successfully completion, witnessed a **paradigm shift of water accessibility & reliability to the 500 people living in the area. The results of the assessment conducted by MDLF showed that** 10% of the respondents described their access to sufficient amounts of clean water as above average before implementing the project. This is compared to 90% who describe their access as weak, of which 85% do not have access at all. After implementing the project, 97%



of the respondents describe that their access to sufficient amounts of water is above average, and only 3% do not have access at all. This was emphasized by the results of the qualitative data, as one of the male community members said that "*we have extreme water shortages before the project that affected our daily life activities such as showering, cleaning, and others*".

More notable are the findings on the reliability of access to water, as 100% of the respondents reported that they face water shortages (1-3 times/week) on a weekly basis before implementing the project; whereas after implementing the project, 100% of the respondents reported that they don't have water shortages at all.

There is also a significant change in the level of satisfaction with water services and other quality standards. Before implementing the project, none of the respondents were satisfied with the quality of water in their community, whereas after implementing the project 74% are satisfied.

As for the coverage of water system in the community, the level of satisfaction has changed from 0% to 65%, and only 35% of the respondents are somewhat satisfied after implementing the project.



Development of Water Distribution Network in Al Morooj



3. Gaza Vulnerable Communities Development “SDC Fund”

3.1 Introduction

Gaza Vulnerable Communities Development (GVCD) is a programme that was designed to improve the process of providing basic services to the vulnerable populations in Gaza Strip and increase the accountability in the local municipalities, as well as boost civic duty and participation among vulnerable populations in issues related to local planning and decision-making processes.

GVCD aligns with the Palestinian Authority policies, namely the National Policy Agenda of 2017-2022 and the updated plan 2021-2023, the Local Government Strategic Framework, and the new MDLF Strategy (2022-2026).

GVCD complement the Municipal Development Program in responding to vulnerable communities and providing accountable municipal services and enhance partnership with civil society organizations. In the first phase of the programme, the Palestinian Center for Democracy and Conflict Resolution (PCDCR) was contracted to implement the social component and build the local communities and vulnerable groups capacities in CP and SA. In the new phase, MDLF will make the arrangement to recruit an NGO as a partner to carry on the civic participation component following the MDLF procurement manual and procedures.

In the pilot phase, 7 municipalities located in the middle and south of Gaza east Salah Aldean Road were selected (Al Burij- Al Qarara- Abasan Jadeeda – Khuzaa- Al Shoka – Rafah and Al Naser). 24 vulnerable communities were engaged in the program activities to enhance civic participation and influence local decisions concerning citizens needs and priorities.

In the first phase of the programme, MDLF identified and implemented 9 infrastructure projects responding to the needs of the selected vulnerable communities. The projects were selected and identified in full participation of the vulnerable communities to cover various needs: roads rehabilitation –sewage networks rehabilitation – improvement of households water connections, and develop and implement 33 small-scale community projects by the local committees and community members. The community initiatives mobilized civic participation and enhanced local committees’ ability to practice civic participation and social accountability. The initiatives covered different areas including installing waiting stops at streets, streets lightening – community awareness sessions- furnishing youth centers – providing household waste containers to improve solid waste collection.

More than 160000 people benefited from the GVCD program including women, youth, people with disabilities and elderly people.

In the new phase of the program (2022 – 2024), 7 new municipalities located in the middle and south of Gaza will be selected based on the specified criteria to increase civic participation and empower vulnerable communities and groups.

3.2 GVCD description

3.2.1 Overall Objective

GVCD Phase I was implemented and completed between (2018 – 2021), and the second phase is planned to be implemented between (2022 – 2024).

Gaza Vulnerable Communities Development aims at:

- Improving and enhancing accountability in local service delivery for vulnerable communities.



- Strengthening local authorities' accountability toward citizens and civic groups (youth, women, and Neighborhood Committees) and citizens' participation in local decision-making processes.

The Program seeks to respond to the continued high demand for basic services among vulnerable communities who are often left behind as well as to strengthen their capacity to participate in local decision-making processes.

GVCD new phase will integrate the findings from phase 1 and develop interventions to respond to the high demands for basic services among vulnerable communities with focusing on the three core components:

- Component 1: Improving accountable service delivery for vulnerable communities through implementing 7 small to medium infrastructure projects in the new selected areas and implementing 5 top up projects priorities from phase 1.
- Component 2: Strengthening Civic Participation & Social accountability of vulnerable communities in local decision-making and community development.
- Component 3: Enhancing Policy Dialogue on civic participation and social vulnerability Issues in the LG sector, in oPt.

3.2.2 Geographic and Vulnerability Targeting (Phase II)

Communities in peripheral areas of large municipalities, for example, are commonly neglected in Strategic Development & Investment Plans (SDIPs) and annual implementation plans due to their relatively low density of population, the latter's insufficient voice and limited influence in plans' preparation and prioritization. Smaller rural municipalities, on the other hand, are not able to raise sufficient resources to deliver basic services for their SDIPs. Municipalities situated east of Salah Eddin Road in particular, generally have low population density and few economic/employment opportunities, hence low municipal revenues and low technical capacity for implementing infrastructure projects.

Recognizing the realities, the intervention, therefore, targets empowering smaller municipalities with vulnerable and marginal populations south of the Gaza city and Middle Areas – e.g., municipalities of Khan Younis and Rafah, as well as areas in the East of Salah Eddin Road across the strip.

MDLF conducted an assessment to identify the most vulnerable areas and municipalities depending on PCBS assessment of infrastructure services in 2017. As a result, 14 municipalities located in middle and south Gaza, east of Salah ElDein Road were selected and targeted in phase I of the program including (Al Burij – Al Qarara – Abasan Jadeeda – Khuza – Al Shoka – Al Naser and Rafah).

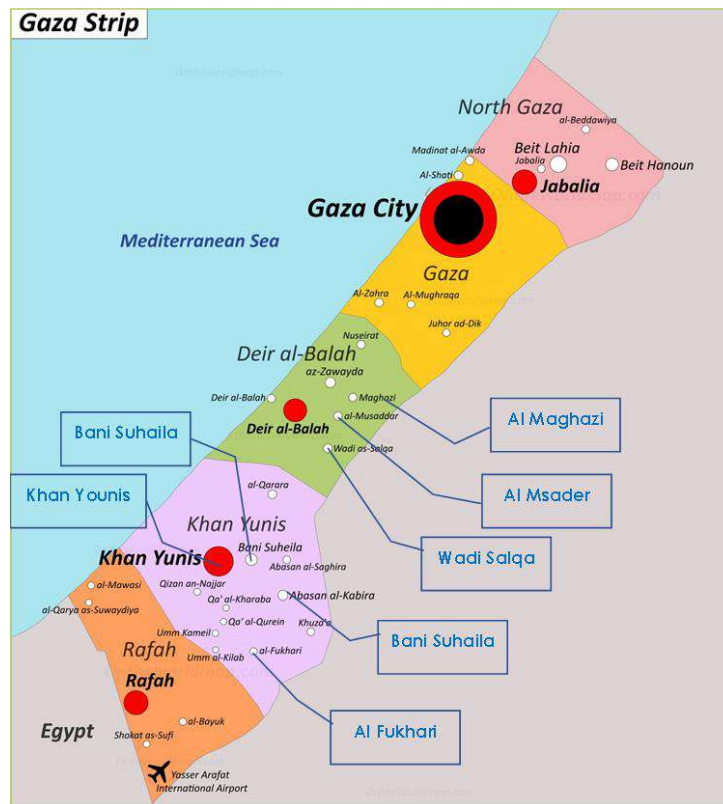
In the new phase, MDLF is planning to select a smaller number of municipalities from the previous phase (3-4) and target new municipalities, and select 7 new municipalities, this means that a total 12 municipalities will be targeted in the new cycle. The vulnerability criteria for geographical targeting included the following:

- I. Areas and populations with insufficient/ underserved service provision including:**
 - Ineffective solid waste services (shortage of waste bins, solid waste collection vehicles)
 - Limited or no access to the water network
 - Lack of energy supply for electricity service.
 - Limited or no access to sewage network if applicable



- A low percentage of paved roads in the neighborhood
 - Areas subject to natural and or human-caused disasters.
 - Lack of or insufficient public spaces as gardens, playgrounds or multipurpose facilities⁷
 - Prioritized addressing women's (especially widows and female-headed households), youth and elderly populations' needs.
- II. Areas with repeated and documented complaints/requests from citizens/ neighborhoods.**
- III. Population living outside Municipalities' built-in areas, or at the periphery of UNRWA refugee camps that may have fewer capacities to exert traction on municipalities.**

Under the specified criteria, MDLF will expand the program into new areas (as shown in figure 3 below) to improve services delivery, increase the number of beneficiaries, and create more spaces for civic participation and social accountability in the newly selected areas.



GVCD new targeted municipalities (Phase II)

3.2.3 Selection Criteria for Vulnerable Communities

1) Based on GVCD implementation in phase I, MDLF will follow the following strategy to select vulnerable communities and areas:

⁷ Prevalence of 1 to 3 directly increases environmental and health risks for the targeted communities, but also the Gaza Strip population as a whole. The initial weighting of selection criteria (20% poverty – 80% insufficient service provision) will be run in the preparation of the CP.



- a. Select (3-4) Geographic areas and municipalities from phase I, the selection criteria are based on the followings:
 - Insufficient and lack of basic infrastructure services, (limit access to water network - sanitation - paving roads- ineffective solid waste services ...
 - Weak capacity of municipalities to provide basic services
 - Collaboration and responsiveness of the municipalities in the piloting phase
 - Community commitment to participate in social activities
 - Municipalities get lower financial allocation from MDLF
 - b. Select (5- 7) New Geographic areas and municipalities
 - Ineffective solid waste services (shortage of waste bins, solid waste collection vehicles)
 - Limited or no access to the water network
 - Limited or no access to sewage network if applicable
 - Low percentage of paved roads in the neighborhoods
 - Areas subject to natural and human-caused disasters.
 - Lack of or insufficient public spaces as gardens, playgrounds or multipurpose facilities⁸
 - Prioritized addressing of women’s (especially widows and female-headed households), youth, and elderly populations’ needs.
2. Areas with repeated and documented complaints/requests from citizens/neighborhoods.
 3. Population living outside Municipalities’ built-in areas, areas closed close borders, remote areas, random populated areas.

The vulnerable communities will be scored under the above-mentioned criteria and the intervention will target the highly score communities accordingly.

3.3 Financing Partner's Contribution & Agreement duration

The SDC has contributed US\$ 3.4 million for the second phase which started in January 2022 for three years. Noting that, the intervention was designed to be implemented in three phases with a total financing of CHF 12 million over 9 years.

⁸ Prevalence of 1 to 3 directly increases environmental and health risks for the targeted communities, but also for the Gaza Strip population as a whole. Initial weighting of selection criteria (20% poverty – 80% insufficient service provision) will be run in the preparation of the CP.



3.4 Implementing Strategy

The Municipal Development and Lending Fund (MDLF) will be the principal implementing partner for all three components of Phase II. The MDLF is legally mandated to implement PA's policies and strategies related to LGUs. It is a semi-governmental entity with its own independent Board, transparent financial management and reputable procurement procedures that comply with national legislation and World Bank standards. MDLF has proven to become an efficient mechanism for channelling numerous donors' financial contributions to the LG sector in the West Bank and Gaza.

MDLF's institutional presence in West Bank as well as Gaza with a fully staffed office will be an asset to quick deployment, ongoing implementation and monitoring of the intervention's activities. It is the only local institution that can manage implementation, legal and institutional risks (related to no contact policy and CTL) at an acceptable level in the Gaza Strip.

MDLF has accumulated extensive experience through implementing GVCD phase 1. It is familiar to the basic standards and requirements to address vulnerability as well as the design and implementation of infrastructure projects through genuine participation of citizens. MDLF has the needed skills and capacities to strengthening social accountability and building partnership with NGO to support community mobilization within vulnerable communities. This will help advancing the partnership and creating spaces for collaboration and engaging different actors from the society

In addition to that, MDLF has effectively implemented SA packages to strengthening the capacities of municipalities and local communities, towards enabling environment and motivating municipalities for further engagement of local citizens.

In the context of Component 1 (C1) – improvement of basic service delivery through implemented small infrastructure projects, MDLF will be responsible for project selection with support from the CSOs/NGOs who will be contracted under C2, ensuring smooth procurement and contracting procedures, as well as for monitoring infrastructure projects' implementation. MDLF is a relevant partner for C1 as it has a reputable standing and institutional leverage for importing building materials more efficiently through the Gaza-Israeli border, which is not always an easy endeavour. Municipalities will be responsible for direct signing of contracts with services providers and also for overseeing selected projects' implementation.

Component 2 (C2) will be managed by MDLF and will be jointly coordinated with municipalities while NGOs and local CSOs will act as implementing partners for CP and SA activities. MDLF will be responsible for recruiting, outsourcing but also for overseeing and collaborating with CSOs that will implement CP and SA activities. This important programming modality employs MDLF's reliable and effective procurement procedures in order to lower CSO's administrative costs related to direct procurement procedures with several NGOs. The latter do not always have efficient procurement procedures. By fostering direct relationships between key actors (municipalities, CSOs and MDLF), the Program hopes to contribute to building more sustainable collaborative partnerships and multi-sided accountability systems at the local level. The results of implementation in phase 1 stressed the importance of partnership with the CSO to mobilize the community and promote SA among municipalities and local communities. Furthermore, it also emphasized the vital role to improve the relationship between citizens and municipalities and build advocacy actions around community needs.

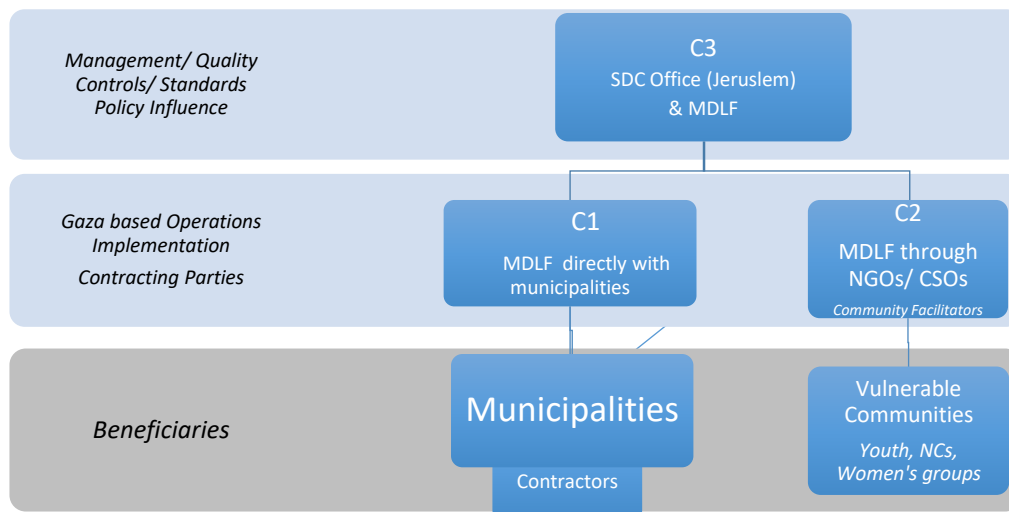


Thus, MDLF will be responsible for key management, administrative, budgeting and liaising functions vis-à-vis SDC Gaza Office, while mandated NGOs or CSOs will perform the key day-to-day facilitation and social mobilisation functions at the community level. They will be also primary liaisons between MDLF, municipalities, women’s groups, youth and NCs. MDLF will be responsible for developing detailed terms of reference for CSOs’ duties and key performance indicators, the implementation of which will be managed by a designated full-time social specialist at the MDLF Gaza Office. The NGO will be contracted by MDLF in collaboration with target municipalities, additionally an MOU will be signed between the NGO/s and the target municipalities as well to facilitate the implementation of the intervention by having well defined responsibilities and obligations of the different parties.

Component 3 (C3) is operationally and budget-wise the lightest component of the three and it will be jointly implemented by MDLF and SDC Office (Jerusalem). MDLF will collaborate closely with SDC Office (Jerusalem) on joint policy dialogue activities including the organization of semi-annual policy roundtables after the first year. Entry points for policy discussions should be evidence based hence derived from expert assessments, studies or surveys commissioned by the Program as well as from the Program’s operations. Partnerships with other pertinent local institutions and like-minded donors are to be explored. Outputs of policy discussions will be documented and shared with relevant local institutions, civil society and donors. Targeted policy topics for roundtables will be jointly decided upon by SDC, MDLF (and potentially back stopper).

Donor Coordination: To optimize information sharing, lessons learned and possible collaboration related to the Program, active working relations with likeminded donors will be maintained; particularly with GIZ collaboration and coordinator of thematic clusters), UNRWA and UN HABITAT, SCO’s co-implementing partner of a participatory spatial and urban planning program (see Footnote 5). Collaboration with other relevant donors in the LG sector in Gaza (e.g., GIZ) will be also leveraged, Outreach to the noted partners’ active in the LG sector will be ensured through regular participation of SCO in the Sector Working Group meetings, and in the current/next phases of MDP for possible upscaling and enhanced sustainability.

In summary, the overall coordination structure for the Program is illustrated in the organigram below.





3.5 GVCD implementation status and progress

Outcome 1: improved accountable service delivery for vulnerable communities

Output 1: 7 Infrastructure projects in new areas are implemented catering the needs of vulnerable communities

Output 2: 5 top up infrastructure projects for municipalities from phase 1

Output 3: Increased influence on policy and institutionalization of development support for vulnerable communities at local level.

➤ Preparations to select Vulnerable Areas and Municipalities:

- MDLF completed the selection of targeted municipalities for GVCD 2. The preparations took place during last March and were completed by May 2022. The methodology used to select vulnerable areas included a combination of actions that were effective to provide tangible and analytical information for comparison and conclusion. The selection process developed can be described **as the following:**
 - Review the area selection report from phase I, project document, and criteria to select vulnerable areas and municipalities
 - Develop and conduct a survey to collect certain data and information from the municipalities about the infrastructure statutes (%water household connection – %paved roads- water wells accessible and used to provide domestic water- wastewater connection and coverage – solid waste services coverage). It also included information about population, number of neighborhoods at each municipality, the social services , greening areas, playgrounds, and public parks, social and health centers, women centers, and economic and income resources.
 - Select (7) new municipalities located in the middle and south of the Gaza Strip east of Salah Al Dean. MDLF’s vision is to reach out to new areas and municipalities and expand GVCD implementation and increase civic participation of vulnerable communities.

Table 31: Identified Areas and targeted municipalities from GVCD2

Municipality	Governorate
Al Maghazi	Middle Gov.
Al Msader	Middle Gove.
Wadi Salqa	Middle Gov.
Bani Suhaila	Khanyounis
Abasan Kabeara	Khanyounis
Al Fukhari	Khanyounis
Khanyounis	Khanyounis



Outcome 2: Strengthened accountability of targeted municipalities toward citizens and civic groups (youth, women, and neighborhood committees) participation in local decision-making processes)

A) Recruitment and hiring NGO-Organization

- The TOR for contracting the NGO was prepared stipulating the main responsibilities of the NGO partner to build the capacity of vulnerable communities and mobilize civic participation.
- The request for Expression of Interest for interested NGO- was advertised in the local newspapers.
- (5) NGOs applied and provided their letter of interest to implement the assignment along with their organizations' profiles.
- MDLF evaluated the NGOs applications and completed the evaluation report.

The (5) NGOs were requested to submit their technical and financial proposal by 1st August 2022.

- The NGO is expected to be contracted by August 2022.

B) SDC Follow up and support

- SDC team visited MDLF Office in Gaza on 8th of June, and had a kick-off meeting with MDLF team to update SDC management team on GVCD implementation and progress and to discuss the preparations of the vulnerable area's selection criteria and the recruitment of the NGO partners.
- The SDC management team visited one project from GVCD's previous phase and visited a potential vulnerable area from the GVCD new phase.



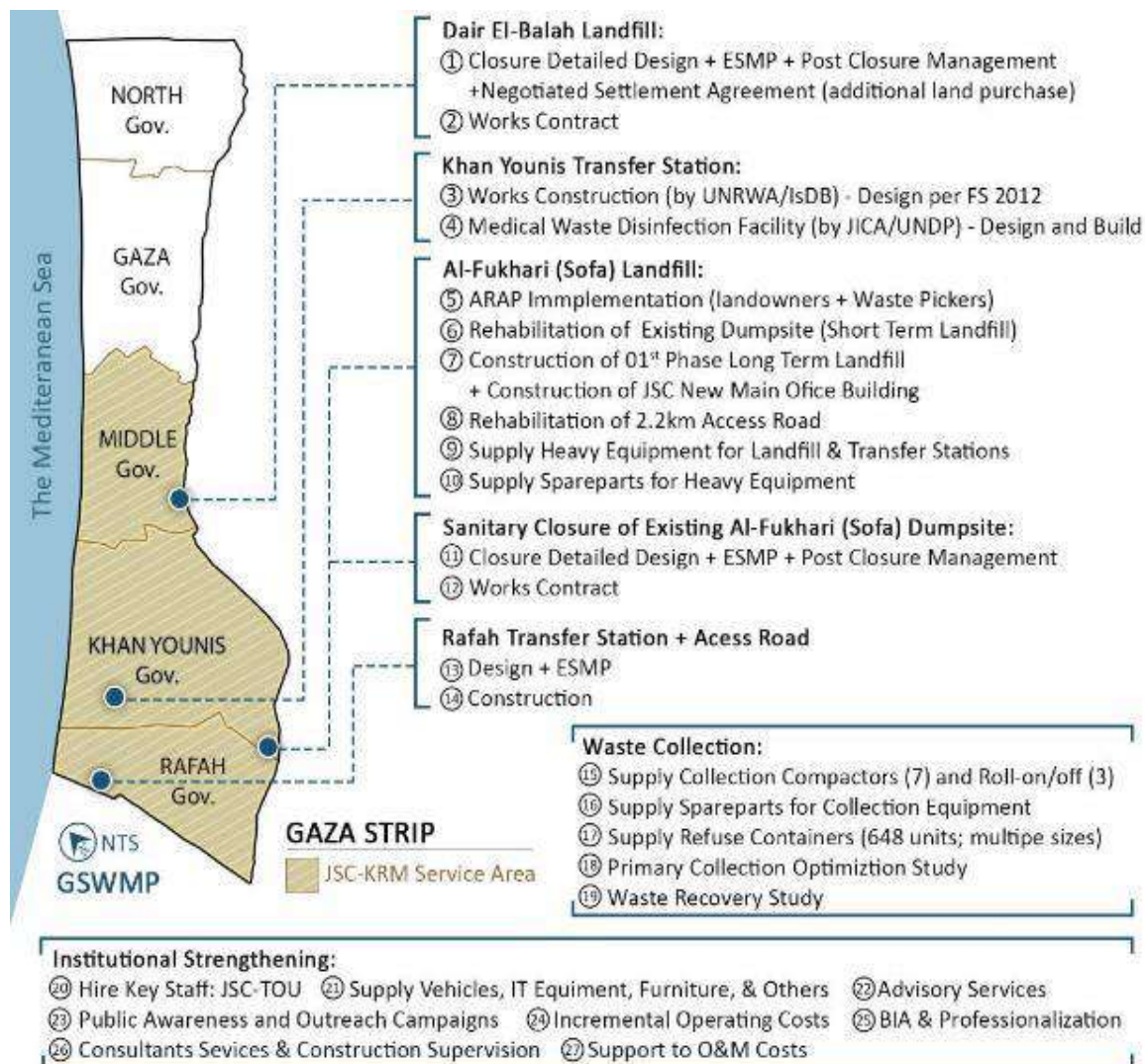


4. Gaza Solid Waste Management Project (GSWMP)

4.1 Introduction

The Gaza Solid Waste Management Project is a comprehensive and strategic infrastructure and capacity building project, managed and executed by MDLF covering three of five governorates in Gaza Strip, namely: the Governorates of Middle Gaza, Khan Younis, and Rafah. The target area comprises approximately 64% of Gaza Strip's total geographic area which is inhabited by 46% of the total Gaza Strip's population; that is approximately 1,099,424 people according to PCBS 2020 projections. The target area is served by the Joint Service Council for Solid Waste Management in the Governorates of Khan Younis, Rafah, and Middle Area (JSC-KRM), which offers secondary solid waste collection and disposal services, in addition to medical waste treatment.

GSWMP aims to improve solid waste management services in the Gaza Strip through the provision of efficient and environmentally and socially sound waste disposal schemes and initiating measures to improve overall solid waste management systems.





Through GSWMP, a sanitary landfill was constructed in the southern region of Gaza Strip with the capacity to serve the three governorates until the year 2027 under its first phase. Through GSWMP, the new sanitary landfill was equipped to operate at high standards and is complemented by a system of solid waste transfer stations (2 transfer stations) in addition to providing support and measures to improve service-provision at the different stages of solid waste management, including the supply of new solid waste collection trucks to the newly expanded JSC-KRM and its member municipalities, in addition to institutional strengthening measures and training that resulted in establishing the first Standard Operating Procedures (SOP) for waste management across the different JSC-KRM services. Furthermore, studies in recycling and resource recovery were implemented in line with the National Strategy for Solid Waste Management in Palestine, in addition to encouraging the participation of the private sector and the enhancing the involvement and participation of the population through broad public outreach and public awareness activities.

4.2 Project Components

4.2.1 Parent Project Components

GSWMP is financed by the World Bank Group, the French Development Agency (AFD), and the European Union (EU). The project focuses on the middle and southern regions of Gaza Strip with MDLF as the implementing agency and in coordination with other financing partners such as Islamic development Agencies who are focusing on Gaza and the Northern Governorate. Following are the four components of the project (amounts as provided in Project Appraisal Document that includes the overall contributions):

- Component 1: Solid Waste Transfer and Disposal Facilities (USD 20.15M)
- Component 2: Institutional Strengthening (USD 1.65M)
- Component 3: Primary Collection and Resource Recovery (USD 5.10M)
- Component 4: Project Management (USD 3.95M)

4.2.2 Additional Financing Project

The Additional Finance complements the parent project and strengthen the sustainability and service improvements, it came in the form of a grant in the amount of US\$2.00 million from the Global Partnership for Results-Based Approaches (GPRBA) and US\$ 1.25 million from the Partnership for Infrastructure Development Multi-Donor Trust Fund (PID-MDTF) to the Palestinian Authority (PA); for the Gaza Solid Waste Management Project (GSWMP) for a total of US\$ 3.25 from the World Bank Group, and it is executed by Municipal Development & Lending Fund (MDLF).

In exchange for improved service management and quality, part of the AF⁹ finances, operational costs associated with the new infrastructure and services; the new landfill, upgraded transfer stations, bins upkeep and medical waste treatment. In doing so, the AF “(i) allows the service provider- the Joint Services Council for Khan Younis, Rafah and Middle area (JSC-KRM)—deliver quality solid waste services; (ii) strengthens the operational and financial capacity of JSC-KRM and member municipalities; (iii) ensures the project’s operational and financial sustainability hence amplifying the project’s long-term impact; and (iv) helps developing operational standards for their landfill that could be applied across Palestine to further strengthen the solid waste management sector in West Bank and Gaza.”¹⁰. The AF is linked to a group of indicators which will be measured by independent verification agency (IVA), and will last until mid-2022.

⁹ Under the Global Practice on Results Based Approaches (GPRBA), total amount of USD 1.73 million is allocated for the results-based payments.

¹⁰ AF Project Paper



4.3 Implementation Status

4.3.1 Component 1: Solid Waste Transfer and Disposal Facilities

Overview: the majority of activities under the parent project were implemented with remaining few milestones that are in implementation stage supported by the additional finance. This section provides general overview with focus on remaining activities.

Al-Fukhari (Sofa) Sanitary landfill is currently under operation starting from July 15th, 2019 and under the responsibility of JSC-KRM. The landfill was designed with a minimum intake capacity of 2.1 million cubic meter of municipal solid waste with an expected daily input of 700 tons of solid waste including full systematic facility elements and state of the art features such as sanitary cell with liner protection, leachate collection and lagoon system, storm water drainage system, access control and weighing bridge, admin and equipment facilities.



Al-Fukhari Sanitary Landfill and Surrounding Area

The JSC- KRM continued in providing operation and started using the landfill heavy equipment in the site, the project continued supporting and providing the needed fuel and maintenance for the landfill operation through the Additional Finance conditioned by meeting performance indicators as verified by an independent verification agent (IVA), starting July 2020.

Two transfer stations were planned for the Middle and Southern regions of Gaza, one of which (Khan Younis transfer station) was constructed by UNRWA and the other transfer station (Rafah transfer station) was constructed in 2019. Rafah transfer station facility was designed to accommodate several functions given its unique location adjacent to a sorting facility and across from a densely populated area in Rafah Governorate (Tal Al-Sultan). The facility forms a compound consisting of a fully covered tipping area for solid waste operations, a full-size maintenance workshop to house all SWM collection equipment (from both JSC and Rafah Municipality), and an administration building, in addition to the existing sorting facility.



Rafah Transfer Station Compound

The design of Rafah TS accommodates safeguards requirements and it was inaugurated by H.E. Minister of Local Government under the auspices of H.E. the Prime Minister on 18 December 2019. JSC-KRM and Rafah Municipality started operating the Rafah Transfer Station in June 2020. Starting with an average of 45 tons/day of domestic solid waste arriving daily to the Rafah Transfer station by 60 animal carts that collect MSW from neighbourhoods onto the station's 40 cubic meter container that are transferred to the landfill by roll on/roll off trucks.

The design works of Road No. 2 (Al-Fukhari Landfill Access Road) were completed at the end of the 2nd quarter of 2018 by a Palestinian/Jordanian Joint Venture. Several scenarios were submitted by the designer to



rehabilitate the road in parallel with the operation of the landfill. The approved design was in line with the 2012 Feasibility Study of the GSWMP and line with safeguards requirements and the Palestinian law and regulations. Besides leading the newly constructed landfill, this road with a length of 2.4 Kilometres serves the community of farmers on both sides in addition to the nearby Khan Younis Wastewater Treatment Plant that was constructed in the timeframe with the landfill. The rehabilitated road was met with a particular appreciation of the communities and the municipalities on both sides of the road (Al-Fukhari and Al-Shoka) as it provides a promising route for development in the area besides its initial objective of providing appropriate access to the landfill.



Access Road of Al-Fukhari (Sofa) Landfill

Closure of Existing Dumpsites

A- Closure of Sofa Dumpsite

The project is financed by The French Development Agency (AFD) where the sanitary closure works of existing sofa dumpsite located at Al Fukhari area (also called “Sofa landfill”) are currently at mid of 2022 under completion stage and initial handing over to the JSC-KRM. The project includes implementation of the reshaping and regulation works for the existing dumpsite (eastern side, top and wherever required), implementation the levelling layer (first layer), the cultivation layer (second layer) for covering the landfill, the vegetation layer (Third layer – Final) with planting of ice plant including irrigation water system, lining capping system, drilling of biogas vertical wells with fixing gas pipes and install of Gas flaring unit, storm water and leachate drainage systems and install compacted crushed aggregate “Base course” and asphalt bitumen layer for the dumpsite ring road.



Final Covering System at Al-Fukhari (Sofa) dumpsite

B- Closure of Dair Al Balah Landfill

This project is financed by The World Bank where the closure work for Dair El-Balah Sanitary Landfill site was launched on June 2021 noting that the landfill had exceeded its capacity years ago and it constitutes a technical challenge in terms of its location and shape. During early 2022, construction material entry still constitutes a challenge, where number of key materials were pending access into Gaza following the dual use coordination requirements via the Gaza Reconstruction Mechanism (GRM) which leads to project witnessed substantial delay due to its proximity to the border line and dual-use materials approval process. Towards the end of the reporting period, all challenges associated with materials and security coordination were resolved with the intervention of the donors that had positive impact, and the project is on progress to be completed at end of third quarter 2022. Major activities under the project were completed as earth works including reprofiling and



reshaping of the landfill body, supply and install of landfill covering layers including geotechnical stability, supply and install of lining system for extension cells to accommodate the exceeds waste resulting from reshaping of landfill body, drilling of vertical gas wells with installing of landfill gas collection system, install of landfill leachate management system and surface storm water drainage system and implementation of ring road and perimeter fence.



Reshaping and Covering operations of Dair Al Balah Landfill

Construction of Leachate Pre-treatment System

The project is considered as a part of the additional finance, basic principle of leachate pre-treatment considers life cycle costs and lowest possible operational costs. Utilizing the existing neighbouring waste water treatment plant, the Khan Younis Wastewater Treatment Plant (KYWWTP), the intervention will add to the existing leachate lagoon additional components for settlement and further mechanical biological treatment via aeration, in addition to equalizing tank with flow control system to allow for pumping of pre-treated leachate to the KYWWTP system based on calculated ratios of the different parameters to ensure required quality standard for the intake of the KYWWTP.

However, the design and construction of leachate pre-treatment system was initiated, with construction activities started in July 2021. All civil engineering works were completed in early 2022, waiting for entry of electro-mechanical components to complete the facility. Material accessibility necessitated the need to extend the project after mid of 2022.

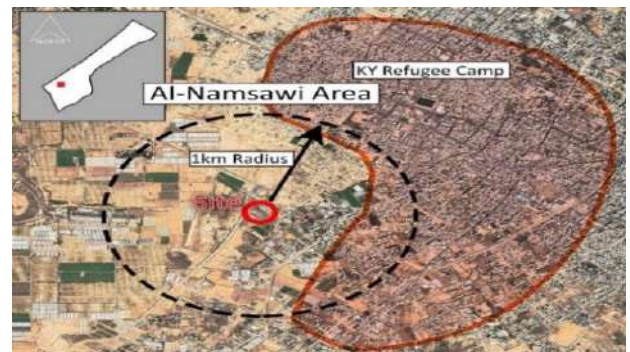
During the reporting period, majority of materials required to complete this project were approved, with remaining some items of electro-mechanical components that required special coordination that shall be completely resolved in the upcoming period, noting that all infrastructure civil works were completed and remaining works involves the installment of electro-mechanical components as pump and flow meters that require a period of less than One month to fully accomplish upon entry of remaining electro-mechanical materials into Gaza.



Leachate Pre-treatment System: June 2022 → (TOP) Landfill and WWTP, (BOTTOM) construction activities of leachate pre-treatment facility: equalizing tank, additional leachate lagoon, pressure lines & civil works

Rehabilitation works at Al Nemsawi Dumpsite

This project under this section utilizes funds resulting from costs savings and currency variations from both parent project and additional finance. The 2.2-hectare (22,000 square meter) land at Al Nemsawi area was used historically as a random dumpsite and an intermediate point to accumulate solid waste before final disposal. Although the site was cleaned up in 2015, it remained to attract intermittent dumping for either convenience or illegal dumping. The site is located at the outskirts of a densely populated area within approximately one kilometer radius. This intervention shall ensure the site is permanently closed to any illegal dumping, by removing and reprofiling the solid waste, covering with clean clay layer and landscape the area, in addition to install fence around the site and converting it into a green area under direct management of the City of Khan Younis. During the reporting period, the detail design with ESMP for rehabilitation works at Al Nemsawi dumpsite was finalized and the implementation phase will be launched at early of the third quarter 2022.



Al Nemsawi Dumpsite – Khan Younis City



Construction of Trucks Wheel Cleaning Unit

The project is financed under the AF where the detailed design was completed and approved and the tender process was taking place in early 2022. During the reporting period, the wheel cleaning unit with associated spare parts was imported and shipped to Ashdoud port waiting for entry clearance to Gaza where the installation of wheel cleaning unit at Sofa landfill will be planned in the mid of third quarter 2022.

4.3.2 Component 2: Institutional Strengthening

Under this component, many goods were supplied and delivered to the JSC-KRM by 2019 and 2020, as in the supply of furniture for the JSC-KRM facilities including the main head office in Al-Fukhari (Sofa) landfill, supply and install IT equipment and communication devices and supply and install of weigh bridge for Khan Younis Transfer Station, in addition to the supply of multiple SW container sizes and shapes to accommodate service coverage and improvement replacing the old, rusted out refuse containers. Into 2022, the JSC-KRM continued its mission with continuous improvement as in standardizing the services and acquiring new area of service concerned with medical waste treatment supported by other programs led by Japan International Cooperation Agency (JICA). The JSC-KRM, supported by the project, presents a model for operations, particularly under the difficult conditions in Gaza Strip, where during the 10-day war in May 2021, JSC-KRM was able to operate under contingency mode benefiting from a contingency plan that was developed by international expert provided by the World Bank, that is in addition to the GSWMP infrastructure design approach considered abnormal conditions by allowing for solid waste storage space in the Rafah Transfer Station in case of landfill inaccessibility, an approach that proved its effectiveness during the 2021 conflict.



Landfill Heavy Equipment at Al-Fukhari (Sofa) Landfill

Technical Assistance for JSC-KRM municipalities

This consultancy service was launched on September, 2021. The assignment targets JSC-KRM and its 17 member municipalities, with scope of work of that includes technical assistance and capacity building for the JSC-KRM and its member LGU's towards strengthening its financial management. The consultant have provided a clear assessment of the financial standing of the JSC and its 17 member LGU's in terms of costs and revenues of Solid Waste Management Services within the broader structural and affordability dimensions, producing an output that will be of guidance to financial managers at the JSC and member LGU's, in addition to



Meeting for Financial Data Collection stage



servicing as a reliable reference for informed decisions concerning costs and revenues by the JSC Board that consists of the Mayors of the 17 member LGU's in the governorates of Khan Younis, Rafah, and the Middle Area. During the reporting period, the consultant completed the assessment phase with findings and drafted Recommendations for costs reduction and revenue enhancement, and it was reviewed with multiple feedback to improve final deliverables expected at early of third quarter 2022.

Grievance Redress Mechanism

JSC-KRM continued to communicate with the public during the reporting period. The global COVID-19 pandemic had affected public life in Gaza to certain degree despite the relatively low infection rates. During the reporting period, social media and web-based tools took a leading role, where the official website and Facebook page of JSC-KRM were used to communicate with the service beneficiaries. JSC-KRM and member municipalities used their Facebook page to increase the awareness of the solid waste workers and the people about the protective measures, in addition to guide them about the proper ways to dispose the domestic waste during that crises period.

Complaints monthly report was submitted by JSC member municipalities (who are joining the female group); reports were submitted on a monthly basis. JSC-KRM also prepares complaints' report on a monthly basis. Most of complaints are associated with the primary and secondary collection. JSC-KRM started to use "Citizen Complaints Cards" for encouraging people to submit their complaints during the household visits by the awareness team / waste collection workers.

JSC-KRM monitors and responds to complaints as needed, and it divert other complaints to member municipalities since the service shared by member municipalities, i.e., primary collection is provided by municipalities.

4.3.3 Component 3: Primary Collection and Resource Recovery

Supply of Solid Waste Containers

Containers were supplied during parent project implementation, concurrently with the introduction of Compactor Trucks provided by the project; the new system partially replaced the old system that relied on 20 year plus old Tipper Crane Trucks. The new containers had new design, and it covered approximately 40% of JSC service area, considering that "40.6% of the respondents used containers while 59.3% receive house-to-house service", according to the "Study on Optimizing Waste Collection" perform under the GSWMP. The new system has been expanding ever since its introduction, and the need of new containers are becoming more pressing; for both purposes of replacing the remainder of old containers and accommodate service expansion on both traditional JSC service routes and new routes within the service area. Project literature support the investment in this activity as both Beneficiary Impact Assessment (BIA) and the Independent Verification Agent (IVA) for the result-based fund indicated the need to invest into containers as number of beneficiaries complained on the sufficient capacity of existing containers, and on conditions of existing containers that require replacement.



Supply of Steel Waste Containers



During report period and underutilizes funds resulting from costs savings and currency variations from both parent project and additional finance, a total of 227 container of one cubic meter capacity, 270 container of 1.1 cubic meter capacity and 246 of four cubic meter were supplied since early of 2022 by the project and currently operating. Containers were distributed in Khan Younis, Rafah, and Middle Area governorates to serve the population in the JSC-KRM service area.

4.3.4 Component 4: Project Management

During the reporting period, the AF project has in progress implementation the following consultancy services contracts:

- Supervision and contract management of Closure of Dair El-Balah Landfill.
- Supervision and contract management of Closure of Al Fukhari Sofa dumpsite.
- Supervision and contract management of leachate pre-treatment facility.
- Independent Verification Agent (IVA) for the 4th period.
- Technical assistance for JSC-KRM Municipalities.

New Activities resulting from project costs savings and currency variations

All activities that are financed from the originally planned parent project are in completion stage. The remaining under this section utilize funds resulting from costs savings and currency variations from both parent project and additional finance. All remaining funds are from the World Bank, and it was agreed that the remaining funds will be best utilized for activities within the existing results framework, and that they shall contribute directly to the project's overall objectives and based on priorities in the SWM sector in project area. Most activities resulting from project costs savings and currency variations are currently in implementation stage where these projects are defined as follows:

- Supply of Solid Waste Containers (Phase III).
- Detailed design and ESMP for Al Nemsawi Dumpsite.
- Rehabilitation Works at Al Nemsawi dumpsite.
- Supply and Install of IT Hardware for JSC-KRM.
- Customization of waste management system (WMS) software modules for JSC-KRM.
- Supply spare parts for primary collection trucks.

4.4 Implementation Status of the Additional Financing:

The additional finance project activities complement mainly Components 1 and 4 under the parent project. Under component 1 it provides additional fund to suffice available budget for landfill closure, while the focus of the bulk of the additional finance will is under Component 4, focus of this section is on the Global Practice for Result Based Approaches (GPRBA) fund that specifically finances the following activities:

- 4(e) Subsidies to JSC-KRM, municipalities and medical waste producers to support the cost of adequate delivery of JSC services;
- 4(f) financing of services of an Independent Verification Agent with the responsibility to verify the service delivery performance of the JSC-KRM, participating municipalities and medical waste producers.



The additional finance focuses on improving the quality of the upstream services (disposal services and secondary collection) enforcing the standardizing of operations through the adoption of Standard Operating Procedures (SOP), and that will directly benefit approximately 900,000 people in Southern Gaza. To reach the objective, the Project will utilize a Result Based Financing (RBF) to address the above-mentioned operational sustainability issues concurrently. A critical chain of assumptions underpinning the Project is that the RBF grant can increase service quality which will enable the JSC-KRM and municipalities to gradually recover greater proportions of service delivery costs in order to sustain higher quality services.

Two key outcomes are expected under the GPRBA Grant activities: (a) service improvement and (b) support to cost recovery. Each of the outcomes will be measured through the achievement of predefined performance targets that will be independently monitored and verified to trigger the results-based payments.

- **Outcome 1: Service improvement**¹¹ Improvements in the delivery of solid waste services is the first key outcome. The GPRBA grant will provide support to the JSC-KRM on a transitional basis to cover the costs of service delivery and improved management of the new landfill and transfer stations using upgraded operational standards and procedures. The results-based payments for service improvement outcomes will be provided based on meeting the following performance targets: (i) improved landfill services; (ii) improved transfer station services; (iii) improved container upkeep and truck maintenance service (secondary collection services); and (iv) improvement in medical waste service. Details on the indicators and the associated targets are elaborated in section 2.5.1.
- **Outcome 2: Supporting cost recovery.** Increased fee collection and targeted reduction of service costs, both designed to support the financial standing of the JSC-KRM, comprises the second key outcome targeted by the GPRBA grant. To continue delivering improved solid waste services and properly manage the sanitary facilities, JSC-KRM needs to reach a reasonable level of fee collection through increased billing and collection of fees from the municipalities and MWPs. Additionally, the costs of medical waste treatment can be reduced to increase the viability of that service.

Performance targets related to the two outcomes (service improvements and cost recovery) are periodically monitored and evaluated by an independent verification agent (IVA) to trigger results-based payments. The independent verification agent (IVA) designed its work methodology in a manner that will ensure complete verification of targets performance in line with the basic performance assessment scorecard of Improved Landfill Services, Improved Transfer Station Service, Improvement in Container upkeep and truck Maintenance, Improvement in Medical Waste Management, and Increase in JSC Fee Collection Rate. The GPRBA fund covers the period from July 2020 to June 2022 that is over a 4-semester period. First, Second, Third and Fourth Semesters was verified by the IVA, covering the semi-annual periods from July 2020 to June 2022. Results for 4th semester is provided in the following table:

¹¹ AF Project Paper, Report no. PAD3545



Table 33: Fourth Period IVA Report Summary (January – June 2022)

Performance Indicator				IVA Conclusion
No.	Title	Threshold		4 th Period
		Max.	Min.	
1.1	Leachate management & pumping	100%	80%	Achieved
1.2	Daily Cover Application	90%	70%	Achieved
1.3	Environmental Monitoring Reports	Yes	No	Achieved
1.4	Regular Cleaning around landfill	SC.0	SC.3	Achieved
2.1	Storage Time in TS	< 1 day	> 1day	Achieved
2.2	Cleanliness of TS	SC.0	SC.3	Achieved
3.1	Overfilled Containers	0%	20%	Achieved
3.2	Reports on Around Containers	Record	No Record	Achieved
3.3	Broken Containers	0%	20%	Achieved
3.4	Fleet Operational	100%	90%	Achieved
4.1	MW Source Separation	100%	80%	Achieved
4.2	MW Treatment per SOPs	Yes	No	Achieved
5.1	Fee Collection	70%	50%	Achieved
5.2	MW unit Cost Reduction	> 20%	20%	Achieved

4.5 Project Result Monitoring

Table 34: Project Results Monitoring

Project Development Objective (PDO)	Core	Unit of Measure	Base Line	Cumulative Target Values							
				YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8
				2015	2016	2017	2018	2019	2020	2021	2022
PDO Indicator One: Percentage of solid waste collected from the targeted beneficiary population that is disposed of in a new sanitary landfill developed under the project.	<input checked="" type="checkbox"/>	%	0%	0	0	0	0	80%	80%	80%	80%
			Actual	0	0	0	0	84.25%	94.16%	96.02%	TBD
PDO Indicator Two: Percentage increase in fees collected annually within the JSC towards cost recovery.	<input type="checkbox"/>	%	15%	-	-	20%	40%	50%	60%	65%	65%
			Actual	-	-	30%	37%	57%	81.5%	70%	TBD
PDO Indicator Three: Number of waste pickers whose lives depend on the existing solid waste context and who are integrated into inclusion programs under the project	<input checked="" type="checkbox"/>	Number	16	0	10	16	16	16	16	16	16
			Actual	0	0	16	16	16	16	16	16
PDO Indicator Four: Contaminated land managed or dump-sites closed under the project.	<input type="checkbox"/>	Ha	0	0	0	0	0	10	10	10	12.5
			Actual	0	0	0	0	0	10	10	10
PDO Indicator Five: Direct Project Beneficiaries (number) of which females (percentage)	<input checked="" type="checkbox"/>	Number	N.A	0 (49%)	0 (49%)	2,2 K (49%)	2,2 K (49%)	917 K (49%)	948 K (49%)	948 K (49%)	948 K (49%)
			Actual	0	0	2,2 K	114 K	921K (70%)	921K (70%)	948 K (100%)	TBD



Project Development Objective (PDO)	Core	Unit of Measure	Base Line	Cumulative Target Values								
				YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	
				2015	2016	2017	2018	2019	2020	2021	2022	
Intermediate Results (Component One): Solid Waste Transfer and Disposal Facilities												
1.1: 1 Sanitary Landfill in the Southern Gaza Strip (Al-Fukhari (Sofa) is constructed and operational.	<input type="checkbox"/>	Yes/No	No	-	-	-	-	Yes	Yes	Yes	Yes	
<u>Status:</u>	COMPLETED											
1.2: Interim cell is constructed in a sanitary manner to accommodate incoming MSW from the target area during the construction of the new Sanitary Landfill.	<input checked="" type="checkbox"/>	Yes/No	0	-	-	Yes	Yes	Yes	Yes	Yes	Yes	
<u>Status:</u>	COMPLETED											
1.3: Closure of Existing Dumpsites at Sofa and Dier El-Balah	<input type="checkbox"/>	Yes/No	0	-	-	No	No	No	No	No	TBD	
<u>Status:</u>	Design Completed, Implementation in 2021.											
1.4: Industrial and municipal waste disposal capacity created under the project	<input type="checkbox"/>	Cu.m	7	-	-	350K	350K	2,350K	2,350K	2,350K	2,350K	
<u>Status:</u>	Complete				0	350k	350k	2,490 K	2,490K	2,490K	TBD	
1.5: At least one transfer station in the targeted area is constructed, and two transfer stations are fully equipped and operational by the end of the Project.	<input type="checkbox"/>	Number	0	-	-	2	2	2	2	2	2	
<u>Status:</u>	Complete				-	-	1	1	1	2	2	2
1.6: Temporary jobs created under the various activities of Component 1.	<input type="checkbox"/>	Number	0	0	10K	20K	30K	40K	40K	40K	TBD	
<u>Status:</u>					0	2,280	17.35K	37.68K	47.7K	47.7K	47.9K	TBD
Intermediate Result (Component Two): Institutional Strengthening												
2.1: Training days provided to the Technical Operations Unit and other JSC-KRM staff and Board members as part of the targeted capacity building activities financed under Component 2.	<input type="checkbox"/>	Number	No	-	0	31	50	100	150	150		
<u>Status:</u>	On Track				0	0	31	68	132	167	178	TBD
2.2: New JSC Bylaw is approved and operational plans are defined.	<input type="checkbox"/>	Yes/No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	
<u>Status:</u>	On Track				-	-	-	-	Yes	Yes	Yes	Yes
2.3: Service Contracts are signed with member municipalities and UNRWA	<input type="checkbox"/>	Number	0	0	0	0	15	18	18	18	18	
<u>Status:</u>	On Track				0	0	0	1	3	3	3	3
2.4: Capacity is established for JSC to operate new infrastructures created under the project.	<input type="checkbox"/>	Yes/No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	
<u>Status:</u>	On Track				-	-	-	-	Yes	Yes	Yes	Yes
NEW Activity 2021/2022: Customization of WMIS Modules & Supply of Hardware												
2.5: Intended beneficiaries that are aware of project information and project supported investments	<input type="checkbox"/>	%	0	0	0	25%	25%	50%	50%	50%	50%	



Project Development Objective (PDO)	Core	Unit of Measure	Base Line	Cumulative Target Values							
				YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8
				2015	2016	2017	2018	2019	2020	2021	2022
Status:	On Track					2.5%	22.42%	42.13%	43.22%	47.84	TBD
2.6AF % of female project beneficiaries aware of solid waste management practices (Percentage)	<input checked="" type="checkbox"/>	%	0.00	0.00	0.00	35.00	40.00	40.00	45.00	50.00	50.00
Status:	On Track			-	-	-	-	-	37%	61%	TBD
2.7AF Increased the participation and role of women in decision making of the JSC-KRM through formation of a “women's committee” (Yes/No)	<input type="checkbox"/>	Yes/No	No	No	No	No	No	No	Yes	Yes	
Status:	On Track			-	-	-	-	-	Yes	Yes	Yes
2.8AF Percentage of grievances that have been responded in a timely manner (Percentage)	<input type="checkbox"/>	%	0.00	0.00	0.00	50.00	50.00	60.00	70.00	80.00	
Status:	On Track			-	-	-	-	-	75%	91.16%	TBD
2.9AF Improved citizens satisfaction with JSC-KRM performance (Text) % Satisfied	<input type="checkbox"/>	%	0.00						80%	85%	
Status:	On Track			-	-	-	-	-	89%	89%	TBD
Intermediate Result (Component Three): Primary Collection and Waste Recovery											
3.1: A strategy plan for the optimization of primary collection and transportation of solid waste in the targeted areas is created by the end of the project.	<input type="checkbox"/>	Yes/No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Status:	On Track			-	-	-	-	Yes	Yes	Yes	Yes
3.2: A strategy plan for optimizing waste recovery in the targeted area is created by the end of the project.	<input type="checkbox"/>	Yes/No	No	No	Yes	Yes	Yes	Yes			
Status:	On Track			-	-	-	-	Yes			Yes
3.3: A strategy plan for the elimination of random dumping in the targeted area is created by the end of the project.	<input type="checkbox"/>	Yes/No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Status:	On Track			-	-	No	No	No	Yes	Yes	Yes
3.4AF JSC has assumed agreed responsibilities for management of the upgraded transfer and disposal services	<input checked="" type="checkbox"/>	Yes/No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Status:	On Track			No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Intermediate Result (Component Four): Project Management											
4.1: MDLF-PDSU maintains adequate staffing for project management, environmental and social safeguards and fiduciary staff throughout the life of the Project	<input type="checkbox"/>	Yes/No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Status:	On Track			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.2: Interim IFRS and Progress Reports are submitted to Financing Partners in a timely and satisfactory manner.	<input type="checkbox"/>	Yes/No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Status:	On Track			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Project Development Objective (PDO)	Core	Unit of Measure	Base Line	Cumulative Target Values								
				YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	
				2015	2016	2017	2018	2019	2020	2021	2022	
4.3AF Results based payments received for achieving service improvement related targets (Percentage)	<input type="checkbox"/>	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80%	80%	80%
<u>Status:</u>	IVA Results			-	-	-	-	-	-	Yes (80%)	Yes	Yes
4.4AF Results based payments received for achieving cost recovery related targets (Percentage)	<input type="checkbox"/>	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80%	80%	80%
<u>Status:</u>	IVA Results			-	-	-	-	-	-	80%	100%	100%
4.5AF Adoption of the improved protocols and procedures as defined in the Standard operating procedures s for all JSC services (Yes/No)	<input type="checkbox"/>	Yes/No	No	No	No	No	No	No	No	Yes	Yes	Yes
<u>Status:</u>	On Track			-	-	-	-	-	-	Yes	Yes	Yes

4.6 Obstacles and Challenges

Cost recovery for service providers (LGUs and JSC) constitutes a major challenge, although the additional finance via the results-based payments had a direct positive impact on improving cost recovery for the Join Service Council. The war of May 2021 contributed to an overall deterioration of service providers' ability to collect fees, in addition to the further restrictions imposed on imported construction material which presented risk that could further delay the completion of remaining infrastructure (dumpsites' closure in particular). The additional finance provided much needed support to sustain services; that is in addition to complementing the different infrastructure and technical interventions by GSWMP that shall put the JSC on track towards improving cost recovery and the start of enhancing the course of JSC direction from the response zone to the standardized service and planning zone, all subject to positive developments on the political level.



5. Integrated Cities and Urban Development Project (ICUD)

5.1 Introduction

The Integrated Cities and Urban Development Project – ICUD, is a 5-years World Bank-funded project. The project was designed to promote for a robust process of collaboration among the participated local government units (LGUs) and their strong ownership and commitment throughout the planning for sustainable urban growth. The ICUD project is managed by the Municipal Development and Lending Fund (MDLF) in terms of fiduciary management, reporting and M&E, and the environmental and social safeguards of the project. Technically, the ICUD is overseen by the Ministry of Local Government (MoLG). In collaboration with the Local Authorities in the main urban areas.



5.2 Description

5.2.1 Project Development Objectives (PDO)

The Project Development Objective (PDO) of ICUD is to enhance the capacity of participating LGUs in urban areas to plan for sustainable urban growth.

5.2.2 Project Beneficiaries

The participating clusters of the ICUD consists of four urban areas in the West Bank (Nablus, Hebron, Bethlehem, Ramallah and AlBireh) and one urban area in Gaza strip (Gaza City). These five participating urban areas have been selected because of their strategic importance in terms of population and future economic growth.

The population estimate in 2021 of these urban areas is 1,588,727.25 (based on PCBS projected populations for Census 2017), representing 30% of the total population of the West Bank and Gaza and include 30 LGUs (16 Municipalities and 14 Village Councils).

The currently identified LGUs of the urban areas are:

1. Ramallah Al-Bireh Urban Area, and Surda Abu Qash. The adjacent cities of Ramallah and Al Bireh and Betunyia, and Surda-Abu Qash; all make one urban area that shares infrastructure and resources. This urban area is currently one of the most important Palestinian cities, as it is considered the administrative area of the Palestinian Authority and attracts a lot of internal migration from job seekers.





2. Bethlehem Urban Area which includes municipalities of Bethlehem, Beit Jala, Beit Sahour, Ad Doha, Artas, and Al Khader. The Bethlehem agglomeration area all have biblical significance; that makes the economic base of religious tourism, as well as sharing natural resources and basic overlapping infrastructures.



3. Nablus Urban Area which includes Municipality of Nablus, and the local government units of Azmut, Deir-al-Hatab, Salim, Rujeib, Kafr Qalill, 'Iraq Burin, Tell, Sarra, Beit Iba, Qusin, Zawata, Beit Wazan, Dair Sharaf. The Urban Area is surrounded by a group of under-developed villages that act like suburbs with big demand for housing, making it the biggest urban center in the north of the West Bank, home to many educational and health institutions, and creating job opportunities. The population projections showed that more than 424,400 inhabitants will be served by the Greater Nablus area in the year 2025. This rapid increase of population accompanied by the increasing demand for space, water, infrastructure, job opportunities, and renewable resources needs to be addressed at the agglomeration level to overcome the city's problems and upgrade the planning process from the local level to the agglomeration level is needed.



4. Hebron Urban Area which includes the municipalities of Hebron, Taffuh, Dura, Halhul, and Beit Kahil. Hebron city and the surrounding adjacent four big towns are highly dense urban areas with a population of over 300 thousand by the end of 2016, is considered the hub of the commercial and industry in the southern part of West Bank, yet faces lack of proper planning, congestion, deficiencies in upgrading and developing different parts of the urban area, hinders investments; thus, making the urban growth planning a necessity to reach their potential economic growth limits.



5. Gaza City: The Gaza strip is very densely populated, which makes identifying a clear agglomeration difficult. After consultations with Gaza City and taking into account the different constraints of working across administrative boundaries, as well as the huge and very dense population in Gaza City, the ICUD project will focus its support only on Gaza City. This will enable the authorities to better integrate and utilize forward-looking growth planning in their work, and also would support them in integrating different neighborhoods into the city's planning.





5.2.3 Project Components

Component 1: Planning for Sustainable Urban Growth.

- **Sub-Component 1.1:** *Structured capacity development support for urban growth planning.* This component objective is to strengthen the institutional and technical capacity of participating urban areas and analytical underpinning of current urban planning practice to plan for sustainable urban growth through the provision of, inter alia, technical assistance (TA), goods, and training. Through the intra-urban area coordination mechanisms, the participating urban areas will be supported to conduct urban growth planning. The objective of capacity development support for urban growth planning is to enable the urban areas to respond more efficiently to the needs of their growing population and private sector with more sustainable and well-planned urban spaces and infrastructure.

- Milestone I. Establish and actively maintain intra-urban area coordination mechanisms.
- Milestone II. Complete baseline assessment of the existing urban extent.
- Milestone III. Complete exercise to develop cost-analyzed urban growth scenarios, and to disclose them to the public.
- Milestone IV. Modify respective member LGUs' plans based on the optimum urban growth scenario selected at the urban area level.

- **Sub-Component 1.2:** Demand-driven customized support for urban growth planning - West Bank urban areas.
- **Sub-Component 1.3:** Demand-driven customized support for urban growth planning - Gaza City

Component 2: Project Implementation Support and Management Cost.

This component will finance the training, operating costs, and goods necessary for the technical oversight and implementation support of the project to be performed by, inter alia, a Technical Supervisor (TS) from Urban planning department at MOLG, Technical Coordinator (TC), Local Coordinators (LC) for Bethlehem, Hebron, and Nablus areas, and the existing Local Coordinator for the Ramallah-Al Bireh-Bitunia (RAB) Joint Coordination Unit. This component will also finance the management fee of the Municipal Development and Lending Fund (MDLF) that will manage procurement, finance, safeguards, and reporting for the proposed project based on technical inputs from the TS.

5.3 Financing Partner Contribution

The project is funded by the WB for USD 5 million. A provision for retroactive financing of USD 500,000 (10% of Grant amount) was provided to the MDLF to cover necessary financing, e.g. TS salary and initial operating costs. The cost breakdown is illustrated in **Table 35** below.

Table 35: Project Costs and Financing

Project Components	Project cost ¹² (USD million)	% Financing
1- Planning for Sustainable Urban Growth. Sub-Component 1.1 Sub-Component 1.2, 1.3	3.85	77%
2- Project implementation support and management costs.	1.15	23 %
Total Financing Required	5.0	100%

¹² This numbers where changes according to the ICUD restructuring in April 2021



5.4 Implementation Status

Since March 2020, the COVID-19 pandemic emergency puts its shadows on many Project activities; working with targeted LGUs becomes challenging because of the frequent look downs and restrictions on movement, which interrupt the work of the municipalities and overwhelmed them with services for emergency and sanitation, in addition to restriction for both internal and external international flights. Ongoing and future activities are inevitably being impacted by the COVID-19 crisis.

As a sequel to the Missions Series held by the World Bank for the Integrated Cities and Urban Development Project, in 2022 an Implementation Support mission was carried out both in person and virtually between January 10th to 14th, 2022, and building on the assessment during the technical discussions of this Mission, that had a main objective to review implementation progress and the activities schedule and disbursement timeline for the remaining six months of project, all the parts agreed that the project require an amendment to the Grant Agreement for a no-cost extension of the closing date by 6 months to allow the ICUD team to fully complete implementation of the current activities. This will enable the team to capitalize on and build on the achievements so far and fully realize the potential of the project.

Accordingly, the needed correspondence was done and by May 2022, the World Bank has established December 31, 2022 as the closing date.

Sub-component 1.1

Structured Capacity Development Support for Urban Growth Planning

Milestone 1

Establish and Maintain Intra Urban Area Coordination Mechanism (undergoing)

General: To establish and maintain the intra-urban area coordination between the four urban areas members LGUs, three local coordinators in Nablus, Bethlehem, and Hebron urban areas were recruited in 2017 to support the technical committees to jointly implement the project's activities and milestones (Note that Ramallah & Al-Bireh Area already had an active cooperation unit).

To create the cooperation and planning units and to facilitate the implementation of the project activities, **four MOUs between the four urban areas' LGUs were signed in 2017**, followed by creating the technical and steering committees.

All the urban area technical teams worked in coordination with MoLG on finalizing the action plan agreed upon. More focus was given on the steps towards the institutionalization considering the road map which was prepared by the international Institutional Development Adviser who provided technical guidance and recommendations on strategic, institutional, and fiscal arrangements.

This activity is a priority for the ICUD to ensure the sustainability of project outputs and the collaborative processes which were put in place by the project. Having functional joint institutional arrangements at the city-wide level will be key for Palestinian LGUs to advance from planning of local service delivery to advanced city-wide management that contributes to growth economic development. These arrangements will form the basis for collaboration under the next wave of interventions and facilitate increased impact and scale of service delivery in the leading urban-economic areas of Palestine.

At the end of Dec 2020, three main deliverables were submitted by the international adviser (who was recured in 2020):

1. A diagnostic on current practices for joint planning and investment programming. The report highlighted successful as well as challenging experiences with respect to formal and informal arrangements for joint LGU planning.



2. Policy Paper presenting options for formalizing joint planning and investment programming at the LGUs level.
3. Engagement strategy required to develop and implement formal joint planning arrangements in the participating urban areas.

A summary of the main findings was presented to MoLG and MDLF including the policy paper, engagement strategy, and action plan for implementation in addition to the initial steps to support institutionalization efforts. It was confirmed the importance of supporting the institutionalization process to ensure the suitability to the joint planning at the metro-urban area's level; it was agreed that the team will work on a work plan (for the year 2021) to start the consultation with the stakeholders and to support the urban area with the needed tools to formalize these joint cooperation units.

The main concept is to move forward from the current voluntary units to establish a permanent and formal body as the new plan focuses on changing management approach. Driving implementation is best done through leadership which both builds consensus and addresses the details required for successful implementation.

Since the beginning of 2021, several meetings and consultations have been conducted with the national level to discuss and determine the most appropriate approach for the institutional process. In parallel, several meetings and consultations were conducted at the local level between LGUs' technical and steering committees in each urban area. The meetings and consultations included discussing the whole institutional process (building on current legislatives, objectives, benefits, advantages, structure, human and financial resources,), focusing more on each urban area context and needed practical steps for implementation. These consultations and meetings concluded the determination of implementation steps, which are:

Determine fields of joint cooperation and planning work, prepare official agreement and bylaw, then Legal revision for the agreement and bylaw. Obtain approval to officially establish (The higher council for joint cooperation and planning) on the local and national levels and prepare a full comprehensive strategic plan and other needed documents.

Later in May 2021, a formal letter signed by H.E Minister of Local Government was sent to the LGUs in each Urban Area to support the institutionalization process and the development of the existing joint units. In response, several meetings with the technical and the steering committees were held to discuss more details on the formulation and the development of the JC for planning and development.



In order to build on the previous steps, ICUD team drafted a local institutional development consultant; was hired to lead/assist the beneficiary LGUs in drafting, customizing, and finalizing agreements, bylaws, and field works for the establishment of Joint Councils for Cooperation and Planning for all urban areas in the West Bank. The Contact was signed in March 22 2022 and now is in progress to be closed by mid-August 2022, where Many meetings and discussions have been held with mayors of municipalities over the past months to enable the consultant to customize the draft agreements and bylaws. Noting that the LGUs elections done in late March delay the process significantly since the new elected mayors have no clue on the importance of joint planning and the ICUD a and achievements and benefits.



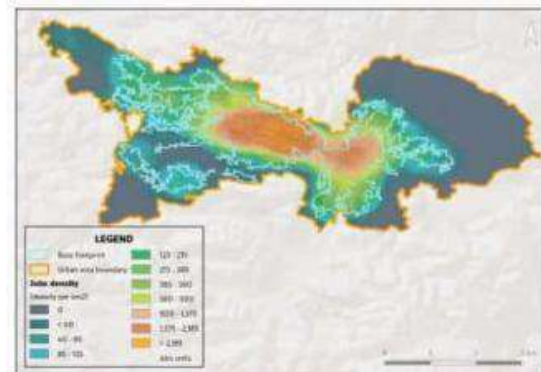
Milestone II

Complete Baseline Assessment of Existing Urban Extent (Completed)

Data was collected from LGUs, several governmental and non-governmental bodies, both at the national and local levels, as well as pertinent local stakeholders, government bodies, and specialists.

Following the data collection process, the data was reviewed, analyzed, validated, and shared with the consulting firm CAPSUS who was hired to develop the Urban Growth scenario exercise and the Urban Performance (UP) Tool. The spatial data includes: Population data, land use regulations, employment hubs, existing roads, public transport systems, urban services, and amenities. Numeric data, also called assumptions, consists of key data inputs necessary for tool calculations, such as average inhabitants per household, fuel prices, and emission factors. Spatial and numeric data were validated and uploaded to the UP tool, which was the result of the data collection process. Sometimes it was necessary to process and adapt information, including the generation and management of buffers, as well as the generation, management, running, and publication of scenarios by the Urban Performance tool, which allows the visualization of results in a user-friendly environment.

Urban Performance includes two main components: 1) UP visualizer and 2) UP calculator. Where the full performance of the five scenarios for the urban areas of Nablus, Ramallah-Al Bireh, Bethlehem, Hebron, and Gaza City, as well as all the other possible scenarios, can be analyzed using the UP visualizer, which is accessible through a web site: www.urbanperformance.in/Palestine or at the new link http://www.molg.pna.ps/Urban_Performance.aspx



The UP calculator includes the database of the indicator's calculation processes. The database contains spatial and numeric data related to the urban areas' conditions in the base year, as well as the information to model the policy levers for the different future scenarios. The UP calculator uses the database to calculate indicators and writes the results back into the database. The data includes land use, footprint, population, distributions of Amenities, job distribution, road networks, road intersection, housing costs, and environmental and ecological spaces. A database for each urban area was received from CAPSUS and submitted to urban areas for future use and analysis.

A GIS-based map was developed for each urban area to display all the spatial information that describes the situation of the urban areas in the base year.

Also, several maps were generated representing the situation of the urban areas in the base year and the different policy levers: public services, Employment, the ratio of housing units, population density, and public transport. The maps are useful to understand the impact of the policy levers on the results for each urban area.

In 2020, several meetings were held in urban areas to discuss with the technical teams the possibility of developing a shared GIS database (Joint geoportal GIS system); the discussion included: (1) identifying GIS requirements according to the Urban area's needs (2) Definition of the scope of the GIS and data contents (3) Definition of a data model (5) Hosting (4) Implementation of the GIS and (6) Installation, training, maintenance.



The objective of developing this assignment is to improve the integrated, joint urban and spatial planning at the urban area level through enhanced data sharing among LGUs by establishing four shared Web-Based Geodatabases for four urban areas targeted in the ICUD project (Nablus, Ramallah Al Bireh, Bethlehem & Hebron). The main purpose of these geodatabases is to support, facilitate and speed up the working and planning process across the Local government units (LGUs) at the level of the urban area as one important step towards strengthening the Joint cooperation at the Urban area level, as well as serve the city planners to view and investigate all current or planned infrastructural, sectoral and development plans and studies within each urban area. In addition to having updated information to the end-user as needed in an interactive way.

On 10th January 2021, an Assessment of IT GIS Environment of the Urban Areas started; the assessment covered the current situation, available data, current capacities, and suggested solutions to be adopted by the urban areas. Following that, several meetings were held with technical teams in the Urban areas and relevant stockholders to present the main results, suggested solutions to select the most suitable solution to be adopted by urban areas that fit the current context taking into account the assigned budget and remaining time frame.

The task (phase two) was launched in November 2021, and preparations are expected to be completed by the mid-August 2022, as the Web base was completed, the system were developed and hosted on the Cloud, and the municipalities' training and examination of the system almost completed and the addition of layers and information in its final stage completed. Spatial system is currently being fully tested, extra time was given to the LGUs for mor testing and training.

Milestone III

Complete Exercise to Develop Cost Analyzed Urban Growth Scenarios (Completed)

As discussed in previous reports, the Urban Growth Scenarios Assignment was launched on 22nd of February of 2018 by an international consultant firm (CAPSUS), a series of missions that started in April 2018 and ended in April 2019 was done, workshops and trainings were conducted, accordingly, several urban growth scenarios were prepared using the **Urban Performance (UP) tool** that was customized to fit the local Context, the tool was officially lunched as an innovation planning tool in Palestine in 2019.

Another launching for the urban performance tool was done in late November under the Patronage of His Excellency the Prime Minister Dr. Mohammad Shtayyeh and the minister of local government and the Court director of the World Bank.





Following that: During Q2 2019, the five urban areas started installing and configuring the tool in their local servers to achieve ownership and enable them to use and update in their planning process. ICUD also contracted a local training center to train the IT specialists in the urban areas to enable them to work on the administration and developing/coding of the tool. It is worth noting that additional two online training programs were implemented by CAPSUS in Q4 2019.



In 2020, CAPSUS and the Urban areas UP teams continued working on the following:

- CAPSUS released the updated-UP tool V4.0 in July 2019, and with specific instructions for the UP admin and developer, the UP tool was updated.
- Online training for UP managers was conducted to create population layers and land-use layers: **how to represent future population settlement options and how to translate the land use zoning of master plans using the UP in order to assess the growth options: (25 Training hours for 12 trainees were conducted).**
- Online training for the IT Team was conducted to learn how to develop and deploy new policy levers, indicators, how to modify the existing ones, and to provide support to the UP specialists, in addition, to enhance constant support among the five urban areas: **(15 training hours for 7-8 trainees were conducted noting that the commitment was low thus the intended topics regarding the UP tool 's administration and troubleshooting were not covered).**

As a closure for the one-year support ICUD team, CAPSUS drafted 3 questionnaires targeting 3 types of teams/specialties to assess the one-year support and to plan for the next steps if needed, the result has been integrated as follows:

The ICUD team started a communication and dissemination plan for the UP-Tool. The communication tools and dissemination activities have been utilized to increase the visibility of the UP-Tool and to ensure its integration into the decision-making process in the working environment of the targeted urban areas. The ICUD team started lunching some of these activities, for example, inserting the tool in the project presentations and the exchange meetings as well. Furthermore, infographics, posters, and graphic videos for the tool were created and disseminated on the social media websites as well as in the periodic bi-monthly newsletter.

Currently the team are investigating the possibility to hall a training to the core teams for the UP tool from the targeted urban area, to fill in the gaps of knowledge needed to sustain eth UP tool usage as a planning tool.

Milestone IV

Modify Respective Member LGU's Plans Based on the Optimum Urban Growth Scenario (ongoing)

1- Strategic Environmental and Social Assessment (SESA) was identified as an appropriate safeguards instrument to apply for this project as it primarily focuses on planning with no direct infrastructural development.

During 2020 the following steps have been done:



- Kickoff meetings: In January 2020, the launching of the SESA was held in Ramallah, attended by the technical committee of all the urban areas, in addition to a SESA's technical meetings in February 2020.
- The inception phase was finalized after having in depth discussion and revision from the ICUD team to ensure that the consultant will work on a correct methodology given that SESA has been implemented at the first time in Palestine.
- The **Stakeholder Engagement Approach, Plan, and a Stakeholder List** were drafted.
- The Baseline assessment and the Policy, legal and institutional framework assessment were finalized.
- The Environmental and Social Impact Assessment, which assess the Strategic Development Alternative Solutions (SDAS) against Strategic E&S Objectives were prepared.
- The selection of SDASs per each urban area was prioritized based on the results from horizontal ranking performed by the JV and from the vertical ranking performed by stakeholders during the public participation process.



During Q1-Q2/ 2021, the following had been done:

- The JV prepared the Management Plan – Recommendations and drafted the SESA report in order to do the final public hearing for the Final SESA Presentation and Disclosure.
- The SESA report, which is the main deliverable for the assignment, was submitted in April 2021. The latter was reviewed mainly by ICUD team, the World Bank Environmental and Social team, an adviser, and accordingly, a lot of modifications and analysis were requested to be done by the JV team.
- An updated version for the SESA report was submitted in mid-June 2021, and it is still under review.
- Five technical public hearing sessions started late June till early July 2021 for the 5 targeted urban areas to present the main results for the SESA.





- From July till early August 2021, the JV team finalized the reports according to the public hearing sessions feedback considering the ICUD/WB final comments.

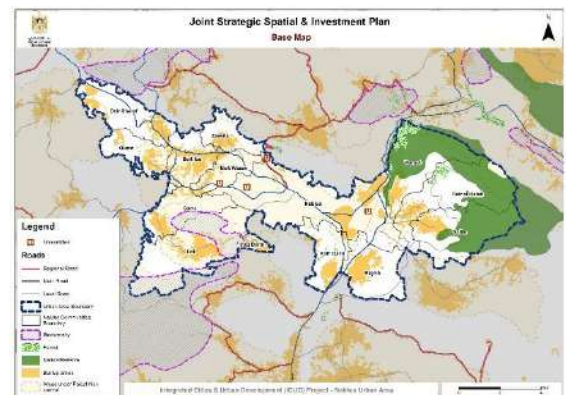
The SESA assignment consumed more time than anticipated due to Covid- 19 lockdown and limitation, in addition to the weakness of the JV consulting team. This can be also attributed to the unclarity of this tool/ scope and how to be contextualized given the first timely implementing the SESA in Palestine at a level of urban areas. It is worth noting that as a planning tool that feeds in the urban and development plans, it enforced the JV to study and review the plans/policies/strategies at both the national and local level.



- 2- Joint Strategic Spatial & Investment Plans (JSSIP):** The contract was signed with the JV of local consultants in October 2021, and the implementation phase of this plan began in Q4 of 2021, where the inception report was delivered.

The primary objective of these plans is to formulate a Joint Strategic Spatial and Investment Plan (JSSIP) for each of the five urban areas, focusing on facilitating sustainable forms of urban development, enabling social justice, and jointly delivering capital investment. This ambitious proposal can only be achieved if the spatial planning components of the JSSIP are underpinned by a strategic investment plan jointly developed by the participating LGUs, which focuses on the essential priorities for joint investment across each urban area.

The consultant worked to deliver a strategically formulated JSSIP for each urban area, based on strategic sectoral studies, urban and spatial analysis, infrastructure review, developing recommendations, and analyzing opportunities and constraints. The plans will develop a shared vision and set of strategic objectives for each area and consider several high-level spatial strategy options.



The preferred option was developed into a detailed spatial strategy that contains a development strategy, a portfolio of strategic urban projects that identifies key land uses and provides a set of strategic policies that collectively guide urban transformation and manage spatial change. Alongside the strategic policies, the plan included an infrastructure and capital investment that provides details of the proposed investments that underpin the spatial plan, including further details that will facilitate project costing, prioritization, and the future development of pre-feasibility/business case proposals. It





is expected that the preparations will be completed by the mid-August 2022, as the spatial analysis and sectoral assessments and their opportunities and determinants of development have been completed, and agreement has been reached on the competitive advantage of the urban area and strategic goals. The Consultant team are currently underway to prepare the spatial strategy and the needed strategic framework and programs and preparing the draft JSSIP plan, the action and monitoring plans that reflect the best scenario and the brainstorming and consultation resulted from several workshops that took place during this June.

Five Sustainable Urban Growth Pilot Projects were identified, and accordingly, the Team, with support of the UA's technical teams, drafted its concepts/summary. The projects cover i) design and placemaking activities associated with work to an existing city center park (Gaza City), ii) developing a network of 'pedestrian-friendly streets' (Ramallah-Al-Bireh Urban Area), iii) developing a network of 'complete streets' with light traffic-junction management and street redevelopment (Hebron Urban Area), and iv) improvements to the bus transit system (Nablus Urban Area), v) Cardboard Separation Project (including the facility, Central Cardboard Baler Machine, and Public Awareness Campaign- (Bethlehem Urban area)

These projects aim to create a stimulus for urban regeneration through placemaking and urban design that targets key public spaces and central corridors to each urban area.



As a requirement, the safeguards team conducted a round of public consultation sessions in October, November, and December 2020 for the five targeted urban areas in West Bank and Gaza Strip. For each consultation session, representatives of different institutions were invited, such as municipalities, ministries, NGOs of women and disabled people, youth groups, and local community representatives. During each consultation session, a presentation about the pilot project was provided; it included a general overview of the pilot project components, layouts, and the GRM channels. Consultation meetings were conducted using a blend of traditional and digital outreach; hence, these consultations came at an early stage before the design of pilot projects to reflect some of the public and stakeholders' reflections on the design and get their feedback and concerns. Within the COVID-19 public health emergency, the consultation meetings were conducted in compliance with the Bank's note on "Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings."



In June 2021 a LTC "Local Technical Consultant" was contacted to fulfill the scope on this assignment, the LTC



had completed the final designs and the MDLF launch the procurements in Feb 2022, the Works contracts were signed with the contractors by April 2022, the implementation operations have been started on the ground for each of the urban areas of Nablus, Hebron and Gaza and it is expected that the works will be completed by the end of July - Mid August 2022.



**Sub-component 1.2 and 1.3
Demand-Driven Customized Support for Urban Growth Planning
West Bank Urban Areas and Gaza Urban area**

Further discussions were organized with the technical representatives of the urban areas LGUs, and **the work plan is being updated to keep up with any changes.**

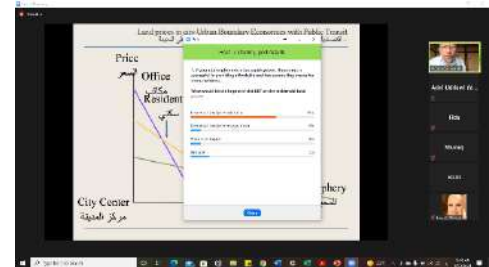
Capacity-building: which is one of the important activities that was carried out by ICUD:

During the period (2018 -mid 2021), ICUD implemented/supported the implementation of 20 training courses, targeting in total 343 trainees (part of trainees had more than one training) covering all urban areas participating in the project, ICUD coordinators, and MoLG representatives. These courses cover a total of **1392 Person - days.**

Geographically, 17 were internally, and there were individuals abroad for selected trainees from Gaza, Ramallah Al Bireh, and Hebron. And one training was for all of the urban areas targeting 40 trainees in urban planning and transportation.

During Covid and due to the limitations, the training events were paused, on the other hand a series of experiences exchange meetings were launched in 2021, where the first cycle was held with one session for each urban area, and the sessions of the second cycle have just begun starting with Ramallah /Al-Bireh urban area.

Proceeding from the importance of developing and training local authorities and involving them in the urban growth plan that aims to increase the interaction of these bodies, **a series of Practical Training sessions on Urban Planning sessions were held virtually** under the supervision of the Japanese urban Planner Mr. Hiroshi Nishimaki, that started in April and ended in June, through which eleven training sessions in an effort to provide the attendees with a set of planning tools to work with the development of urban plans at different levels while basing on the principles of urban economics. The course acquainted the attendees with the principles of how the market mechanism





determines location choices and property development, which reflect the reality of urban development. The course also explored the ways to create plans that serve as a basis to integrate sector-based plans such as transportation and utility plans.

Recently in Late May 2022, 40 training hours training course on the traffic modeling program (Visum/ Vissim) for the urban areas of Nablus and Hebron (online training) to enable the 2 Urban areas team to use the software that was purchase through ICUD last year



Solar Photovoltaic Systems Pilot Project: to develop

solar energy usage at the LGU level and, in turn, improve energy efficiency and climate co-benefits as identified by the UGS is underway. An Individual Consultant was contracted on 25th of June 2021 to full fill the following:

- Initiation and Assessment Phase
- Design and Bidding Phase
- Implementation and Installation Phase
- Building Capacity and Awareness for LGUs Phase

By December 2021, assessment of the most suitable locations and the stage of analysis and evaluation of the targeted places was completed, the tenders were prepared with the needed drawing, specifications and BOQs, followed by the needed procurement process by MDLF, the contact was awarded Feb 2022 and the Contractor start the process of installation to provide the targeted 30 LGUs in the all urban areas in West Bank with Solar Photovoltaic Systems and install them on the roofs of public buildings (the headquarters of the targeted LGUs) as a supporting or main source of energy there, and it includes the generation of about (245) kilowatts of electricity. (10 KWH per Municipality, 5 KWH per village, 16 KWH for Gaza city), where 80% of the supply and installation operations have been completed, and it is expected to be completed by the end of July 2022 with the needed building capacity and awareness for LGUs.





The following detailed activities under this sub component have been implemented in urban areas:

Ramallah-AlBireh Urban Area



TRANSCAD/ Traffic Modelling Training was implemented in Jan 2020

An intensive training course was implemented in Advanced TransCAD Transportation Modeling Training with the following specifications:

Traffic and Transportation Plans: Follow up discussions were organized with the technical coordination committee of the urban area, WB, through joint and bilateral meetings to realize the final notes done by the WB on the prepared TORs for both studies of the comprehensive public transport plan and the Extension of the Transportation Plan of the three cities: Ramallah Al-Bireh, and Betunia to include Surda -Abu Qash (this assignment was done in 2019).

For the Comprehensive Public Transportation Master Plan

The contract was signed on 5 Nov 2019 for one-year. A first technical workshop as planned according to the project plan was conducted on March-2020 with the participation of representatives of key stakeholders representing MOLG, RABSA LGUs (from both technical and steering committees), MOT, HTC, and local community representatives like Taxi Drivers Association, and the Association of the Bus And Taxis Owners, the representatives of the students as main public transportation users from two main adjacent universities in RABSA urban center, were invited but unfortunately didn't participated for unknown reasons.

Another meeting that joined the steering committee of RABSA (mayors and city directors), the deputy minister of MOLG, the ICUD team, and the consultant was suggested by and ICUD team for creating a joint understanding of the outputs between these key higher managerial and political levels and obtain the needed political support for both preparation and implementation, it was planned to be held on 5th of March, 2020 but unfortunately was canceled because of Covid-19 safety procedures that suddenly proceeded as a response of the government to the pandemic.



After that, the consultant launched the data collection phase, including field Inventory, interviews with stakeholders, traffic Volume and classification, frequency and visual occupancy, vehicle speed survey, onboard



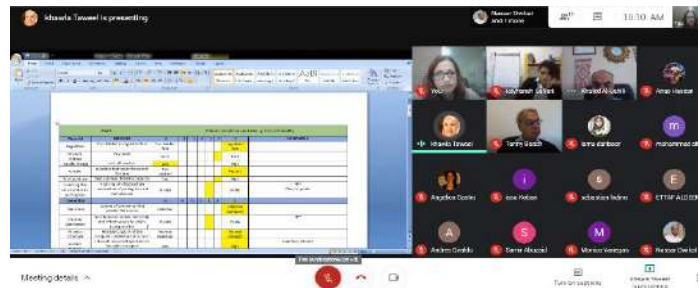
interviews, boarding and alighting, and shared-taxi passengers' interviews. This phase was divided into two stages due to the lockdown so that 80% of the data was collected until the end of June 2020. These data were coded in the proper format and started inclusion into the model. According to the project plan, the second workshop was conducted virtually in September through two sessions on the September 2020. The workshop was attended by the whole technical committee forming the key stakeholders from the LGUs, the MOLG, the MOT, and the HCT.

The workshop was followed by at least two meetings that joined a higher managerial level in the 4 LGUs to present the progress for them and take into consideration their comments.

The project's time frame was extended upon the consultant's request and the approvals of the key parts to overcome the delays caused by the lockdown due to Covid 19 that affected the start up phases of the project during April and May.



During Q1-Q2-2021, two draft copies of the final deliverables were discussed till the final editions were concluded; the discussion was built on that the final document must be more practical, giving the LGUs and key players an easily readable document that could be the reference for any future interventions within their plans, with clear strategies and timeframes and recommendations. The final deliverables were divided into three main volumes:



- Volume 1 Modeling and Scenarios, that concluded the modeling of different scenarios with their parameters, and recommending the preferred scenario based on its higher outputs,
- Volume 2 Pre-Feasibility Analysis concluded the general social, environmental, technological, and operational aspects of the preferred scenario.
- Volume 3 Master Plan concluded the general layout of the system with org, soft and hardware aspects of the system that will support the sustainable public transportation system's achievement with the needed exact strategies and timeframes with their needed annexes of maps, figures, and other details.

The consultant presented the final deliverables to the steering committee, including higher representatives of RABSA, MOLG, MOT, HTC. MDLF and the World Bank at the beginning of June. The committee approved the deliverables with some notes to be taken into consideration: to elaborate more on the institutional aspect regarding establishing a joint body for the management of the public transportation in the RABSA urban area, define a list of the prior interventions that are needed to be done, the final deliverables were approved technically by the technical team the and the ICUD team.





Several follow-ups were done to gain the political approval of the plan, including the prime minister and ministry partners, and LGUs councils, in addition to preparing for launching the plan as a kind of marketing and communication step to gain more support and mobilization resources.

The plan was presented in October 2021 to higher representatives of partner ministries, Prime minister representative, and donors for more mobilization of resources and gaining the needed political support.

In parallel, the plan was submitted by the MOLG to the prime minister asking for the needed support for the plan and its implementation, and the endorsement of one of the most important steps in the ORG-ware of the system suggested by the consultant and approved by the partners; particularly, establishing the Joint Body that will be responsible of following up the implementation of the plan and managing the public transportation service in the Urban Area of RABSA. The reply was received later by the MOLG providing the endorsement of forming a Joint committee of the suggested representatives which include the MOLG, MOT, the 4 LGUs of RABS.

Following up on that, Bi-lateral internal discussion between ICUD Manager, MOLG deputy minister and the coordinator of RABSA, , the general consensus was to figure out the best ways to integrate this committee with the work already in process in the institutionalization of the JCU.

As part of the coordination and collaboration with other MDLF programs, ICUD team work jointly to develop a ToR to work on a second phase of the CPTMP Plan, and the contact was signed in late May 2021.

Hebron & Nablus Urban Area

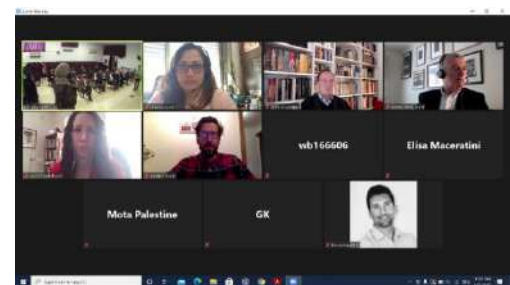
Hebron and Nablus GIS training: these training modules, HUA LGUs' GIS specialists will assist each other in establishing GIS databases in Taffuh and Beit Kahel LGUs and developing current databases on the other LGUs through GIS specialized groups.

The Analysis of Transport Development in Hebron and Nablus Urban Area which was done in 2019 with direct participation and involvement by the urban area LGUs. Several meetings, workshops, and discussion were done by contacting a local consultant, the study had assessed the current traffic conditions between the LGUs and the need for enhancements of roads.

Bethlehem Urban Area

In Bethlehem Urban Area, follow-up discussions were organized with the technical committee of the urban area to develop **Sustainable Tourism Plan** during Q3-Q4 2019.

In April 2021, an introductory meeting was held at the Peace Centre Hall/Bethlehem municipality for the technical and the steering committees and the local team of the consultant, in addition to the international team by the video conference. The





consultant team members were introduced to the attendees, and the assignment's anticipated methodology and work plan was presented.

In July 2021, the consultant submitted the Background Sectoral and Urban Analysis report. A workshop for the steering and the technical committees was held in the same month, to present the results of the Background Sectoral and Urban Analysis Phase and to plan and prepare the vision of the urban area based on the feedback from the steering and technical committees in the workshop.

In November 2021, an updated vision was submitted to the ICUD team based on their feedback and comments on the background sectoral and urban analysis report. By the end of November 2021, another workshop took place for the steering and technical committees to present the proposed planned vision for BUA, including the six strategic goals for success and the proposed scenarios; the consultant presented two scenarios, including two different approaches, and the committees requested time to review the summary of the two scenarios so they can choose one wisely.

In January 2022, the steering and the technical committees had come to agree on mixing the two scenarios to one scenario "Pilgrimage Plus"; the first scenario was focusing on the under-served FIT market, and the second scenario was focusing on the developing the group pilgrimage market in the existing focal points.

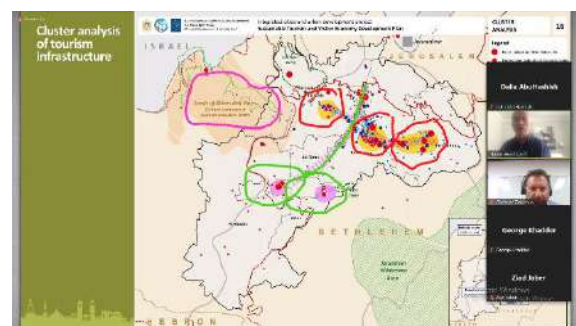
In March 2022, a mission for the international consultant was done in Palestine and several meetings were held; one the deputy minister, the World Bank, the ICUD team and international and local consultants' parties to discuss the progress of the assignment and the results of the previous phases.

In addition to that there was a meeting for the steering and the technical committees to present an update on the assignment and discuss the initial ideas of the prefinal Phase of the assignment; The Projects, Programs and the Activities.

In April and May 2022, the report of Projects, Programs and Activities was submitted to ICUD and shared with the technical committee to review for detailed feedback, supported with several meeting with the technical committee to discuss and modify this Phase accordingly.

The Assignment in its final stages and the needed modifications and finalizing of the final deliverables (STDP Plan with its three main volumes) are in progress to be finalized by end July 2022:

- Volume A: The Sustainable Tourism and Visitor Economy Development Plan for the Bethlehem Urban Area.





- Volume B: Detailed Briefs for the Programmes, Projects and Activities associated with the STDP.
- Volume C: Baseline Sectoral and Urban Analysis Report.

Cardboard Separation Project Pilot project: after several discussions with the technical and steering committee, the Cardboard Separation Project was selected for the urban area. The pilot project will lead to reduce the landfilling cost on the LGUs in the urban area and improve the environmental impacts. In addition to making the urban area more touristic and environmentally friendly, which is in line with the urban area's vision of creating a Well-Organized Tourist, Economic, Cultural and Secure Centre.

The project has three components (Each Component of the project has a TOR, and the three TORs were drafted, finalized, and cleared by the World Bank):

- The works contract of the Cardboard and Paper Sorting Facility was terminated - after the designs and tenders were prepared and the procurement process were done - due to failure to handle the site by the JSC).
- Public Awareness Campaign-Cardboard and Paper Sorting: the contract was signed in May 2021 for a duration of 3 months (extended for extra 3 months) the communication strategy and social activities/work plan was submitted to the ICUD team and JSC and BUA technical committee, the latter was reviewed accordingly.
- Central Cardboard Baler Machine. (Specification is ready, ICUD and MDLF cancel these activities due to failure of Cardboard and Paper Sorting Facility construction.



Gaza Urban area (Sub-component 1.3)

Demand-Driven Customized Support for Urban Growth Planning Gaza Urban Area)

Data Collection, Spatial and Sectoral Assessment assignment - as phase one of the City Development Plan Preparation –with technical supervision from ICUD- was launched in October 2019 and finalized in May 2020. The team of Gaza and ICUD team updated the work plan as follows:

- **For the Pilot Project: Development of Gaza Municipality Central Park:** The works contract was awarded early April 2022. The work is under progress and expected to be completed by the end of August
- **Gaza City Development Plan GCDP:** After the team finalized the scope and the TOR, this assignment was launched in the last quarter of 2021 by the ICUD international adviser and with the support of local consultant where the Inception Report was submitted and reviewed, this scope of the plan mainly covers the following:
 - A strategic framework to guide future development activity.
 - An Infrastructure Delivery Plan that informs capital investment planning and delivery.
 - A basis for the development of more detailed planning strategies (e.g. future master plan).



- the work was launched in mid-October 2021 and it is expected to complete the preparation by the end of August 2022 - a character study was completed in preparation for the preparation of the city's developmental plan for the entire city.



- **City Center Development Plan CCDP:** the city center is the most active part of Gaza city. It is the hub of economic and institutional activities, and the users from other cities visit the area daily. The concentration of activities and usages in the city center leads to emerging urban problems such as traffic congestion, air pollution, lack of open spaces, etc. That makes the development of the Gaza city center an urgent need to tackle the current challenges and optimize the potentials in the area. The development plan provides close attention to the city center users to satisfy their real needs and visions.
- The assignment was launched in December 2021 and is expected to be completed in August 2022, as the urban analysis has been completed and the Opportunities and constrained identified, and work is underway on preparing the development plan and the accompanying detailed guiding **Supporting Gaza municipality through the provision of equipment and goods to strengthen capacities to plan for sustainable urban growth:**
 - **16 km²** Aerial photography was completed and delivered using a Drones, the main results of the city aerial photo are:
 - 2.5 cm/pixels resolution aerial photo.
 - 3D Photo
 - Point cloud Image
 - Equipment/Goods: Done
 - **58 multimeter** devices were installed in 58 water wells
 - All the devices installed in the wells mentioned above have been programmed.
 - The work will be done to carry out a field inspection of these wells by July 2022.
 - A model of the four PLC control devices in the executing company's contract has been programmed.
- **Solar Pilot Project** to develop solar energy usage at the LGU level and, in turn, improve energy efficiency and climate co-benefits as identified by the UGS is underway. the supply and installation operations along with the training have been completed in Rashad Al-Shawwa Cultural Center Building.



5.5 Anticipated Activities

Sub-component 1.1. Structured Capacity Development Support for Urban Growth Planning

Milestone I

Establish and Maintain Intra Urban Area Coordination Mechanism

- Proceed in discussions and details of the agreement, bylaw, and fields of work, aiming to officially establish the new Joint planning Councils and endorse them by the Minister.
- A legal revision for the generated document by the consultant will be conducted for the urban areas who will succeed to agree on the formation of these JSCs, then H.E. The Minister of MoLG will announce the establishment of the (Higher Council of Joint Cooperation and Planning) in each Urban Area.

Milestone II.

Complete Baseline Assessment of Existing Urban Extent

Phase Two of Design and Development the shared database under progress and it is planned to be finalized by Mid-August 2022.

Milestone III.

Complete Exercise to Develop Cost Analyzed Urban Growth Scenarios

ICUD team will continue implementing some of the activities proposed in the communication and dissemination plan for the UP-Tool which was discussed with the WB. It set out communication tools and dissemination activities to increase the visibility of the UP-Tool and ensure it is integrated into the decision-making process in the internal environment of targeted urban areas. The plan's strategy was designed to effectively disseminate the collected knowledge in the preceding UP-Tool exercise using a tailor-made dissemination approach, which targeted a specified audience to communicate a customized message through a specialized tool.

Currently the team are investigating the possibility to hall a training to the core teams for the UP tool from the targeted urban area, to fill in the gaps of knowledge needed to sustain eth UP tool usage as a planning tool.



Milestone IV

Modify Respective Member LGU's Plans Based on the Optimum Urban Growth Scenario

- Follow up the Finalization of the JSSIP “Joint Spatial Strategic and Investment Plan for the five targeted urban areas” by mid-August 2022.
- Finalize the works contacts for the Sustainable Urban Growth Pilot Projects in Gaza, Hebron, and Nablus Urban Areas by the end of August.

Sub-component 1.2.

Demand-Driven Customized Support for Urban Growth Planning for the West Bank Urban Areas

The Following activities are anticipated according to the work plan:

- Following up the finalization of the Sustainable Tourism Development Plan for BUA, the contact is anticipated to be closed by July 2022.
- Follow up the installation and running the systems by the service providers of the Solar Photovoltaic Systems for all the target urban areas, it is anticipated to be completed no later than August 2022.
- Launch the procurement process for the remaining supporting activities, e.g. the graphic designer.

Sub-component 1.3.

Demand-Driven Customized Support for Urban Growth Planning for Gaza Urban Area

The Following activities are anticipated:

- Follow up and Finalize the City center Development Plan by Mid-August 2022.
- Follow up and finalize the Gaza City Development Plan by late August 2022.

5.6 Results Framework

Updates to the RF were agreed on by the World Bank, MDLF, and PIU during ICUD’s mid-term review which can be illustrated as follows:

Table 36: Target Vs. Achievements of the Indicators

PDO Indicators by Objectives / Outcomes

Project Development Objective Indicators				
▶ Direct project beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	95.00	95.00	376,243
Date	07-May-2016	28-Oct-2021	30-June- 2022	31- Dec - 2022
Comments:	Current direct beneficiaries was expanded under the April 2021 restructuring to include and measure the number of citizens within the catchment area of the newly added works activities that will directly benefit. Results are not expected before FY22 Q3 and Q4.			
IN01059141				
□ Female beneficiaries (Percentage, Custom Supplement)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	40	40	30.00
► Number of plans developed that are informed by the results of the urban growth scenarios (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9.00	9.00	10.00
Date	07-May-2016	28-Oct-2021	30-June- 2022	31- Dec - 2022
Comments:	<p>(i) Transportation Assessment for Nablus; (ii) Transportation Assessment for Hebron; (iii) Traffic Assessment for Surda-Abu Qash; (iv) Public Transportation Plan for Ramallah-Al Bireh Urban Area; (v) SESA-Ramallah-Al Bireh Urban Area; (vi) SESA- Nablus Urban Area; (vii) SESA-Bethlehem Urban Area; (viii) SESA-Hebron Urban Area; and (ix) SESA - Gaza City.</p> <p>6-7 in progress: 4 JOINT STRATEGIC SPATIAL AND INVESTMENT PLAN are also under development that will directly build on the findings of the Urban Growth Scenarios (UGSs) produced under ICUD and will delineate the main public services and facilities. The JSSIPs were contingent on the SESA which was significantly delayed by the pandemic. The activity has been launched with results expected in FY22 Q4.</p> <p>Gaza city Development Plan and Gaza City Center Development Plan Bethlehem Sustainable Tourism Plan</p>			
► Number of urban areas that develop cost-analyzed scenarios for urban growth and disclose them to the public (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5.00	5.00	5.00
Date	07-May-2016	28-Oct-2021	30-June- 2022	31- Dec - 2022
Comments:	All five urban areas completed their cost analyzed scenarios for urban growth in April 2019, and they have been disclosed to the public: national workshop, publications, public access to the online tool.			
► Number of indirect beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1,136,000.00	1,136,000.00
Date	01-Feb-2021	28-Oct-2021	30-June- 2022	31- Dec - 2022
► Number of urban pilot interventions implemented that are informed by the results of urban growth scenarios (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	01-Feb-2021	28-Oct-2021	30-June- 2022	31- Dec - 2022
Comments:	This activity was just added under the April 2021 Restructuring. Pilots are expected to be completed between FY22 Q2-Q4.			



Intermediate Results Indicators by Components

Component No. 1: Planning for Sustainable Urban Growth				
▶ Number of urban areas that complete baseline assessments (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5.00	5.00	5.00
Date	16-Oct-2020	28-Oct-2021	30-June- 2022	31- Dec - 2022
▶ Number of participating urban areas that establish and actively maintain an intra-urban area coordination mechanism for the life of the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	4.00	4.00	4.00
Date	07-May-2016	28-Oct-2021	30-June- 2022	31- Dec - 2022
▶ Number of person-days training conducted in urban development and planning related subjects (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1267	1392	1,400
Date	01-Feb-2021	28-Oct-2021	30-June- 2022	31- Dec - 2022

5.7 Obstacles and Challenges

- Since March 2020, the COVID-19 pandemic emergency put its shadows on many Project activities, and working with targeted LGUs became challenging because of the frequent lockdowns and restrictions of movement. The situation interrupted the work of the municipalities and overwhelmed them with services for emergency and sanitation. Ongoing and future activities were inevitably be impacted by the COVID-19 crisis.
- LGUs' capacities vary, specifically in planning, including urban analysis and integrated planning. In a substantial number of LGUs, there is an absence of planners among the LGU technical teams, which makes conveying concepts of sustainable urban growth, smart cities, compact development, etc., slightly challenging.
- Lack of urban data and analysis (in some cases, even the basic analysis) at most LGUs met during the "data availability assessment phase" affected the development of the urban growth scenario exercise. Moreover, there are significant gaps among the LGUs of the same urban area regarding GIS availability, capacity, data accuracy and quality. In the data collection process, there was a delay in providing available data either from the LGUs or other sources.



- The availability of Urban Data at the level of LGUs is very limited, especially in the village councils, all Urban Data at the street/neighborhood level is not available and most of the information is recovered through estimations.
- Delay in implementing the concept of shared GIS database due to lack of availability of GIS and IT staff among the LGUs. In all cases, there is a need to get a commitment from the management of the municipality for the planning process and to establish a GIS team within the municipality.
- Competitiveness between the different municipalities is high especially among big municipalities, notability over other smaller ones and of course, the village councils. This makes it problematic in making them all meet and work together on the same level.
- Delay in project activities implementation (due to MOLG prolonged needed time) showed mistrust of municipal technical teams and mayors and diminished the project's importance.
- The concept of urban growth is new in the Palestinian areas, often not well understood even after launching the activities.
- Many issues were raised related to sustaining cooperation among the UCs, the ownership of the JCU that were established, and the outputs of the exercise.
- Some LGUs have no planning department. Thus, establishing planning departments should be considered in some LGUs in parallel with the institutionalization process.
- The resignation of the Bethlehem local coordinator, which kept the urban area slightly behind in keeping up with the required activities, especially for sub-component 1.2. The ICUD core team covered most of the needed activities with direct support from the MOLG Bethlehem office coordinator.
- The changing councils of LGUs that comprises the urban areas due to the Municipalities elections which caused implications on the ownership of the project and its outputs.
- The delay in pilot projects works contracts, especially the works in Hebron, and Gaza areas, due to some complications that appeared during work with municipalities and contractor and due to the limited scope of the works that cause a lot of changes from the LGUs side.



6. Multi-site Regeneration Project for Jericho

6.1 Project Overview

The "Multi-site Regeneration Project for Jericho, Palestine", is currently implemented as part of the technical assistance program by the French Development Agency (AFD), with funding from the European Union -the funds of the Investment Facility for the Neighborhoods (IVF), and in conjunction with partners from the UPFI "Urban Projects Finance Initiative".

The MSR Jericho Project aims at enhancing the economic development of the city through the process of "re localization and rehabilitation" of key infrastructures. The project promotes an integrated urban approach to optimize public land management, to upgrade key infrastructures, and to strengthen the management capacities of the municipality related to the enforcement of national health policies and to improve its financial accountability. The meant infrastructures to be regenerated are the slaughterhouse, the Spanish Garden, and the Municipal garage, all of which shall contribute to supporting the main city's economic activities (tourism and farming).

6.2 Project Description

The fund of MSR - Jericho is EUR 6.2 million according to the financing agreement signed between the AFD and the Ministry of Finance on April 26th, 2017. Upon that, the project Agreement between MDLF and the Ministry of Finance was signed on August 7th, 2017, followed by a Grant Implementation Agreement with Jericho Municipality which was signed on November 16th, 2017.

The project Operation Manual was prepared by MDLF, containing technical, financial, procurement and monitoring and evaluation of the project. MDLF is responsible for managing the project with a team that includes a project coordinator, a technical expert, a financial expert, a procurement expert, and an environmental and social specialist.

Furthermore, Jericho municipality assigned a project coordinator to be part of the project committee to ensure the facilitation of proper implementation of all activities and to be part of the project committee.

The project includes the following subcomponents:

- **Sub-component (a): Slaughterhouse**

This component includes the construction of new slaughterhouse and remediation works for the old slaughterhouse. The new slaughterhouse aimed at providing efficient, professional, hygienic and human slaughtering service at a competitive price for farmers, butchers, and other customers in Jericho and adjacent Palestinian towns and communities. It is aimed that this would be achieved without creating adverse environmental or social hazards. The project will include two major buildings: one for slaughtering cattle such as sheep and goats and the other for slaughtering poultry. Office accommodation will also be provided within the envelope of the largest building, used for cattle (sheep/goats), in addition to supplying the Equipment for the Cattle Slaughterhouse and Supplying of Equipment for the Poultry Slaughterhouse.

For operating the slaughterhouse, a Slaughterhouse Steering Committee (SSC) will be assigned by the municipality to supervise and advise both partners. It will be composed of representatives from the municipality, the private operator, but also from butchers and farmers, as well as from the public health committee, whose exact role will be detailed in a lease agreement.

Remediation works at the old slaughterhouse will commence as soon the new slaughterhouse is handed over and being operated.



▪ **Sub-component (b) Municipal Garage**

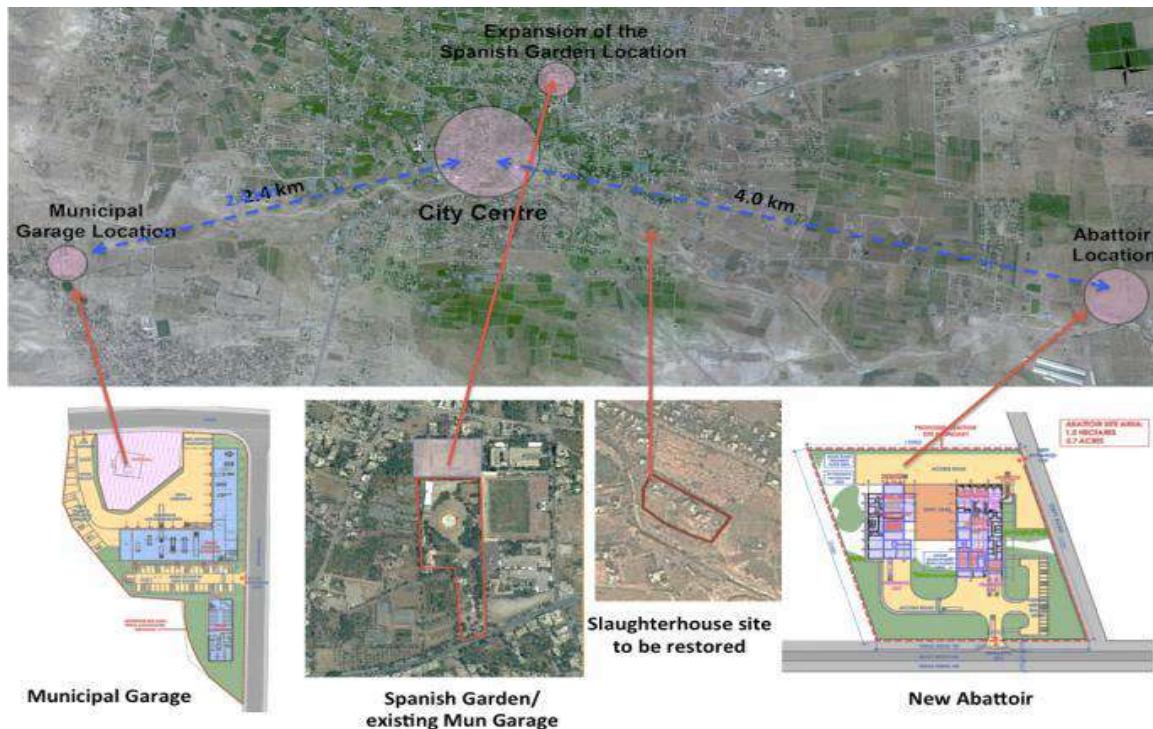
This sub-component includes the construction of a new garage and remediation works for the old garage. The main garage will be L-shaped single-story, large-span building (approximately 1,710 m² in area). A new one-story amenity building (approximately 437m²) is positioned on the south side of the site. It contains a canteen, changing/washrooms, and office accommodation. External areas include car parking, yard space, planting, and access roads.

On the other hand, the Extension of the Spanish Garden was also planned to be implemented under MDP IIICII. The extension of the Garden will benefit from the lands currently occupied by the old Municipal Garage, the MSR project offers the opportunity to enhance substantially the role of the Spanish Garden as a place of leisure in the heart of the city.

▪ **Sub-component (c): Technical Assistance**

This component includes a technical assistance program, which includes the supervision of work and management fees to MDLF, in addition to training and capacity building to support the implementation of the municipal action plan on mitigating illegal slaughtering processes.

MDLF will support Jericho Municipality in implementing designated activities defined under sub-component C.



MSR Jericho Project Components, (Final Report INTA, CEP, 2016)



6.3 Implementation Status and Upcoming Action

This section highlights the project's technical progress until the end of June 2022. Noting that all the parties; MDLF, Jericho Municipality, and the donor are aware of the challenges and has worked together to overcome all issues through discussions.

6.3.1 Progress of Main Contracts

6.3.1.1 Slaughterhouse Construction

The concept design has been based on the consultant revision of the slaughtering capacities where the capacities over 20 years design period are reflected below:

Livestock/Slaughtering Capacity	Capacity (Animal/week)
Poultry	15,000 (500 bird/hour)
Cattle	35
Sheep	150

- This capacity has been based on projecting the slaughtering demand according to the served citizens, taking into account the market share, market competence, and awareness of illegal slaughtering.
- The additional risk factor was taken to propose the potential expansion of the Cold Rooms and the Operation Hours of the Slaughterhouse facility to overcome the low risk of overcapacity.
- Jericho Slaughterhouse will be designed and constructed on leased land of size 19,000 m², using 4,000 m² located in the south east of Jericho City. The Concept design proposed two buildings with a total area approximately 2200 m², besides, parking area, Holding Pens, and Landscaping. For Infrastructure facilities: the project includes a Wastewater treatment plant, blood treatment, Incinerator, potable water connection pipe, wastewater disposal pipe, and other facilities.
- The project was retendered and awarded on November 02nd, 2021 using the modality of “Design, Supply, and Install of Jericho Slaughterhouse and Related infrastructure”, the project is now ongoing with total contracted amount EUR 3,540,000 and expected to be completed in 30-06-2023
- The submittals related to drawings and materials were approved by the engineering association.
- Slaughterhouse equipment submittal was approved by the consultant. MDLF team, municipality representatives, and the consultant visited Turkey to check and validate the required equipment. The first shipment from Turkey including some of the equipment will be delivered in August, 2022.



Casting concrete for poultry building



3D - Model



6.3.1.2 Municipal Garage Construction

The contract for the construction of Municipal Garage was signed on July 22nd, 2018 with an initial cost EUR 1,283,690 and the final cost at completion was EUR 1,453,971. The project has been implemented over 14 months, with various delays due to challenges in transferring the high voltage electricity cable as well as the contractor's slow progress in construction. Accordingly, the project was extended twice to cope with the delays and finally it was successfully completed and handed over on November 13th, 2019



The Municipal Garage



The Municipal Garage

✓ Rehabilitation of the Municipal Garage Road (under MDPIICI)

The rehabilitation of the Municipal Garage Road was implemented under MDPIICI including the asphaltting of the main road that leads to the Garage totaling 2 km with avg. width 5.5m. The final amount of the works was EUR 198,188.



Municipal Garage road

✓ **HV Cable Relocation sub-component:**

MDLF and Jericho Municipality have allocated EUR 51,287 from MDP III Cycle 1 to recruit JEDCO for constructing the electricity service network feeding the Municipal Garage facility, although the contract was signed early January 2019, the project was commenced in April 2019 and the connection was accomplished on June 30th, 2019. The delay in this sub-component affected the work status at the Municipal Garage construction.

✓ **Environmental and Social Monitoring during construction stage:**

The contractor prepared a safety plan at the earliest stage of the project; it has been reviewed and approved.

Environmental and social compliance was regularly monitored and reflected in monthly progress reports. The contractor abided and complied with the project ESMP and the safety plan except of certain incidents where environmental notes were issued.

The contractor complied with occupational health and environmental control measures on site where adequate sanitary facilities, first aid kit, adequate water supply, proper closure of the site, presence of approved dumping site and proper disposal of waste, proper PPE, proper fall protection, and regular control of dust. Furthermore, regular working hours were followed during the construction period.



Socially; the municipality conducted a consultation meeting with neighbors before the commencement of works where proper mitigation measures and working hours were discussed with neighbors.



Nevertheless, a few days after commencement, the project was stopped for a few days due to receiving verbal complaints from a number of citizens who claimed to use dirt road passing the western part of the site.

Jericho municipality has conducted consultation meetings with affected persons and agreed to exclude that part of the project and maintain temporary access for those complainants. Supplementary safety measures to the new boundary were set.



Another issue of relocating honey boxes that were recently placed at the site has been verbally raised. The municipality consulted with the owner and agreed to place the boxes out of the site.

6.3.1.3 Old Municipal Garage Remediation (Renamed to Extension of Spanish Garden and Remediation of the Old Garage)

The old municipal garage remediation funding was agreed to be allocated through MDP III Cycle 1 rather than the Project. On the other hand, due to the progress delay, this activity had been integrated into the Spanish Garden Extension Project that was agreed to be financed through MDP III Cycle 2. This decision was made to ensure defining correct and strict remediation actions related to the Spanish Garden extension components. The Spanish Garden Extension Terms of Reference had been revised to include scope for remediation works (revision of the lab test results, demolition requirements, dismantling and disposal of asbestos conditions, potential impacts coming up from the new design, etc...).

6.3.2 Work supervision and Environmental and Social Monitoring

Progress on Contract Management:

- The contract was signed on March 25th, 2018 with an amount: EUR 250,583.
- The contract was firstly amended to include the additional scope of works with regards to the Slaughterhouse Construction component. The amendment was signed on January 3rd, 2019 with an amended contract value of EUR 270,064.
- The second Amendment included an additional scope of work to the Slaughterhouse Construction component. The amendment was signed on July 11th, 2019 with a contract value of EUR 329,689.
- The consultant has finalized supervision for the Municipal Garage Construction.
- The consultant has prepared Concept Design and draft bidding documents for Design Supply and Install the Slaughterhouse.



6.3.3 Jericho Municipality Components

The Municipality inaugurated the Garage in an official ceremony. Accompanied to finalizing the transfer of all departments to the new garage, where stores have already been transferred and operated.

The Municipality will work closely with MDLF to update the Auction document, updating the awareness plan and other future collaboration to operate and raise the capacity of the municipality to efficiently operate the Slaughterhouse.



6.4 Challenges and Obstacles

- The project components related to the construction of Municipal Garage and the Construction of Slaughterhouse faced a major delay due to the lack of information regarding water, wastewater, and electricity service connections.
- A major issue was the deficit of funding to approach those utilities as they had not been encountered in the project proposal at the start. To overcome the financial issue, MDLF proposed a financial methodology correlating potential capability and utilization of MDPIII cycle 1 allocation, this proposal was discussed with Jericho Municipality and the AFD as follows:
 - o Financing the electrical connections for the Municipal Garage.
 - o Financing the connection of electrical connection to serve Slaughterhouse project in case of deficit after the Slaughterhouse Construction bid opening.
 - o Financing the water connection for the Slaughterhouse project in case there of deficit after the Slaughterhouse Construction bid opening.
- An additional challenge was the delay in finalizing the auction documents at Jericho Municipality, which was supposed to have been launched prior to the commencement of works at the Slaughterhouse Construction.
- Connecting electricity by JEDCO company to the Slaughterhouse project site took more time than expected due to delay from JEDCO side which was planned to be executed in December, 2021. However, the actual connection of electricity to the project site happened on May, 2022.
- It was planned that the Jericho Municipality would contribute in the construction of the Spanish Garden; however, the municipality of Jericho can no longer contribute the agreed amount. Therefore, the municipality will amend the scope of their contribution to match the available amount they can provide.