صندوق تطوير وإقراض الهيئات المحلية
Municipal Development & Lending Fund







SEMI ANNUAL REPORT

2025











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Municipal Development & Lending Fund

SEMI ANNUAL REPORT

Semi Annual Report 2025

Municipal Development and Lending Fund (MDLF) – Palestine

August 2025

In partnership with
RÉPUBLIQUE FRANÇAISE
AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT
THE WORLD BANK WORLD BANK GROUP
EUROPEAN UNION الاتحاد الأوروبي
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التعاون الألماني DEUTSCHE ZUSAMMENARBEIT
KFW
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Our Vision

Efficient and effective local government units that contribute to achieving a better life for citizens.

Our Mission

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
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 Directors

Dr. Sami Hajjawi	Chairman of the Board, Minister of Local Government
Ms. Lama Al-Najjar	Board Member, Representing Palestinian Monitory Authority
Mr. Makram Daraghmeh	Board Member, Representing Ministry of Public Works and Housing
Mr. Majdi Al-Hassan	Board Member Representing Ministry of Finance and Planning
Ms. Areej Odeh	Board Member Representing Civil Society Organizations
Mr. Tariq Al-Zaro	Board Member Representing Engineers Association
Mr. Abdel Kareem Zubaidi	Board Member Representing Association of the Palestinian Local Authorities (APLA)
Mr. Moahannad Amro	Board Member Mayor of Dura Municipality (Representing the Municipalities)
Mr. Mansour Al-Salayma	Board Member Mayor of Al-Ram Municipality (Representing the Municipalities)

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MDLF West Bank Operations: 2025 Challenges

Overview

Like 2024, the year 2025 has posed significant challenges for the Municipal Development and Lending Fund (MDLF), driven by ongoing Israeli aggression in Gaza and its associated impacts in the West Bank. The escalation of hostilities in Gaza has effectively suspended MDLF's operations in Gaza Strip. Meanwhile, municipalities in the West Bank have been severely affected by Israeli military operations, settler violence, and intensified movement restrictions, compounded by a sharp decline in revenues due to economic contraction, rising unemployment, and weak intergovernmental fiscal transfers. Together, these developments have profoundly impacted MDLF's operations and programs, requiring rapid adaptation and a strategic reassessment of activities across all MDLF interventions.

Challenges Facing MDLF Operations in the West Bank

- Delays and disruptions in project implementation, with some activities postponed and others requiring revisions due to limited field access and changing on-ground conditions.
- Impeded field visits and monitoring, particularly due to the escalation of military checkpoints and incursions, which hindered access to target locations.
- Revised operational plans for MDLF-supported projects in light of the deteriorating security environment and mobility constraints.
- The Performance Ranking Criteria, a core mechanism of the MDP4 program, has become more challenging for municipalities. The war's economic and operational toll are expected to hinder municipalities' ability to achieve key financial indicators. This will be further assessed through the assignment of municipal ranking update, which is currently under going and will be accomplished by October 2025. The ranking results and the municipal compliance with KPIs will serve as a key reference point for discussion during the midterm review mission planned in December 2025.
- Operations in Area C have been severely constrained due to escalating settler violence and military restrictions, leading to the suspension of most field missions conducted by MDLF and Local Technical Consultants (LTCs). At the same time, the development context remains highly fragile: Jeet School has received stop-work orders, while Al-Aqaba School was demolished despite the absence of official demolition order from the Israeli authorities. These developments have further compounded the challenges facing local development efforts in Area C.
- The ongoing Israeli military operations in the West Bank have caused severe infrastructure damage, particularly in the northern areas, placing additional pressure on municipalities already struggling to deliver basic services. This situation prompted MDLF to engage MDP4 development partners to mobilize financing for recovery and reconstruction efforts.

Key Channels of Support for West Bank Municipalities in 2025

Despite the imposing challenges, MDLF has structured its response around three primary support channels designed to stabilize municipal operations and promote recovery.

Channel One "MDP4 - Emergency Support Component"

Under MDP4, a new Component 6 "Emergency Operation & Maintenance (O&M) Support" has been implemented as a responsive measure addressing critical municipal needs. This short-term intervention targets West Bank municipalities, focusing on restoring essential services and mitigating fiscal deterioration, which has been intensified by the war's impact on local revenues. Additionally, the Labor-intensive O&M projects under this component also aim to generate employment and address the socioeconomic crisis.

Key Results

- 138 municipalities in the West Bank submitted 383 sub-project proposals, totaling EUR 29,189,869.
    - 340 projects (EUR 27,225,532 / 93%) focused on recurrent expenditures.
    - 43 projects (EUR 1,964,337 / 6.7%) focused on emergency labor-intensive O&M.
- Implementation is ongoing:
    - 113 sub-projects completed.
    - 217 sub-projects in progress.
- Together, these account for 86% of the total number of approved sub-projects, representing 93% of the total allocation.

Channel Two "MDP4 – New Sub. Component 1.2 for Reconstruction"

- During the MDP4 - April 2025 mission, a scenario was proposed by MDLF to utilize the Gaza fund—frozen since the outbreak of the Gaza war—for recovery and reconstruction in the northern West Bank municipalities. A subsequent concept note was prepared by MDLF outlining the verifiable damage assessment, the allocation mechanism, and the prioritized infrastructure projects for reconstruction.
- The framework introduces a new sub-component under MDP4–Component 1 to address urgent reconstruction needs from repeated infrastructure damages, reallocating **EUR 7.6 million** from the AFD and KfW Gaza allocation (Component 1 – Cycle 1) to support recovery and reconstruction in the northern West Bank municipalities.
- The concept note details the criteria for projects prioritization and justifies allocating funds based on actual reconstruction costs instead of fixed municipal allocations. It also proposes a phased implementation approach, starting with top-priority projects and advancing to later phases depending on site accessibility and fund availability, while ensuring strong coordination and transparency to maximize impact and avoid duplication.

Channel Three: Social Recovery and Job Creation Project (SRJCP) – (LGUs Component)

In the short term, this includes emergency funding for Cash-for-Work (C4W) initiatives at the local government units (LGUs) to tackle rising unemployment following the escalation of the war in Gaza and its negative effects on the overall economy.

The PA, through MOPIC and MOLG, has tasked MDLF with implementing the first component of the SRJC, targeting 88% of LGUs in the West Bank (235 Village Councils and 136 municipalities) across 11 governorates.
The project addresses the urgent needs of LGUs by supporting operation and maintenance works to improve service delivery, while simultaneously creating job opportunities for engineers as well as skilled and unskilled labors.
Given its wide coverage across LGUs in the West Bank, the project is highly visible and impactful. Coordination has been maintained among PA ministries, MDLF, and the World Bank since the beginning of 2025.
Currently, the project is in its early stages, including fund allocation and the application process, which are undergoing appraisal by MDLF and MOLG.
The project is funded by the Trust Fund for Gaza and the West Bank (TFGWB) and the Palestinian Fund for Reconstruction and Development (PFRD), with a combined budget of USD 40 million for its first component.

Channel Four: Village Council Support Program "VCSP"

The VCSP is funded by the German Government through the KfW with a total financing EUR 6 million. MDLF launched the project, targeting 30 village councils with population exceeding 4,000 inhabitants, across the West Bank

Project Objectives

- Improve access to inclusive and equitable services.
- Strengthen participatory local development planning, with a focus on women, youth, and persons with disabilities.

Expected Impact

- Approximately 160,959 beneficiaries across the targeted rural communities.
- Reinforces planning and service delivery improvement across the targeted VCs.

This intervention will be served to develop and test the performance based approach across the targeted VCs with a vision to be expanded for more coverage likewise the multi-phase Municipal Development Program.

Channel Five: Area C Continued Support

Despite the challenges in Area C development programme, MDLF, in coordination with the EU, takes a proactive approach by communicating upcoming interventions through the General Authority for Civil Affairs. Trilateral meetings are proposed to support master planning approach which is still considered a key instrument for Area C development.
MDLF uses an adaptive approach to implement projects while minimizing risks, drawing on experience from previous Stop-Work or Demolition Orders. Engaging all relevant parties is critical to navigate the complex political environment, prevent conflicts, and manage risks during the execution of current projects and the planning of future interventions.

Executive Summary

This semiannual report outlines the progress achieved by the Municipal Development and Lending Fund (MDLF) during the first half of 2025 in pursuit of its strategic objectives. Despite the complex operational environment, substantial progress has been made in implementing planned interventions. However, the ongoing war in Gaza and the continued Israeli aggression in the West Bank have posed significant risks and challenges.

In Gaza, widespread physical destruction has severely affected municipal infrastructure, including numerous MDLF-supported projects. Meanwhile, Local Government Units (LGUs) in the West Bank are grappling with intensified challenges due to the political and security situation. The instability has compromised their ability to provide essential services, with economic and administrative constraints further limiting operational capacity. These compounding factors are expected to delay recovery efforts and place additional strain on already fragile service delivery systems. The following paragraphs outline the implementation progress for MDLF interventions.

First: The Implementation of Municipal Development Program-phase 4 – (RMSP)

The 1st half of 2025 witnessed a noticeable progress in component 1 of MDP4, namely, Municipal Performance and Services Delivery. A total of 180 sub-project proposals were submitted by 134 municipalities in the West Bank. Analysis of these proposals reveals that 63% of the West Bank allocation will be invested in the roads sector, making it the highest priority. The second priority is the service equipment and water with 8% of the total allocation respectively. Public facilities constitute 7% of the budget, solid waste constitutes 6% of the total budget, and electricity 5%. On the other hand, solar energy and wastewater sub-projects have the smallest allocation shares, of 2% and 1% respectively.

Regarding the implementation status of the sub-project: 65% of the total sub-projects are completed and 26.6% are ongoing. Together they constitute 91.6% of the total number of projects (compared to 68% by end of 2024). They also represent 93.47% of the total allocated budget EUR 21,100,537 compared to 67% by end of 2024). The remaining projects represents only 6.5% of the total allocation and 8% of the total number of project and still in the stages of tendering, evaluation or appraisal.

The status of the sub-projects can be illustrated as follows:

- **117 sub-projects** out of 180 were completed with a total allocation of **EUR** 11,886,058 **amounting 52.67%** of the total entire allocation for West Bank municipalities.
- **48 sub-projects** out of 180 are undergoing with a total allocation of **EUR** 9,214,481 **amounting 40.8 %** of the total entire allocation for West Bank municipalities.
- **15 sub-projects** out of 180 are in the tendering/bid evaluation/awarding phase with a total allocation of **EUR 1,463,627 amounting 6.52%** of the total entire allocation for West Bank municipalities.

On the other hand, Since **October 7, 2023**, Gaza municipal allocations have been frozen due to the ongoing Israeli war. In April 2025, MDLF proposed reallocating these funds to reconstruct severely damaged Northern West Bank municipalities. KfW and AFD agreed to redirect a total of **EUR 7.61 million** for this purpose with a dedicated Grant Allocation Mechanism, while SDC retained its original allocation. The Prime Minister approved the reallocation, and MDLF prepared a concept note detailing damage assessments, priority project selection, and a phased reconstruction plan. The concept note was well received by the relevant DPs, with reconstruction activities planned to commence before the end of 2025.

Regarding the Sub-Component 2.a, On-demand Capacity Development Support for Municipalities, which aims to enhance municipal performance. Capacity-building packages are divided into standard packages—Financial, Operation & Maintenance (O&M), Citizens Service Centers (CSC), E-Municipality, and Social Inclusion—and new packages, including Resilience, Climate Change, Institutional, and Advanced packages. Progress has been made in the preparation phase including the update for capacity-building manual, the launch of electronic applications, and the orientation sessions to the participating municipalities.
Implementation progress varies by package. Financial support for 40 municipalities is advancing, with hardware delivery expected by September 2025 and software procurement on track. O&M assignments for 23 municipalities are underway, with field inspections completed and software delivery expected in February 2026. CSCs for 19 municipalities are under implementation, with construction and renovation of physical spaces nearly completed and hardware partially delivered. The Social Inclusion package, covering all 138 West Bank municipalities, is ongoing, while Climate Change training is progressing and expected to reach all 138 municipalities. The four newly formed municipalities had been oriented and supported to meet performance ranking requirements for MDP4 Cycle 2. Overall, preparation and implementation are progressing, with key activities extending into late 2025 and early 2026, depending on hardware delivery and consultancy completion.

Additionally, Under Sub-Component 2.b, the MDLF, with support from a local consultant, is advancing policy and institutional reforms for PA institutions, focusing on net lending, intergovernmental fiscal transfers (IGFT), and local governance. An IGFT system is being developed through a national team including MoLG, Ministry of Finance, Ministry of Planning, MDLF, and APLA, in coordination with international partners, with draft frameworks submitted and stakeholder engagement ongoing. Transportation fee revenues for 2024 (NIS 173.5 million) have been allocated to LGUs based on revised transparent criteria, with monthly transfers of NIS 10–15 million maintained despite the fiscal crisis. Property tax collection has expanded, with 88 municipalities eligible, 46 currently collecting, and plans to transfer the mandate to all by the end of 2025, while discussions continue on revenue retention and fiscal implications. For profession fees, NIS 80 million allocations for 2020–2023 were approved for LGUs, but transfers remain frozen due to the ongoing fiscal crisis.

The Component (3): *Competitive Grants for Natural hazard and Climate Change Resilience*: MDLF has successfully completed the mobilization phase for this component, which includes two sub-components: one financed by Enabel and the other supported by AFD, WB, MDTF, and Denmark (DRO). The progress for this component can be summarized as follows:

- **Contribution of Enabel under Green West Bank Portfolio:** MDLF has made significant progress in implementing Enabel's contribution to MDP4, successfully completing the installation of PV solar systems and upgrading street lighting in the northern and southern clusters. Additionally, essential equipment for solid waste management, including garbage and maintenance vehicles, has been handed over for five JSCs. The project activities are progressing in general concerning RE/EE and SWM, whereas the green public spaces (GPS) activities are still in the preparation stages with a plan to implement 4 GPS in Nablus, Tubas, Bethlehem and Hebron cities, during the 1st semester of 2026. Meanwhile, the capacity building component comprising the training of LGUs on CC and the development of SOPs is undergoing and will be accomplished by Quarter 1 - 2026.
- **Contribution of AFD, WB, MDTF, and Denmark (DRO):** A secondary urban risk assessment was conducted by reviewing 15 MDP3 resilience plans along with other primary risk studies. This exercise produced a long list of potential climate change mitigation and adaptation projects for competitive selection, which, together with the assessment report and eligibility criteria, was shared with development partners. From this list, 30 projects were shortlisted for the secondary selection process, and 26 of these were submitted through full application forms. The applications were evaluated using scoring criteria, complemented by field visits for verification and evidence-

based assessment. Based on this process, five projects were selected and agreed with the relevant development partners for implementation under this competitive window.

The Component (6): Emergency O&M Support to Participating Municipalities: This component has been implemented within the framework of the parent program (MDP4). The proposed short-term support intervention is a highly responsive measure to the dire needs of the municipalities in the West Bank and Gaza Strip, whose fiscal situation was already deteriorating prior to the war, where the debt is now anticipated to worsen due to a potential reduction in local revenues. It is crucial to stress that the labor-intensive projects for operation and maintenance are also a responsive measure to generate much-needed job opportunities to restore essential services and help improve the rapidly declining socioeconomic conditions.

After determining municipalities allocations, a total of **383 sub-project proposals** were submitted by 138 municipalities in the West Bank with a total allocation of **EUR 29,189,869**. Analysis of these projects reveals that 340 projects are classified as "recurrent expenditure" with a total allocation of **EUR 27,225,532** representing **93.3%** of the total allocation and 43 projects are classified as ***Emergency labor-intensive O&M of municipal services*** with a total allocation of **EUR 1,964,337** representing **6.7%** of the total allocation.

The implementation of this component is progressing with **113 sub-projects are completed and 217 are undergoing, both constitute around 86% of the total no. of sub-projects with total allocation EUR 27,219,952 amounting around 93% of the total entire allocation for West Bank municipalities.**

Regarding the fund for Gaza under component 6, particularly from the AFD and (German via KFW), it was decided to be utilized as a top up for West Bank municipalities. This decision was undertaken by the "AFD and German via KFW" following the discussion during the MDP4-April-2025 mission. Accordingly, the MDLF allocated a total **EUR 6,385,000** for West Bank municipalities to support recurrent exp. and C4W activities, noting that, the fund will be utilized primarily for recurrent expenditure.

Second: The Implementation of Area C Development Programmed in the West Bank

- **The Area "C" Development Program (Package VI),** with a total budget of €2,000,000, has faced significant challenges and delays, primarily due to Israeli authorities' actions. Stop Work or Demolition Orders affected three of the four sub-projects: two projects in Frush Beit Dajan and Al-Aqaba were demolished, while the third in Al-Jiftlik is currently on hold.

  Under this political context which is beyond the control of the PA and MDLF at the operational level, this entire package has been assessed at critical risk and its intended objectives are unlikely to be achieved. The **only project** which was progressing with no major challenges is the Construction of Secondary Boys School in Haris. The project was successfully completed and has been functional since the 2nd educational calendar year 2024/2025.

  The implementation period of this package and its entire budget was amended with the implementation period extended for additional 18 months based on the addendum singed on 17th December 2024. The implementation period has become a total of 48 months ending in Feb, 2026.

  Regarding the capacity building component, a detailed assessment conducted by an institutional development expert revealed challenges in assets and services management, governance, community participation, and financial systems within Village Councils. The findings emphasize the need to address critical gaps in governance and stakeholder engagement, which will inform

the development of tailored capacity-building initiatives to meet the specific needs of each Village Council.

- **The second phase of the Area C Support programme, funded by the SDC, has made notable progress despite facing some unforeseen delays.** These delays are primarily due to technical issues, including a lengthy approval process from line ministries, and the impact of Israeli actions in the West Bank and Gaza. To mitigate these setbacks, the agreement between MDLF and SDC has been extended by 18 months, ending in June 2026. It is worth noting that the ongoing Israeli blockade, being in place since October 7th , 2023, has further hindered the project implementation, with verbal stop-work orders issued for three sub-projects: **i) an elementary school in Jit village, ii) road rehabilitation in Isla, and iii) the Qalandia playground construction.** The MDLF has successfully finished the road rehabilitation project in Isla and the construction of Qalandia playground despite the stop-work orders. However, the construction of the elementary school in Jit is currently on hold due to a second Stop Work Order (SWO) issued by the Israeli Authorities on April 22, 2025 even after the project had been relocated to a parcel of land closer to the built-up area (assessed more safe than the original location). As a result, the MDLF has instructed the contractor to leave the site and suspend all activities until further notice. In the interim, the Ministry of Local Government (MoLG), the General Authority of Civil Affairs (GACA), and the CWRC have been informed to follow up on the issue with no major progress so far.

- **Regarding Area C Development Programme – Package VII:** MDLF completed the preparation of the new Area C Development Programme – Package VII with total financing of EUR 7.6 million. Fourteen (14) projects in fourteen (14) localities will be implemented, of which twelve (12) will be financed jointly by the EU/BMZ (KfW) and the other two projects will be financed by Denmark. Those localities and projects were selected based on the criteria which was approved by the Steering committee on November 23th , 2023.

The current status of the 14 projects valued at EUR 6,208,746.Status of Package VII sub-projects:

- **Three projects** valued at **EUR 2,280,000** are **under design**, precisely, the Water Tank and Transmission Line in Al-'Uddeissa, Jouret al-Sham'a School, and the Water Network in Shufa.
- **Four projects** with a combined value of **EUR 830,000** have **completed the design phase and are in the pre-tendering stage**, precisely, (Al Jiftlick and Al Funduq-Hajja roads, as well as, Habla and Wadi Ar Rasha Wastewater networks.
- **Two projects**, valued at **EUR 1,090,000**, are in the **tendering or tender evaluation phase**, precisely, Idhna Electrical Network and Barta'a Al-Sharqiya Waste Water Network.
- **Two projects** valued **EUR 570,000** are at the **awarding stage**, precisely Khirbit Mas'ud and Al-Hafassi internal roads.
- **Two projects** valued **EUR 1,388,746** are ongoing, precisely, Al-Fraijat Road and al-Madiya School.
- **One project**, Al-Simya Electrical Network valued at EUR 50,000 is currently on hold, noting that this project was stopped by the Israeli Authorities in package V and was agreed by the Steering Committee to be implemented under package VII.

Village Councils Support Project in the West Bank

The fund was secured from BMZ through KFW to support 30 village councils in the West Bank which have population exceeding 4,000 inhabitants with a total financing EUR 6 million. The VCs support is foreseen to enhance the delivery of basic services, with a total no. of beneficiaries estimated at 160,959 Citizens in rural areas of West Bank.
Under the funding agreement, MDLF is responsible for implementing the VCSP Grant, guided by the Project Operations Manual (POM) adapted from MDP4 and approved by KfW. The POM outlines

procedures for appraisal, design, procurement, and implementation, alongside MDLF's Procurement and Financial Manuals. After eligibility screening, 33 sub-projects from 30 village councils across eight governorates (Bethlehem, Jenin, Nablus, Ramallah & Al-Bireh, Hebron, Salfit, Tubas, and Tulkarm) were selected, covering water and wastewater, solid waste, roads, public facilities, and street lighting. Two Local Technical Consultancy firms were contracted and the projects are under design.

The Social Recovery and Job creation Project (SRJCP)

A total of **US$36,570,000** was allocated under Component 1 of the project and distributed among 371 Local Government Units (LGUs), with **US$21,942,000 designated for 136 municipalities and US$14,628,000 for 235 Village Councils.** The combined population of these LGUs **is 2,930,533, with municipalities accounting for 2,316,218 people and Village Councils for 614,315.** The allocation formula ensures that funds are distributed according to population and project requirements, providing each LGU with the necessary resources to implement small-scale infrastructure projects that generate local employment.

Implementation activities have included a virtual stakeholder consultation on the Environmental and Social Management Framework (ESMF) with 110 participants from government, NGOs, private sector, and academia, providing input on risk mitigation, grievance mechanisms, and inclusion of vulnerable groups.

Two orientation workshops were conducted for municipalities and Village Councils to build capacity in project implementation, covering topics such as environmental and social assessments, health and safety, grievance handling, financial and procurement procedures, and project monitoring. Following these workshops, MDLF issued a Request for Applications (RFA) to LGUs, outlining the selection process for labor-intensive infrastructure subprojects, emphasizing local job creation, and specifying minimum employment requirements, daily wage rates, and criteria for defining job opportunities. The Local technical consultants were contracted to provide support to LGUs and the projects identification and appraisal is progressing.

The Integrated Solid Waste Management Project -phase 1 in the West Bank

The preparation of the Integrated Solid Waste Management Project -phase 1 in the West Bank was accomplished with **a total financing US$ 25 million of which US$ 20 million from the World Bank and US$ 5 million from the Multi-Donor Trust Fund administered by the World Bank.**

The project aims to address critical gaps in infrastructure and operational capacity for the collection, transfer, treatment, and disposal of solid waste services. These challenges have been further exacerbated by the ongoing conflict, hindering the efficiency and long-term sustainability of solid waste management in the West Bank.

The project is part of the World Bank's broader support, structured programmatically through a series of follow-up initiatives aimed at addressing the complex challenges in the Solid Waste Management (SWM) sector in WB&G. This phased approach seeks to bridge critical infrastructure gaps while enabling gradual policy reforms to advance integrated solid waste management. The 1st phase of this project "ISWMP-1" will focus on: (i) constructing and rehabilitating essential solid waste infrastructure in the West Bank; (ii) strengthening sector policies and institutional capacities, including national ministries, LGUs, and JSCs; and (iii) developing studies and waste management plans to guide future efforts. The ISWMP-1 became effective on June 2, 2025, following the completion of key preparations, including the signing of the ESCP and the clearance of the POM. MDLF coordinated with MoLG and the Joint Service Councils managing Zahrat Al-Finjan and Al-Menya Landfills, which account for 67% of the project budget, to address priority challenges. In the next period, the project will implement activities including landfill expansion, rehabilitation of full cells, improved leachate and gas management, and strengthened environmental and social oversight.

Outreach and Communication

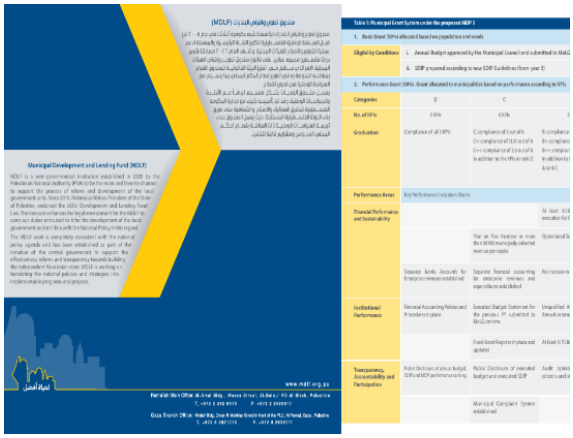


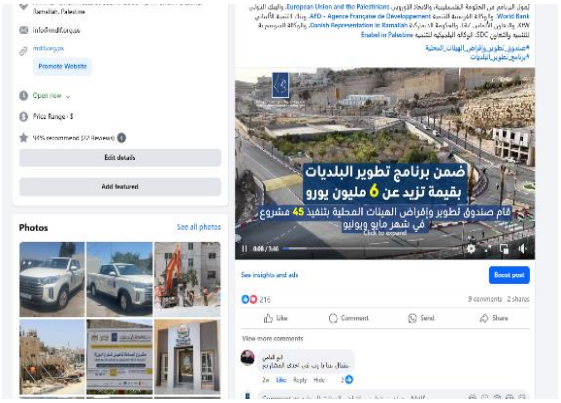
During the first half of 2025, the Municipal Development and Lending Fund (MDLF) carried out a variety of communication and outreach efforts aimed at increasing public visibility, engaging key stakeholders, and highlighting the results of its programs and projects.
These efforts focused on clear messaging, timely updates, and strong storytelling—tools that helped share the real impact of the work on the ground. Through digital platforms, media coverage, field visits, and publications, MDLF ensured that its development role and partnerships were well communicated and widely recognized.

Online Communication and Social Media

During the first half of 2025, MDLF maintained a dynamic presence across social media platforms, particularly Facebook and Twitter. Our content strategy emphasized timely updates and impactful storytelling to keep stakeholders engaged.
Success stories, before-and-after visuals, and implementation progress updates were shared regularly.

- Facebook saw steady growth in followers, engagement, and visit duration, reflecting strong community interest.
- Over 15,000 inquiries were addressed via Facebook, demonstrating our commitment to responsiveness and transparency.
- MDLF produced a variety of original visual content—infographics, animations, fact sheets, and interactive media—to effectively communicate key messages and highlight program impact.





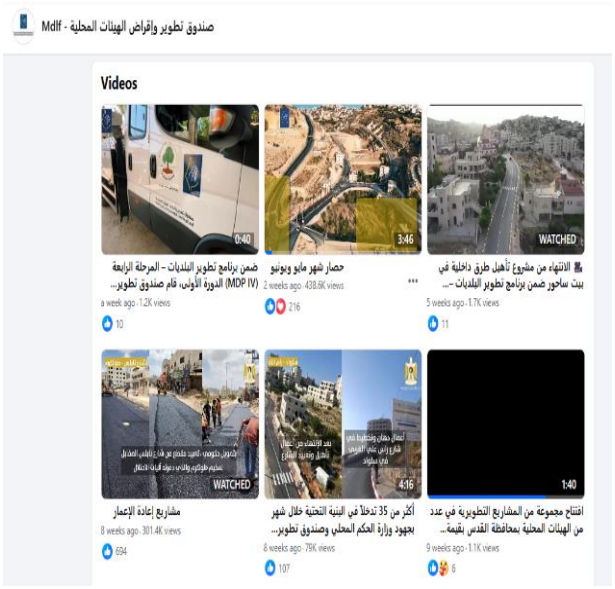
Publications and Printed Materials

In line with our commitment to transparency and consistent branding, MDLF released several key publications during the first half of 2025:

- A promotional video highlighting the successful implementation of 45 projects between May and June 2025, with a total value exceeding €6 million.

- The 2024 Annual Report showcasing significant milestones and crafted in full accordance with MDLF's visual identity.





TV and Radio Interviews

Visual and audio storytelling remained a key element of our outreach efforts during the reporting period:

- MDLF representatives took part in multiple television and radio interviews, sharing updates on projects and highlighting success stories.
- These interviews were widely shared through the MDLF website and Facebook page, ensuring broad public reach and engagement.



مقابلة محمد الرمحي مدير عام صندوق تطوير واقراض الهيئات المحلية خلال برنامج "فلسطين هذا الصباح" على شاشة تلفزيون فلسطين Palestine TV. بالحديث عن إطلاق...

Donor Engagement and Media Relations

Maintaining strong relationships with donors and the media remained a central focus. Press releases covering events, visits, and agreements were widely shared:

- **MDLF Hosts Donor Delegation – MDP4 Mission:** High-level representatives from major donors participated in a mission in Ramallah in April-2025 to review progress under MDP4, and assess the implementation progress.
- **Recognition Ceremony for Enabel's Abdelilah Touijar:** MDLF honored Mr. Abdelilah Touijar, Finance and Contracts Manager at Enabel in Palestine, in recognition of his ongoing support and collaboration.



- **Enabel Delegation Visit:** A Belgian delegation met with MDLF to discuss ongoing and upcoming projects in waste management and to overview the Green West Bank project in local governance.





- **Honoring Mr. Demetris Assos:** MDLF recognized Mr. Demetris Assos, Head of the Cyprus Representative Office in Ramallah, for his dedicated partnership and support, particularly for the Ain Qiniya Village Council Building and Health Clinic project.



Project Launches and Inaugurations

- **Inauguration in Northwest Jerusalem**: Over $1 million in infrastructure projects launched, including roads and a football field in Qalandiya.



- **Jericho Projects Inauguration**: Launch of the Municipal Slaughterhouse and Butterfly Garden projects funded by AFD (€6.2 million).



- **Integrated Regional Development in Sebastia**: KOICA committed $9 million for tourism and women-led-initiatives.



- **Haris Boys Secondary School Inauguration**: With EU and AFD, MDLF opened a €850,000 school in Area C, benefitting 285 students.



- **Ein Qiniya Village Council Building and Health Clinic**: Inaugurated by the Ministers of Palestine and Cyprus, the nearly one-million-shekel project enhances local services.



Program Launches and Capacity Building

- **Village Councils Support Program – Orientation Workshop**: Introduction of a €6 million program funded by Germany through KfW, targeting 30 village councils.



- **Strategic Planning Training for New Municipalities**: Guidance provided to newly established municipalities in developing strategic plans.



Regional Leadership in Waste Management

- **Mobile Maintenance Vans for Solid Waste**: Official handover of five vans to Joint Service Councils, supporting institutional capacity, waste separation, and service efficiency.



- **New $36 Million Waste Management Financing Support**: Signed by MDLF, MoLG, Ministry of Planning, and World Bank for West Bank and Gaza. $20 million from the World Bank and €11 million anticipated from AFD. The project spans 2025–2031, focusing on modern waste solutions.











MDLF PROGRAMS AND PROJECTS









1. Municipal Development Program Phase IV

1.1 MDP IV Description

A. PDO

To strengthen municipal capacity to deliver accountable, sustainable, inclusive and resilient services to the municipal population in the West Bank and Gaza.

B. PDO Level Indicators

The achievement of the Project Development Objective (PDO) will be measured against the following proposed key results in Table 1 below.

Table 1: MDP4 – PDO Results Area

PDO Result Area	Indicators
Greater municipal capacity	1. Municipalities that graduate up the performance category in which they are currently classified (Number)
Greater municipal accountability	2. Beneficiaries satisfied with the services provided under the project (Percentage)
Greater municipal service sustainability	3. Direct beneficiaries of activities under Component 1 "Performance Based Service Delivery Grant" and Component 3 "Competitive Grants for Natural hazard and Climate Change Resilience". (Number) 4. Operations Manual for the IGFT finalized and approved
Greater resilience to disasters	5. Number of subprojects completed that address natural hazard and climate change risks (Number)

C. 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 at 3, 611,649[1] represent 75% of the total population of West Bank and Gaza[1].

D. Project Components

Component 1: *Performance Based Service Delivery Grant*

This sub-component will cover all municipalities in the WB&G. Bi-annual allocation for municipalities will be distributed to municipalities to be utilized for municipal infrastructure and service delivery. The bi annual allocation will be split into: (basic block grant and performance-based grants). Through this component the program will provide participating municipalities with the Performance-Based Grant (PBG) financing that will be used to finance infrastructure sub-projects in the following sectors: road rehabilitation , public facilities, water and wastewater services, electricity and energy projects, and solid wastes management, taking into consideration a negative list which considers high social and environmental risk projects, in accordance with project Environmental and Social Framework (ESF) requirements.The specific infrastructure sub-projects will be selected from the municipality Strategic Development and Implementation Plans (SDIPs).

Like MDPI and MDPII and MDPIII, municipal performance will be measured through Key Performance Indicators (KPIs) focusing on financial sustainability, good governance, integrated planning, and inclusion of vulnerable groups. The eligible sector under this sub-component are those stated in the LGUs law # 1 for 1997.

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

Component 2: ***Sector Policy and Institutional Development***

This component, implemented by MDLF, is designed to reinforce, and complement MDP other components with targeted technical assistance (TA), policy guidance, and capacity development for municipalities and other various public agencies at the national level. Its primary aim is to increase the capacities of municipalities to be able to provide better services for their citizens. Additionally, MDP4 will aim at increasing transparency and accountability in administering the intergovernmental fiscal system; develop ways and means of improving local government revenues (including fiscal transfers and own-source revenues); and provide on-demand technical support to participating municipalities seeking to meet performance criteria or improve their resilience and climate change related planning and implementation efforts. This component consists of the following sub-components:

Sub-component 2.a: On-demand Capacity Development Support for Municipaliti

This sub-component of the project would continue to strengthen municipal capacity in financial management, planning, operation and maintenance, social accountability and credit worthiness. Specific attention will be paid to weak municipalities through customized capacity building packages. 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. Municipal capacity development activities will continue to be identified by municipalities and MDLF and the identification of CB packages per municipalities will be subject to well defined criteria taking into consideration the lessons learnt from the impact evaluation of CB which was conducted in 2021. The performance measuring system will be applied to identify relevant capacity building activities to the municipalities, which will be delivered to improve capacity and sustain results achieved.

Sub-component 2.b: Policy and Institutional Development Support for PA institutions

This sub-component will support MDLF for institutional development in general and particularly in line with the lending roadmap. Also, it will support the MOLG for specific issues related to reform and policy agenda for local governance development.

Component 3 (competitive window): ***Competitive Grants for Natural hazard and Climate Change Resilience***

In alignment with National Policies 7 and 31"Responsive Local Government and improving services to citizens" and "Ensuring a Sustainable Environment" of the National Development Plan 2021-2023, the component looks to foster support to municipalities to incentivize local economic development and increase municipal revenue. In the process, municipalities in the long term can contribute to strengthening economic growth, providing improved services to citizens, and reducing net lending/ municipal utility debt. Considering the latter, this component looks to support the realization of project investments that address climate adaptation with strong potential to formalize partnerships between local government and the private sector and serve further as an opportunity to create alternative and sustainable revenue sources for already financially strained municipalities. In parallel, this component further seeks to reduce natural hazard related risks in support of the efforts of the Palestinian Authority (PA) to alleviate climate change impacts and reduce all forms of environmental pollution. The component will cover TA as well as offer financing of physical works. Climate change will be integrated along all project's components. Projects will be selected, designed, and implemented to address climate change, adaptation and mitigation measures.

Under this component a detailed vulnerability assessment for climate change mitigation and adaptation will be conducted and the priorities will be concluded accordingly. Those priorities will be subject to appraisal criteria through a competitive call for proposals. Once the priorities are identified the implementation will be done as component 1. This component consist of the following sub-components:

- **Sub-component 3.1: Natural hazard and climate change risk assessments.**
- **Sub-component 3.2: Natural hazard and climate change adaptation investments.**
- **Sub-component 3.3: Promotion of Green Services and Climate Change Initiatives in Local Governance**

Component 4: ***Project Implementation Support and Management***
This component will cover the technical assistance to Municipalities in the Design/supervision of the projects under (component 1.a, 1.b and component 3). It also includes the cost for monitoring and evaluation assignments, outreach and communication and the management fees.

Component 5: Contingency Emergency Response
This component was put under the MDP4 to respond for emergent situations with zero budget to be activated as necessary with no need for restructuring. The activation of this component shall go through a set procedures and operational manual along with emergency action plan to be agreed upon.

Component 6: Emergency Financing : This component was designed and added under the MDP4 as a responsive measure to the dire needs of the municipalities in the West Bank and Gaza Strip, whose fiscal situation was already deteriorating prior to the 7th October war, where the debt is now anticipated to worsen due to a potential reduction in local revenues.

This component comprises of the two sub-components:

- **Sub-component (6.a)- Recurrent Expenditures:** Given the severe funding constraints facing municipalities resulting from the bad economic crisis, this sub-component will provide support to municipalities to cover part of their non-wages recurrent expenditures.
- **Sub-component (6.b)- Emergency labor-intensive Municipal Services:** this sub-component will provide financial support to municipalities to maintain local services provision though labor-intensive O&M and local infrastructure development activities. 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.

1.2 Financing Partners Contributions

The MDP4 is supported by the Palestinian National Authority along with the Agence Française de Development (AFD), the Danish International Development Assistance (DANIDA), Enabel, the World Bank, the German Government through (KfW and GIZ), and the Switzerland (through SDC) and the European Union "EU". Table 2 and Chart 1 below illustrate the financial contributions of financing partners for MDP4 and Chart 2 illustrates the financing per component.

Table 2: MDP4 Financing

Financing Partner	Cycle 1 Agreement	Cycle 2 Agreement	Additional Financing – emergency Support	Total Financing (EUR)	Percentage
German cooperation (via KfW)	28,000,000	12,000,000	5,000,000	45,000,000	31.5%
Enabel	7,000,000		0	7,000,000	4.9%
German cooperation (via GIZ)	600,000		0	600,000	0.4%
SDC	5,100,000		2,454,545	7,554,545	5.3%
AFD	8,000,000		10,000,000	18,000,000	12.6%
DRO	14,560,000		0	14,560,000	10.2%
PA	9,566,000		0	9,566,000	6.7%
WB	14,018,692		13,636,364	27,655,056	19.4%
MDTF	6,522,869		6,363,636	12,886,505	9.0%
Total				**142,822,106**	**100%**

Chart 1: Distribution of MDP4 Financing Per Doner

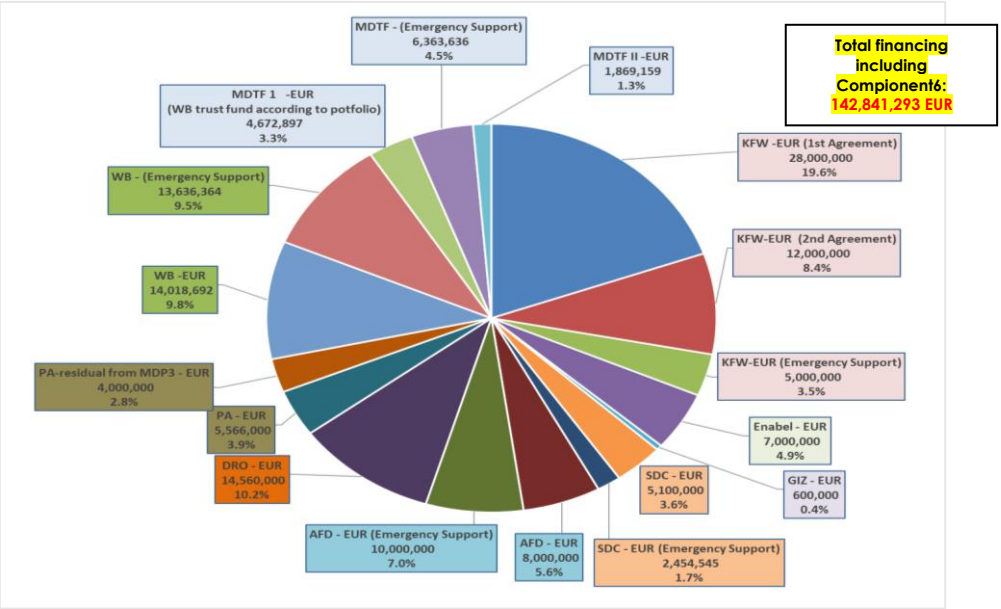
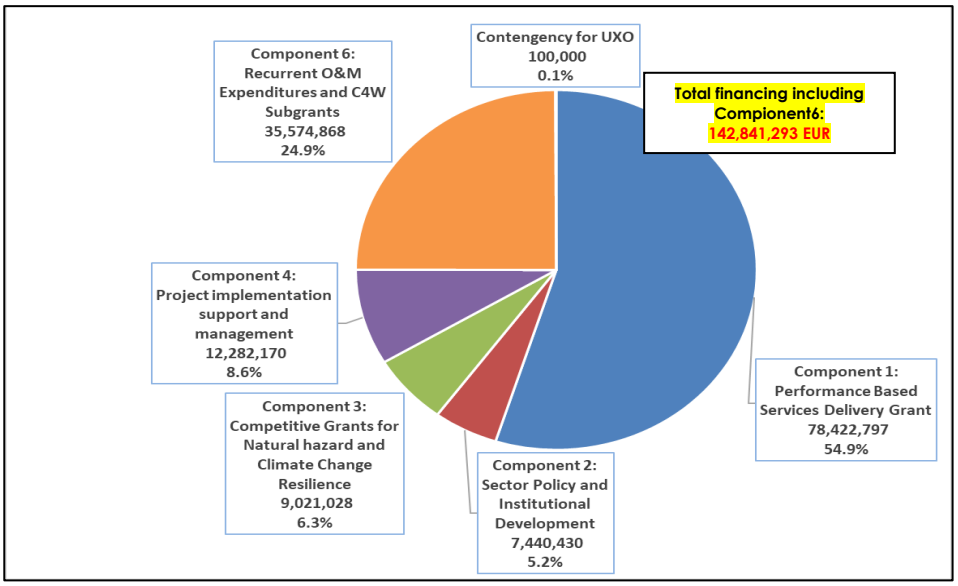


Chart 2: Distribution of MDP4 Financing Per Component



1.3 The Grant Allocation Mechanism "GAM"

The following Grant Allocation Mechanism (GAM) concept for MDP 4 is based on the revised and updated GAM of MDP 3. The MDLF and the DPs agreed that the allocation formula for MDP 4 will be as follows: The allocated fund under component 1 will be distributed among eligible municipalities based on this criterion.

Cycle 1:

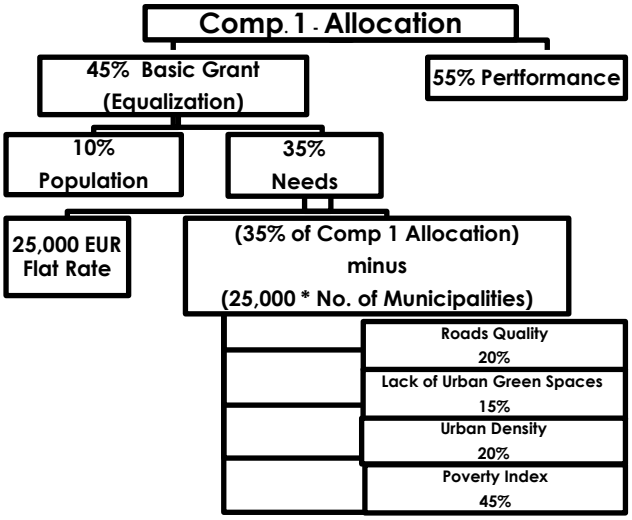
- **45% of the total component 1 financing would be allocated for the block grant (less than MDP 3 by 5%):** The block grant will be allocated based on population (10%) and needs (35%). All municipalities will receive block grants, subject to eligibility criteria (minimum conditions). Regarding the needs, it consists of a flat rate of 25.000 EUR (no change compared to MDP 3), and the remaining needs allocation will be distributed based on existing infrastructure and access to services and based on the poverty index as calculated by the PCBS).

- **55% for performance (exceeds MDP 3 by 5%):** but with modified key performance indicators (19 KPIs for MDP4 vs. 21 KPIs for MDP3) and with modification on the graduation ladder.

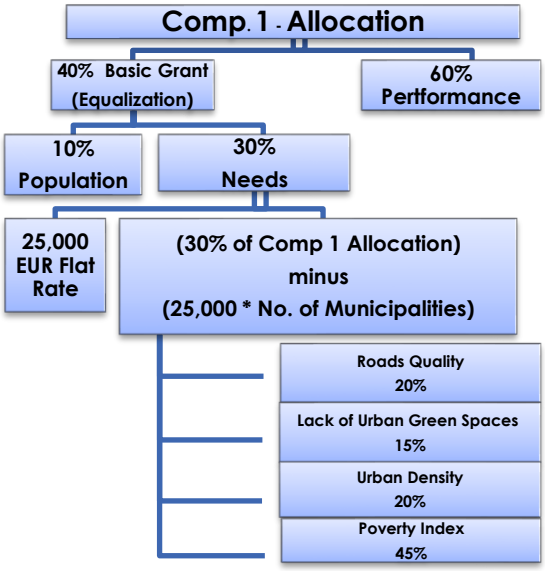
Cycle 2:

- **40% of the total component 1 financing would be allocated for the block grant (less than MDP 3 by 10%):** The block grant will be allocated based on population (10%) and needs (30%). All municipalities will receive block grants, subject to eligibility criteria (minimum conditions). Regarding the needs it consists of a flat rate of 25.000 EUR (no change compared to MDP 3), and the remaining needs allocation will be distributed based on existing infrastructure and access to services and the poverty index as calculated by the PCBS).
- **60% for performance (exceeds MDP 3 by 10%):** but with modified key performance indicators (19 KPIs for MDP4 vs. 21 KPIs for MDP3) and with modification on the graduation ladder

Cycle 1



Cycle 2



Eligibility Criteria – Minimum Conditions:

- Annual Budget Approval
- Annual Update of Municipal Strategic Development & Investment Plan
- Public Disclosure of annual budget
- Municipalities are actively submitting information within the MOF Net lending portal (once the portal is operational) – Applicable for 2nd cycle Allocation

Ranking

The KPIs have been prioritized from the most basic to the most sophisticated. The Rank D includes three basic indicators. For Rank C, Rank B and finally Rank A, the indicators covering the areas of municipal performance are more and more challenging. Rank A indicators are the most challenging and reflect best municipal performance.

The graduation of municipalities on the performance ladder requires compliance with the different KPIs of each rank. In total there are 10 ranks of performance from the highest to the lowest level of performance (A++), (A+), (A), (B++), (B+), (B), (C++), (C+), (C), and (D).

It was suggested to maintain in principle the established performance graduation system under MDP3 with slight adjustment to fit with the reduction to 19 KPIs.

Table 3: Performance Graduation

D	C	B	A
3 KPIs	**4 KPIs**	**6 KPIs**	**6 KPIs**
Compliance of 3 KPIs	C: compliance of 2 out of 4 C+: compliance of (3) out of 4 C++: compliance of 4 out of 4 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 5 In addition to the KPIs in rank D & rank C and rank B

Regarding the incentive multipliers, it is suggested to preserve the ratio of performance fund allocation established in the previous MDP 3. The fund allocation is based on a per capita allocation with a specific multiplicator for each Rank.

Table 4: Fund allocation factors for different performance ranks

Criteria	RANK	Multiplicator
Minimum criteria met / not met		0
RANK D three criteria fulfilled	D	1
RANK C two criteria fulfilled	C	2
RANK C three criteria fulfilled	C+	3
RANK C four criteria fulfilled	C++	4
RANK B two criteria fulfilled	B	5
RANK B three or four criteria fulfilled	B+	6
RANK B five or six criteria fulfilled	B++	7
RANK A two criteria fulfilled	A	8
RANK A three or four criteria fulfilled	A+	9
RANK A five or six criteria fulfilled	A++	10

MDP4-Baseline - Ranking KPI 19



The results analyzed below are based on data available for the ranking of municipalities under MDP4 baseline ranking assessment, and the PCBS study on municipal infrastructure of 2023.
For the simulation, it was assumed that all 159 municipalities fulfilled the basic eligibility criteria and thus they are eligible for financing. Of those who are eligible, 152 municipalities will receive both basic grants and performance grants as they fulfilled the minimum conditions for performance ranking. However, 7 municipalities will receive only (basic grants) as they didn't fulfill the minimum KPIs for performance ranking. Chart 3 below shows municipalities raking based on their compliance with the MDP 4 key performance indicators.

Chart 3: MDP4-Baseline - Ranking KPI 19

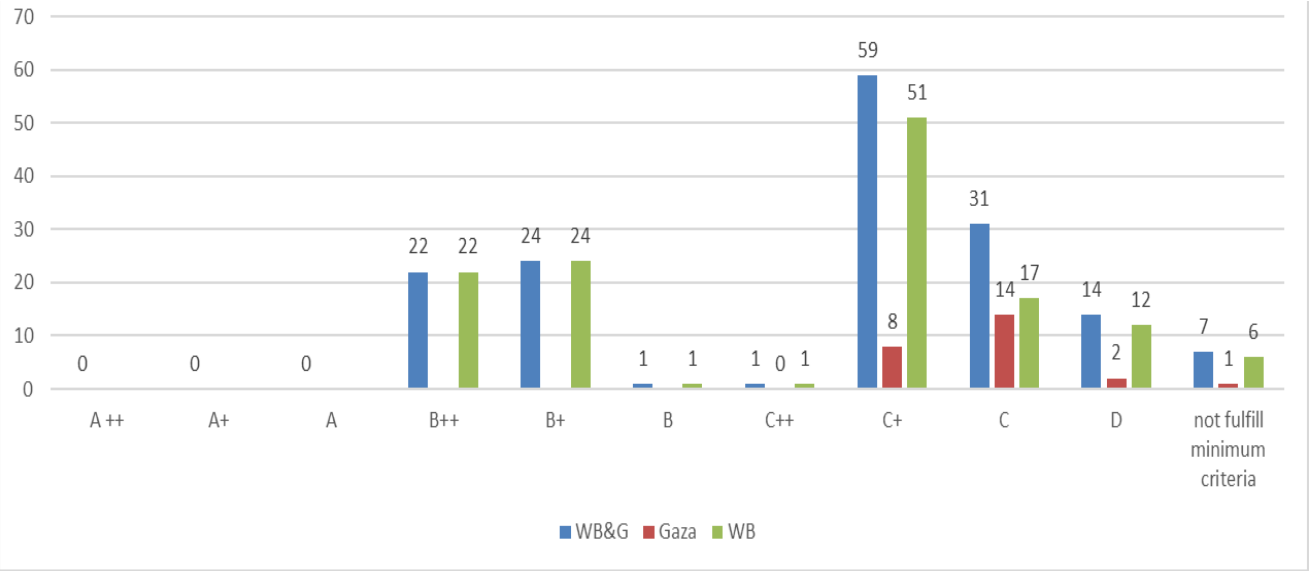


Table 5: KPIs for MDP4

KPIs – 1st Cycle	Verification Protocol	Performance Areas	Rank	No of Municipalities complied with KPIs (Baseline Figures)
1. Cost Accounting Systems Set up	a) LGU is applying a costing method for setting out the needed resources for costing the major services. b) The current system provides the structure of the applied costing method (What expenses are direct and what expenses are indirect). c) The current system provides necessary reports for forecasting, planning, and ratios for the last complete FY. Eligibility Condition: The Adoption of IPSAS (Accrual Accounting) and Fund accounting.	Institutional Performance	A	4
2. IFMIS implemented	a) financial position statement generated from the system for the last FY. b) financial performance statement generated from the system for the last FY. c) Cash flows statement generated from the system for the last FY. d) Comparison statement between actual and planned results for the last FY. Eligibility Condition: The Adoption of IPSAS (Accrual Accounting) and Fund accounting.	Institutional Performance	A	66
3. Green Spaces implemented	a) The municipality has expanded or rehabilitated green spaces (at least 0.1 m² per capita in the past two years) b) Availability of public green space of > 0.5 m² per capita in West Bank urban municipalities and > 0.3 m² per capita in Gaza and West Bank rural municipalities.	Services Quality	A	78
4. LGU's Liquidity.	a) The calculation for this ratio is Current Ratio (Liquidity) = Current Assets/Current Liabilities. b) 1 < X <2. A current ratio of "2.00" is considered sufficient; but to be able to provide service to the public and to pay off its debts when they are due, a current ratio of "1.00" is considered a safety limit for the institution's payment capability. c) financial position statement generated from the system for the last FY. Eligibility Condition: The Adoption of IPSAS (Accrual Accounting) and Fund accounting.	Used to evaluate a LGU's ability to pay its short-term obligations, such as accounts payable and wages) Financial Management	A	34

Table 5: KPIs for MDP4

KPIs – 1st Cycle	Verification Protocol	Performance Areas	Rank	No of Municipalities complied with KPIs (Baseline Figures)
5. At least 10% of the SDIP-identified priorities (in terms of # of projects) serve vulnerable groups and marginalized areas.	a) At least 10% of SDIP's planned projects serve vulnerable communities and groups including PWD's, the elderly, women and girls, and youth as well as the people living in marginalized areas within the boundaries of the municipality.	Transparency and Accountability	A	133
6. Electronic Services in place and functional	a) Up-to-date EMS portal information b) Evidence for functional EMS	Services Quality, Transparency, and Accountability	A	31
7. 10%< X <15% of the operational expenditure Paid for Maintenance	a) Paid maintenance expenditure 10%< X <15% of Paid total operational expenditure in the last complete FY b) The calculation for this ratio is: Paid Maintenance expenditures/ Paid Operating expenditures	Service Sustainability	B	43
8. Operational Surplus achieved	a) Operational revenues exceed operational expenditures for the last FY b) Operational Surplus (margin) = Collected Operational revenues - Paid operational expenditures.	Financial Management	B	111
9. LGU's Fiscal Autonomy	a) The calculation for this ratio is: Own Revenues /Total Revenues b) This ratio must be at least 80% (WB) or 70% (Gaza) in the last complete FY Total revenues do not include grants & the equation will be calculated on the accrual basis	Service Sustainability	B	145
10. At least two SA tools implemented annually by the municipality and the SA committee	a) Municipal budgets and resource allocation for SA tools. b) Reports related to implemented SA tools	Transparency and Accountability	B	106
11. At least Two major SDIP projects take into account adaptation to climate change risk.	Revision of SDIP document and quantification of CC adaptation-related projects	Services Quality, Transparency, and Accountability	B	113
12. Minimum standards for the Grievance Redress Mechanism are met.	a) Municipalities have a clear and known procedure for categorization by types of grievances, their classification (Suggestion, Comment, Inquiry, and Complaint), their handling with time frames (at each level); and clarity on the types of process and outcomes. b) Reports in place regarding statistics related to the complaints with proven evidence of response.	Transparency and Accountability	B	134
13. Unqualified audit opinion from annual external audit executed according to standard ToR of MOLG and audit findings from the previous year (if any) are addressed adequately	a) Audit report satisfactory concerning items listed in the manual and ToR. b) The audit follows up on previous management letters and the municipality has addressed issues raised adequately	Institutional Performance	C	130
14. Audit opinion disclosed to citizens and stakeholders by foreseen means	a) External Audit in the last complete FY b) Disclosure of audit opinion by foreseen means, such as the LGU website.	Transparency and Accountability	C	129
15. Staff Costs <40% WB <50% GZ of Operational expenditure	a) Total staff expenditure <40% (WB) or <50% (Gaza) of total operational expenditure in the last complete FY. b) The calculation for this ratio is: Paid Salaries & Wages expense / Paid Operating expense.	Financial Management	C	102
16. No increase in net lending	a) Revision of water and electricity arrears from MOF records. b) Review the outstanding liabilities for water and electricity from the financial position statement for the last FY.	Institutional Performance	C	89
17. Fixed asset register in place and regularly updated representing actual values	a) Fixed asset registry set up according to manual b) Fixed asset registry has been updated annually	Institutional Performance	D	152

Table 5: KPIs for MDP4

KPIs – 1st Cycle	Verification Protocol	Performance Areas	Rank	No of Municipalities complied with KPIs (Baseline Figures)
18. Executed budget statement for the previous FY submitted to MoLG on time via the foreseen electronic platform.	a) An executed budget covering the complete fiscal year (January – December) available	Institutional Performance	D	158
	b) The previous year's budget was generated from the Ministry of Local Government portal.			
	c) MoLG informs MDLF			
19. Public disclosure of executed budget and executed SDIP	a) Information disclosed in line with public disclosure procedures	Transparency and Accountability	D	159
	b) (second cycle) Annual budget plan disclosure done in the readable budget format			

- **Municipalities Allocation (1st cycle)**

A total of **EUR 40 million** out of the total allocated fund for component 1 **(78,422,797 EUR)** was allocated to 159 municipalities in WB&G (134 in WB and 25 in Gaza). The allocation was calculated based on the agreed Grant Allocation Mechanism (10% pop, 35% for needs, 55% for Performance). Table 6 below illustrates the total allocation by doner and per WB&G.

Table 6: Allocation for MDP4 Cycle 1 by Doner

	German Cooperation KFW -EUR	SDC - EUR	AFD - EUR	DRO - EUR	PA - EUR	PA- residual from MDP3 - EUR	WB -EUR	MDTF 1 - EUR (WB trust fund according to portfolio)	MDTF II - EUR	Total (EUR)
Cycle 1	11,400,000	2,121,500	6,070,000	6,653,767	5,176,380	3,720,000	1,973,375	1,164,504	1,720,474	40,000,000
Gaza - Cycle 1	4,969,213	924,753	2,645,488	-	5,176,380	,720,000	-	-	-	17,435,834
West Bank - Cycle 1	6,430,787	1,196,747	3,424,512	6,653,767	-	-	1,973,375	1,164,504	1,720,474	22,564,166



Special Note:

The allocation for the municipalities in Gaza strip has been frozen since October 7th 2023 where the situation doesn't allow to intervene given the prolonged Israeli war on Gaza. During the MDP4-April/2025 mission, the Municipal Development and Lending Fund (MDLF) presented several scenarios for reallocating the Gaza-designated funds under Window 1, Cycle 1. One of the proposed scenarios involved redirecting the frozen funds to support the reconstruction of municipal infrastructure in the Northern West Bank municipalities which were subject to severe damages to infrastructure and public services resulted from repeated military invasions by the Israeli Authorities over the past two years.

Following the mission, and in light of the urgent reconstruction needs, KfW and AFD expressed their support for reallocating the Gaza funds to the West Bank **(totaling EUR 7,614,701, of which EUR 2,645,488 from the AFD, and EUR 4,969,213 from the KFW)**, while requesting the development of a dedicated Grant Allocation Mechanism tailored to this new sub-component. In contrast, SDC decided to retain its original allocation under the same component, in accordance with the established Grant Allocation Mechanism, and to be utilized in the upcoming second cycle-sub grants for window 1.

Accordingly, MDLF has communicated the DPs positions to the PA-Prime Minister through the Minister of Local Government. The Prime Minister endorsed the reallocation approach, recognizing it as a timely and critical intervention to address the pressing reconstruction needs of the Northern West Bank municipalities.

A concept note was then prepared by MDLF detailing how the damage assessment was carried out, how projects were prioritized, and how the available funds will be allocated to priority reconstruction projects. It also explained the phased approach that to address first-priority projects as an initial stage, while keeping options for second and third phases depending on improved access to projects sites and available funding.

1.4. MDP4 - Implementation Status and Activities

Component (1): Performance Based Service Delivery Grant

Preparatory Activities for MDP4

- MDLF conducted the Launching Ceremony for MDP4.
- MDLF informed municipalities about:
  - Their ranking.
  - Their allocation.
- MDLF prepared the Operation Manual for MDP4, which includes:
  - Technical Manual
  - Environmental and Social Risk Management Instruments
  - Grants Allocation Mechanism
  - Monitoring and Evaluation (M&E) Arrangements
  - Financial Manual
  - Procurement Manual



- Capacity Building Manual

- MDLF conducted four orientation workshops for all municipalities:
  - Three workshops in the West Bank and one in Gaza.
  - These workshops familiarize municipal staff with the objectives, components, and requirements of the new program.
  - Attendees included city managers and engineers.
  - The workshops provided detailed explanations on project management and implementation stages, handling bids, filling out infrastructure project applications, Environmental and Social Management Framework (ESMF) materials, and capacity development packages.



Technical progress

- The procurement process for hiring the LTCs and Environmental and Social (E&S) individual consultants has been completed:
  - New LTCs are onboard to provide technical assistance to municipalities according to the agreed Terms of Reference (TOR). This includes three LTCs in the West Bank.
  - Individual consultants for Environmental and Social aspects have been contracted to support MDLF and municipalities in the screening and appraisal of sub-projects, as well as in supervising social and environmental considerations (West Bank only).
- Technical progress for Component (1) includes the following updates:
  - Application forms from municipalities have been received.
  - MDLF engineers have conducted site visits to potential projects, despite movement restrictions in the West Bank (ongoing process).
  - The road manual has been updated to address climate change considerations.
  - The TOR for ESF training has been approved by donors, and the procurement process for implementing the training is expected to start in September 2024.





Sample of Photos from the Engineers' sites visits to the proposed projects

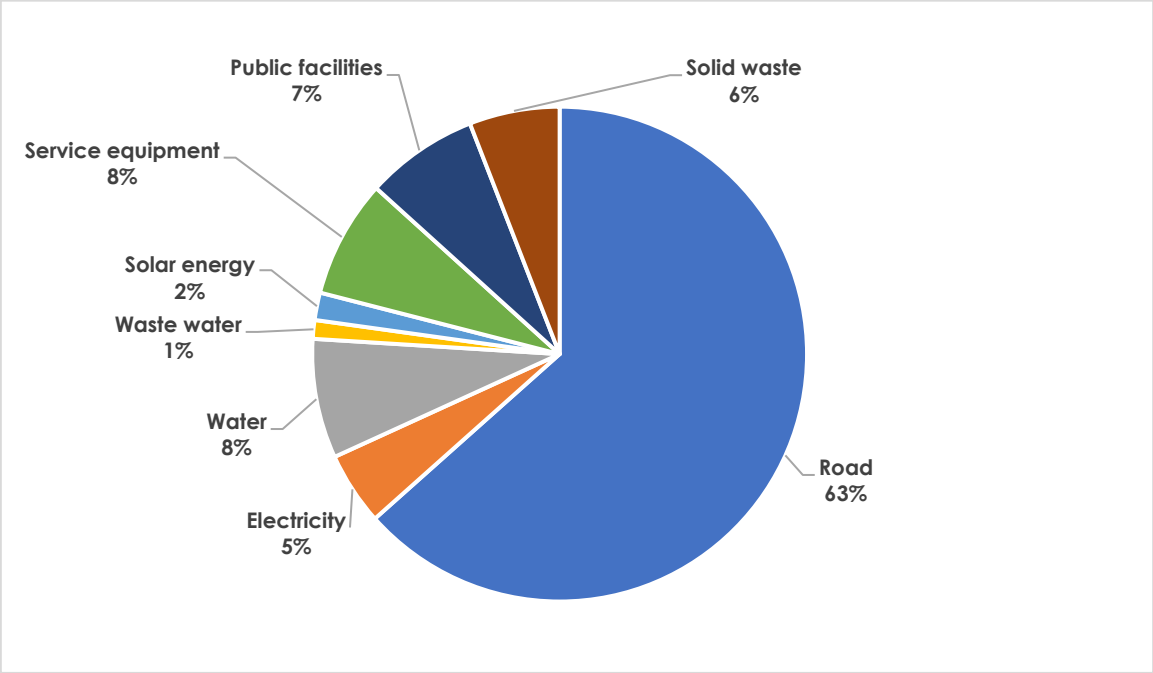
Analysis of Sub-projects per Sector

A total of 180 sub-project proposals were submitted by 134 municipalities in the West Bank. Analysis of these proposals reveals that 63% of the West Bank allocation will be invested in the roads sector, making it the highest priority. The second priority is the service equipment and water with 8% of the total allocation respectively. Public facilities constitute 7% of the budget, solid waste constitutes 6% of the total budget, and electricity 5%. On the other hand, solar energy and wastewater sub-projects have the smallest allocation shares, of 2% and 1% respectively.

Table 7: Distribution of West Bank Allocation Per Sector

Sector	Allocations (Euro)	%	No. of Project/Sector	%
Electricity	1,074,377	5%	14	7.7%
Solar Energy	404,448	2%	6	3.33%
Wastewater	275,213	1%	3	1.66%
Water	1,761,562	8%	25	13.88%
Equipment, vehicles and Supplies	1,739,003	8%	16	8.88%
Public facilities	1,666,975	7%	12	6.66%
Solid waste	1,332,384	6%	12	6.66%
Roads	14,310,204	63 %	92	51. 1%
Grand Total	**22,564,165**	**100%**	**180**	**100%**

Chart 4: Distribution of WB Allocations Per Sector



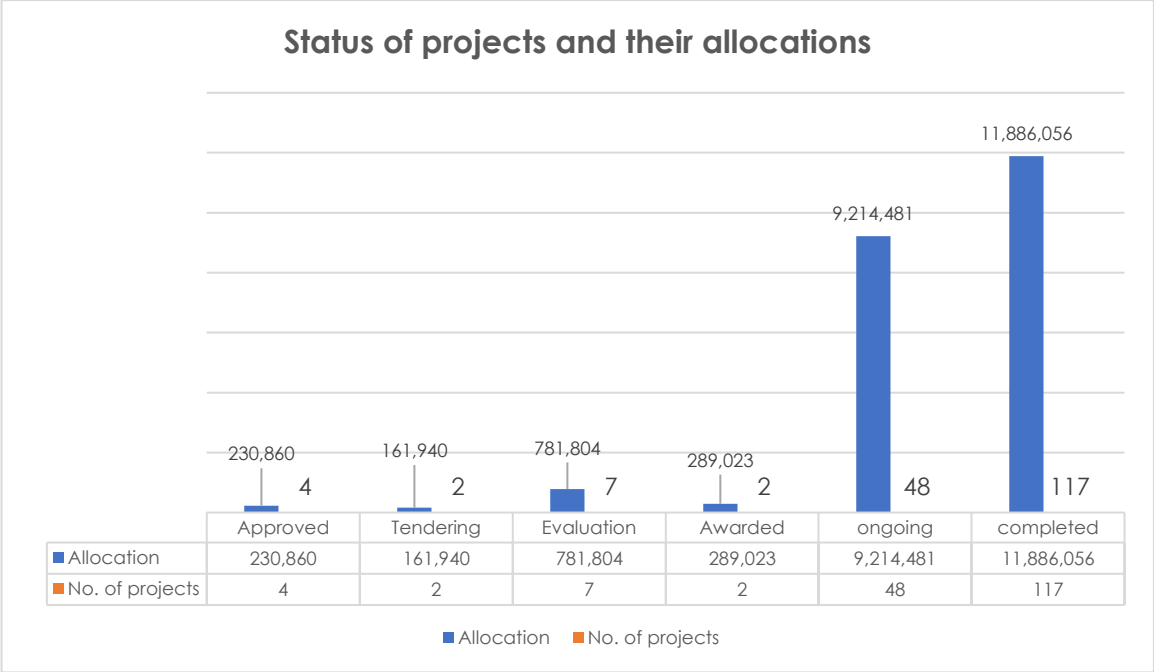
Projects Status:

Regarding the status of the sub-projects, Table 8 and Chart 5 illustrate the status of the sub-projects.

Table 8: Status of Component 1

Status of projects	Allocations (Euro)	%	No. of Project/Status	%
Approved & Preapproved	230,860	1.07%	4	2.2%
Tendering	161,940	0.71%	2	1.1%
Evaluation	781,804	3.46%	7	3.8%
Awarded	289,023	1.28%	2	1.1%
Ongoing	9,214,481	40.8%	48	26.6%
Completed	11,886,058	52.67%	117	65%
Grand Total	**22,564,165.00**	**100%**	**180**	**100%**

Chart 5: Status of MDP4/Cycle 01/West Babk in terms of Allocation



Overall analysis of sub-projects:

Regarding the progress: In terms of No. of sub-projects, 65% of the total sub-projects are completed and 26.6% are ongoing. Together they constitute 91.6% of the total number of projects (compared to 68% in end of 2024). They also represent 93.47% of the total allocated budget EUR 21,100,537 compared to 67% end of 2024). The remaining 15 projects allocation represents only 6.5% of the total allocation and 8% of the total number of project and still in the stages of tendering, evaluation or appraisal.

The status of the sub-projects can be illustrated as follows:

- **117 sub-projects** out of 180 were completed with a total allocation of **EUR** 11,886,058 **amounting 52.67%** of the total entire allocation for West Bank municipalities.
- **48 sub-projects** out of 180 are undergoing with a total allocation of **EUR** 9,214,481 **amounting 40.8 %** of the total entire allocation for West Bank municipalities.

- **15 sub-projects** out of 180 are in the tendering/bid evaluation/awarding phase with a total allocation of **EUR 1,463,627 amounting 6.52%** of the total entire allocation for West Bank municipalities.

Environmental, Social, Health and Safety Performance:
Assessment and Management of Environmental and Social Risks and Impacts:

MDLF has made significant progress in implementing the E&S safeguards under MDP-4, ensuring compliance with World Bank standards and national regulations. The effective application of ESMPs, proactive engagement with communities, and continuous capacity building reflect a robust framework for managing environmental and social risks while promoting transparency, inclusion, and sustainable urban development.

E&S Management Framework: MDLF has developed key instruments to manage E&S risks: including Environmental and Social Management Framework (ESMF), Labor Management Procedures (LMP), Land Acquisition and Livelihood Framework (LALF), Stakeholder Engagement Plan (SEP) and Environmental and Social Commitment Plan (ESCP)
MDLF has appointed a qualified team in the West Bank to manage the program's Environmental, Social, Health, and Safety (ESHS) risks and impacts. This team includes three Environmental Specialists, three Social Specialists, and one E&S Liaison Consultant. The E&S consultants have conducted site visits to the sub-projects across 134 municipalities in the West Bank to assess the environmental and social conditions in the proposed project areas.

During the reporting period, the E&S team conduct an assessment to the projects under C1 and C6 as follows:

- 180 sub-projects under Component W01 were assessed.
- Projects were screened using 5 risk criteria and categorized accordingly.

Risk Level	W01 Projects
Low	24
Low-Moderate	34
Moderate	113
Substantial	0
Under Appraisal	9

Key Findings:

- Most projects posed low to moderate risks, mainly construction-related (dust, noise, waste, traffic).
- All projects were screened and assigned appropriate E&S instruments (ESMPs, Checklists).
- For moderate -risk projects like Ramallah's Jaffa Street, detailed stakeholder engagement and mitigation plans were implemented

Based on the results of the E&S assessment, municipalities, with support from E&S consultants, prepared E&S instruments for each sub-project, such as ESMPs, E&S checklists, and Stakeholder Engagement Plans (SEPs). These documents were disclosed on public websites or social media platforms (e.g., Facebook). Additionally, municipalities incorporated the ESMP/E&S checklists into the bidding documents, along with other requirements related to Codes of Conduct (COC), ESMP implementation, labor rights, working conditions, and safety and health orientations. Municipalities are responsible for supervising the ESHS performance of contractors, while MDLF monitors compliance with ESHS measures as specified in the sub-project E&S instruments.

Labor and Working Conditions:

Labor management concerns encompass various aspects, including occupational health and safety (OHS), working conditions, equal opportunity, and addressing sexual exploitation and abuse (SEA), sexual harassment (SH), and labor rights. MDLF is actively implementing the Labor Management Procedures (LMP) for the sub-projects. For example, contractors are required to conduct orientations for their workers before project work begins. These orientations cover essential topics such as anticipated risks during project implementation and their mitigation strategies, the code of conduct, SEA/SH issues, workers' rights, the grievance mechanism available for workers, and ensuring a safe and healthy work environment. Contractors must provide evidence of compliance with these procedures to both municipality and MDLF.

Resource Efficiency and Pollution Prevention and Management:

The E&S Consultants assisted municipalities in assessing potential pollution sources and waste production resulting from project activities. To date, most submitted projects are categorized as having low to moderate pollution risks. The municipalities have incorporated mitigation measures into the Environmental and Social Management Plans (ESMPs) prepared for these sub-projects to address and minimize these impacts. The E&S assessments indicate that the anticipated risks associated with waste production range from low to moderate. The ESMPs and E&S checklists for the sub-projects include appropriate measures to mitigate these risks effectively.

Community Health and Safety:

The sub-projects have been assessed for anticipated risks related to community health and safety, including traffic, safety, and issues of sexual exploitation and abuse (SEA) and sexual harassment (SH). Most sub-projects are categorized as having a low to moderate risk level, and appropriate mitigation measures have been incorporated into the Environmental and Social Management Plans (ESMP) and E&S checklists. For some sub-projects with moderate risks, a traffic management plan was required to be prepared by the contractor before the start of implementation. Additionally, for SEA/SH risks, workers on the sub-projects have been oriented on these issues as part of their Code of Conduct (COC) training.

Land Acquisition, Restrictions on Land Use and Involuntary Resettlement:

Some sub-projects involved minor, temporary impacts on privately used land. To address these, municipalities reached mutual agreements with affected individuals, covering issues such as the reconstruction of stone walls, fences, shop or house entrances, and tree replanting. These agreements were signed prior to implementation, ensuring that community concerns were addressed in a transparent and voluntary manner

Biodiversity Conservation and Sustainable Management of Living Natural Resources

Sub-projects under Component 1 are generally located in urban and semi-urban areas that do not fall within designated protected zones or ecologically sensitive habitats. To date, no sub-projects have been excluded due to biodiversity-related risks.

Where project activities are implemented in areas containing natural elements such as vegetation or green cover, potential interactions with the local environment are carefully assessed and managed in coordination with the related authority. In alignment with Environmental and Social Standard 6 (ESS6) and the mitigation hierarchy, these interactions are addressed through planning and implementation measures that prioritize the avoidance of negative impacts on biodiversity.

Environmental and Social Management Plans (ESMPs) are developed to ensure that biodiversity protection measures are integrated into the construction and operational phases. These include minimizing disturbance to natural features, avoiding unnecessary removal of vegetation, and restoring any areas affected by project activities. These efforts reflect MDLF's commitment to sustainable development, ecological integrity, and responsible environmental management across all sub-projects.

Cultural Heritage:

Cultural heritage preservation has been addressed in the Environmental and Social Management Framework (ESMF) and the Environmental and Social Management Plans (ESMPs) for the sub-projects. This includes the policy and legal framework, definitions related to "Chance Finds Procedures," and contractor responsibilities for managing culturally valuable materials discovered during excavation and construction activities. Contractors and municipalities are responsible for implementing appropriate mitigation measures, while MDLF will oversee and monitor the process.

Stakeholder Engagement and Information Disclosure

MDLF has updated and implemented a Stakeholder Engagement Plan (SEP) for the Project, in accordance with ESS10. The SEP outlines methods for providing stakeholders with timely, relevant, comprehensible, and accessible information. Municipalities, under the supervision of Social Consultants, have conducted meetings and consultations with residents and stakeholders in a culturally respectful manner, free from manipulation, interference, coercion, prejudice, and intimidation. The SEP, initially released on December 23th, 2022, was amended and re-disclosed on April 19, 2024. It will continue to be applied throughout the Project's execution.

During the reporting period, 22 formal complaints were received across various municipalities in different regions of the West Bank. The majority of complaints were submitted by male citizens, with one complaint from a female resident regarding a power outage caused by excavation work, which was promptly resolved in coordination with the electricity provider.

Capacity Building:

MDP-4 is the first project where MDLF is working under the World Bank's Environmental and Social Framework (ESF). The project's E&S team, consisting of MDLF specialists and independent consultants, ensures adherence to E&S risk management and strengthens municipal capacities. Following initial ESF training provided by the World Bank, MDLF continues to offer ongoing support throughout implementation.

Key capacity-building activities include training E&S consultants on project assessments, ESMP and checklist preparation, stakeholder engagement (with emphasis on gender and inclusion), and labor management procedures covering worker rights, safety, and grievance mechanisms. These sessions combine workshops, virtual meetings, and hands-on guidance.

Importantly, MDLF maintains continuous on-the-job training, regular follow-up, and active support for both municipalities and E&S consultants. This sustained engagement helps reinforce compliance, improve implementation quality, and build local capacity to effectively manage environmental and social risks.

Further details about the ESHS management performance has been outlined in Annex (1)

Component (2) Sector Policy and Institutional Development



This component, implemented by MDLF, is designed to reinforce and complement MDP other components with targeted technical assistance (TA), policy guidance, and capacity development for municipalities and other various public agencies at the national level. Its primary aim is to increase the capacities of municipalities to be able to provide better services for their citizens. Additionally, MDP4 will aim at increasing transparency and accountability in administering the intergovernmental fiscal system; develop ways and means of improving local government revenues (including fiscal transfers and own-source revenues); and provide on-demand technical support to participating municipalities seeking to meet performance criteria or improve their resilience and climate change related planning and implementation efforts. It comprises of two sub-components:

2.a) On-demand Capacity Development Support for Municipality, **2.b) Policy and Institutional Development Support for PA institutions**

Sub-Component 2.a) On-demand Capacity Development Support for Municipality: 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.

Capacity Building packages.

- Financial packages.
- Operation & Maintenance
- Citizens Service Centers.
- E-Municipality.
- Social Accountability.
- Resilience.
- Climate Change.
- Institutional development, and
- Advanced packages.

These packages are divided between standard packages and newly formed packages as follows:

Standard packages: Financial packages, Operation & Maintenance, Citizens Service Centers, E-Municipality, and Social Inclusion.	New packages: Resilience, climate change, institutional package, advanced package.

Newly formed packages can be defined in table 9 as follows:

Package	Definition
Resilience	This package lays the foundation for integrating resilience in local governance through the production of technical knowledge, information, and guidelines and conducting the corresponding institutional capacity development. This package consists of primary and secondary levels. Primary level includes the development of resilience plans. The secondary level will assess the potential projects for each municipality that have been identified in the municipality resilience plans. The tool for preparing resilience scoring will be presented and how the resilience plans should be integrated with current planning processes at the municipalities.

Package	Definition
Climate change	MDLF designed a Climate Change package to build the capacities of the MOLG, MDLF, and municipalities in climate change and natural hazards for different stakeholders that play an important role in planning, designing, and implementing the climate change interventions, rather than Climate Change were adapted into the SDIPs while preparing it for the four coming years. Integration of climate change as a capacity building package by providing training on its elements, risks and impacts is an important prerequisite for later investment funding. The capacity building activities will include conducting of trainings, workshops, orientations, awareness campaigns and debates, and may cover different levels of training such as Individuals, (Mayor, Engineers, Operation Employees), organization & system, online courses, workshops, study visits.
Institutional package	A new package that provides institutional support for weak municipalities to develop their performance in financial and technological aspects to upgrade their level to reach other advanced municipalities. This package will: - Provide support in financial management to prepare them to implement IFMIS. - Provide technological support to prepare them for CSC and/or e-services.
Advanced package	A new package for municipalities that have finalized all the standard packages. This package will include: - Conducting Creditworthiness self-assessment. - Financial Aspects such as cost accounting, advanced financial skills, revenue enhancement plans or any other gaps that might come out of the assessment. - Providing advanced technological support to further enhance municipal service quality and efficiency.

✓ **General Progress for sub-component 2.a**

The Capacity development component includes (4) phases including the preparation phase, procurement phase, implementation phase and the closing phase. The following section outlines the progress of the first preparation phase as follows:

- The capacity-building manual was updated to include new elements of MDP 4, such as the social and environmental aspects.
- Four orientation sessions (3 in WB and 1 in Gaza) were conducted for all municipalities to introduce the MDP 4 capacity building interventions.
- Application forms were updated and launched electronically on the MDLF website.
- The Grant Implementation Agreement - GIA's were updated.
- The Capacity Development plan was prepared for projects activities consistently with costing and procurement plan.



- The application forms were evaluated by the CB technical committee according to identified criteria.
- Municipalities were informed about the packages they were qualified for.
- ToRs were prepared for each package.
- A focal point for each municipality was nominated and selected for each package to facilitate the processes.
- New capacity development packages were identified and agreed upon, including the institutional package and the advanced package.

Upon completion of these preparatory activities, the total number of municipalities per package was finalized, and the status is detailed in Table 9 below:

Table 9: Number of municipalities per package and the status of each package

Capacity Building Package	WB	Updated implementation status
Financial Package	40	- A concept note was prepared taking into consideration the lessons learned from previous experience of implementing IFMIS and the obstacles facing municipalities, consultants, and MDLF staff. - The institutional assessment was accomplished and categorizing the 40 municipalities into three groups according to their readiness to implement IFMIS. MDLF will work with 37 municipalities during cycle one and two. - The supply of Hardware has been contracted and in the delivery period, it will be completed in sept 2025. - The TOR for the software provider was finalized using the updated compliance sheet, updated concept notes, and newly added modules. The tender has been published, a shortlist of qualified bidders established, and the highest-scoring firm identified. The evaluation committee is now conducting a detailed technical and functional assessment of the proposed system against the compliance sheet. The procurement process remains on track, with a contract award anticipated by the end of July 2025. - The TOR for the coaching assignment was accomplished with a decision made to be conducted by company instead of individuals. The procurement process has started and expected to be contracted in August 2025.
O&M	23	- The IT assessment has been completed. - The supply of the hardware is in the delivery process but some of the delivery items have been delayed due to Israeli restrictions. It is expected to be delivered in August 2025. - The assignment for physical inspection and data collection is currently under implementation. The field work of roads and buildings has been accomplished for all the targeted municipalities and is currently under the process of data validation. The assignment has now progressed to the stage of entering the validated data into the O&M software. - O&M software has been contracted and in the delivery period, it will be completed in Feb 2026.
CSC	19	- The IT assessment has been completed. The BOQ was prepared according to the IT assessment and the design of the CSC. - The design and supervision of the CSC physical space have been contracted and is currently under implementation with completion scheduled in April 2025. - The CSC business re-engineering process has been completed. The consultant created an optimized working process (including the complaints) for each municipality. - The Hardware bidding document is 2 lots (Lot 1 under procurement process, Lot 2 has been contracted and in the delivery process). - CSC Software TOR is under review and preparation. - Printing materials will start after implementing the CSC Software.
E-Municipality	8	- The IT assessment has been completed. - The readiness assessment has been completed. - The supply of E-municipality Hardware has been contracted and in the delivery process. - The Terms of Reference (TOR) for EMS software development is being prepared and under review, considering the recently agreed-upon digital

Capacity Building Package	WB	Updated implementation status
		strategy arrangements according to the Ministry of Local Government (MOLG) and historical Lessons learnt with previous projects. - GIZ Projects were recently added as follows: o The supply of E-municipality Hardware Phase 2 is in procurement process. o The Supply of EMS Software Phase 2 will be performed after the delivery of the Hardware.
Social Inclusion And citizenship package	138	**This package was granted to all 138 LGUs in the West Bank, and aims to:** - Enhancing local democracy and widening civic participation. - Develop social inclusion strategy through mechanisms and tools to oversee the implementation and evaluation of social inclusion practices. - Improving delivery services in the municipal sector, specifically for vulnerable groups and marginalized communities. - Enhance youth leadership skills and participation to lead community initiatives and promote social accountability and civic participation in the local governance. - Strengthening engagement of people with disabilities in the municipalities. - Mainstreaming Gender Equality in the municipalities and increasing women's participation in the decision-making process and Gender Audit. - Enhance the efficiency of the municipalities in preparing emergency plans that are consistent with citizens' needs and priorities in emergency situations. - Raising the efficiency of the municipalities in using digital technologies in citizen Participation **Implementation Status:** - Terms of Reference (TOR) for social inclusion have been developed, and the assignment is still under procurement stage. - Evaluation of EOI for social inclusion has been accomplished. - The technical and financial proposals have been evaluated - This package will be implemented through a local NGO where the West Bank - municipalities will be divided into three clusters (North, Middle and South) - "Civil society organizations have recently been contracted to carry out the task
Conduct a detailed baseline study on Complaints responsiveness of Local Government Units from citizens perspective in the West Bank	138	**The main objective of this assignment is to conduct an in-depth analysis of how LGUs respond to complaints submitted by citizens. The scope of the study will cover the following:** - Assessment of citizens' perspectives on the measures taken by LGUs in response to their complaints, with a particular focus on marginalized groups and people with disabilities. - Provide citizens' feedback to LGUs on best practices for handling mechanisms to effectively manage and address citizens' complaints. - Identify and explore the most liked and preferred methods of reaching out for citizens' complaints the marginalized and people with disabilities. - Analyze gender sensitive related data that better respond to gender needs to boost active participation of women within the LGUs works. - Gather data regarding the challenges that hinder citizens from filing complaints on municipal services and reasons for not solving the complaints in a satisfactory manner. - Develop database on the municipal complaints procedures that consider citizens perspective and anchor this with the main recommendations or findings of the already mentioned study above which has mainly and so far, focused on LGUs side only.

Capacity Building Package	WB	Updated implementation status
		- Provide recommendations that are feasible, implementable and in harmony with citizens' needs and priorities, thus improving LGUs responsiveness and citizens satisfaction. **Implementation Status:** - Terms of Reference (TOR) for Conducting a detailed baseline study on responsiveness of Local Government Units from citizens' perspective in the West Bank". - Evaluation of EOI for social inclusion has been accomplished - The technical and financial proposals have been evaluated - The consulting firm has recently been contracted to carry out the assignment.
Climate change	134	- A Terms of Reference (TOR) was updated upon a meeting with MoLG and GIZ based on the pilot training modules. The assignment has since progressed to the procurement stage and is currently in the evaluation process. - The training will encompass all municipalities, organized into clusters. The training modules will cover topics such as an introduction to climate change, greening, and mobility. - The training will be held within the Q2-Q3-Q4 of the year 2025.
Institutional	34	- The Institutional Package will encompass two key aspects based on the IDTA team's initial assessment: ○ Financial Aspect: This will be addressed through the institutional assignment under the financial package. The outcomes of the institutional assessment will be implemented based on the specific needs of the municipalities. ○ Technological Aspect: This will involve providing coaching and support to help municipalities overcome technological challenges.
Advanced Financial Package	7	- The technical team is in the process of TOR preparation. - The implementation of the advanced financial packages will be implemented during 2025 due to the required two audited reports on accrual basis from the targeted municipalities, beside successful implementing of IFMIS. - The Implementation of the credit worthiness self-assessment TOR is ready for the procurement stage. - Improve LGUs' Own-Source Revenue Management TOR is ready for the procurement stage. - **The cost-accounting framework is now under implementation through GIZ, with MDLF providing technical support:** ○ GIZ engaged consultant **Mutaz Jabar** in **January 2025**. ○ The **Inception Report** was delivered in **March 2025** and reviewed by MDLF. ○ In **June 2025**, the consultant submitted the **first draft of the conceptual costing framework**. MDLF completed a detailed review and returned consolidated comments in early July. ○ Progress has been delayed beyond the agreed action plan. ○ **GIZ will extend the consultancy for three additional months, moving the new completion target to end-Oct. 2025**. - After working closely with the municipalities that have implemented IFMIS during the previous MDPs, municipalities requested additional modules that improve the revenue collection such as Mobile application and e-payment (ESADAD). Currently the software provider is in the process of delivery.
Newly Formed municipalities	4	- Four village councils were upgraded to municipalities by MOLG. - A unified TOR of FARV, SDIP and FPPM has been prepared for the targeted municipalities. - The following steps will be covered:

Capacity Building Package	WB	Updated implementation status
		○ Orientation about MDLF scope of work and the IDTA packages in technical development and institutional Assistance. ○ The IDTA will cover all requirements of Rank D that will include FARV, SDIP and FPPM to be ready for cycle two ranking requirements. The IDTA team held in-house training for the SDIP & FPPM. Regarding the FARV assignment, it is within the procurement process.

Sub-Component 2.b – Policy and Institutional Development Support for PA Institutions

Under this sub-component, the Municipal Development and Lending Fund (MDLF) engaged a local consultant to address sector and policy reform issues related to net lending, intergovernmental fiscal transfers (IGFT) among Local Government Units (LGUs), and other pertinent topics within the framework of local governance reform. These interventions are expected to align with the reform agenda emerging during the implementation of MDP4.

Intergovernmental Fiscal Transfer (IGFT) System

The process of developing an IGFT system began in early 2024 with the establishment of a ministerial committee mandated to review financial relations between the Ministry of Finance and LGUs. While initial efforts focused primarily on net lending issues, the new government's emphasis on decentralization has created momentum to advance the broader reform agenda.

A national team—comprising representatives from the Ministry of Local Government (MoLG), Ministry of Finance, Ministry of Planning, MDLF, and APLA—has been formed to coordinate with international partners (World Bank and GIZ) on financial reform measures. Consensus has been reached to prioritize the development of the IGFT system, with work expected to commence following final logistical arrangements.

A regional consultant has been contracted to support this process and provide strategic advice on the reform plan. The Minister of Local Government has formally communicated the coordination framework to ensure active participation and buy-in from all relevant stakeholders.

Progress to Date

- Submission of the inception report by the consultant, subsequently reviewed and approved by MDLF and the Ministry of Local Government.
- An online meeting held between the consultant, the Minister, and the Deputy Minister to discuss the inception report.
- Submission of an updated progress report, which was discussed with MDLF and the World Bank.
- Draft IGFT framework was submitted on 30 July 2025 and circulated to relevant stakeholders for review, including the national team, the Minister of Local Government, the Ministry of Finance, the Ministry of Planning, and APLA.
- Review of GIZ-funded consulting outputs, shared by the Ministry, for the consultant's assessment and advice.
- Stakeholder engagement remains ongoing, with final discussions and feedback anticipated shortly.

Transportation Fees

On 8 July 2025, the Council of Ministers approved the allocation of transportation fee revenues to LGUs for the 2024 fiscal year, totaling NIS 173,461,824, to be distributed according to established criteria. Due to the government's financial crisis, the Ministry of Finance currently transfers approximately NIS 15 million monthly.

Recent measures introduced by the Minister of Local Government aim to enhance transparency and fairness in the allocation process. A dedicated committee has been established to review allocation criteria and oversee disbursement. The MoLG has provided the Ministry of Finance with detailed allocation lists and agreed on monthly transfers of NIS 10–12 million, which the Ministry of Finance has committed to maintain.

Distribution criteria for 2024 is illustrated as follows:

- **50% of the total amount (NIS 86,730,913)** allocated to all LGUs and refugee camps (420 entities) based on a formula of a minimum of NIS 24,000 plus NIS 21.6 per capita, with approximately NIS 10,407,709 designated for refugee camps.
- **The remaining 50%** distributed as follows:
    - 2.5% (NIS 4,336,545) to support Joint Service Councils (JSCs).
    - 4% (NIS 6,938,472) for the Jordan Valley and areas threatened by settlement expansion.
    - 28% (NIS 48,569,310) to support LGU projects.
    - 5% (NIS 8,673,910) for Jerusalem and areas behind the separation wall.
    - 10.5% (NIS 18,213,491) for LGU reform and capacity enhancement.

Property Tax

Significant progress has been made in expanding LGUs' role in property tax collection:

- A total of 88 municipalities are eligible to collect property tax following valuation, with 39 municipalities currently collecting and 7 awaiting Council of Ministers' approval.
- The plan is to transfer the mandate to all 88 eligible municipalities by the end of 2025, with valuation of an additional 138 municipalities underway.
- The Ministerial Committee for Reform has endorsed MoLG's proposal to allocate 100% of collected revenues to municipalities (up from the current 84%), and the Council of Ministers has referred the matter to the Ministers of Finance and Local Government for a final decision. The Ministry of Finance has expressed concerns over the fiscal and legal implications of this change.
- As of the reporting date, 46 municipalities have received the collection mandate, with 5 pending approval.
- Further evaluation will be required to assess revenue collection efficiency and the actual fiscal impact of the reform.

Profession Fees

Progress has also been achieved regarding profession fees:

- The Ministry of Finance approved NIS 80 million in allocations for the period 2020–2023, reversing its earlier position that LGUs were ineligible to receive these funds.
- MoLG proposed applying these allocations as debt offsets for LGUs engaged in settlements with the Ministry of Finance.
- Due to the ongoing fiscal crisis, the Ministry of Finance has frozen the transfer of these funds, despite their designation for LGUs.



Capacity Building for MOLG

In addition to the aforementioned activities, this sub-component will also emphasize on institutional development for the Ministry of Local Government (MoLG), specifically targeting the upgrade and development of the budget portal. This will involve a technical and functional assessment to define the scope of the necessary improvements. The functional assessment of the MoLG budget portal has been accomplished and the Assessment report is in the revision stage at MOLG to prepare for the next steps. Furthermore, a Help Desk for the budget portal to ensure the sustainability of LGU usage was contracted to cover the period of July 2024 to June 2025.

Component (3) Competitive Grants for Natural hazard and Climate Change Resilience

Under this component a secondary urban risk assessment for climate change mitigation and adaptation will be conducted and the priorities will be concluded accordingly. Those priorities will be subject to appraisal criteria through a competitive call for proposals. Once the priorities are identified the implementation will be done as component 1. This component consists of the following sub-components:

- Sub-component 3.1. Natural hazard and climate change risk assessments.
- Sub-component 3.2. Natural hazard and climate change adaptation investments.
- Sub-component 3.3: Promotion of Green Services and Climate Change Initiatives in Local Governance.

Implementation progress for each component can be summarized as follows:

✓ **Sub-component 3.1. Natural hazard and climate change risk assessments**

✓ **Sub-component 3.2. Natural hazard and climate change adaptation investments.**

Regarding sub-components 3.1 and 3.2, (AFD, WB, MDTF and DRO contribution), a secondary urban risk assessment is completed where the consultant has assessed the 15 resilience plans prepared under MDP3 along with other studies considered as primary risk assessment. Based on this assessment, a long list of potential sub-projects was identified as climate change mitigation/adaptation initiatives and will be subject to competitive scoring criteria.

The Consultant was hired to provide technical assistance to MDLF in conducting secondary risk assessment for 15 municipalities (in the West Bank) and selecting specific projects to be implemented taking into consideration, resilience to climate change, involvement of respective LEDs units in the targeted municipalities and potential joint investments between the targeted municipalities considering the basis of PPP. This will entail reviewing existing documentation, assessment of identified projects, assisting municipalities in selecting priority projects, and working **financed by WB, MDTF, AFD and DRO)**with MDLF on the feasibility and costing of the projects to be financed.

The list of potential projects, along with the assessment report, has been shared with development partners (DPs). The report outlines the eligibility selection criteria, with 30 sub-projects identified as eligible for the secondary competitive selection process. An application form, incorporating various elements of the scoring criteria, has been prepared and shared with the targeted municipalities.

The Municipal Development and Lending Fund (MDLF) initiated a structured and transparent process to assess and select high-impact projects submitted by municipalities. This process was designed to ensure that selected projects align with the strategic goals of Window 3 and demonstrate strong potential for technical feasibility, sustainability, and positive community impact.

The evaluation was conducted in multiple phases, beginning with a comprehensive review of submitted application forms and culminating in the final selection of the top-ranking proposals for funding. Key steps in the process included the development of standardized evaluation tools, field verification through ground-truthing visits, and the assignment of scores based on clearly defined

criteria. Each stage played a critical role in ensuring a fair, evidence-based, and accountable selection process.
The following sections outline the methodology and actions undertaken during each phase of the evaluation, from the initial review of applications to the final selection of projects.

- **Review of Application Forms**: Upon receiving the application forms from various municipalities, the evaluation team conducted a thorough review of each submission. This step aimed to develop a clear understanding of every project proposal and systematically extract the necessary information for evaluation against the predefined criteria. The review ensured that all critical aspects—such as feasibility, potential impact, sustainability, and alignment with the objectives of Window 3—were carefully examined during the assessment process.
- **Preparation of the Evaluation Sheet**: following the review, the evaluation team developed a structured evaluation sheet based on the agreed-upon criteria. This sheet served as a standardized tool to capture and summarize the key components of each proposal in relation to each evaluation criterion. It provided a consistent and transparent foundation for scoring and comparing the projects.
- **Ground-Truthing Visits:** as part of the evaluation process, the MDLF team carried out targeted field visits to the participating municipalities. These visits were crucial for gaining deeper insights into the proposed projects and their respective local contexts. Specifically, the visits aimed to:
  - Assess the proposed project sites, including technical conditions, logistical challenges, and relevant environmental or social factors that may affect implementation.
  - Engage directly with municipal staff to better understand project relevance, community needs, and local institutional capacity.
  - Validate and supplement the information provided in the applications, ensuring a more accurate, evidence-based evaluation of each project's feasibility and potential impact.

    The observations and insights obtained during these field visits significantly enriched the quality and credibility of the overall evaluation process. The following are photos from selected visits.



Site Visit to Salfit Projects



Dura Project Site Visit



Site visit to Jericho Projects

- **Assignment of Grades**: using the comprehensive information gathered from the application review and field visits, the MDLF evaluation team completed the evaluation sheets for each project. Drawing on both the submitted documentation and field observations, the team assigned scores based on a range of evaluation criteria, including:
  - Technical feasibility
  - Relevance to local needs
  - Potential impact
  - Financial sustainability
  - Institutional capacity
  - Alignment with Window 3 objectives

  This systematic grading approach ensured that each project was evaluated fairly and consistently. The resulting composite scores provided a solid basis for ranking and prioritizing the proposals for potential funding and implementation.

- **Selection of Winning Projects**: projects were ranked in descending order based on their overall evaluation scores, reflecting their performance across all criteria. The top five projects were then selected for funding, representing the most compelling and well-prepared proposals with the highest potential to contribute to Window 3's strategic objectives.
  These winning projects demonstrated strong technical soundness, financial and institutional feasibility, and the capacity to generate sustainable, tangible benefits for their target communities. As illustrated in the table below, the selected projects have a combined total cost

of €2.66 million and span various sectors, including stormwater drainage, wastewater treatment and reuse, solar energy, water network improvement, and solid waste management as listed in the below table.

Table 10: Selected Project under the Competitive Window 3

Four localities under Climate Change Response/Window 3 of MDP IV - West Bank			
#	Municipality	Governorate	Sub-project
1.	Ramallah	Rammalah and Al Beireh	Expansion of Treated Wastewater Reuse System from Ramallah WWTP
2.	Ramallah	Rammalah and Al Beireh	Construction of a Solid Waste Reception Facility in Ramallah
3.	Nablus	Nablus	Solar Energy System for Sludge Drying – Nablus WWTP
4.	Jericho	Nablus	Rehabilitation and Maintenance of Jericho Irrigation Network
5.	Dora	Hebron	Rehabilitation of Wadi Qamra (Dura) – Stormwater Management, Tourist Path, and Water Harvesting Ponds

✓ **Sub-component 3.3: Promotion of Green Services and Climate Change Initiatives in Local Governance (Enabel Contribution to MDP4)**

MDLF has successfully completed the mobilization and assessment phases for this component, which includes two sub-components: one financed by Enabel and the other supported by AFD, WB, MDTF, and Denmark (DRO). The progress for Enabel's contribution can be summarized as follows:

i) **Consultant Contracts**: Two individual consultants were engaged—one specialized in energy efficiency/renewable energy (EE/RE) and another responsible for preparing specifications for solid waste management equipment and overseeing its delivery to the five targeted Joint Service Councils (JSCs).

ii) **Assessment, Identification and Implementation of EE/RE Interventions**: the mobilization, the assessment and the design phases have been completed for the first round of RE/EE interventions at the northern and southern clusters, including:

Round # 1

- Northern cluster: 210 KW PV solar system has been installed on the rooftops of public buildings, and contracts for replacement of 200 traditional street lighting lamps and replacement of un-efficient water pump has been awarded.
- Southern Cluster: Contracts for installation of 320 KW PV solar system on the rooftops of public buildings have been awarded. In addition to that, a contract for the replacement of 1,050 traditional street lighting lamps has been awarded.

Round # 2

- The assessment and the design phases have been completed for the second round of RE/EE interventions which will target three solid waste JSCs, (Nablus, Hebron and Northeast & Southeast Jerusalem) through installation of 130 KW PV solar systems.

Round # 3

- The assessment for the third round of RE/EE interventions is currently in progress. The consultant has visited three potential sites: Bethlehem, Hebron, and Nablus Municipalities. These interventions are expected to have a significant impact, promoting integration across various sectors (Energy, Water, and Wastewater). Additionally, they will contribute positively to the environment, public health, and climate change while enhancing the quality of municipal services for citizens.

iii) **Supply of Equipment and Tools to Enhance Solid Waste Management to five JSCs (Nablus, Hebron, Bethlehem, Tubas and Northeast & Southeast Jerusalem):** the assessment, design and tender phases have been completed to provide each JSC with garbage collector vehicle as well as mobile maintenance vehicle (totaling 5 per each type). The contract delivery of five garbage vehicles was signed on May 15th, 2024, and it is expected to be delivered by End of May 2025. The delivery of five mobile maintenance vehicles was signed on July 2024 and a preliminary handover had been completed in December 2024. Moreover, the assessment phase of supplying solid waste bins with its spare parts for the five JSCs has been completed, and the bidding preparation has been initiated in coordination with MOLG and the JSCs.



Supply of 5 five mobile maintenance vehicle for 5 JSCs

Steering Committee Meeting

A steering committee meeting for the Green West Bank portfolio, which includes the Enabel Contribution for MDP4, was held on December 11, 2024. During the meeting, MDLF provided an update on the project's progress, highlighted key challenges and obstacles, and outlined planned activities. Additionally, MDLF presented a proposed amendment and budget reallocation, considering potential additional financing from Enabel to expand target areas. The discussion also covered reallocating funds from the retrofitting component to green public spaces. It was agreed:

- To reassess the prioritization of Energy Efficiency and Renewable Energy (EE/RE) interventions, aiming to expand their implementation across various local government units (LGUs) within the same five clusters, based on the consultant's assessment. The residual funds became available due to cost savings, as the contracted values were lower than the allocated amounts.
- Regarding the potential additional financing, it was agreed to support LGUs that have experienced invasions in recent months, particularly following the outbreak of the war on Gaza. This assistance is intended as relief support to help sustain basic services for citizens amid the current challenging conditions. The focus will be on the most affected LGUs, including the municipalities of Jenin, Qalqilya, and Tulkarem, with interventions aligned with the existing thematic areas, specifically Energy Efficiency (EE) and Renewable Energy (RE).
    - Ask for project amendment to reflect the proposed changes and modification on the current description of the project including:
    - Budget reallocation across results/activities "consultancies Vs works/goods"
    - Amend the geographical scope.
    - Change the modality for women engagement in Green Public Spaces. "to be covered in LTC – TOR through enhancing the social component within the TOR".
    - Reallocate the fund for green buildings/retrofitting to Green Public Spaces. "the new locations will be identified and agreed upon with MOLG and Enabel".
- Conduct promotional activities inline with the results achieved on the ground, precisely FY 2025.
- Implementation of CB/training in Q2-Q3/2025.
- Tendering for design and supervision of Green Public Spaces where the implementation is anticipated in Q3-Q4/2025.

Component (6): Emergency O&M Support to Participating in Municipalities

The additional financing responds to the PA's request for urgent international financial assistance to support municipalities in the West Bank and Gaza to respond to the economic crisis, maintain basic service delivery and ensure the operational service continuity.

The AF will provide urgent financial support to municipalities in the West Bank and Gaza to maintain basic service provision which has been severely affected by the implications of the Israeli war on Gaza and the Israeli measures across West Bank territories since October 7th. This component was designed as a relief support to combat the ongoing decline in municipal finances caused by the conflict, which has impeded their ability to provide and sustain essential services.

This component will initially focus on municipalities in the West Bank, with plans to extend coverage to the Gaza Strip at a later stage, contingent on the situation. The WB and SDC have decided that the funds for Component 6 will be used exclusively for the West Bank. While the 5.0m funds from the German FFO have been fully allocated to the West Bank, if agreed with the FFO and KfW, that parts of it could be reallocated to Gaza to enable immediate intervention once a ceasefire is achieved.

This component will finance part of the municipalities' recurrent operating expenditures to continue with service delivery. No salaries of municipal servants will be financed under this AF. The AF will also contribute to sustaining basic services through implementing labor-intensive cash for work (C4W) activities to support the O&M of municipal assets. In doing so, the AF will alleviate the financial burden imposed on municipalities, as well as directly contribute to the local economy and social-economic conditions across the West Bank through temporary job creation provided under the project.

Additional Financing Sub-Components

1. ***Subcomponent-6.a Recurrent Operating Expenditures***

   This subcomponent will provide support to municipalities to cover a part of their recurrent operating expenditure, excluding salaries. The exact items to be financed will be defined by participating municipalities after AF approval. Nevertheless, it will include, among others, payment of the Joint Services Council (JSC) Solid Waste Management fees, spare parts for O&M, and payment of electric bills related to service delivery. Based on surveys conducted by MDLF, most of the urgent financial assistance needed by municipalities is for covering their recurrent expenditure, which is estimated to be about 80 percent of the total amount allocated under Component 6.

2. ***Subcomponent- 6.b Emergency labor-intensive O&M municipal services***

   This subcomponent will provide financing to eligible municipalities in the West Bank to maintain the provision of local services through labor- intensive O&M (C4W), local infrastructure development activities and the payment of professional (Backoffice) services within municipalities. Based on consultations with municipalities and the MDLF, the O&M activities to be supported can include costs of labor, equipment and supplies for roads repairs and maintenance, periodic cleanup of drainage system, solid waste collection and sorting, fumigation, and clean up, among others, as detailed in the POM. An estimated 20 percent of the total amount under Component 6 will be allocated for supporting labor-intensive O&M activities based on a rapid assessment conducted by MDLF of municipal needs. MDLF will carry out further assessment/evaluation periodically to determine the level of need and adjust the proposed allocation, as needed.

Allocation Mechanism for Emergency O&M Support under Component 6.

All municipalities in the West Bank will be eligible to receive financial support under Component 6, based on the following allocation mechanism:

a) 65% for equalization (EUR 30,000) per municipality) and the remaining will be distributed per capita.

b) 30% based on the Poverty Index at the municipal level of PCBS.

c) 5% based on verified recent damages sustained on municipal infrastructures and assets.

Component 6 Financing

The financing includes confirmed commitment of 22 million dollars from the World Bank, EUR10 million from the French Development Agency (*Agence Française de Développement*), EUR 5 million from the German FFO via KFW, and 2.7 million dollars from the SDC.

Table 11: MDP4 - Additional Financing Per Doner

Budget for Additional Emergency Financing - MDP4 (EUR)									
Component		WB - Reallocation from original Agreement	WB - New Agreement	MDTF	KFW	AFD	SDC	Total (EUR)	%
Coponent 6	Recurrent O&M Expenditures and C4W Subgrants - West Bank	878,505	12,681,818	5,781,818	2,450,000	5,115,000	2,282,727	29,189,869	76.0%
	Recurrent O&M Expenditures and C4W Subgrants - West Bank - Gaza	0	-	-	2,000,000	4,185,000	-	6,185,000	16.1%
	Rebuilding MDLF-Gaza Office	0	-	-	200,000	-	-	200,000	0.5%
Component 4	Project implementation support and management	66,124	954,545	581,818	350,000	700,000	171,818	2,824,306	7.4%
4.a	M. fees	66,124	954,545	445,455	350,000	700,000	171,818	171,818	0.4%
4.b	LTCs			136,364				136,364	0.4%
Total (EUR)		944,629	13,636,364	6,363,636	5,000,000	10,000,000	2,454,545	38,399,174	100%
	%	2.5%	35.5%	16.6%	13.0%	26.0%	6.4%	100%	

Regarding the fund for Gaza under component 6, particularly from the AFD and KFW, it was decided to be utilized as a top up for West Bank municipalities. this decision was undertaken by the "AFD and German via KFW" following the discussion during the MDP4-April-2025 mission. Accordingly, the MDLF allocated a total EUR 6,385,000 for West Bank municipalities to support recurrent exp. and C4W activities, noting that, the fund will be utilized primarily for recurrent expenditure.

Progress of implementation for Comp.6:

A total of **383 sub-project proposals** were submitted by 138 municipalities in the West Bank. With a total allocation of **29,189,869**. Analysis of these projects reveals that 340 projects are classified as "recurrent expenditure" with a total allocation of **EUR 27,225,532** representing **93.3%** of the total allocation and 43 projects are classified as ***Emergency labor-intensive O&M of municipal services*** with a total allocation of **EUR 1,964,337** representing **6.7%** of the total allocation.

The implementation of this component is progressing with **113 sub-projects are completed and 217 are undergoing, both constitute around 86% of the total no. of sub-projects with total allocation EUR 27,219,952 amounting around 93% of the total entire allocation for West Bank municipalities.**

Table 12: Description and Analysis of sub-projects under Comp.6

	Recurrent Exp. Sub-projects	Emergency labor-intensive O&M of municipal services	Total
No. of Sub-projects	340	43	383
Allocation (EUR)	**EUR 27,225,532** representing 93.3% of the total allocation	**EUR 1,964,337** representing 6.7% of the total allocation.	**EUR 29,189,869**
Description of Sub-projects	Projects covering the *municipal recurrent expenditure* include municipal electricity bills, fuel and oil fees, insurance fees, water bills, wastewater and solid waste fees. Covering the solid waste fees constitute the biggest bulk, with electricity fees and fuel fees coming next.	O&M include projects such as the employment of workers in various municipal affairs, mostly maintenance of roads.	
Quick analysis of the above reveals that municipalities prioritize covering their recurrent expenditure to sustain basic operating services and to partially compensate for potential decline of revenues given the severe funding constraints facing municipalities resulting from the bad economic crisis.			

Table 13: Status component 6 in terms of no. of sub-projects

	Recurrent Exp.	O&M	Total	%
Appraisal/Approved Stage	21	11	**32**	**8.3%**
Tendering/Evaluation Stage	7	14	**21**	**5.4%**
Ongoing Stage	200	17	**217**	**56.6%**
Completed Sage	112	1	**113**	**29.5%**
Total	**340**	**43**	**383**	**100%**

Table 14: Status component 6 in terms of Allocation

	Recurrent Exp. (EUR)	O&M (EUR)	Total (EUR)	%
Appraisal/Approved Stage	335,836	735,816	**1,071,652**	**3.67%**
Tendering/Evaluation Stage	127,032	771,233	**898,265**	**3.08%**
Ongoing Stage	14,351,819	452,488	**14,804,307**	**50.72%**
Completed Sage	12,410,845	4,800	**12,415,645**	**42.53%**
Total	**27,225,532**	**1,964,337**	**29,189,869**	**100%**

The Status of the fund shifted from Gaza to West Bank municipalities from AFD and KFW is undergoing noting that the majority are scale up of the original projects, focusing on supporting the recurrent expenditure.

Management of Environmental and Social Safeguards for Component 6

- MDLF updated the MDP4 Environmental and Social (E&S) management instruments to incorporate the additional requirements related to supporting municipalities' operational expenses and the employment of workers under Component 6. Both the Environmental and Social Commitment Plan (ESCP) and the Stakeholder Engagement Plan (SEP) were amended and disclosed on the MDLF website on April 30th, 2024.
- On March 25th, 2024, MDLF held a virtual consultation meeting to discuss the latest developments in the E&S framework and the SEP for the Municipal Development Program – Phase 4, with a focus on the additional financing for municipal operational expenses and workers employment. The meeting was attended by 33 participants, including representatives from municipalities (e.g., Al-Bireh, Beit Ummar), NGOs such as the General Union of Palestinian Women (GUPW), the Palestinian Engineering Association (PALENG), the Association of Palestinian Local Authorities (APLA), as well as various government ministries and authorities, including the Ministry of Local Government (MoLG), Ministry of Health (MoH), Ministry of Labor (MoL), Ministry of Women Affairs (MoWA), Environment Quality Authority (EQA), Palestinian Water Authority (PWA), Palestinian Civil Defense (PCD), Palestine Polytechnic University, Palestine Green Building Council, and the Palestinian General Federation of Trade Unions.
- During the meeting, participants raised concerns about funding, procedural requirements for this component, implementation arrangements (both through municipalities and contractors), and the extent of coverage for recurrent expenditures. MDLF addressed these inquiries and noted that further details would be provided once the additional financing requirements are finalized with donors. MDLF also emphasized that, given the emergency nature of this component, procedures would be streamlined as much as possible in accordance with donor agreements and manuals.
  - Projects were screened using 5 risk criteria and categorized accordingly.

Risk Level	W06 Projects
Low	191
Low-Moderate	168
Moderate	1
Substantial	0
Under Appraisal	23

1.5 RMSP/MDP4" – Amended Results Framework (Table 15)

Table 15: MDP4 Results Framework

Project Development Objectives(s)
To strengthen municipal capacity to deliver accountable, sustainable, inclusive and resilient services to the municipal population in the West Bank.

Project Development Objective Indicators

Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
Greater municipal capacity				
Municipalities that graduate up the performance category in which they are currently classified (Number)	0.00	80.00	50	Not yet assessed. An out sourced consultancy firm was contracted to undertake the verification of municipal ranking. The results will be available by Sept. 2025.
Greater municipal accountability				
Beneficiaries satisfied with the services provided under the project (Percentage)	0.00	75.00	75	Not yet assessed. A consultancy firm was contracted by July 2025 to conduct the BIA. The results will be available by October. 2025.
People under 18 years of age (Percentage)	0.00	50.00	50	
Percentage of which are people with disabilities (Percentage)	0.00	10.00	10	
(SDC) women participation in the participative assessments and planning exercises at municipal level (Percentage).	0.00	30.00	30	34% of females have participated in the planning sessions. (West Bank municipalities). The female participation as well as the gender issues will be also considered during the implementation of SA/CE with partners NGOs at all municipalities in the West Bank.
(SDC) Number of participating and influencing public services provision, decision making and budgets in their localities.	0.00	TBD	TBD	For WB municipalities 22,419 inhabitants have participated in the SDIP development during the year 2023. For the year 2024, at least 15% of those participated in the SDIPs developmenmt, namely (3,362 inhabitants), particularly the SDIPs committees, continued working on the SDIP annual update FY 2024.

Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
(SDC) Women participation in the participative assessments and planning exercises at municipal level (Percentage).	0.00	30.00	30	34% of females have participated in the planning sessions. (West Bank municipalities). The female participation as well as the gender issues will be also considered during the implementation of SA/CE with partners NGOs at all municipalities in the West Bank.
Greater Municipal service sustainability				
Direct beneficiaries of Component 1 and 3 activities (Number)	0.00	1,000,000.00	600,000	A total of 180 projects have been implemented of which 92% are either ongoing or completed targeting so fat 540,000 beneficiaries directly.
Percentage of which are women (Percentage)	0.00	50.00	50	Achieved 50% (270,000)
Percentage of which are people with disabilities (Percentage)	0.00	10.00	10	5% based on PCBS figures (27,000)
Percentage of which are people under 18 years of age (Percentage)	0.00	44.00	44	44% (237,600)
Operations Manual for the IGFT prepared and adopted (Yes/No)	No	Yes	Yes	- A national team has been formed including representatives from (Ministry of Local Government, Ministry of Finance, Ministry of Planning, MDLF and APLA) to oversee the implementation of the IGFT plan. The team according to its mandate is going to work closely with international partners (World bank and GIZ) to develop interventions for financial reform and other related tasks. The main progress in this topic is the consensus among all parties on prioritizing the development of IGFT with a plan to start as soon as logistic arrangements are finalized. - An international consultant has been contracted to prepare such manual/system with a forward looking to be endorsed by the PA. - A draft framework was prepared and shared with stakeholders.
Greater resilience to disasters				
Number of subprojects completed that address natural hazard and climate change risks (Number)	0.00	25.00	15	<u>Projects under component 3:</u> - 5 sub-projects were identified under component 3 that address climate change, specifically in the sectors of Solid Waste Management (Separation), Drainage Systems to enhance the infrastructure resilience for flash flooding, Water Harvesting and Irrigation, Sludge management, reuse of water water). Adding to that, 46 sub- projects under component 1 are marked as CC interventions, meaning that it is anticipated to surpass the end target.

Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
Intermediate Results Indicators by Components				
Component 1: Performance Based Service Delivery Grant Transfer				
Percentage of projects implemented by the program for the benefit of vulnerable communities. (Percentage)	0.00	10.00	10	Not yet assessed - the results will be obtained by end of July 2025. However, it is anticipated that the target will be achieved
Number of municipalities that have completed the entry of data in the net lending portal (Percentage)	0.00	20.00	20	In progress exceeding the set target . The portal has been launched by MOF and the municipalities started filling out the data on the system. An official letter signed by MOLG minister and sent to all municipalities asking them to fill out the data on the net lending portal which is conditional for being eligible for MDP4-cycle 2 financing.
Square meters of public spaces constructed/rehabilitated (Square Meter(m2))	0.00	20,000.00	15,000	2000 Sqm completed out of 31,357 SQM (as a traget for cycle 1)
Percentage of investments with adequate and soundness state and used as intended (Percentage)	0.00	90.00	90	This indicator will be measured by the end of the cycle through an outsourced external assessment, precisely “Technical audit and Usability Assessment”. The audit is undergoing and is anticipated to be accomplished early October 2025.
Number of municipalities having responsive GRM for implemented projects (Number)	0.00	80.00	60	All municipalities have the tools for responsive GRM including the complaint procedures, manuals, accessible information per project, trained frontline staff. So far, the GRM has been implemented/adopted across all municipalities with successful resolution of complaints for 10 cases recorded under MDP4-Component 1 sub-projects.
(SDC) Women have safe access to public facilities and the Complaint System at LGUs is gender responsive	Yes	Yes	Yes	Not yet assessed.

Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
Component 2. Sector Policy and Institutional Development				
Adoption and publication of annual IGFT report carried out in each year of project implementation (Text)	No	Yes	Yes	- A national team has been formed including representatives from (Ministry of Local Government, Ministry of Finance, Ministry of Planning, MDLF and APLA) to oversee the implementation of the IGFT plan. The team according to its mandate is going to work closely with international partners (World bank and GIZ) to develop interventions for financial reform and other related tasks. The main progress in this topic is the consensus among all parties on prioritizing the development of IGFT with a plan to start as soon as logistic arrangements are finalized. - An international consultant has been contracted to prepare such manual/system with a forward looking to be endorsed by the PA. - A draft framework was prepared and shared with stakeholders.
Municipalities that adopted revenue enhancement plans (Number)	0.00	22.00	15	Not yet assessed awaiting for the credit worthiness self assessment
Number of municipalities with responsive complaint system (Number)	0.00	40.00	30	- This indicator is one of the KPIs under MDP4. - An out sourced consultancy firm was contracted to undertake the verification of municipal ranking. The results will be available by Sept. 2025.
National LGU classification/ranking system enhanced (Text)	No	Yes	Yes	Not yet started.
Number of municipalities implementing at least 2 social accountability tools annually (Number)	0.00	80.00	60	- This indicator is one of the KPIs under MDP4. - An out sourced consultancy firm was contracted to undertake the verification of municipal ranking. The results will be available by Sept. 2025.
Number of municipalities with functional IFMIS (Number)	80.00	120.00	85	- This indicator is one of the KPIs under MDP4. - An out sourced consultancy firm was contracted to undertake the verification of municipal ranking. The results will be available by Sept. 2025.
Annual reports from the net lending portal are published yearly (Text)	No	Yes	Yes	Not yet achieved The portal was developed and has been used by a number of municipalities.
Number of municipalities with functional O&M system (Number)	76.00	140.00	118	- This indicator is one of the KPIs under MDP4. - An out sourced consultancy firm was contracted to undertake the verification of municipal ranking. The results will be available by Sept. 2025.

Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
Number of municipalities having electronic services (Number)	12	25.00	20	Undergoing. 8 municipalities will have E municipality resulting in a communicative figure of 20 municipalities by end of MDP4
Component 3. Competitive Grants for Natural hazard and Climate Change Resilience				
Number of municipalities capacity building support on climate change (Percentage)	20.00	60.00	60	Undergoing All 138 municipalities will be targeted by the CC training supported by Enabel and GIZ.
Share of subprojects that address natural hazard and climate with female engineers employed in delivery of solutions (Percentage)	0.00	25.00	20	Achieved where the LTCs have female engineers that contributed in delivery of solutions to tackle CC, precisely under component 1 (water, sanitation, and drainage projects).
Component 4: Project implementation support and management				
Percentage of municipalities satisfied with MDLF performance (Percentage)	0.00	90.00		Not yet assessed. A consultancy firm was contracted by July 2025 to conduct the BIA. The results will be available by October. 2025.
Component 6: Emergency O&M support to participating municipalities				
Number of paid working days created through the C4W (Number)	0	50,000		A total of **383 sub-project proposals** were submitted by 138 municipalities in the West Bank. Preliminary analysis of the projects reveals that municipalities prioritize covering their recurrent expenditure to sustain basic operating services and to partially compensate for potential decline of revenues given the severe funding constraints facing municipalities resulted from the bad economic crisis. 43 projects are classified as ***Emergency labor-intensive O&M of municipal services*** and are expected to create around **24,338 working days.**
Percentage of O&M, out of municipal operational budgets (excluding wages and salaries) financed by the project (Percentage)	0	4		Waiting for budget analysis FY 2024. However, it is anticipated that the target will be surpassed.

1.6 Challenges and Obstacles:

- The escalation of the conflict in the Gaza Strip led to some donors requesting to withhold their financial contributions after MDLF allocated funds to eligible municipalities. This significantly impacted the project's progress.
- Israeli restrictions in the West Bank have hindered MDLF engineers and LTCs from conducting field visits as initially planned, leading to some delays in the sub-projects appraisal process.
- The consultation process related to social safeguards documentation took longer than anticipated, further delaying project progress.
- The ongoing political situation has forced municipalities to reassess their priorities to address immediate basic needs, such as those in the roads and water sectors. This has led to some delays in receiving and approving sub-projects proposals.
- There was a lack of commitment from municipalities in submitting required documents for MDLF appraisal and verification. Many municipalities began preparing designs and permits only after receiving allocation letters from MDLF, despite having identified these sub-projects in their SDIPs. In some cases, submitted design documents were incomplete or inadequate.
- A gap in municipalities' understanding of ESMF requirements necessitated additional efforts from MDLF and LTCs to ensure compliance with standards and procedures outlined in MDLF operational manuals.
- The types of projects selected were predominantly road projects to align with the limited allocations available to municipalities.
- In some cases, municipal staff did not fully assume ownership of their sub-projects and relied heavily on LTC engineers, consultants, and MDLF staff for quality control and financial management. This reliance was exacerbated by the financial crisis, which led to irregular salary payments.
- Many municipalities experienced understaffing, excessive routine work, and multi-tasking. Bureaucratic delays in data collection and verification of infrastructure sub-projects were also observed.
- Municipal staff exhibited low capacity in evaluating bids, preparing bidding documents, and supervising projects. Additionally, some engineers worked part-time across several municipalities, which contributed to delays, particularly in larger municipalities where bid evaluations took longer time than expected.
- The ongoing political conflict and escalations in the Palestinian Territories have negatively impacted perceptions of social accountability and civic engagement among citizens and municipalities. Consequently, activities related to these areas have been postponed or suspended, as they are assumed to be infeasible under the current circumstances.

2. Promotion of Green Services and Climate Change Initiatives

2.1 General information

Title of the action:	Promotion of Green Services and Climate Change Initiatives in Local Governance
Location(s) of the action:	The project will target 5 clusters across the West Bank In addition to other new Local Government Units (LGUs) in areas such as Jenin, Qalqilya, and Tulkarem in the Northern West Bank which were subject to invasions by the Israeli Authorities after the escalation of war on Gaza.
Total duration of the action (months):	3 years
Requested Enabel contribution (amount)	EUR 5,377,383
Requested Enabel contribution as a percentage of total eligible costs of the action (indicative) [2]	100%
Objectives of the action	**Impact:** To **contribute to** improving the conditions of the Palestinian ecosystems and their population by **reducing ecological footprint and GHGs emissions** through the promotion of green circular economy (GCE) and green urban areas, focusing on energy efficiency, renewable energy, and sustainable waste management. **Outcome: Adaptation of green inclusive services in the targeted LGUs through the implementation of (renewable energy and energy efficiency, green public spaces, and solid waste management - 3Rs projects).** **Intermediate Outcomes:** (i) Promoted Green practices in public services among the targeted LGUs (green public spaces, EE, RE, and SWM 3Rs). (ii) Increased citizens accessibility to green public spaces in the urban areas among the targeted clusters. (iii) Enhanced knowledge of the targeted LGUs' staff in green services and CC. (iv) Enhanced Solid waste management through providing needed equipment and tools to JSCs in the selected governorates. (v) Reduced energy consumption through implementing green initiatives, particularly, (EE, RE).

[2] If applicable, insert an additional % of the total accepted costs.

Target group(s)[3]

Governorates	LGU[4]	Governorates	LGU
Nablus	City of Nablus	**Hebron**	City of Hebron
	Al Badhan		Ash Shuyukh
	Alfar'a Camp		Sa'irr
	Asira ash Shamaliya		Al 'Arrub Camp
	Talluza		Bani Na'im
	Yasid		Masafer Bani Nai'm
	Beita*		Al-Karmel*
	Ousareen*		Khalat El- Maya*
	Audala*		Yatta*
	Zaatara*		
Tubas	City of Tubas	**Bethlehem**	Bethlehem city
	El Far'a Camp		Beit Fajjar
Jerusalem	AL-Azaria	**AL-Azaria**	
	AL-Ram		
	Al-Sawahrah		
	Shikh Saad		
	Jahalin		
	Al-Zayem	This cluster was added to the targeted groups in accordance to the 1st amendment of the grant agreement.	
	Kufer Aqab		
	Jaba		
	Mukhmass		
	Hizma		
	Abu-Deas		
	Anata		

In addition to other new Local Government Units (LGUs) in areas such as Jenin, Qalqilya, and Tulkarem, which have been adversely affected by recent invasions following the outbreak of war in Gaza, with a total population 192,703 inhabitants (PCBS 2025 projection).
The Estimated No. of Beneficiaries for all clusters in addition to the new areas: 1,018,605 inhabitants.

Initiatives

Thematic interventions were identified and then approved by the programme steering committee. Those initiatives will focus on green investments including:

- **Green Public Spaces:** Facilitate the development of public spaces in four urban areas of the selected Governorates through integrating the green concepts. The original target was two public spaces and then amended by adding another two green public spaces according to the Steering Committee decision taken on 11th December 2024.

Other Green Services:

- RE and EE: Promote rooftops on the public Buildings across the selected clusters, and/or potential Mid-Size solar panels on a territorial Level as well as the install of solar panels on the rooftop of MDLF headquarters to enhance its green elements, noting that the MDLF building is recognized as a green building.

[3] 'Target groups' are the groups/entities who will directly benefit from the action at the action purpose level.

[4] LGUs marks with a * were supported by LGRDP program

	- SWM: provide Solid waste equipment's, tools, and vehicles for the benefit of the JSCs across the selected clusters. The projects per cluster LGUs -under the above thematic interventions- will pass through a screening/appraisal process and will be endorsed by the steering committee.
Main Activities	**Mobilization (Preparatory Activities)** - Coordination with the Palestinian Energy and Natural Resources Authority "PENRA", Environmental Quality Authority "EQA" and MOLG to ensure smooth implementation of the initiatives. - Studies and assessment that allow for better identification of potential interventions per cluster. This will be conducted through consultancy services under the full management of MDLF (as needed). **Preparation for the implementation** **(Final Projects Selection and Design Preparation)** - Endorsement of projects by the programme Steering Committee. - Effective coordination between MDLF, Enabel and Programme partners (MOLG, Enabel and PENRA) with the clusters' LGUs encouraging them to be well prepared for the implementation. - Signing Grant Implementation Agreements (GIAs) between MDLF and the clusters' LGUs describing the roles and the responsibilities for MDLF and the LGUs. - Preparation of the local technical consultant/s terms of reference, concerning EE/RE/Green Public Spaces and SWM. - Preparation of detailed implementation plan including (procurement plan and disbursement plan). - Contracting the local technical consultants (LTC/s) for projects design, supervision and quality control. - Preparation of design and bidding documents for the projects including the Environmental and Social Management Plan (ESMP) by the LGU and LTCs under the supervision of MDLF. **Sub-projects Implementation** - Contracting local contractors and suppliers by the LGUs for implementing the initiatives following the no objection from MDLF. - Assisting LGUs in the projects supervision. - Monitoring the Social and Environmental Safeguards. - Handing over and Closure of the projects. **Capacity Building Activities** - Identify the potential capacity building activities in the framework of Capacity Development packages under the Municipal Development Programme – phase 4. - Contracting consultancy firms/individuals to implement the CB activities. - Implementing the CB activities in relation to CC and public awareness on green services. **Communication and visibility** - Awareness raising events with clear messages related to CC aiming to raise the awareness on the need to boost green solutions, such as RE and EE as well as other innovative solutions, such as recycling, or waste management. The activities will be coordinated with Enabel to ensure better visibility of the interventions.

2.2 Activities

A detailed description of the implemented activities:

Activity: 5.2.2	**Installation of RE**
Start date (As planned)	Q4 of 2023
Actual starting date:	December, 2023
Status:	Not started Finished Delayed Canceled Ongoing
Justification and response If delayed or canceled	Progressing
Progress:	- The assessment have been completed for the RE interventions - 9 sub-projects have been identified targeting a set of LGUs/localities : (Asira Ashamaliyah, Al Badhan, Yaseed, Al Fara Camp, Beita, Bani Naim, Al Karmel, Hebron, Yatta, Ashyoukh, Sair, Beit Fajjar, Bethlehem, Aroob Camp, Beit Sahur) as well as supporting a number of JSCs with RE interventions across the targeted clusters. - Out of 9 identified RE sub-projects, , 3 sub-projects are undergoing, and 4 sub-projects are under bid preparation/tendering/evaluation of bids and 2 sub-projects under design stage. - As part of the 2nd amendment, the project scope has been increased to supply 50 KWH of RE for MDLF headquarters to enhance its green elements noting that it is marked as a green building. This particular sub-projects is under design.
Main Outputs:	**Intermediate outcome # (5):** Reduced energy consumption through implementing green initiatives, particularly, (EE, RE)
Related indicator:	**Intermediate outcome # (5) indicators:** % of energy savings resulted from green initiatives implemented in the targeted LGU's. **Status:** Expected savings from RE initiatives: 95% **Output (5.2) indictors:** # of KWH generated from solar energy **Status:** total solar PV systems installed in clusters so far is: 520 KW. # and type of EE equipment installed
Related MEAL activities:	The logical framework of the project has been updated, and the indicators were reported against agreed upon targets.
Main Challenges:	- Due to the ongoing political situation, particularly the Iran-Israel conflict, the project materials were redirected to an Egyptian port instead of the originally planned Israeli port. This change has resulted in a delay of approximately one month. As a result, the project completion date is now expected to be in August instead of July.
Main Lessons learned:	Will be captured on a later stage.
Recommendations:	NA

Activity: 5.2.3	Installation of EE Tools
Start date (As planned)	Q4 of 2023
Actual starting date:	December, 2023
Status:	☐Not started Finished Delayed Canceled Ongoing
Justification and response If delayed or canceled	Progressing
Progress:	- The assessment has been completed for the EE interventions - 10 sub-projects have been identified targeting a set of 11 municipalities including: (Al Karmel Municipality, Al-Shoyokh Municipality, Ashyoukh Municipality , Bani Naim Municipality, Beit Fajjar Municipality, Beita Municipality, Bethlehem Municipality, Hebron Municipality, Nablus Municipality, Sair Municipality, Yatta Municipality). - The identified sub-projects are categorized among different sectors covering the supply of street lighting with LED flexures and solar poles and efficient water/wastewater pumps. - Out of 10 identified EE sub-projects, one sub-projects was completed, 6 sub-projects are undergoing, and 3 sub-projects are under tendering/evaluation of bids. - As part of the 2nd amendment, the project scope will be increased to support additional municipalities in the northern West Bank, precisely "Jenin, Tulkarm, and Qalqilia" with EE tools including efficient water pumps and LED flexure units. The sub-projects under the 2nd amendment are under design.
Main Outputs:	**Intermediate outcome # (5):** Reduced energy consumption through implementing green initiatives, particularly, (EE, RE)
Related indicator:	**Intermediate outcome # (5) indicators:** - **% of energy savings resulted from green initiatives implemented in the targeted LGU's.** **Status:** A) Expected savings from EE initiatives (Pumps): 65%. B) Expected savings from street lighting is 50% **Output (5.2) indictors:** - **# and type of EE equipment installed** **Status:** A) Replace the old pumps with high efficiency pumps. Not installed yet. B) Replace the old low efficiency lamps with LED lamps: 1250 lamps were installed so far.
Related MEAL activities:	The logical framework of the project has been updated, and the indicators were reported against agreed upon targets.
Main Challenges:	- The materials supplied to the site were rejected as they did not comply with the technical specifications. Accordingly, formal letters were sent to the supplier requesting the removal of the installed materials and the provision of materials that meet the required specifications. - This situation necessitates an extension of the project duration by 120 days. As a result, the project disbursement is now expected to take place in October instead of July. - Due to the ongoing political situation, particularly the Iran-Israel conflict, the project materials were redirected to an Egyptian port instead of the originally planned Israeli port. This change has resulted in a delay of approximately one month. As a result, the project completion date is now expected to be in August instead of July.
Main Lessons learned:	Will be captured on a later stage.
Recommendations:	NA

Activity: 4.1.2	**Promote solid waste management in the public sector**
Start date (As planned)	Q4 of 2023
Actual starting date:	December, 2023
Status:	Not started Finished Delayed Canceled Ongoing
Justification and response If delayed or canceled	This activity started in December 2023 with notable progress. The procurement stage is completed, and the supply stage is progressing.
Progress:	**Supply of Equipment and Tools to Enhance Solid Waste Management to five JSCs (Nablus, Hebron, Bethlehem, Tubas and Northeast & Southeast Jerusalem):** the assessment, design and tender phases have been completed to provide each JSC with garbage collector vehicle as well as five mobile maintenance vehicles. The contract delivery of five garbage vehicles was signed on May 15th, 2024, and will soon be handed over to the JSC's. The delivery of five mobile maintenance vehicles was signed on July 2024 and handover to the JSC's. Moreover, the assessment phase of supplying solid waste bins with its spare parts for the five JSCs has been completed and is in the tendering/awarding stage.
Main Outputs:	**Intermediate outcome # (4):** Enhanced Solid waste management through providing needed equipment and tools to JSCs in the selected governorates is enhanced. **Outputs:** Solid waste equipment/tools were supplied for selected JSC's
Related indicator:	**Intermediate outcome # (4) indicators:** - % of increased SW collected **Status:** Not assessed yet. **Output 4.1 indicators:** - **Mobile maintenance workshops** **Status:** Successfully delivered. (5) maintenance vehicles are successfully handed over. - **Solid waste separation bins for waste** **Status:** Under procurement - **Garbage collector vehicle for the separated waste for each JSC.** **Status:** 5 garbage collector vehicles will soon be handed over.
Related MEAL activities:	The logical framework of the project has been updated, and the indicators were reported against agreed upon targets.
Main Challenges:	- Unsafe conditions of using the external roads to visit the targeted LGUs in this challenging and turbulent time. - Slowdown in work progress against planned timeframe following the progressive worsening of the security situation over the last months. - Tightening Israeli-imposed restrictions on the movement of MDLF engineers and consultants. - Instability of LGUs employee's working hours.
Main Lessons learned:	Will be captured on a later stage.

2.3 Updated action plan

Table 16: Updated Action Plan

Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
I.O 1 : Promoted Green practices in public services among the targeted LGUs (green public spaces, EE, RE, and SWM 3Rs).															
Output 1.1: The Results and deliverables of the projects are disseminated	**1.1.1 Communication and Visibility Actions (billboards, spots, videos, brochures, events management, inaugurations,….etc)**														
	- Final agreement with Enabel on the communication and visibility plan													- The plan was shared with Enabel, and is approved.	MDLF, Enabel
	- Contracting PR company for visibility actions													- The activities were split into two bids. - The 1st bid comprises of opening ceremonies and branding for SW equipments. This particular bi was contracted and is undergoing. - The 2nd bid is under preparation comprising printing materials, proportional activities and fund day events,..etc.	MDLF
	- Implementation of the communication and visibility activities													- Undergoing	PR company under full supervision of MDLF

Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
I.O 2: Increased citizens accessibility to green public spaces in the urban areas among the targeted clusters.															
Output 2.1: Green public spaces in four urban areas were constructed/developed.	**2.1.1 Consultancies for projects selection, design, and supervision**														
	- Contracting a consultant													- Not yet contracted. - The TOR was agreed upon considering the feedback from Enabel and MOLG. - The LTC assignment is under procurement.	MDLF
	- Projects final selection and endorsement by the SC													- The projects were initially selected.	MDLF, LTC, Enabel
	- Projects Design													- Not yet started awaiting for the LTC to be contracted.	LTC under the supervision of MDLF
	- Projects Supervision													- Not yet started awaiting for the LTC to be contracted.	LTC under the management of MDLF
	2.1.2 Works Contracts (implementation)														
	- Signing MOU with targeted LGUs													- Not yet started awaiting for the LTC to be contracted.	MDLF
	- Tendering and procurement for the projects													- Not yet started awaiting for the LTC to be contracted.	MDLF, LGUs
	- Implementation													- Not yet started awaiting for the LTC to be contracted.	Contractors under the supervision of MDLF, LGUs and LTC

Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
I.O 3: Enhanced knowledge of the targeted LGUs' staff in green services and CC															
Output 3.1: Capacity building activities and training are delivered to the targeted LGUs staff	**3.1.1 Consultancies (all the costs related to training activities will be included)**														
	- Identify the potential capacity building activities in the framework of CD packages under the Municipal Development Programme – phase 4.													- This activity will be co-financed with GIZ using the training material/modules which were piloted in Amman. - All 138 municipalities will be targeted by the CC training. - Additional task was added to the TOR focussing on developing SOPs for CC as part of the long-term vision to be institutionalized at LGUs and potentially to be integrated into MDP KPIs.	MDLF
	- Contracting a consultancy firm/individuals to conduct training														MDLF
	- Implementation of CB activities in relation to CC, RE, public awareness on green building and other green services.														Contracted consultants under the supervision of MDLF technical staff
I.O 4: Enhanced Solid waste management through providing needed equipment and tools to JSCs in the selected governorates is enhanced.															
Output 4.1: Solid waste equipment/tools were supplied for selected JSCs	**4.1.1 Consultancies**														
	4.1.1.1 Upon demand Consultancy for design and handing over													Done	Contracted consultants under the supervision of MDLF technical staff
	4.1.1.2 Conduct BIA													- Not yet started awaiting for the completion of SW interventions	Contracted consultants under the supervision of

Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
															MDLF technical staff (M&E unit)
	4.1.2 Material & equipment purchases														
	- Signing MOU with targeted JSCs upon final endorsement of the projects by the SC													Done	MDLF
	- Tendering and procurement for the projects													Done	MDLF, LGUs
	- Implementation													- The supply of SW vehicles was accomplished. - The supply of SW bins is under tendering.	Contractors under the supervision of MDLF, JSCs and LTC
I.O 5: Reduced energy consumption through implementing green initiatives, particularly, (EE, RE)															
Output 5.2 RE and EE investments in the public sectors were installed	**5.2.1 Consultancies**														
	- Contracting a consultant													Done	
	- Projects final selection and endorsement by the SC													Done	MDLF
	- Projects Design													Done	MDLF, LTC and Enabel
	- Projects supervision													Undergoing	LTC under the supervision of MDLF
	5.2.2 Installation of RE														

Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
	- Signing MOU with targeted LGUs													Done	MDLF
	- Tendering and procurement for the projects													Done	MDLF, LGUs
	- Implementation													Undergoing	Contractors under the supervision of MDLF, LGUs and LTC
	5.2.3 Installation of EE tools														
	- Signing MOU with targeted LGUs													Done	MDLF
	- Tendering and procurement for the projects													Undergoing	MDLF, LGUs
	- Implementation													Undergoing	Contractors under the supervision of MDLF, LGUs and LTC
General Means	**6.1.1 Support Staff (project engineer)**														
	- TOR preparation													Done	MDLF
	- Procurement and tendering													Done	MDLF
	- Contract management													Undergoing	MDLF
Evaluation Activities	**3.1 Evaluation**														
	- TOR preparation													Not yet started	MDLF

Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
	- Procurement and tendering													Not yet started	MDLF
	- Conducting final evaluation													Not yet started	MDLF

2.4 Performance indicators

Table 17: Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
Impact (Overall objective)	**To contribute** improving the conditions of the Palestinian ecosystems by reducing ecological footprint and GHGs emissions through the promotion of green circular economy (GCE) and green urban areas, focusing on energy efficiency, renewable energy, and sustainable waste management.	- Tons of CO2 avoided or sequestered through the applied green services	0	TBD based on the final list of projects and the final design as well.	Aggregated figures on CO2 avoided to be calculated based on LTCs' and municipalities' reports.		Not yet assessed
Outcome (s) (Specific objective(s))	Adaptation of green services in the targeted LGUs through the implementation of (renewable energy and energy efficiency, green public spaces, and solid waste management - 3Rs projects).	- % of the targeted municipalities that incorporated green services within their Strategic Development and Investment Plans (SDIPs).	0	80%	MDLF will review the municipalities' SDIPs and calculate the % of identified green initiatives.	Willingness of LGUs decision makers to include green initiatives in the SDIPs and to implement accordingly	Not yet assessed Will be assessed as part of a comprehensive municipal performance assessment. The results will be available by end of 2025.

Table 17: Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
		- % of green initiatives implemented by the targeted municipalities through other parallel financing. (in terms of # and budget).	0	10%	MDLF will review the list implemented projects by the targeted municipalities during the project lifecycle, and the % of implemented green initiatives will be calculated accordingly.		Not yet assessed Will be assessed as part of a comprehensive municipal performance assessment. The results will be available by end of 2025.
Intermediate outcomes	1) Promoted Green practices in public services among the targeted LGUs (green public spaces, EE, RE, and SWM 3Rs).	- # of views for the project activities in the MDLF Facebook, municipalities Facebook and municipalities web-pages.	0	30,000	Municipalities Facebook pages and websites. MDLF Facebook page	Interest of LGUs staff in training. Political stability allows for smooth implementation.	14,000 views on project posts on MDLF Facebook.
	2) Increased citizens accessibility to green public spaces in the urban areas among the targeted clusters.	- # of visitors of the green public spaces (disaggregated by gender, youth and PWD).	0	2000* This target value will be reviewed and validated by the LTC	Municipalities' reports		Not yet achieved. The Green public spaces are still under identification stage. TOR for design and supervision will be tendered in June. Implementation will take place afterwards.
	3) Enhanced **knowledge of the targeted LGUs' staff** in green services and CC.	- % of the participated staff reported enhanced knowledge on CC and green services.	TBD based on the pretest that will be done for the participants.	80%	Evaluation of training – through consultants' reports (pretest Vs. post test)		Not yet achieved. The training assignment is under procurement.
	4) Enhanced Solid waste management through	- % increase of SW collected	0	10%	JSCs reports where the quantities of SW		Not yet assessed.

Table 17: Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
	providing needed equipment and tools to JSCs in the selected governorates is enhanced.				collected will be obtained (before and after) and the percentage of increased quantities will be calculated accordingly.		The supply of SW containers are under tendering/awarding stages.
		- % of satisfaction of citizens on SW services in the targeted communities.	TBD based on available reports at the JSC level	80%	Beneficiaries satisfaction survey that will be done by an outsourced consultancy firm under the full supervision of MDLF-M&E.		Not assessed yet. The assessment is planned to be conducted in 2026.
	5) Reduced energy consumption through implementing green initiatives, particularly, (EE, RE)	- % of energy savings resulted from green initiatives implemented in the targeted LGUs.	0	20%	Municipalities' reports to assess the energy consumption before and after and the % of energy savings will be calculated accordingly.		RE: Expected saving = 95% EE: Pumps expected saving 65% Street lamps expected savings: 50%
Outputs						Willingness of the targeted LGUs to cooperate. Political stability allows for smooth implementation.	Not yet Implemented. The Green public spaces are still under identification stage. TOR for design and supervision will be tendered in June. Implementation will take place afterwards.
	- Green public spaces in four urban areas were constructed/developed	- # of the green public spaces constructed. - Square meters of green public spaces constructed	0 0	4 public spaces 1600 SQM	Municipalities' reports, LTCs reports		

Table 17: Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
	- RE and EE investments in the public sectors were installed	- # of KWH generated from solar energy.	0	800 KWH	Municipalities' reports, LTCs reports	Willingness of women and vulnerable groups to engage in workshops and consultation sessions	Total solar PV systems installed in clusters so far = 520 kW It is anticipated to achieve the target by end of the project.
		- # and type of EE equipment installed	0	TBD after having the final design of the buildings			A) Replace the old pumps with high high-efficiency pump Status: Not yet installed B) Replace the old low-efficiency lamps with LED lamps Status: 1250 lamps have been installed so far.
	- Capacity building activities and training are delivered to the targeted LGUs staff.	- # of LGUs staff participated in CB and training activities.	0	100	Municipalities' reports, LTCs reports		Under procurement
		- # of training sessions conducted	0	30	Municipalities' reports, LTCs reports		Under procurement
	- Solid waste equipment/tools were supplied for selected JSCs	- Mobile maintenance workshop "Vehicle"	0	5	JSCs reports		Successfully achieved. 5 maintenance vehicles were successfully handed over to the JSC's.
		- Solid waste separation Bins for (organic and inorganic) waste and spare parts	0	2740	JSCs reports		Under procurement

Table 17: Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
		- Garbage collector vehicle for the separated waste for each JSCs	0	5	JSCs reports		Successfully achieved. 5 garbage collector vehicles will soon be handed over to the JSC's.
	- The Results and deliverables of the projects are disseminated.	- # of video spots used for promotion of green initiatives. - # of copies for brochures, posters, and infographics distributed for results dissemination. - # of inaugurations and funday activities conducted for promotion of results.	0 0 brochures 0 infographics 0 inaugurations 0 outreach and funday activities: (recycling, kids funday, planting, environmental art and craft)	6 2000 brochures 1000 infographics 8 inaugurations 4 outreach and funday activities: (recycling, kids funday, planting, environmental art and craft)	Reports from the PR company that will be contracted by MDLF.		Not yet achieved.

2.5 Revision & Modifications

The project underwent revisions in 2024 by Enabel, the Ministry of Local Government (MoLG), and the Municipal Development and Lending Fund (MDLF) to address the impacts of political instability, access restrictions, economic decline, and financial disruptions affecting municipalities across the West Bank—particularly following the escalation of the war on Gaza and the intensification of Israeli measures in the West Bank.

The initial discussion has taken place early 2024 through a workshop organized by Enabel with involvement from stakeholders including MDLF, MOLG and other partner institutions involved in the Green West Bank portfolio. The initial thoughts during the workshops addressed several issues regarding the operational aspects and challenges that may hinder the implementation with key recommendation to adapt and contextualize the project activities while maintaining the outcomes as originally planned.

MDLF, MOLG and Enabel have been engaged in a thorough discussion over the year 2024 which was concluded in a Steering Committee decisions in December 2024 as follows:

A) Amendment of Geographical Scope:

The geographical scope of the project activities was agreed to be increased with specific focus on the Northern Areas in the West Bank, which have been adversely impacted by the Israeli invasion after the escalation of the war on Gaza since October 2023. To support this extension, an additional financing of EUR 500,000 was approved.

B) Budget Reallocation and Scope Adjustments

a) **Green Buildings Vs. Green Public Spaces:** According to the grant agreement, the initial plan was to support the retrofitting of at least two public buildings by incorporating green building models and practices. However, following the shift in priorities identified during the revision workshop held in April 2024, it was agreed to reallocated the fund earmarked for green buildings/retrofitting towards the development of additional two Green Public Spaces.

b) **Integration of Social Component:** it was agreed to modify the approach for women's engagement in Green Public Spaces to a broader focus on social integration in the design process. This was further strengthened within the Terms of Reference (TOR) for design and supervision consultancy.

c) **It was agreed to include MDLF** as a beneficiary under the Renewable Energy thematic intervention by facilitating the installation of solar panels (50 KWH) at the MDLF headquarters with an estimated cost EUR 50,000. This initiative will enhance the green features of the MDLF headquarters, which is recognized as a green building.

Accordingly, the original project proposal was amended including the revision of the RFW and the budget to tackle the above mentioned changes and modifications. This will ensure that funds are used more effectively and appropriately, maximizing their impact under the current circumstances.

2.6 Networking and partnerships

- Where applicable, describe the links and synergies that you have established with other actions.

- This action is integrated into the design of Municipal Development Programme – Phase 4. A specific sub-component was added to component 3 of the programme, namely, Competitive Grants for Natural hazard and Climate Change Resilience aiming at promoting the climate change and resilience across the municipalities. The synergy with MDP4 and the local governance programs (in general) can be summarized as follows:
  - This action will utilize the MDP4 results for better leverage of projects outcome, particularly the adaptation of green practices for municipal services within the strategic development and investment planning.
  - The capacity building activities related to climate change under MDP4 will feed the content of training packages that will be implemented under this action. Noting that the CB activity on CC training package will be cofinanced with GIZ to ensure the harmony and maximize the benefits.
  - The potential SOPs for CC that will be resulted from the CB package will be used as an initiative to be institutionalized at municipalities with a forward looking to be integrated in future MDP-KPIs.
  - The successful implementation of this action will be used as a pioneering initiative that could be scaled up as a specific programme for climate change initiatives at local governance.

2.7 General Challenges

Describe the challenges that were encountered during the reporting period and the corresponding handling strategy (lessons learned, solutions).

Challenge	Lessons learned / solutions
- Unsafe conditions of using the external roads to visit the targeted LGUs in this challenging and turbulent time.	In light of the adverse effects of the Israeli war on Gaza and its impacts on the West Bank Territories since October 2023 and the restriction of movement; the project was subject to delays where some activities are postponed and the other were reviewed/amended. Accordingly, the project design and its timeframe was carefully reviewed to be adaptive to the current circumstances as per the following: • Targets of the RFW. • Time frame of the implementation which was reflected in the updated implementation plan. • Reallocation of retrofitting and to the most dire interventions such as the construction of additional two green public spaces. • More focus on the high visible intervention through budget reallocation and scaling up of EE/RE and Solid Waste Management. • It was crucial to adjust modality of civic engagement in green public spaces to be contextualized with the complexity of the current situation. This was already integrated into the consultancy TOR for design of Green Public Spaces.
- Slowdown in work progress against planned timeframe following the progressive worsening of the security situation over the last months.	
- Instability of LGUs employee's working hours.	

3. Area C Development Programme in the West Bank – Package VI

3.1 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 and amended on 1st May 2021 considering the contribution of EUR 2 million from the AFD.

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 LGUs to the ICA".* It is worth noting that the projects are based on the statutory outline plans which are developed in a participatory manner by the communities with support from the urban planning firms. The statutory outline plans and the detailed planning packages were submitted by the LGUs 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 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 [articles 2.1.2.1 (b+c)].

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 progamme. The Steering Committee is mandated to discuss and endorse the localities as well as the selected projects to be implemented in the targeted localities.

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 and finally approved by the Steering Committee on 30th June 2016 and reconfirmed in the Steering Committee meeting on 4th February 2020.

The selection criteria[5] 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.

The preparation for this action has started when MOLG proposed a list of localities to be targeted considering the earmarking of the AFD to support the clusters of "Al-Jiftlik, Salfeet, Nablus and Tubas". The proposed localities were then assessed in terms of meeting the 1st eligibility criteria as well a the adoption of the competitive selection criteria. Accordingly, a short list of 4 localities was concluded as follows: Al-Jiftlik- Jericho Governorate; Furush Beit Dajan-Nablus Governorate, Al-Aqaba- Tubas Governorate, Haris-Salfit Governorate.

The action plans of the localities were then revisited and field visits were conducted by MDLF, MOLG and the EU to verify the description of the selected projects and the estimated cost. Following the field visits, close coordination with the local authorities was conducted to verify the proposed 4

[5] For more details on the selection criteria please see section 2.1.3.4 of the grant proposal.

projects. Finally, the list of localities and projects was endorsed by the steering committee on 13th April 2022.

3.2 Budget Breakdown

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 2,000,000). Table 18 illustrates the budget breakdown.

Table 18: Budget Breakdown

Item	Budget (Euro)
1- MDLF management fees (indirect cost) = 7% of direct eligible cost	130,830
2- Total Direct Eligible Cost	**1,869,170**
2.1 Other Costs and Services	**35,000**
Expenditure Verification/Audit	5,000
Evaluation Cost	10,000
Visibility Actions	20,000
2.2 Other	**1,834,170**
Legal Fees	10,000
Cost of Infrastructure Sub-Projects	1,570,000
Local Technical Consultancy for Design and Supervision	120,000
Technical support Expert/s	50,000
Consultancy for Civic Engagement	24,000
Potential claims by contractors	60,170
Total Cost of the Action	**2,000,000.00**

3.3 Sub-projects Identification and Scoping

Based on the approved selection criteria, and considering the earmarking from the AFD to target the clusters of (Al-Jiftlik, Tubas, Nablus and Salfeet) a set of localities were initially suggested and coordinated with the EU, AFD and MOLG.
The action plans of the localities were then revisited and field visits were conducted by MDLF, MOLG and the EU to verify the scope of the selected projects and the estimated cost.

Following the field visits, close coordination with the local authorities was conducted to verify the proposed sub-projects (4), in terms of the readiness and validation of the projects' sites including the following:

1. Approvals from the line ministries were obtained, particularly the Ministry of Education (MoE) particularly for Haris and Al-Aqaba schools.
2. Compliance with the social and environmental safeguards to be fully ensured. This included the assurance of land ownership of the sub-projects sites where the public buildings and their linked facilities will be constructed.
3. Written commitments from the targeted LGUs were obtained to sustain and perform the needed maintenance of the projects.

Regarding the road sub-project in Al-Jiftlick, the following conditions were considered throughout the validation process:

1. The roads projects have to be located within the outline plan boundaries.
2. The Right of Way (ROW) has to be respected wherever it is implementable according to the outline plans taking into consideration the difficulties related to physical obstructions.

Accordingly, the longitudinal and transversal geometric details of these roads will be finally designed in close consultations with the LGUs and MoLG.

3. The final design of the roads, should be based on a well-structured geometric design which consists:
   - Three dimensional aspects of roads layout, i.e. “alignment, profile and cross section”;
   - Safety measures;
   - Cost efficiency and;
   - Possible adverse impacts on the environment.

On 13rd April 2022 the Steering Committee endorsed the sub-projects listed below.

- Rehabilitation and Construction of Internal Roads in Al-Jiftlik
- Continue the Construction of the Existing Haris Secondary Boys School
- Construction of a Multi-Purpose Building for Furush Beit Dajan Village Council
- Construction of an Elementary Mixed School in Al-Aqaba





Construction of an Elementary Mixed School at AL-Aqaba
(External Works)





Demolition of an Elementary Mixed School
at AL-Aqaba





המנהל האזרחי – ועדת חמשנה לפיקוח

1. עמוד
תאריך: 15/05/2024

קרטר תיק
תיק בב"ח: מ' 85/24
שם המחזיק: עואס מוסלח חגי מוחמד
ת"ז המחזיק: 962170494
ב"כ המחזיק: עו"ד בסאם כראגיה
כפר: ח'רבת טוא תחתונה
נפה: הבקעה

חברי הועדה
סמייר לאאם כהן, יו"ר הוועדה

החלטה

ביום 24 במרץ 2024 נפסר צו הפסקת עבודה ביחס לתיק בב"ח זה (בשל טעות סופר נכתבה בצו הפסקת העבודה הספרה "4" במקום "3"). בהתאם לתיאור המבנה בצו הפסקת העבודה ולתיעוד החזותי שהוצג לי, במועד זה התיק כלל מבנה שלד חד קומתי ללא קירות, רצפת בטון, יסודות והכנה ליציקת גג, הכשרת ששת וקיטום. ככל שניתן לראות, מועלים נכחו במקום בעת סיירת הצו.
ביום 17 באפריל 2024 התקיים דיון בוועדה בה נכח ב"כ המחזיק, אשר הודה כי הבינוי הוקם ללא היתר בנייה כדין, אך מבקש שהגיש בקשה להיתר ביקש לעכב את הליכי האכיפה עד להכרעה בהליך התכנוני. בסיום הדיון הוחלט על הוצאת צו סופי להפסקת עבודה ולהריסה, אשר נשלח לב"כ המחזיק ביום 8 במאי 2024.
בהתאם לתיעוד אשר הוצג לי נמשכו העבודות במבנה, זאת בניגוד לצו הפסקת העבודה. כך, ביום 8 במאי 2024 נצפה הבינוי כאשר נוספה קומה שניה למבנה השלד, והוקמו קירות בלוקים.
מצורפות תמונות הממחישות את השינויים אשר נעשו זאת בניגוד לצו הפסקת העבודה שהוצא ביום 24 במרץ 2024.

Frush Beit Dajan – Demolished VC Premise





Rehabilitation and Construction of Internal Roads at AL-Jiftlik





Continue the Construction of the Existing Haris Secondary Boys School

3.4 Assessment of Results Achieved (so far)

The outcomes and the outputs of the action will be assessed later stage given that the projects are still in the implementation stage where the results have not yet materialized as shown below.

Table 19: Assessment of Results Achievements

	Results chain	***Indicator***	***Baseline (value & reference year)***	***Target (value & reference year)***	***Achievement Progress***	***% 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	8947 (2022) Disaggregated by sex 4384 females 4563 males	5% increase beyond the natural growth rate (2027)	Not yet assessed	
		% increase of LGUs revenues as a result of the implemented interventions	0 (2022)	15% increase (2027)	Not yet assessed	
Specific objective(s) : Outcome(s)	***SO 1:*** To improve access to essential and public infrastructure in Area C (Schools, public buildings, roads)	Number of direct beneficiaries that have been supported to get access to essential and public services in Area C, under MDLF programmes (including the SDC interventions in area C)	103,000 people (51 % males & 49 % (females), (2022)	140,000 people (51 % males & 49% females), (2027)	So far **112,614 inhabitants have been supported.**	
		Number of localities supported through Area C Development Programme in the West Bank (through the EU and SDC interventions)	66 (2022)	100 (2027)	So far **74 localities have been supported.**	

	Results chain	*Indicator*	*Baseline (value & reference year)*	*Target (value & reference year)*	*Achievement Progress*	*% of Achievement*
		Number of students benefited from the schools constructed under this package a) primary education, b) secondary	Primary 400 (2022) Secondary 75 (2020) (enrolled to unfortunate and crowded education facilities)	Primary 440 (2025) Secondary 80 (2025) (to be enrolled to better educational facilities)	**Not yet Achieved** - The primary school in Al-Aqaba is suspended due to SWO by the Israeli Authorities. - The secondary school is completed with a total of 285 beneficiaries.	
	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 under this package	NA[6]	75% (2025)	Not yet assessed	
		% allocated budget of LGU for operation, sustainable performance and development projects in Area C	0 (2022)	10%, (2025)	Not yet assessed	
		% of inhabitants participated in community mobilization activities	0 (2022)	15% (2025) in average	- The local NGO is currently working on community mobilization activities including the implementation of social accountability tools. - 150 participants represent 1.67% of total inhabitants.	

[6] To be defined during the first year of action implementation through the diagnostic study under the civic engagement component.

	Results chain	*Indicator*	*Baseline (value & reference year)*	*Target (value & reference year)*	*Achievement Progress*	*% of Achievement*
Outputs	**<u>Output related to SO1</u>:** New/improved public facilities implemented in Area C including: (schools, public buildings, roads)	Number and areas of schools constructed under this package	0 (2022)	Two (2) schools with total area of 1950 SQM of constructed/expanded. (2025)	**Partially Achieved** - The primary school in Al-Aqaba is suspended due to SWO by the Israeli Authorities. - The Haris secondary school is completed with 1500 SQM	77%
		Number and area of public buildings constructed under this package	0 (2022)	One public building constructed with total of 300 SQM, (2025)	Not Achieved - The VC for Frush Beit Dajan was demolished by the Israeli Authorities	
		Total length of roads constructed/rehabilitated under this package	0 (2022)	2 km of roads constructed/rehabilitated, (2025)	Not yet achieved - Only 0.8 Km will be implemented under this package due to budget limitation. Where the other 1.2 Km is planned to be implemented under the new package 7. - Even the segment of 0.8 Km, is verbally suspended by the Israeli Authorities.	
	<u>Output related to SO2:</u> Enhanced capacity of the concerned LGUs and local communities in Area C for social and public sustainable services delivery	Number of social mobilization workshops conducted	0 (2022)	12 (2025)	Achieved with 23 sessions.	192%
		Number of operational and maintenance plans prepared	0 (2022)	4 (2025)	In process	
		Number of SA plans implemented	0 (2022)	8 (2025)	10 plans were implemented	125%
		Number of training sessions conducted for the targeted LGUs[7]	0 (2022)	20 (2025)	40 sessions including 10 sessions per LGU (10*4=40)	200%

[7] Capacity building includes for instance; document management protocol, reporting and correspondences, project management skills, orientation on budgeting, and orientation on strategic planning.

3.5 Implementation Progress at the Activity Level

3.5.1 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, APLA and the target LGUs) to meet the planned targets and to avoid any miss communication during the implementation. In this regard, MDLF had conducted several meetings with the MOLG and the target LGUs to make sure that all the preparatory activities were done regarding the permits and approvals from the inline ministries such as, getting the needed approval from the Ministry of Education.

In parallel to effective communication with the key stakeholders, MDLF had contracted one local technical consultant in West Bank for design and supervision and a technical support expert to assist MDLF to follow up on the project activities.

The LTC was contracted on the 27th of December 2022 and the TSE was contracted on the 18th of June 2023. Following the contract with the LTC, a kick-off meeting was conducted to ensure a clear understanding from the consultant of the scope of work and the main tasks of the LTCs. Upon the kick-off meeting, the LTC was requested to communicate with the target LGUs and conduct field visits to projects locations to verify the description and the costing of the projects as well.

More focus on the works conducted during the reporting period can be summarized as per the following:

Preliminary Stage:

- Field visits had been conducted to the target 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 LTC had communicated effectively with the planning department/MOLG to make sure that all the project 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.

Design & Tendering Stage:

To prepare a complete design for every single sub-project the following steps were taken:

- The needed design data was collected, and the site investigation was conducted to decide and verify the steps needed in every single project.
- Special attention was given to the structural and capacity assessment for the existing secondary school in Haris as the project is the construction of 2nd and 3rd floors on the existing building.
- 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 target 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 needed soil and structural investigations and tests were conducted.

- The final design for the schools projects in Al-Aqaba and Haris was finally approved by the MOE after being discussed for many times to fit the design with the budget estimation.

Insights on the Financing Gap

- Once the final design was approved by MDLF and relevant PA institutions, it was noticed that the estimated cost is higher that the allocated budget. Thus the gap was discussed with the EU to assess how to be fulfilled putting different scenarios including: i) reducing the areas with maintaining the original scope, ii) postpone Al-Jiftlik road project to the upcoming package, iii) ask for additional financing to fill the financing gap.
- The gap was also confirmed after finalizing the tendering of all sub-projects where the total lowest responsive bidders/contracted amount exceed the allocated budget for the infrastructure component as shown in **table 3** below.
- To the end, the steering committee held on November 23rd, 2023 agreed that Al-Jiftlik road project will be directly financed by the AFD as a parallel financing **up to EUR 300,000** under the portfolio of Rural Development Programme-phase 2 but still to be reported as part of this package.

Table 20: List of Sub-Projects Showing the Financing Gap

Locality	Governorate	Sub-Project	Sector	Allocated Budget (EUR)	Contracted (EUR)
Al-Jiftlik	Jericho	Rehabilitation and Construction of Internal Roads	Roads	300,000	**199,955** - to be funded by the AFD directly in accordance to the MOU signed between MOLG and MDLF.
Haris	Salfit	Continue the Construction of the Existing Haris Secondary Boys School	Education	500,000	824,360
Furush Beit Dajan	Nablus	Construction of a Multi-Purpose Building for Furush Beit Dajan Village Council	Public Facilities	220,000	257,488
AL-Aqaba	Tubas	Construction of an Elementary Mixed School	Education	550,000	599,909
Total				**1,570,000**	**1,881,712**
Gap with Al-Jiftlik Road				**311,712**	
Gap without Al-Jiftlik Road				**111,757 (To be covered by other budget items)**	

Summary of Implementation of Sub-Projects:

- One sub-project was demolished by the Israeli Authorities, in particular the construction of a multi-purpose building for Furush Beit Dajan Village Council.
- One sub-project is completed, in particular, the ccontinue of construction for the existing secondary boys school in Haris.
- Two sub-projects (Al-Aqaba mixed school and Al-Jiftlik road) are suspended due to Stop Work Orders by the Israelis.
- The detailed status and the incidents undertaken by the Israeli measures are illustrated in table 20 below.

Table 20: Implementation Status of Sub-Projects

	Al-Jiftlik Road	Haris School	Al-Aqaba School	Furush Beit Dajan Multi-Purpose Building
Description	The project consists of the construction of one road segment of 0.8 km length. The works include excavation, levelling, base course, asphalt pavement, concrete sidewalks, box culvert rehabilitation, concrete shoulders, and road furniture. The roads' width is 5.75m, 4 m (asphalt), and up to 1.5 m sidewalks each side, 0.75 m concrete shoulders where needed.	Completion of Boys' secondary school comprised of ten (10) classrooms – two floors – vertical expansion (1,000 SQM) and finishing of the existing ground floor (500 SQM) and external works. The Ministry of Education will provide the furniture and equipment for the school. The total area of the school is 1,500 SQM.	Construction of an elementary mixed school comprised of ten (10) classrooms, laboratory, teachers' room, computer lab, sanitary unit (toilets and septic tank), and external works. The total area of the school is about 700 M2.	The project consists of construction the village council premise. It will include a venue for the agriculture cooperative and women's gathering society in the community. It comprises of two floors of total area 300 SQM. Furniture will be provided by the project.
Status of the Master Plan	- Registration Code 1420 - 1st submission date 13/10/2013 - Last submission date 9/11/2017 - # of planning sessions 13 - The plan is under technical discussion.	- Registration Code 1127/1 - 1st submission date 1/8/2014 - Last submission date 20/11/2022 - # of planning sessions 3 - The plan is under technical discussion.	- Registration Code 1126 - 1st submission date 1/7/2013 - Last submission date 18/12/2019 - # of planning sessions 5 - The plan is under technical discussion.	- Registration Code 1420 - 1st submission date 19/2/2014 - Last submission date 15/5/2019 - # of planning sessions 38 - The plan is under technical discussion.
Status	Suspended since 4/8/2024 due to verbal SWO by the Israelis Authorities	Ongoing with some delays and expected to be completed by 15/11/2024 according to the revised work plan	Suspended since 13/6/2024 due to: (raid by the Army on 13/6/2024, SWO with confiscation of equipment by the Israeli Authorities on 26/6/2024)	Demolished by the Israelis Authorities on 7/8/2024
Contract Value	EUR 199,955	EUR 824,360	EUR 599,909	EUR 257,488
Description of the Executed Works	- Excavations, - Rockfill Layers - Base Coarse - Interlock Tiles and Curbstone	- Skelton works completed - Finishing works undergoing including: (plastering + painting + tiling + electromechanical works)	- Casting of retaining and boundary walls (partially completed) - Casting of the septic tank (completed) - Excavation of main building foundations (partially completed) - Basement retaining walls and columns (completed) -	- Skelton works ready (concrete work + block work)

	Al-Jiftlik Road	Haris School	Al-Aqaba School	Furush Beit Dajan Multi-Purpose Building
Remaining Works	- Asphalt Pavement - Box Culvert Works - Shoulders - Road Furniture	- External works - Finishing works to be completed	- The construction of the basement and the 1st floors	NA – the project was demolished
Value of Executed Works	EUR 70,000	EUR 824,360	EUR 120,000	EUR 95,100
Project Start Date	20/04/2024	20/12/2023	4/05/2024	16/12/2023
Planned Contract Finish Date	19/08/2024	16/08/2024	27/02/2025	11/08/2024
Incidents / Israeli measures	- Verbal Stop-work Order by the Israeli Army on 4/8/2024.	NA	- On 13 June 2024, the project site was raid by the Israeli Army. - The project staff was arrested for few hours and then were released. - The excavator and the concrete pump were confiscated - Since 13 June 2024 the work has been suspended. - On 26 June 2024, a Stop Working Order was issued by the ICA.	- Stop work order was issued on March, 24th ,2024 - Demolition order was issued on May 15, 2024. - The matter was followed up legally by the PA, unfortunately, the project was demolished on August 7th, 2024.
Follow Up and Next Steps (if any)	- No legal follow up. - The suspension has been discussed with the MOCA – Jericho Office. - A communication channel has been set between the Israeli Authorities and the MOCA. - The resumption of work depends on the results of the discussions between	- The work has been completed with some delays. - The project was handed over on 16/1/2025. - An inauguration ceremony is scheduled on 19/2/2025 with presence of AFD, EU, MOLG, MDLF and MOE.	- MOLG, MOCA and CWRC were informed about the incident. - The SWO has been followed up legally. - MOLG provided the needed planning package to the lawyer. - The matter has been followed up legally by the PA, and the licence application has been submitted since July 10th , 20224.	- The VC will apply for a new license of the public building with shifting the location 50 meters approximately. - The license application will be supported with a request from the VC for designating the whole parcel of land with a total area (12 Donums), and with proposition to

	Al-Jiftlik Road	Haris School	Al-Aqaba School	Furush Beit Dajan Multi-Purpose Building
	the MOCA with the Israeli Authorities. - Joint visits were conducted between the MOCA- Jericho office and the Israeli Authorities on: (21/8/2024, 30/9/2024, and 1/12/2024), to have a visual inspection of the box culvert and to explore the opportunity for resumption of work. The Israeli Authorities asked for structural analytical report for the box culvert which is under preparation by the Local Technical Consultant.	- It was confirmed by MOE that the school will be furnished by and operated in the 2nd semester of the academic year 2024/25025.	- The ICA rejected the license application on the basis that Al-Aqaba Area is designated as a military zone, and prior authorization from the military commander is required before submitting license applications. - The PA legal advisor recommended that the 1st step shall be removing Al-Aqaba Area from the military zone designation. This will allow for moving forward in following up the master plan. - The village council tasked Neta Amar (VC legal advisor), who submitted a request to the ICA to remove the village of Al-Aqaba from the military zone designation which usually takes max two months to receive response from the ICA. This request has been followed up by the PA legal advisor asking for expediting the response from the ICA. - Receiving positive or negative response will guide the way forward. - Unfortunately, the project was demolished by the Israeli Authorities on August 5th, 2025.	be utilized for a set of public buildings. - The application will be submitted to the Israeli Authorities before the end of Jan-2025.

3.5.2 Capacity Development Component

The action seeks to enhance access to crucial public infrastructure in four localities within Area C, while also strengthening the institutional capabilities of the targeted Village Councils (VCs) to provide essential, sustainable social and public services. Addressing the needs of underserved communities through improved service delivery necessitates robust institutional development and support for VCs to ensure effective and lasting service provision.

The primary goal of this component is to supplement the program's infrastructure component by improving the VCs' capacity and performance at both strategic and operational levels. The Municipal Development and Lending Fund (MDLF), as the implementation agency for Area C intervention, has hired a professional institutional development Consultant. The Consultant conducted an institutional needs assessment to identify capacity gaps, and develop a capacity-building action plan accordingly.

The Consultant has employed a participatory and utilization-focused approach to both assessment and planning to ensure the ownership of these processes Upon agreement with MDLF.

A comprehensive assessment was conducted for four Village Councils to identify their strengths and areas for improvement. The assessment took into account a rigorous examination of Village Council's (VC) documents, procedures, and policies, supplemented by in-depth interviews with various council stakeholders, including Mayors, members, and staff. The interviewees exhibited significant transparency and a robust desire for growth and development of the VC's systems.

The proposed interventions in these areas will be followed up with training and coaching sessions for council members and employees:

1. **Resource Mobilization and Management Plan Development**: This strategy encompasses conducting an exhaustive feasibility analysis and formulating a robust resource mobilization and management plan. The plan would be particularly geared towards each Village Council's assets and services, thereby optimizing their potential for local economic growth.
2. **Revision of ACIP**: The Village Council's Annual Capital and Investment Plan (ACIP) should be updated in a participatory manner that encourages input from all community members, especially marginalized groups. Simultaneously, environmental and climate change challenges should be integrated across the entire plan. This comprehensive approach will ensure a more equitable and sustainable community development strategy.
3. **Stakeholder Relationship Management and Increased Visibility**: A comprehensive communication and visibility strategy should be developed to engage various institutions, including governmental bodies, academic institutions, the private sector, civil society organizations, municipalities, and other village councils. In addition, a comprehensive database for various stakeholders should be established.
4. **Administrative and Human Resources Policies:** For streamlined operations, it's essential to formulate clear and precise instructions that outline the administrative and human resources policies and procedures. These should be specifically tailored to suit the unique needs and capacities of each Village Council.
5. **Financial Policies and Procedures**: Similarly, the creation of comprehensive yet concise guidelines for financial policies and procedures is vital. This ensures transparency and financial accountability, and these guidelines must be tailored to the unique needs and capabilities of each village council.
6. **Fundraising Strategy**: A comprehensive fundraising strategy, which includes diversified funding sources, should be developed to ensure financial sustainability.

The full report provides clear strategies to address the identified gaps and build capacity, empowering the target Village Councils to improve their efficiency and delivery of services to the community.

It is worth noting that the capacity building activities mentioned above need special interventions rather than being considered under this package, however, light CB support activities were considered under the current working packages, precisely through the citizens engagement and the on-job training being conducted by the LTC.

In the process of conducting the needs assessment & capacity gap of the (4) VC's, the following challenges were encountered:

- **Data Availability and Accuracy**: Triangulating data received from interviewees proved challenging due to various reasons, including the unavailability of documents, disorganization in the filing system, and the unfamiliarity of new village council members with the council's documentations.
- **Political Situation**: The study was conducted during a period marked by Israeli incursions into several Palestinian towns. This situation hindered the ability to arrange and attend meetings with village council members and staff, causing delays and postponements.
- **Limited Number of Interviewees**: The visited village councils primarily consisted of a small staff and council members who were available for meetings. This led to a limited number of interviews being conducted, which may have impacted the study's breadth and depth.

3.6 Civic Engagement and Promotion of Social Accountability

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 objective 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.
In order to have progress toward effective community participation (CP), the assignment will focus on the following:

- Integrate and institutionalize CP and SA tools and practices in LGUs affairs;
- Build the capacity of LGUs employees, and decision-makers to apply SA concepts and tools in the LGUs for accountable service delivery;
- Awareness/engagement of the citizens and the LGUs councils' members on the projects activities and the projects related data;
- Awareness to the citizens about the action plans and update the communities' priorities in a participatory manner as needed, and provide assistance to LGUs in addressing their needs to MoLG;
- Conduct Awareness workshops to the local communities to engage them in the design of social/environmental mitigation measures as part of the Environmental and Social Management Plan "ESMP";
- Build the awareness of the concerned LGUs and citizens on the concept of operation and maintenance of the implemented sub-projects in coordination with the Local Technical Consultants (LTCs);
- Enhance the role of media in social accountability, and increase the public's access to information;
- Enhance complaints mechanisms within the framework of social accountability in the targeted locations and increase citizens role on how to use them;
- Increase community participation including women, youth and marginalized groups, ensuring that they are heard and their inputs are reflected in the joint decision – making; and
- Additionally, conduct a beneficiary impact assessment to assess the perception of the direct beneficiaries/inhabitants on the delivered outcomes of the intervention.

✓ **Progress So far (general):**

- A local NGO was contracted on February 1st, 2024.
- One-day coaching and orientation session was held on February 11th, 2024 via ZOOM. The session was attended by the whole team of the consulting NGO.
- Introductory meeting was held in each targeted location to introduce the assignment in terms of team, objectives, activities, etc.
- A proposed methodology has been developed for assessing the SA and CP environment, alongside the Training Needs in the (4) target localities.
- In a participative manner with the LGUs, and the MDLF, the local NGO has set a list of selection criteria for Civic Mobilization and Social Accountability Committees (SACs) in each locality. Each SAC is composed of 7-9 members representing the local community members in general and area "C" in particular.
- The assessment of SA enabling environment was conducted through the collection and analysis of both quantitative and qualitative data of the LGU officials, civic groups (CBOs), local social mobilizers with a special attention will be given to youth, women and people with disabilities and citizens at the community level regarding the SA and CP.
- Development of social accountability action plans and implementing 10 SA tools across the targeted VCs and communities.

- **Training:** Based on the findings of the Training Needs Assessment conducted by the local NGO in the (4) target localities, a series of training sessions for the LGUs' officials and Staff, civic groups (CBOs), local social mobilizers in the (4) targeted LGUs and communities have been conducted, where the training topics are illustrated below:

SACs Training Topics	LGUs Training Topics
- Tools, pillars, and components of social accountability. - The importance of accountability and its role in society and local governance. - Communication and interaction, especially in effective use of social media. - Personal skills necessary for implementing accountability. - Managing dialogues and discussions. - Mechanisms and procedures for handling objections and complaints. - Enhancing teamwork skills and organizing community awareness campaigns. - Annual action plans. - Creating a Facebook page for the committee. - Presentation of the accountability tools guide.	- Tools, pillars, and components of social accountability. - The importance of accountability and its role in society and local governance. - Communication and interaction, especially concerning the effective use of social media. - Personal skills necessary for implementing accountability and community engagement. - Local governance laws and programs, and regulations that align with accountability and community participation. - Mechanisms and procedures for handling objections and complaints. - Mechanisms to strengthen supporting units for community accountability in "Area C." - How to apply transparency, disclosure, and complaints primarily. - Strengthening supporting units for community accountability in "Area C." - Disaster and Risk Management Plans for each LGU- DRR - Electronic portal for municipalities. - Presentation of a Disaster and Risk Management Plans Plan Template. - Presentation of the disclosure plan / complaints system.

Training on social accountability for village councils and social accountability committees is an essential step towards empowering communities to take an active role in governance. It ensures that public officials are responsive to the needs of the people and that public resources are used efficiently and equitably. Through these training programs, local communities are better equipped to contribute to the development and well-being of their regions.

3.7 Beneficiaries/affiliated Entities and Other Cooperation

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 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 sub-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 AFD.
- 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.

Coordination among the Key Stakeholders.

MDLF effectively coordinated with stakeholders during the 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 school projects with the MOE to ensure the compliance of designs with technical requirements for 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 the challenges throughout the implementation.
- The financing gap was communicated with the EU and discussed during the steering committee on 23rd November, 2023 who decided to finance Al-Jiftlik road project directly from the AFD under the ongoing programmed (Rural Development Programme-phase 2).
- The SWO as well as the demolition orders were legally followed up by the PA legal advisors in accordance to the agreed upon protocol for following up such maters.

3.8 Visibility

The original visibility plan was adjusted to reflect the ongoing circumstances which have affected the implementation of the projects. The following new plan was prepared and shared with the EU for approvals. The main activities will be outsourced through a firm specializing in promotion and visibility.

1.	**General Communication Strategy:**
-	To increase the public awareness and understanding of Area C as a key element for future demographic and economic growth of a viable Palestinian state.
-	To promote and publicize the Area C Development programme as a key intervention funded by the EU.
2.	**Specific Objectives:**
-	To promote the strategic partnership with the EU and it's Member States, for instance Denmark, France and Germany, to support the Palestinian presence and the development interventions in Area C in line with the EU commitment toward the two-states solution.
-	To promote the achievements of the programme, such as the improvement of services delivery and the quality of life for the marginalized/vulnerable communities.

Target Group	Message	Communication Tool
Decision Makers	- The Area C Development Programme is a national programme funded by the EU and its member states within the framework of local government sector development towards state building. - The EU has been providing substantial developmental support to the Palestinians in Area C in line with the EU's political position considering AREA C as an integral part of the Palestinian state. - The MDLF has been implementing the Area C development programme in a series of packages, in line with MDLF strategic direction for targeting the marginalized communities with basic social infrastructure services.	- Face to face meetings, - High profile printing and promotional materials, - Invitation to Inaugurations of projects in different localities.
Local clients (LGUs)	- The Area C development programme funded by the EU has targeted the marginalized localities with public infrastructure projects with positive impact on the quality of life for the marginalized communities in area C. - The programme will focus on citizen's engagement and community mobilization, and the job-training for the LGUs as a soft component will complement the hard component of the programme. - The EU is a real partner for the Palestinians and places Area C at the top of its agenda. - The Area C interventions are fully coordinated between the MDLF and the MOLG in terms of selection of localities and identification of projects.	- Meetings - MDLF report - Brochures - Ceremonies - Orientation Workshops
Media	- The Area C Development Programme funded by the EU is a national programme within the framework of local government sector development towards state building. - The Area C development programme is a key intervention for services delivery improvement with high impact on the marginalized communities. - The EU support aims at promoting economic development and improving the quality of life of Palestinian communities in Area C. This is in line with the EU commitment towards the two-state solution.	- Press Conferences - Field visits to important projects (Journalist tour bus) - Involvement in activities for the programme. - Spots & Videos
Local communities and general Palestinian public	- The Area C Development Programme funded by the EU is a national programme within the framework of local government sector development towards state building. - The Area C development programme funded by the EU has targeted the marginalized localities with public infrastructure projects with positive impact on the quality of life for the marginalized communities in Area C. - The EU supports projects promoting economic development and improving the quality of life of Palestinian communities in Area C in the areas of the private sector, the environment and agriculture. This is in line with the EU commitment towards the two-state solution. - The Area C interventions are fully coordinated between the MDLF and the MOLG in terms of selection of localities and identification of projects.	- Media - High profile printing and promotional materials, - Fact sheets - MDLF website - Social media channels - Awareness raising events for the local communities including (community's mobilization activities, kids' fun days).

3. Communication and Visibility Activities (Programme Level)		
Main Activity	**General Description**	**How to be Implemented And when?**
Printings and Promotional material	**PUBLICATIONS:** - Brochures: Design and print informative brochures that provide an overview of the Area C Development Programme - Media Kits: press releases, articles. - Factsheet for each sub-project - Calendar for Area C Development Programme 2026 - Folders	- will be implemented through specific items under the media coverage and outreach.
I Project Website\ Social Media Web Packages Facebook	- Website: dedicated section for the programme on MDLF website containing all relevant materials that is updated regularly and in line with the milestones achieved within the project. - MDLF social media platforms will house posts and feature stories related to the project's activities. - Photographer (shooting with drones) - Design special digital theme for Area C projects to be used on MDLF Facebook page and promote it.	- will be implemented through MDLF
Media Relations:	Targeted information will be shared with the press who will be invited to participate in selected project events.	- will be implemented directly by MDLF
Event Management	- 4 inaugurations - The inauguration events will mark the completion and official opening of four significant projects under the Area C Development Program in the West Bank VI. - The events will include Audio-Visual Setup, Signage and Branding, Catering, Media Engagement	- will be implemented through specific items under the media coverage and outreach.
Outreach Activities	**<u>Community Clean-Up Day: (Haris Village Council)</u>** - Collaborate with local organizations, parents, and students to organize a community clean-up day in the vicinity of the school. - Provide branded t-shirts, gloves, and cleaning tools for participants, featuring the school project's logo or message. - Use this opportunity to talk about the importance of a clean and safe environment for education and highlight the positive impact the school project brings to the community.	- will be implemented through specific items under the media coverage and outreach.

Activities which are out of the media coverage and outreach assignments and considered as cross-cutting with other programme activities:

- MDLF Website and Facebook Page will be activated through promoting the progamme, including a Web-Portal on MDLF Website for Area C with Interactive Map, and live videos on MDLF Facebook Page.
- Interviews on TV\Radio (to inform stakeholders and the target groups about the programme)
- Testimonial (Writing about group of people whose life has been affected by the Project by telling their story, and use photos for illustration)
- Press Releases for the impact of the projects.
- Power point presentations
- Big signs for each sub-project will be installed in the site and will be part of the projects mobilization and will be done by the contractors.
- Stickers for the Furniture with the EU Logo
- Field visits will be conducted by MDLF and the development partners concerned with the target localities with media coverage.
- The public building projects should have visual identity.

1. Indicators

Quantitative indicators:

- No. of events organized
- No. and breakdown of participants in the events
- No. of outreach activities organized
- No. of Reach and engagement on social media

Qualitative Indicator:

- Overall reaction to respective event/tool usage

2. Resources

- MDLF intends to contract a firm for media coverage and outreach of Area C- Package VI.
- MDLF Technical Department and Strategic Planning Department will be fully engaged in the implementation of the communication and visibility plan.
- Stakeholder feedback
- Media coverage quality
- Audience engagement and interaction
- This assignment is planned to be conducted during the period (February 2025 until the end of action).
- The estimated cost for the assignment is **EUR 20,000**

3.9 Challenges and Obstacles

- The Israeli Authorities has delivered two stop working orders against 3 sub-projects in Furush Beit Djan, Al-Aqaba and Al-Jiftlick, which one of them was upgraded to a demolition order, precisely Frush Beit Dajan village council premises. Israeli army have also confiscated some equipment from workers in Al-Aqaba.
- There is a 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 and MDLF area engineers.
- There was a dispute with the mayor of Al-Jiftlik village council regarding the selected roads segments which were endorsed by the steering Committee. Several correspondences/meetings were conducted to tackle this issue followed by a field visit with EU/AFD/MOLG/MDLF. The decision was taken to move forward in designing one segment (adjacent to the UN school) and check the overall estimation of the 2nd requested segment by the Mayor. Given that the estimated cost exceeds the available budget, the focus was given for one segment (adjacent to the UN school), whereas the other segment could be considered for further packages. The decision was also made to be funded out of this package due to

budget deficit and to be financed directly by the AFD under the RDP2 which was mutually agreed upon in the last steering committee held on Nov. 2023 concerning package 7.

- There was a substantial delay in the design phase where the approvals from the MOE and the civil defense consumed more time than anticipated.
- There was a financing gap between the allocated budget and the cost estimate determined by the technical design of the projects. This gap can be attributed to currency fluctuations and the significant increase in prices compared to those during the initial appraisal of the projects.

4. Area C Development Programme in the West Bank – Package VII

4.1 Project Description

<table>
<tr><td>Project Title</td><td>Area C Development Programme in the West Bank- Package VII</td></tr>
<tr><td>Donor</td><td>- German contribution via KFW through the European Union “EU”
- European Union “EU”</td></tr>
<tr><td>Agreement Signing Date</td><td>23th July, 2024</td></tr>
<tr><td>Duration</td><td>50 months</td></tr>
<tr><td>Total budget</td><td>- EUR 6 Million of which (EUR 4 M funded by the EU and EUR 2 M from German-BMZ via KFW through the EU).</td></tr>
<tr><td>Objectives of the action</td><td>- The overall objective (impact) is to contribute to equipping the Palestinians in Area C to protect their physical, economic and social assets and rights, and preserve Area C as territorial and institutional part of a future Palestinian State.
- The specific objectives (outcomes) are composed of two folds (i) to improve access to essential and public infrastructure services in Area C and; (ii) to strengthen the capacity of the targeted LGUs to deliver and sustain essential social and public services in Area C.</td></tr>
<tr><td>Target group(s)[8]</td><td>The project will target 12 localities in Area C (precisely to be financed under the EU and KFW portfolio) as follows:
<table>
<tr><th>Locality</th><th>Governorate</th></tr>
<tr><td>1. Al Funduq & Hajja street</td><td>Qalqilia</td></tr>
<tr><td>2. Habla</td><td>Qalqilia</td></tr>
<tr><td>3. Wadi Ar Rasha</td><td>Qalqilia</td></tr>
<tr><td>4. Al Haffasi</td><td>Tulkarm</td></tr>
<tr><td>5. Shufa</td><td>Tulkarm</td></tr>
<tr><td>6. Barta'a Ash Sharqiya</td><td>Jenin</td></tr>
<tr><td>7. Khirbet Mas'ud</td><td>Jenin</td></tr>
<tr><td>8. Jiftlik</td><td>Jericho</td></tr>
<tr><td>9. Jurat Ash Sham'a</td><td>Bethlehem</td></tr>
<tr><td>10. Al Uddeisa</td><td>Hebron</td></tr>
<tr><td>11. Idhna North</td><td>Hebron</td></tr>
</table>
Additional project: Simya which was subject to SWO in package V and was agreed to be included under this package.</td></tr>
</table>

[8] **Target groups** are groups/entities who will directly benefit from the action at the action purpose level.

Final beneficiaries[9]	It is expected to enhance the living conditions of 33,698[10] residents in 12 localities (covering the localities under the EU/KFW financing envelope) as follows: Al Funduq & Hajja street (4,168), Al Haffasi (223), Al Uddeisa (879), , Barta'a Ash Sharqiya (5,988), Habla (8640), Idhna North (3,972), Jiftlik (4,028), Jurat Ash Sham'a (1,867), Khirbet Mas'ud (71), Shufa (3,062), Wadi Ar Rasha (230), As Simya (571). The number of direct beneficiaries can be distributed per sector as follows: - Schools: 280 direct beneficiaries from the primary school - Roads: 7,627 - Sanitation: 14,857 - Electricity: 4,543 - Water: 3,941
Expected outputs	Through the implementation of 12 projects, the outputs can be summarized as follows: - Roads: Construction and rehabilitation of internal roads with a total length of **3 km** (total four projects) - Schools: Construction of a new schools with total area about **1,400 Sq.m**. (one primary school financed by EU/KFW with total area 1400 Sq.m. (one project) - Sanitation: Construction of a total of **3.36 km of sewer networks**. (total three projects) - Electricity: Rehabilitation of an electrical network with total length **6.2 km**. (two projects) - Water: Rehabilitation and/or construction of 2 water networks, including the construction of water tank with total capacity of **500 Cubic Meters** and a transmission line with a total length **1.5 km**, as well as the rehabilitation of water network with total length of **8.9 km**. (total 2 projects) - **Soft component:** Institutional development and capacity building support will be provided based on diagnostic needs assessment of the targeted LGUs, taking into consideration the CB support being implemented by MDLF for the municipalities and VCs under parallel interventions to ensure the harmony and to avoid duplication.
Main activities	- Mobilization and Preparation. - **Contracting a consultancy firm to carry out the baseline study and institutional needs assessment.** - Contracting of Local Technical Consultancy firm for the design and supervision. - Contracting of Technical Support Expert. - Design and tendering of the social and infrastructure projects. - Implementation of social and infrastructure projects. - Implementation of intuitional development component that will be designed based on the baseline and diagnostic analysis of institutional and capacity gaps. - Conduct a final evaluation including a beneficiaries impact assessment along with technical evaluation of both capacity development support and social/infrastructure projects. - Closing and Audit.

In parallel with the projects and activities outlined above under Area C Package VII, the Danish Representative Office (DRO) has entered into a separate financing agreement with the Municipal Development and Lending Fund (MDLF) to support two additional projects: A school project in Al-Midya (Ramallah Governorate), and a road project in Arab Fraijat (Hebron Governorate). This agreement also includes funding for consultancy services related to design, supervision, and other management costs. The total financing under the DRO-MDLF agreement amounts to EUR 1.61 million. These projects were appraised and selected within the framework of Steering Committee discussions and approvals, aligning with the objectives of Package VII.

[9] **Final beneficiaries** are those who will benefit from the action in the long term at the level of the society or sector at large.
[10] Data source: PCBS 2022

4.2 Background

This project is based on the Financing Agreement "European Union Joint Support to Area C-ACT-60689" CRIS Number: NDICI-GEO-NEAR/2022/044-880, signed between the European Union and the Palestinian Authority on 21st December 2023 and its addendum 01 signed on 30th March 2024 that considers the contribution of BMZ via KfW.

The EU and PA have agreed that infrastructure projects in Area C may proceed once a statutory outline plan is either formally approved by Israeli Authorities or considered tacitly approved if no major objections are raised within 18 months of submission by Local Government Units (LGUs) to the Israeli Civil Administration (ICA). These statutory outline plans were developed through a participatory approach involving communities and urban planning firms and were submitted to the ICA, and have been processed under a lengthy and complex system.

This package is a continuation of a series of "Packages" under the area C Development Programme in the West Bank. The programme is funded by the EU, Denmark, France, United Kingdom "UK" and the Switzerland. Seven packages were successfully completed/almost completed out of which five packages are funded by the EU and its member states (Denmark, France and UK) and two packages are funded by the Swiss envelope. With a total financing (EUR 20 Million).

On the other hand, two packages are still in the implementation phase with a total financing EUR 5.48 Million (one package is financed by the EU/AFD- called package VI, and the other package is financed by the SDC).

The Municipal Development and Lending Fund (MDLF) was nominated to implement basic infrastructure services in Area C, based on a recommendation from the Ministry of Local Government (MoLG) dated 20th April 2016 and in accordance with the eligibility criteria outlined in the Financing Agreement. A Steering Committee was established to oversee the implementation of this programme, comprising representatives from the EU, PA, MDLF, and other contributing donors. This committee is responsible for discussing and endorsing the targeted localities and selected projects to be implemented.

The selection criteria for project implementation was reviewed and agreed upon by financing partners on 27th March 2023 and reaffirmed on 21st June 2023. Following this, the Steering Committee approved a list of projects on 23rd November 2023. The approved list of projects were appraised and selected through a process conducted by MDLF, MoLG, and the financing partners, aligning with the strategic priorities and planning framework established under the EU-PA agreement for Area C.

4.3 Budget breakdown:

The total budget of this package is **EUR 6,000,000** covering the EU and the BMZ via KFW financing, where the budget breakdown is illustrated as per the following.

Table 21: Budget Breakdown

Item	Budget (Euro)
1- MDLF management fees (indirect cost) = 7% of direct eligible cost	392,523
2- Total Direct Eligible Cost	5,607,477
2.1 Other Costs and Services	160,000
Baseline Study	50,000
Expenditure Verification/Audit	10,000
Evaluation Cost and BIA	50,000
Visibility Actions	50,000
2.2 Other	5,447,477
Legal Fees	15,000
Cost of Social and Public Infrastructure Projects (Including Al-Simia project and the potential claims from the contractors)	4,912,477

Item	Budget (Euro)
Local Technical Consultancy for Design and Supervision	290,000
Technical support Expert/s including the Legal Advisor	110,000
Consultancy for Capacity Building and Institutional Development	120,000
Total Cost of the Action (EU-KFW budget)	6,000,000

Additionally, the Danish Representative Office (DRO) has entered into a parallel financing agreement with the MDLF under this package, contributing EUR 1.61 million. This brings the total budget for the package to EUR 7.61 million.

The majority of the DRO's contribution—EUR 1,388,746—is allocated to the social and public infrastructure component, bringing the total budget for this component (highlighted in yellow) to EUR 6,301,223.

4.4 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 General Authority for Civil Affairs "GACA" who coordinates with the ICA regarding the planning meetings and follow up the stop working orders/confiscation of equipment once happened.
- The Municipal Development and Lending Fund "MDLF" as the implementing agency for this action and will be responsible for managing the fund.
- The Local Government Units "LGUs" where the proposed projects will be implemented in and will be the owners of the public infrastructures under this action.
- The Local Technical Consultant (LTC) who will be responsible for the design and the supervision of the projects.
- The Contractors and Suppliers who will be responsible for direct implementation of the projects within the targeted communities and will be directly managed 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 the KFW and the Danish Representative Office "DRO".
- 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 of the LGUs (including Area C) funded by the EU.

4.5 Assessment of Results Achieved (so far)

The outcomes and the outputs of t will be assessed later stage given that the projects are still in the implementation stage where the results haven't yet been materialized as shown below.

Table 22: Logical Framework

	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Achievement	% of Achievement
Overall Objective: (Impact)	To contribute to equipping the Palestinians in Area C to protect their physical, economic and social assets and rights, and preserve Area C as territorial and institutional part of a future Palestinian State	Number of Area C inhabitants that profit from access to basic social services and infrastructure Under the programme	112,614 (2024) Disaggregated by sex 55,181 females 57,433 males	121,301 (2028) accumulative (no double counting). - Considering 6,202 additional beneficiaries from this action. - As well as 2,485 additional beneficiaries from DRO envelope as parallel financing directly to MDLF.	Not yet assessed – this package is still at early stages of implementation	
		Number of LGU's that engage in inclusive and accountable governance processes	TBD	TBD		
		% increase in water consumption in the targeted localities	NA[11]	20% increase		
		% Reduction of water leakage in the targeted localities	NA[12]	20% reduction		
		Number of localities supported through Area C Development Programme in the West Bank (through the EU and SDC interventions)	74 (2024)	81 (2028) considering no double counting. This figure was concluded by adding new 7 localities of which 5 will be targeted under this action, and 2 localities will be targeted by the DRO envelope.		

[11] To be defined during the first year of action implementation through the baseline study.

[12] To be defined during the first year of action implementation through the baseline study.

Table 22: Logical Framework

	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Achievement	% of Achievement
Specific Objectives (Outcomes)	SO 1: Improved access to essential social and public infrastructure in Area C: - Reduced classes overcrowding in schools - Improved citizens 'access to safe roads. - Improved citizens access to electricity. - Improving access to drinking water. - Enhanced access to sanitation services	Number of students benefited from the schools constructed under this package a) primary education, b) secondary	Primary 280 (2024) Secondary 350 (2024) (enrolled to unfortunate and crowded education facilities)	Primary 280 (2028) under this action. Secondary 350 (2028) under the DRO envelope. (to be enrolled to better educational facilities)		
		% of beneficiaries satisfied with the provided services in the targeted localities	NA[13]	75% (2028)	Not yet assessed – this package is still at early stages of implementation	

[13] To be defined during the first year of action implementation through the baseline study.

Table 22: Logical Framework

	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Achievement	% of Achievement
	SO 2: Enhanced capacity of the targeted LGUs to deliver and sustain essential social and public services in Area C.	% of LGUs in the targeted localities in Area C with improved performance by end of the action[14]	NA[15]	TBD (2028)	Not yet assessed – this package is still at early stages of implementation	
		Increased revenue collection efficiency of the fees related to the provided services (Electricity, water , sanitation) collected by the LGUs (%)	NA[16]	TBD, (2028)		
Outputs	<u>Output related to SO1:</u> New/improved public facilities implemented in Area C including: (Schools, sanitation, water, electricity, roads)	Number and areas of schools constructed under this package	0 (2024)	Two (2) schools with total area of 2800 Sq.mof constructed/expanded. (2028) One school under this action (1400 Sq.m)One school under the DRO envelope (1400 Sq.m)	Not yet assessed – this package is still at early stages of implementation	
		Number and length of sewage networks constructed	0 (2024) 0 (2024)	3 sewer networks (2028) – under this action 3.36 km (2028) - under this action		
		Total length of roads constructed/rehabilitated under this package	0 (2024)	3.6 km of roads constructed/rehabilitated, (2028) of which 3 Km under this action and 0.6 Km under the DRO envelope		
		Number & length of electricity network rehabilitated	0 (2024) 0 (2024)	Two electricity network 6.2km (2028) under this action		

[14] Proxy indicators will be identified under the base line study and to be assessed accordingly.

[15] To be defined during the first year of action implementation through the baseline study.

[16] To be defined during the first year of action implementation through the baseline study.

Table 22: Logical Framework

	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Achievement	% of Achievement
		Length of water networks rehabilitated/developed Capacity of water tanks constructed	0 (2024) 0 (2024)	(8.9 km) of water network rehabilitated (2028) 1 water tank constructed (500 m3 capacity), transmission water line (1.5 km) (2028) (under this action)		
	<u>Output related to SO2:</u> Capacity Building activities are delivered for the targeted LGUs	Number of training sessions conducted for the targeted LGUs	0 (2024)	30 (2028) (under this action)		
		Number and types of CB measures/packages delivered for the targeted LGUs	0 (2022)	5 (2028) (under this action)		
		Number of LGUs staff targeted by CB activities (disaggregated by gender)	0 (2024)	20 (2028) (under this action)		

4.6 Implementation Status (for Social and Public Infrastructure Projects)

Table 23: Overall Implementation Status for Social and Public Infrastructure Projects

Stage	Key Activities	Status	Remark
A) Pre-Contract Stage *Projects Identification & Selection*	- The eligibility and competitive criteria (dated 27th March 2023) were applied to simulate and identify potential beneficiary localities. - A long list of 56 localities was generated and presented to the Steering Committee on 21st June 2023. - A shortlist of 32 localities scoring 28 points or higher was developed based on the simulation results. - Field verification visits were conducted between 15th July and 2nd October 2023 by teams from MoLG, MDLF, EU, DRO, GIZ, and KfW to assess the feasibility of the proposed localities and projects. - The selected long-listed projects were screened based on a set of criteria, including their location within Area C, alignment with relevant sectoral plans, responsiveness to identified community needs, land ownership status, availability of right of way (ROW), and overall technical feasibility. - The final recommended list of **14 projects** was submitted to the Steering Committee on 23 November 2023, with 12 approved for financing by the EU and BMZ (via KfW) and 2 projects by the DRO.	**Completed**	The identification and appraisal process was carried out in a participatory and systematic manner.
Additional Note - The re-inclusion of the As-Symia Electricity Network project (EUR 50,000) has been approved by the SC. - The project was previously halted following enforcement actions by Israeli Authorities and was coordinated through the GACA and EU.		**The project has not yet been resumed**	- The project was subject to a warning notice / verbal SWO on June 13th, 2021, followed by a confiscation of equipment by the Israeli Authorities on July 25th, 2022. - Accordingly, the project was terminated in December 2022 after being coordinated with the ICA through the GACA and the EU several times. The estimated cost for the project is EUR 50,000. - This sub-project is now recommended to be implemented under this package.
B) Mobilization	Coordination with LGUs was facilitated by MDLF and MoLG to ensure preparedness for implementation.	**Completed**	All foundational actions were taken to prepare the project teams and systems for the implementation phase.
	Terms of Reference for the Local Technical Consultants who will be assigned for design and supervision was developed, emphasizing the quality control and staff qualifications.	**Completed**	

Stage	Key Activities	Status	Remark
	The procurement plan was prepared.	**Completed**	
	A Technical Support Expert (TSE) was contracted to provide technical and policy support under the supervision of MDLF.	**Completed**	
	A Legal Advisor was engaged to support MDLF and the EU in addressing any future Stop Work or Demolition Orders, with Terms of Reference agreed upon with the EU. Having this legal advisor will be a complementary and not a substitution to the PA legal advisors. This lessons learnt came out as a conclusion from tackling the previous legal issues related to SWOs/DOs and will give the EUREP and MDLF legal advises how to proceed when something happens.	**Completed**	
C) Design Preparation, Tendering, Awarding	- The Local Technical Consultants (LTCs) were contracted to provide design and supervision for the project as well as to provide technical support to the targeted LGUs. - The design documents, bidding packages, and Environmental and Social Management Plans (ESMPs) were initiated by the LTCs, with an advanced stage of design completion and tenders preparations. - Procurement processes, including advertising, bid opening, evaluation, and contract awards, have been implemented with MDLF oversight. - Contracts for infrastructure works have been awarded by the LGUs following MDLF's no-objection.	**In Process with only 4 projects out of 14 are still under design phase**	**The status of the 14 projects under the Area C Development Programme, totaling EUR 6,208,746, is summarized as follows:** - **Under Design:** 3 projects (Al-'Uddeissa Water Tank, Jouret al-Sham'a School, Shufa Water Network) – 36.7% of the total value. - **Design Completed / Pre-Tendering:** 4 projects (Al-Jiftlik & Al-Funduq-Hajja Roads, Habla & Wadi Ar Rasha Wastewater Networks) – 13.4%. - **Tendering / Evaluation:** 2 projects (Idhna Electrical Network, Barta'a Al-Sharqiya Wastewater) – 17.6%. - **Awarding Stage**: 2 projects (Khirbit Mas'ud & Al-Hafassi Roads) – 9.2%. - **Ongoing:** 2 projects (Al-Fraijat Road, Al-Madiya School) – 22.4%. - **On Hold:** 1 project (Al-Simya Electrical Network) – 0.8%. Detailed status for the projects is presented in table 24 below)
D) Implementation of Projects	- The Project implementation has been supervised by LTCs in coordination with the LGUs. - Environmental and social safeguards have been monitored as per the ESMPs. - Monitoring and evaluation activities have been conducted by MDLF and LTCs to ensure compliance, resolve issues, and track progress.	**In Progress with two projects out of 14 are undergoing.**	

Table 24: List of Identified projects and Implementation status

No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€)[17]	Funding Source	Status
1	Al Funduq & Hajja	Al Funduq & Hajja Village Councils	Qalqiliya	Construction of Internal Road at Hajja	The project consists of construction of about 0.4 km length of internal road and rehabilitation and widening of the main road with total length of About 0.5 km , the scope of work includes: - Construction of new 4300 m2 asphalted road. - Construction of 1700 L.m. curb stones. - Construction of 2400 m² interlock tiles sidewalks. - Construction of 1200 m² concrete shoulders. - Construction of 90 L.m steel guard rail. - Construction of Retaining Concrete Walls - Construction of Boulder - Road marking and traffic signs - Water pipes and electricity infrastructure	290,000	EU/BMZ (KfW) under this action	**Design Completed – Pre-tendering**

[17] The estimated cost is based on general scoping of the projects during the appraisal stage and will be revised based on the final design that will be prepared by the LTC.

No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€)[17]	Funding Source	Status
2	Khirbet Mas'ud	Zabda Al Jadida Village Council	Jenin	Construction of Internal Road at Khirbet Mas'ud	The project consists of rehabilitation of about 0.5 Km length, the scope of work includes. - Soil replacement - Construction of 3000 m2 asphalted road. - Construction of 600 m² concrete shoulders. - Installation of steel guard rail. - Construction of Retaining Concrete Walls - Road marking and traffic signs. - Replacement of existing water line - Water pipes and electrify infrastructure.	290,000	EU/BMZ (KfW) under this action	**Awarded**
3	Barta'a Ash Sharqiya	Barta'a Ash Sharqiya Municipality	Jenin	Construction of Sewer Network	The project scope consists of construction of 2 km gravity sewer line with diameters of 6", 8" & 10"and installation of 40 house connections.	590,000	EU/BMZ (KfW) under this action	**Tendering**
4	Jurat Ash Sham'a	Jurat Ash Sham'a Village Council	Bethlehem	Construction of Primary Mixed School with Kindergarten	The project aims to provide primary mixed school grades 1-4 comprises of ten (10) classrooms, administration rooms, in addition to library & technology laboratory, teacher's room, multipurpose hall, resources room, staircases, toilet units, 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 1400m2.	1,100,000	EU/BMZ (KfW) under this action	**Under design**

No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€)[17]	Funding Source	Status
5	Habla	Habla Municipality	Qalqiliya	Construction of Gravity Sewer Network	The project scope includes construction of two alignments with a total length of 1.1 km of gravity sewer lines with diameter of 8”	240,000	EU/BMZ (KfW) under this action	**Design Completed – Pre-tendering**
6	Wadi Ar Rasha	Habla Municipality	Qalqiliya	Construction of Gravity Sewer Network	The project scope includes construction of one 8” gravity sewer line with a total length of 260 l.m	50,000	EU/KFW under this action	**Design Completed – Pre-tendering**
7	Shufa	Shufa Village Council	Tulkarem	Rehabilitation and development of the Water Network in Shoufa	The project scope of work includes - Replacement of existing water network and expansion of the network in Area C, the length of the proposed lines is as follows: - 2.6km of 3” water lines - 2.8km of 2” water lines - 3.5 km of less than 2” water lines - Replacement of existing submerged water pump	570,000	EU/BMZ (KfW) under this action	**Under design**

No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€)[17]	Funding Source	Status
8	Al Haffasi	Kafr Labad Municipality	Tulkarem	Rehabilitation of Main Road in Al Haffasi	The project consists of rehabilitation of about 0.6 Km length. - Construction of 4800 m2 asphalted road. - Construction of 960 m² concrete shoulders - Construction of Retaining Concrete Walls - Road marking a traffic signs. - Replacement of existing water line - Installation of new water line - Installation of street lighting (solar)	280,000	EU/BMZ (KfW) under this action	**Awarded**
9	Al Uddeisa	Si'ir Municipality	Hebron	Construction of Elevated Water Tank and Main Transmission Line	The project consists of the construction of 500 m3 elevated water tank, and construction of 1500 l.m of transmission pipe line.	610,000	EU/BMZ (KfW)under this action	**Under design**
10	Idhna North	Idhna Municipality	Hebron	Rehabilitation of Electrical Network	The project aims to install additional 4 transformers on towers and installation of 5km of underground high voltage cables	500,000	EU/BMZ (KfW) under this action	**Tendering - Evaluation**

No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€)[17]	Funding Source	Status
11	Al Jiftlik	Al-Jeftlick Village Council	Jericho	Rehabilitation and construction of internal roads	The project consists of the construction of two roads segments of 1.2 Km length. The works will include excavation, levelling, base course, asphalt pavement, concrete sidewalks, box culvert rehabilitation, concrete shoulders, infrastructure [like: electricity poles/cables, water pipes, manholes ,etc…] and road furniture. The roads' width is 5.75, 4 m (asphalt), and up to 1.5 m sidewalks each side, 0.75 m concrete shoulders where needed.	250,000	EU/BMZ (KfW) under this action	**Design Completed – Pre-tendering**
12	Arab al Fureijat	Al Ramadeen	Hebron	Rehabilitation of Arab Fureijat - Al Ramadeen road	The project consists of construction of about 0.6 Km length road (requested 2.8) The scope of work consists of • Construction of 8100 m2 asphalted road. • Construction of 300 m^2 concrete shoulders • Construction of 900 m^2 interlock tiles sidewalks. • Construction of Retaining Concrete Walls • Road marking and traffic signs. • Installation of guardrails	250,000	DRO	**Ongoing**

No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€)[17]	Funding Source	Status
13	Al Midya	Al Midya VC	Ramallah	Construction of Secondary Boys School at Al Midya	The project aims to provide new secondary boys school grades 5-12 (Mixed for grades 10-12) comprises of eight (8) classrooms, administration rooms, in addition to science laboratory, technology laboratory, teacher's room, library room, multipurpose hall, staircases, toilet units, solar panels, 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 1400m2.	1,138,746	DRO	**Ongoing**
14	Al-Simya	Al-Samu’	Hebron	Rehabilitation of Electrical Network		50,000	EU/BMZ (KfW) under this action	**On-Hold**
Total: 6,208,746								

4.7 Implementation Status "Institutional Development Component"

A) Tailored CB Activities

- The CB activities/packages will be designed based on the baseline and diagnostic analysis of institutional and capacity gaps.
- The objective of baseline study is to capture the benchmark conditions of each locality that will be used as a reference for the end-term evaluation. The assignment is planned to be implemented in three levels as follows:

  i) Institutional needs-assessment to identify the capacity gaps and prepare a capacity development action plan accordingly. The assessment shall consider different sizes and categories of the targeted LGUs; which will include a reflection of the tailored CB activities per category in terms of resources and functionalities. The assessment shall also consider previous experience and lessons learned gained from the implementation of capacity development packages for the same LGU' targeted through different programs such as the MDP and other parallel programs.

  ii) Assess the services delivery at the LGUs from both levels: i) at the LGUs level through collecting reliable data on infrastructure and services delivery, and ii) at the citizens level through gathering citizens' perceptions of LGUs services, focusing on the sectors targeted by the identified projects under this action.

  iii) Revision of the Results Framework "RFW" with suggested recommendations and improvements.

MDLF will coordinate with APLA to build better synergies, achieve deeper, more tailored, demand-driven and sustained capacity development considering APLA as a key stakeholder of the baseline assessment for the institutional and governance gaps related to the services delivery at the targeted LGUs, MDLF will share the findings of the assessment with APLA to be utilized in their efforts for CB activities at the LGUs, and to be considered through their technical hubs. Additionally, MDLF will ask for the plans of APLA in the framework of governance and reform interventions for area C localities. Thus, MDLF will be aware of other parallel interventions to ensure harmony and avoid efforts duplication in the targeted LGUs.

In terms of Implementation:

- A consultancy firm was contracted on 17th June 2025 to conduct the assignment in accordance to the TOR which was agreed upon with the EU. Following the signature of the contract, a kick off meeting was held at MDLF to ensure a mutual understanding of the scope of work.
- An inception meeting was also held to agree on the tools/instruments for data gathering from the targeted LGUs, Beneficiaries and other stakeholders including the line ministries, APLA….etc. The survey tools includes the questionnaire for households beneficiaries surveys, as well as the guidelines for focus groups and the key informant interviews.
- The Assignment is in the data collection stage and will be accomplished by mid-October 2025.
- Specific activities will be identified and will be reflected in the procurement plan to be carried out during the project lifecycle. It is worth noting that these activities have to be coordinated and harmonized with other parallel interventions implemented by MDLF or other stakeholders to ensure the harmony and avoid duplication.

B) On-Job Training Activities

In addition to the tailored Capacity Building activities that will be concluded from the diagnostic assignment, on-job training throughout the project implementation including the supervision, fiduciary aspects follow up concerning the procurement aspects, social and environment safeguards, preparing operation and maintenance plans for the implemented projects.

4.8 Updated Action Plan

Table 25: Indicative Action Plan

	Responsibility	Planned vs Actual	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27	Q1-28	Q2-28	Q3-28
A) Task 1: Mobilization (Preparatory Activities)																			
Effective coordination between MDLF, MOLG with the LGUs encouraging them to be well prepared for the implementation.	MDLF, MOLG	Planned																	
		Actual																	
Preparation of the local technical consultant terms of references.	MDLF	Planned																	
		Actual																	
Preparing a detailed implementation plan including (procurement plan, disbursement plan, and communication and visibility plan).	MDLF	Planned																	
		Actual																	
Preparation of a TOR for the Baseline study	MDLF	Planned																	
		Actual																	
Contracting consultancy services for the Baseline study.	MDLF	Planned																	
		Actual																	
Contracting a (technical support expert/s)	MDLF	Planned																	
		Actual																	
B) Task 2: Preparation for the implementation																			
Signing the Grant Implementation Agreement (GIA) with LGUs.	MDLF, LGU's	Planned																	
		Actual																	
Contracting local technical consultant (LTC) for projects design and supervision	MDLF	Planned																	
		Actual																	
Prepare the design including concepts and scenarios to be agreed upon (to avoid overestimated technical requirements)		Planned																	
		Actual																	
Preparing the bidding documents for the selected projects	MDLF, LTC	Planned																	
		Actual																	
Advertise/Announce for bids	LGU's	Planned																	
		Actual																	
Contracts award following MDLF no objection.	LGU's, MDLF	Planned																	
		Actual																	

4.8 Updated Action Plan

Table 25: Indicative Action Plan

	Responsibility	Planned vs Actual	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27	Q1-28	Q2-28	Q3-28
C) Task 3–Implementation Stage																			
Contracting local contractors and suppliers by the LGUs for implementing the social/infrastructure projects	MDLF, LTC	Planned																	
		Actual																	
Assisting LGUs in the project's supervision.	MDLF, LTC	Planned																	
		Actual																	
Monitoring the social and Environmental Safeguards.	MDLF, LTC	Planned																	
		Actual																	
Overall monitoring and evaluation by MDLF and LTC.	MDLF, LTC	Planned																	
		Actual																	
Sites Visits	MDLF, MOLG	Planned																	
		Actual																	
Provide technical assistance and CB support to targeted LGUs	Consultancy Firm	Planned																	
		Actual																	
D) Task 3 - Audit and Evaluation																			
Midterm review	MDLF, EU	Planned																	
		Actual																	
External audit	external auditor	Planned																	
		Actual																	
Final Evaluation including a technical audit and a beneficiary impact assessment	Consultancy Firm	Planned																	
		Actual																	
E) Task 4 - Reporting - Final Report	MDLF	Planned																	
		Actual																	

4.9 Visibility

A launching ceremony for this package was held at the Prime Minister Office On 17 September, 2024. The ceremony was accomplished with signing the grant agreement between MDLF and the EU under the auspice of the Prime Minister, Mohammad Mustafa. The agreement was signed by Minister of Local Government, Sami Hajjawi and the European Union Representative to Palestine, Alexander Stotzmann, with the the presence of the Representative of the Federal Republic of Germany to Palestine, Oliver Owcza, and the Director General of the Municipal Development and Lending Fund, Mohammed Al-Ramahi. The event received local media coverage and was well-received by the public on social media platforms.



On the other hand, MDLF developed a draft communication and visibility plan for this package that will be shared with the EU before the end of 2025. By that time, most of the projects are expected to move into the implementation phase, making project visibility both timely and impactful. The draft visibility plan is presented below:

General Communication Strategy:
- Increase public awareness and understanding of Area C as a key area for demographic and economic growth in a future Palestinian state. - Promote and publicize the Area C Development Programme as a key intervention funded by the Government of Denmark (DRO) and the German Development Bank (KfW) through the European Union (EU).
Specific Objectives:
- Highlight the strategic partnership with the EU and its member states, including Denmark and Germany, in supporting Palestinian presence and development in Area C in line with the EU's commitment to a two-state solution. - Promote programme achievements, including improved service delivery and better quality of life for marginalized and vulnerable communities.

Target Group	Message	Communication Tool
Decision Makers	- The Area C Development Programme is a national programme funded by the EU and its member states, within the framework of local government sector development and state-building efforts. - The EU has been providing substantial developmental support to the Palestinians in Area C, in line with its political position that considers Area C as an integral part of the Palestinian state. - The MDLF has been implementing the Area C Development Programme in a series of packages, in line with its strategic direction to target marginalized communities with basic social infrastructure services.	- Face-to-face meetings - High-profile printed and promotional materials - Invitations to project inaugurations in various localities
Local clients (LGUs)	- The Area C Development Programme, funded by the EU, has targeted marginalized localities with public infrastructure projects, positively impacting the quality of life in Area C communities. - The programme emphasizes citizen engagement and community mobilization, with job training for LGUs as a soft component complementing the physical projects. - The EU is a committed partner to the Palestinians and places Area C high on its political and development agenda. - Area C interventions are fully coordinated between MDLF and the Ministry of Local Government (MoLG) regarding locality selection and project identification.	- Local meetings and consultations - MDLF progress reports - Brochures and flyers - Opening ceremonies - Orientation workshops and community events
Media Outlets (TV, radio, newspapers, online platforms, social media influencers)	- The Area C Development Programme, funded by the KFW and Government of Denmark through the EU, aims to strengthen the resilience of marginalized communities through sustainable infrastructure projects. - Projects implemented under this programme improve public services, support social development, and contribute to local stability and dignity. - The programme is coordinated by the MDLF in partnership with the Ministry of Local Government and targets critical local needs. - The EU and its member states are committed partners in Palestinian development, particularly in Area C.	- Press releases - Media kits and factsheets - Invitations to inaugurations and media days - Interviews with beneficiaries and officials - Spot videos, photo stories, and social media content

Local Communities and the General Palestinian Public	- The Area C Development Programme, funded by the EU, is a national initiative within the framework of local government sector development and state-building. - The programme targets marginalized localities with public infrastructure projects that improve the quality of life for communities in Area C. - The EU supports initiatives that promote economic development, environmental protection, and agricultural sustainability in Area C — in line with its commitment to a two-state solution. - All interventions are coordinated between the MDLF and the Ministry of Local Government (MoLG) in terms of locality selection and project identification.	- Media coverage (TV, radio, online) - High-profile printed and promotional materials - Fact sheets and visual summaries - MDLF official website - Social media campaigns and storytelling - Awareness-raising events including community mobilization, kids' fun days, and local celebrations
Communication and Visibility Activities (Programme Level)		
Main Activity	**General Description**	**How to be Implemented And when?**
Printings and Promotional Materials	**Publications:** - Design and print informative booklet providing an overview of the Area C Development Programme. - Prepare media kits including press releases and articles. - Develop factsheets for each sub-project under the programme.	Will be implemented through specific items under media coverage and outreach.
Video Production	Produce videos showcasing project activities and impact to enhance visibility and public awareness.	Will be implemented through specific items under media coverage and outreach.

Media Outreach and Coverage	Organize community-focused events to raise awareness and encourage participation among local populations.	Will be implemented through specific items under media coverage and outreach.
Event Management	- Organize 5 official inauguration events for the projects funded under Package 7 (e.g., road rehabilitation and secondary school construction). - Events will include audio-visual setup, event branding (banners, backdrops), hospitality, and media engagement.	Will be implemented through specific items under media coverage and outreach.
Outreach Activities	**Community Fun Days at School** - Organize two fun days for students, including drawing and theatre performances. - Distribute gifts and branded T-shirts to participants. - Ensure full media coverage (video and photography). - Produce videos for both events. - Promote all videos and photos on social media platforms. **Community Marathon and Mural Painting** - Organize two community marathons. - Coordinate mural painting along the road. - Provide branded T-shirts, snacks, and beverages for participants. - Ensure full media coverage (video and photography). - Promote all videos and photos on social media platforms. **Community Tree Planting Day** - Organize a community tree planting event. - Document the event through video and photography. - Promote all videos and photos on social media platforms.	Will be implemented through specific items under media coverage and outreach.

Activities which are out of the media coverage and outreach assignments and considered as cross-cutting with other programme activities:

- The MDLF website and Facebook page will be actively used to promote the programme, including establishing a dedicated web portal on the MDLF website for Area C featuring an interactive map and live videos on the Facebook page.
- Conduct TV and radio interviews to inform stakeholders and target groups about the programme.
- Develop testimonials by sharing stories of people whose lives have been positively impacted by the projects, supported by illustrative photographs.
- Issue press releases highlighting the impact of the projects.
- Prepare PowerPoint presentations for various audiences and events.
- Install large project signs at each sub-project site as part of project mobilization; these will be installed by contractors.
- Organize field visits by MDLF and development partners to target localities, accompanied by media coverage.
- Ensure that all public building projects carry a clear visual identity consistent with the programme branding.

Indicators
Quantitative indicators: - Number of events organized - Number and breakdown of participants in the events (e.g., gender, age group, location) - Number of outreach activities conducted - Reach and engagement metrics on social media platforms (e.g., views, likes, shares, comments) **Qualitative Indicator:** - Overall reaction to respective event/tool usage
Resources
- MDLF intends to contract a firm for media coverage and outreach of Area C- Package VII. - MDLF Technical Department and Strategic Planning Department will be fully engaged in the implementation of the communication and visibility plan. - Stakeholder feedback - Media coverage quality - Audience engagement and interaction - This assignment is planned to be conducted during the period (July 2025 until the end of action). - The estimated cost for the assignment is EUR 50,000

4.10 Beneficiaries/affiliated Entities and Other Cooperation

A) Synergy and Communication with key stakeholders

To ensure effective follow-up on activities under this package, MDLF has maintained strong coordination with all relevant stakeholders. It has worked closely with the Local Technical Consultants (LTCs), Local Government Units (LGUs), and the Ministry of Local Government (MoLG) to achieve planned targets and prevent any miscommunication. Moreover, MDLF has aligned its efforts with other key actors, including additional stakeholders, to enhance coordination and streamline implementation.

The coordination between the key stakeholders has been conducted at different levels:

- MDLF has been maintaining high-level communication with EUREP to align on the overall action plan, including budgeting, work packages, and timelines. It has been coordinating closely with the EU technical team, keeping them informed of progress, achievements, and any delays or challenges affecting implementation.
- Close communication between MDLF, MoLG, and the targeted LGUs has been ensured to confirm that all preparatory activities, especially those requiring approvals from line ministries, have been completed as planned.
- MDLF has been maintaining strong communication with Local Technical Consultants (LTCs) and has been preparing clear Terms of Reference (ToRs) for consultancy services related to design and supervision, baseline studies, the capacity-building component, and final evaluation— all of which have been managed directly by MDLF.
- The program's Steering Committee has been establishing an effective coordination mechanism between Palestinian Authority (PA) institutions and Development Partners (DPs) with Israeli authorities to respond to the political challenges linked to stop-work and demolition orders (SWOs/DOs). In this context, a proactive mechanism has been functioning to mitigate the impact of such orders. The reactive response mechanism has been led by PA institutions, including MoLG, the General Authority for Civil Affairs (GACA), and the Wall and Settlement Resistance Commission (CWRC), to address current project suspensions and manage future risks under the ongoing program package.

B) 6th Steering Committee

The Steering Committee (SC) meeting No. 6 for the Area C Development Programme in the West Bank, dated on 23rd November 2023 focused on reviewing the progress of ongoing packages (V and VI), in addition to the identification process for projects under Package VII, highlighting the implementation challenges in Area C in general.

Participants included key Palestinian stakeholders (MoLG, MDLF), the EU, KfW, AFD, and the Danish Representative Office. The meeting emphasized the urgent need for continued support in Area C amid worsening financial crises and political constraints.

The SC acknowledged the vulnerability of communities in Area C and endorsed an approach combining infrastructure delivery with institutional development.

Key outcomes included the agreement to fund 14 projects under Package VII, with Denmark financing two (a boys' secondary school in Al Midya and a connecting road in Arab Al Fureijat), and the rest under the EU/KfW grant.

The SC also agreed on the significance of baseline study to capture the benchmark prior the implementation, and mandated the technical committee to meet biannually to oversee progress. All parties reaffirmed their commitment to supporting development in Area C under the EU's political umbrella and the guidance of national planning and institutional frameworks.

C) 7th Steering Committee

The Steering Committee (SC) meeting No. 07 dated on 30th October 2024 emphasized the urgent need to proactively address anticipated political and operational obstacles to ensure successful implementation of **Package VII**. Given the sharp increase in Stop-Work and Demolition Orders (SWOs/DOs) issued by Israeli Authorities following the events of 7th October, 2023, the SC stressed the importance of strengthening coordination mechanisms among Palestinian institutions—including MoLG, GACA, CWRC, and international donors. This includes establishing both proactive and reactive response protocols to prevent or mitigate disruptions during project implementation.

The meeting recognized the increasing political complexities and emphasized that the success of Package VII depends on close monitoring, early engagement with Israeli counterparts, and joint advocacy from the EU and its member states to protect infrastructure investments and ensure continuity.

The SC agreed that Palestinian Authorities would lead the response mechanisms with targeted support from international donors, particularly the EU, France, Germany, and Denmark. The proactive response aims to address Israeli objections early in the planning or licensing phases, while the reactive mechanism provides a coordinated response once SWOs/DOs are issued.

The SC agreed to extend its membership to include representatives from GACA and CWRC, to ensure effective engagements of both PA institutions in the framework of Area C Development programme.

To avoid a repeat of the delays and demolitions that affected Package VI and may affect Package VII, all stakeholders agreed that Package VII implementation must integrate risk assessment, early diplomatic engagement, and stronger documentation protocols.

The SC also committed to regular follow-ups and exploring collaboration with mechanisms like the West Bank Protection Consortium, while ensuring technical and legal support is available through existing EU-funded contracts, such as with UN-Habitat.

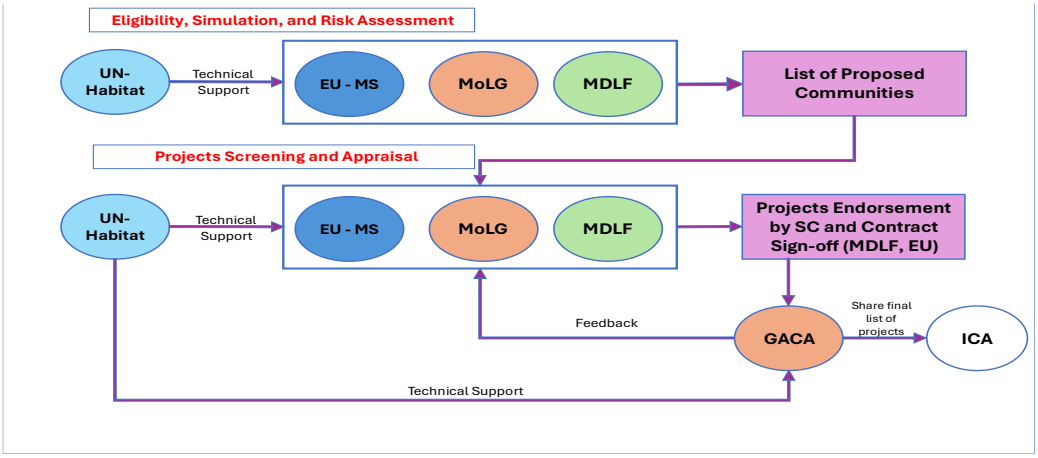


Figure 1: Proactive Mechanism for Implementing Social and Public Infrastructure in Area C

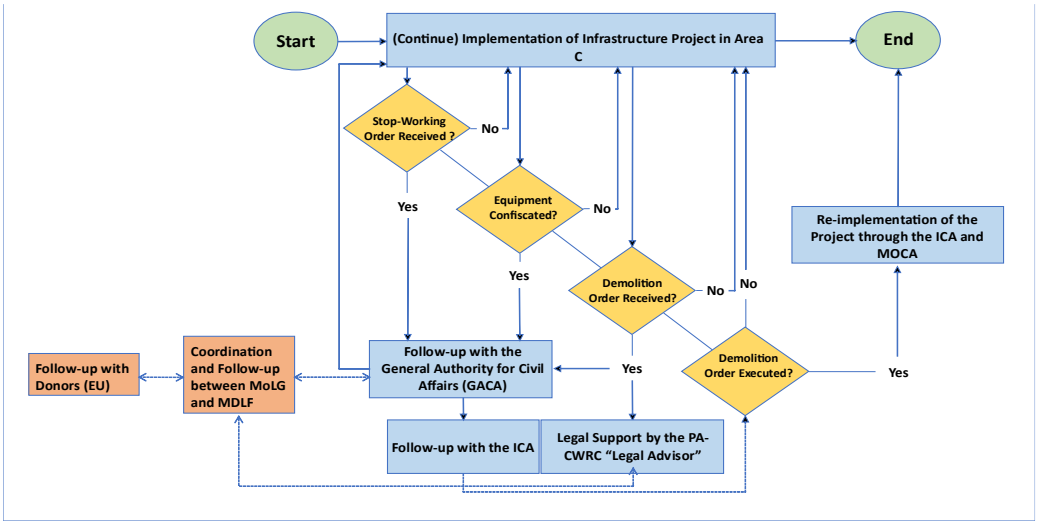


Figure 2: Reactive Mechanism – (How to tackle SWO/DO)

D) Follow Up with CWRC and GACA

In late November 2024, two follow-up meetings were held to advance infrastructure and planning efforts in Area C. On 25th November, CWRC, MoLG, and UN-Habitat convened to discuss spatial planning challenges and legal interventions. The meeting highlighted CWRC's new role as a member of the Steering Committee for the Area C Development Programme and stressed the need for a well-structured coordination mechanism among stakeholders to ensure effective information sharing concerning the legal positions in response to stop-work and demolition orders (SWOs/DOs). CWRC was also requested to review the Terms of Reference (ToR) for the appointment of a legal advisor under the EU-MDLF-funded package.

On 26th November 2025, a separate meeting at GACA offices with representatives from MoLG, MDLF, and UN-Habitat focused on the status of suspended infrastructure projects. GACA, also as a new member of the Steering Committee, shared progress on its engagement with Israeli Authorities, including field visits, revised plans, and ongoing efforts to resume halted works in previous packages. The discussion also addressed assessing GACA's technical capacity as part of an upcoming EU-funded capacity-building initiative.

E) Technical Meeting with Development Partners

A technical meeting was held on 6 May 2025 at the MDLF office in Ramallah, bringing together key stakeholders involved in the Area C Development Programme, with a focus on Packages VI and VII. Participants included representatives from the Palestinian Authority (MoLG, MDLF, GACA), international donors (EU, KfW, AFD, DRO), and technical partners (UN-Habitat). The meeting served as a follow-up to the Steering Committee meeting No. 07 held in October 2024 and aimed to assess the implementation status of Package VI, address ongoing challenges, and plan for the effectiveimplementation of Package VII projects, most of which remain in the design or tendering stage.

MDLF provided updates on Package VI, funded by AFD through the EU, noting persistent delays due to the lack of Israeli approvals. Updates were also shared on Package VII, jointly funded by the EU, KfW (Germany), and the Danish Representative Office.

GACA confirmed that the full list of projects had been officially submitted to the Israeli Civil Administration (ICA) in April 2025. The discussion underscored the urgent need for stronger coordination with Israeli authorities.

GACA reported a recent engagement with the ICA, during which the Israeli side requested additional technical documents to advance master planning efforts. GACA also noted preparations for a trilateral meeting between the PA, Israel, and the EU, with participation from EU member states.

MoLG and KfW emphasized the importance of documenting interactions with the ICA, while AFD indicated interest in developing a potential Package VIII in 2026. All participants agreed on the need for proactive engagement with the ICA and underscored the vital role of continued EU political support in advancing progress under the Area C Development Programme.

4.11 Challenges and Obstacles

The preparation of procurement documents for social and public infrastructure projects in Area C has encountered a range of multi-layered challenges. These issues span from high-level political constraints down to technical and field-level implementation barriers. Among the most prominent obstacles are ongoing communication breakdowns, delayed approval processes, and weak institutional coordination. The following outlines the key challenges, organized hierarchically:

1. Political and Security-Related Challenges

Challenge Area	Details and Implications
Mobility and Access Restrictions	The ongoing war on Gaza and the resulting tightening of Israeli-imposed restrictions across the West Bank—especially in Area C—have severely limited movement. This has disrupted the ability of consultants, and project teams to access sites, conduct field assessments, and hold face-to-face meetings, leading to project delays and inefficiencies.
Delayed Field Data Collection	Key engineering tasks such as surveying, utility mapping, and validation visits have been delayed or cancelled due to access restriction issues. This compromises the accuracy of Bills of Quantities (BoQs) and ultimately delayed the engineering designs and procurement stages.

2. Central Government Ministries

Ministry	Challenge	Details and Implications
Palestinian Water Authority (PWA)	**Lengthy Review Processes**	Design and technical submissions often remain under review for longer period than anticipated, creating procurement bottlenecks and delays.
	Fragmented/Contradictory Feedback	The PWA's review is often conducted in multiple, non-consolidated rounds, resulting in several versions of design revisions that cause confusion and extra efforts.
	Preference for Standardization	PWA tends to push for standardized solutions that do not always align with the site-specific environmental or spatial constraints, resulting in revisions and negotiation cycles.
Ministry of Education (MoE)	**Bureaucratic Inefficiencies**	MoE's internal decision-making relies on various committees without fixed schedules or deadlines. This leads to unpredictability and extensive delays in approvals and endorsements.
	High Staff Turnover	Frequent changes in MoE focal points mean each new staff member needs to be re-briefed. This disrupts institutional memory and slows down project continuity.
	Late-Stage Design Revisions	In some cases, the MoE has requested significant changes to designs or project scopes even after approvals were given, requiring revisions to drawings and BoQs and causing delays in the tendering process.
	Minimal Field Engagement	Feedback is often given without adequate site visits or context, which leads to mismatches between approved plans and actual field conditions, requiring on-site adjustments or change orders.

3. Local Municipalities and Communities

Stakeholder	Challenge	Details and Implications
Local Municipalities	**Capacity Gaps in ESMP & Procurement**	Many LGUs lack the technical capacity to prepare Environmental and Social Management Plans (ESMPs), bidding documents, and procurement plans. To address this issue, on-the-job training and field visits were organized by contracted Local Technical Consultants (LTCs) and MDLF engineers. However, sustained capacity remains a challenge.
	Lack of Technical Focal Points	In many LGUs, the absence of a dedicated engineer results in fragmented communication, slow feedback, and misalignment with technical requirements.
	Scope Expansion Requests	Some LGUs attempt to add new components or locations after the procurement process is finalized. This disrupts the procurement process and increases the risk of non-compliance with SC decisions regarding the projects scope and boundaries.
	Informal Communication Practices	LGUs often depend on verbal agreements or undocumented directives, which reduce transparency, complicate monitoring, and lead to disputes during implementation.
	Disputes Over Infrastructure	Local disputes over alignment, location, or material selection (e.g., road routing or pipe types) can escalate and result in costly rework and timeline slippages.

4. Local Technical Consultants (LTCs)

Challenge	Details and Implications
Inconsistent Quality and Capacity	There are wide disparities in the quality of work delivered by different LTCs. Some deliver incomplete or technically flawed designs, BoQs, or specifications, which necessitate revisions and delay procurement.
Limited Familiarity with Donor Standards	Many LTCs are unfamiliar with MDLF's or donor procurement standards, resulting in non-compliant documents that require correction before approval.
Delayed Document Submissions	Obtaining revised drawings or documents often requires repeated follow-ups, with delays commonly caused by understaffing or low task prioritization.
Last-Minute Tender Changes	Tenders are sometimes revised just before publication, disrupting the procurement timeline and confusing the review process.

4.12 Recommendations for Improvement

To address the identified issues and streamline the procurement preparation process, the following recommendations are proposed:

- **Engage Ministries Early:** Submit concept designs to relevant ministries at an early stage to allow for preliminary feedback and reduce later-stage revisions.
- **Formalize Communication:** Use official correspondence for all feedback and track response timelines to ensure accountability and consistency.
- **Assign Dedicated Focal Points:** Ensure both ministries and municipalities designate technical focal points to enhance coordination and reduce miscommunication.

5. Area "C" Development Programme-Phase II - SDC Portfolio

5.1 Summary Sheet

Doner	Swiss Agency for Development and Cooperation "SDC"
Implementing Agency	Municipal Development and Lending Fund
Budget	**US$ 4,000,000** to be utilized for supporting several villages in Area C.
Duration	The grant agreement was signed on May 1st , 2022 until the end of December 31st 2024. The agreement is anticipated to be extended for additional 14 months.
Context and Background for Area C Support Programme	- The SDC and Palestinian Authority (PA) agreed on an approach for implementing social and public infrastructure sub-projects in Area C. Sub-projects can begin once a statutory outline plan is either formally approved by Israeli authorities or tacitly approved if no objections are raised within 18 months of submission by local government units (LGUs) to the Israeli Civil Administration (ICA). - The outline plans are created with support from NGOs and private firms, considering long-term demographic and socio-economic needs. After being submitted to the ICA, the plans go through a complex approval process. Along with the outline plans, a participatory action plans are prepared including a list of priorities aiming at improving quality of life through improving the quality of services provided by the Local Government Units in Area C. - The Municipal Development and Lending Fund (MDLF) was designated by the PA to implement basic infrastructure, with a Steering Committee (SC) formed to oversee the program, composed of the SDC, PA, MDLF, and other donors. The SC is responsible for endorsing the target localities and selected projects. - The PA and MDLF developed eligibility and competitive criteria for selecting eligible localities and infrastructure projects. The criteria covers basic elements such as the population size, the vulnerability scoring prepared by OCHA, and many other elements related to the sub-projects screening and appraisal. - The Area C development programme under which this project is located has been financed by different doners including the EU, AFD, Denmark, DFID, KFW and the SDC with a total portfolio reaches around 33 million EUR since 2015 of which **(EUR 20 M completed, EUR 5.6 M undergoing and 7.6 are under design and tendering)**. - The programme has been implemented by MDLF in a series of packages with a coordinated and harmonized approach among donors to avoid duplication, and to ensure the impactful of interventions towards the resilience of residents in Area C.
Objectives (Outcomes)	- **The main objective** of the project is to support the marginalized communities in Area C of the West Bank with basic services including "Community development projects, small scale infrastructure & social infrastructure projects". - **Basic services include**: the "access to roads, the access to water networks, the construction or rehabilitation of schools buildings, public space facilities, among others, as prioritized in the development action plans for the LGUs.
Expected Outputs	- The expected number of beneficiaries for the selected 12 localities is estimated 9611 inhabitants. - The implementation of those sub-projects will affect positively on the living conditions of marginalized people in Area C in the West Bank who are denied from access to land and natural resources.

	- Infrastructure projects expected outputs (based on preliminary site visits) o Construction of 150 cubic meter water tank with transmission line. o Adding and construction of around 2,000 square meter of schools. o Construction of 1,200 square meter grass Playground. o Construction/rehabilitation of around 2.0 Km of roads with 5.2-meter asphalt width. - Complementary works for previous projects o Supply of solar system for electricity production (40 KW), o Construction/rehabilitation of 1.0 km of roads. o Complementary works for schools (Fence, boundary walls, water tank, etc…), and supply/install Solar Led Street Lights, seats and toys,. etc.).
Components	- **Component 1 (budget: 3,475,000 $):** Improving accountable Service Delivery for Vulnerable communities through **small infrastructure sub-projects**. This component includes the recruitment of a **local technical consultancy firm "LTC"** for design and supervision of the sub-projects as well as the **project engineer/coordinator**. - **Component 2 (budget: 190,000 $):** Community mobilization and civic engagement of vulnerable communities in local decision-making and community development. This component includes: o contracting a local NGO and relevant consultancies, o implementing civic engagement and initiatives, and o conducting trainings for village councils and SA committees. - **Programme Management (budget: 335,000 $):** which covers the cost for management fees and the external audit.
Geographical Scope	- The program covers 11 LGU's and one LGU is still in the waiting list to be decided later stage. More specifically, (8 new localities and 4 localities previously targeted under phase I).
Implementing Partners/ Supporting Consultancies	**A) The Selected LGU's** who are the owners of sub-projects and will be (as key stakeholders) engaged in the implementation of program components and activities. **B) The Contracted NGO under component 2** **C) The contracted Local Technical Consultant "LTC":** A local consulting firm was contracted by MDLF to design and supervise the component 1 – subprojects. **D) Project Engineer**

5.2 Assessment for Results Achieved

Table 26: Assessment of results

	Key performance indicators	Target	Progress So far	Results (with justification for deviation, if any)
Outcome 1 Improved Access to public services (small-scale infrastructure) are delivered in rural areas of the West Bank with a focus on Area C	# of direct Beneficiaries (inhabitants, students, kids, etc), of whom % are women/girls.	10,000 inhabitants	5,698 beneficiaries have benefited from completed 11 sub-projects.	In general the project can be assessed satisfactorily in terms of progressing towards achieving its intended outcomes. However, it was subject to substantial delays that hindered the achievement of outcomes within the timeframe of the agreement. Those challenges are further elaborated in specific section of this report. The status can be summarized as follows: 9 sub-projects have been completed (6 new localities and 3 top up sub-projects". 2 top up sub-projects are partially completed especially "Um al-Kheir and Khallet Iskariya sub-projects". One sub-project, specifically the Jit School has been suspended due to Stop Work Order issued by the Israeli Authorities. One sub-project in Haja has not yet started. Given the high demand of the citizens in the targeted localities, the projects are perceived positively by the beneficiaries. Thus the % of beneficiaries satisfaction is expected to be achieved. This will be assessed through the BIA "planned by end of 2025".
	% of Households connected to the constructed/expanded water.	100%	Achieved	
	% of Households connected to rehabilitated roads	100% in two localities	Direct Beneficiaries: Isla (5% coverage) and Kafa (80%) Indirect Beneficiaries: (100%) of the households in both localities are served with the rehabilitated/constructed roads.	
	Proportion of beneficiaries satisfied with public service delivered by supported state authorities according to key human rights criteria and principles.	85% The results to be disaggregated by gender	Not yet assessed waiting for completing all the projects and conducting the Beneficiaries Impact Assessment.	
Outcome 2 Strengthened social accountability of targeted LGUs towards citizens and civic groups (youth, women)	BA (T0) indicator of satisfaction with LGUs-citizen relations (quantitative).	NA The results to be disaggregated by gender	Not yet assessed waiting for the BIA that will be conducted by end of the projects.	

Outputs	Key performance indicators	Target	Progress So far	Results (with justification for deviation, if any)
Output (1): Infrastructure projects in new areas are implemented catering the needs of vulnerable communities	# and Type of projects implemented	8 sub-projects	6 sub-projects were completed in 6 new localities	6 projects were completed in 6 new areas. The projects are: - Rehabilitation of Isla internal road. - Rehabilitation of Kafa internal road. - Expansion of elementary school in Khirbet Al Nahla - Expansion of elementary school in Fuqeiqis & Khirbet Salama - Construction of 150 m3 Water tank and transmission pipeline in Al-Mansoura - Construction of 1200 m2 grass playground in Qalandia
	Number of supported local authorities which have benefitted from increased budget resources	8 localities	(6) local authorities have benefited from increased budget resources so far.	
	150 cubic meter water tank with transmission line constructed.	150 CM	Achieved	The sub-project was completed for the benefit of Al-Mansoura village council in Jenin.
	2000 square meter of schools constructed/rehabilitated.	2000 SQM	Achieved	This indicator reflects the construction/rehabilitation of a total of 2000 m2 of schools, distributed among (3) different schools and 3 different projects as follows: Rehabilitation of an elementary school at Al-Jit VC with a total of 1000m2. Completed Expansion of Khirbet Nahla elementary school (500 m2) – Completed Expansion of Fuqeiqas elementary school (500m2)- Completed.
	1200 square meter grass Playground constructed.	1200 SQM	Achieved	The construction of the playground was completed in Qalandia.
	2.0 Km of roads rehabilitated/reconstructed	2.0 Km	Achieved	(2) road rehabilitation and construction sub-projects were successfully implemented with a total length of 1.6 KM as follows: - Rehabilitation of Isla internal road with a total length of 0.7 Km - Rehabilitation of Kafa internal road with a total length of 0.9 Km.
Total Expenses for Output # 1 = 1,743,506.76 amounting 93.3% of the total entire expenses The expenses consists of (Cost of projects in new areas) Plus (Recruitment of Project Engineer) Plus (Prgramme Management)				

Outputs	Key performance indicators	Target	Status	Results (with justification for deviation, if any)
Output (2): top up infrastructure projects for municipalities from phase 1	# and Type of projects implemented	5 sub-projects	Partially Achieved 3 sub-projects were completed 2 sub-projects are partially completed	(3) top-up sub-projects were completed as follows: (2) sub-project in Al-Aqaba which are the supply of 30 KW solar system and complementary works at Al-Aqaba public garden Supply and install 10 KW solar system at Yanoun VC. The other two top-up sub-projects were partially completed, precisely, "Iskaria roads and Um Al-Kheir street lighting".
	Number of supported local authorities which have benefitted from increased budget resources	4 localities	Partially Achieved	4 localities have benefited from the top up complementary sub-projects after their completion.
	40 KW of solar system for electricity production installed.	40 KW	Achieved	40 kw of solar system for electricity production was installed for the benefit of Al-Aqaba VC.
	1.0 km of roads rehabilitated	1.0 km	Not Achieved	The top-up road project in Iskaria was contracted and due to access restrictions has not yet started yet. The contract was terminated with no possibility to be implemented under the current conditions.
	Complementary works for schools		Achieved	This indicator includes the following complementary works at 2 sub-projects as follows: Rehabilitation works for school in Iskaria - completed Supply seats and Toys for the Public Garden - Al Aqaba - Completed
Total Expenses for Output # 2 = $ 110,423.26 amounting 5.9% of the total entire expenses The expenses consists of (Cost for complementary works for previously targeted Areas (phase 1)) Plus (Recruitment of Project Engineer) Plus (Prgramme Management)				
Output (3) A pool of local CSOs, LGUs' staff, civil groups and citizens are trained on Civic Participation and Social Accountability Guidelines.	# of trainings held and number of trainers/CSOs trained (disaggregated by gender).	25 training sessions)	Achieved	The following results reflect what has been achieved so far: 52 training hours for VC's and SA committees were conducted as 1st round of training sessions including on-job training for preparing 10 emergency plans. 140 people from SA committees (63 of which are women (45%)) have participated in the training sessions and SA workshops. 36 LGUs staff have participated in the training sessions on CE and CP as well as the development of emergency plans.
	# of SA workshops conducted	50 SA sessions)	Achieved	The SA initiatives were identified and the implementation of SA tools was completed throughout workshops conducted in the targeted localities.
Total Expenses for Output # 3 = $ 7,857.45 amounting 0.4% of the total entire expenses The expenses consists of Cost for community mobilization and civic engagement Plus Prgramme Management				

Outputs	Key performance indicators	Target	Status	Results (with justification for deviation, if any)
Output (4) Enhanced public participation in influencing projects prioritization	# Dialogue sessions between citizens and LGUs in new areas	50 sessions	Achieved	
	Proportion of women with a positive perception on their influence in exercising their political functions		To be assessed	To be assessed as part of the BIA and throughout the mobile application for SA.
	Number of people (M/F) participating in and influencing public services provision, decision-making and budgets in their localities out of which are women.		Achieved	A total of 417 users (56% male, 44% female) have actively used the "It's Our Right to Ask" mobile application since its launch in March–April 2025, reflecting strong community engagement with digital social accountability tools.
Total Expenses for Output # 4 = $ 7,857.45 amounting 0.4% of the total entire expenses The expenses consists of Cost for community mobilization and civic engagement Plus Prgramme Management				

5.3 Output Based Expenses

Outputs	Total Expenses until 30/92024	Relative Weight	Related Budget Lines
Output (1): Infrastructure projects in new areas are implemented catering the needs of vulnerable communities	1,743,506.76	93.3%	Cost of projects in new areas Plus Recruitment of (Project Engineer) Plus Prgramme Management
Output (2): top up infrastructure projects for municipalities from phase 1	110,423.26	5.9%	Cost for complementary works for previously targeted Areas (phase 1) Plus Recruitment of (Project Engineer) Plus Prgramme Management
Output (3) A pool of local CSOs, LGUs' staff, civil groups and citizens are trained on Civic Participation and Social Accountability Guidelines.	7,857.45	0.4%	Cost for community mobilization and civic engagement Plus Prgramme Management
Output (4) Enhanced public participation in influencing projects prioritization	7,857.45	0.4%	Cost for community mobilization and civic engagement Plus Prgramme Management
Total	1,869,644.92	100%	
Total Budget	4,000,000		
% of Utilization	46.7%		

5.4 Progress at the Activity Level

5.4.1 Activities Related to Output 1 and Output 2 - (Infrastructure Sub-projects)

A) Sub- Projects identification and Selection which also includes the preparatory activities conducted before signing the agreement with the SDC.

As part of the preparatory activities prior to signing the agreement with the SDC, the list of sub-projects was selected based on the outline plans and the action plans developed by the consultancy firms under the direct supervision from MOLG. The outline plans were validated by the communities through community participation workshops, involving a broad spectrum of the affected communities, including the women, boys and girls and the elderly in the community, after which it was endorsed by the Ministry of Local Government.

The selected projects were visited by MDLF staff in collaboration with MOLG, SDC, 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 list of projects was then approved by the SDC in September 2022. The only project which is still pending is the rehabilitation of internal roads in Hajja. The project was proposed by the village council and was put in a waiting list to be decided later stage.

The total amount allocated for construction is EUR 3,221,800. **Chart 6 and 7 show the breakdown of the allocation per governorate and project sectors respectively.**

Chart 6: Distribution of Projects Allocation Per Governorate

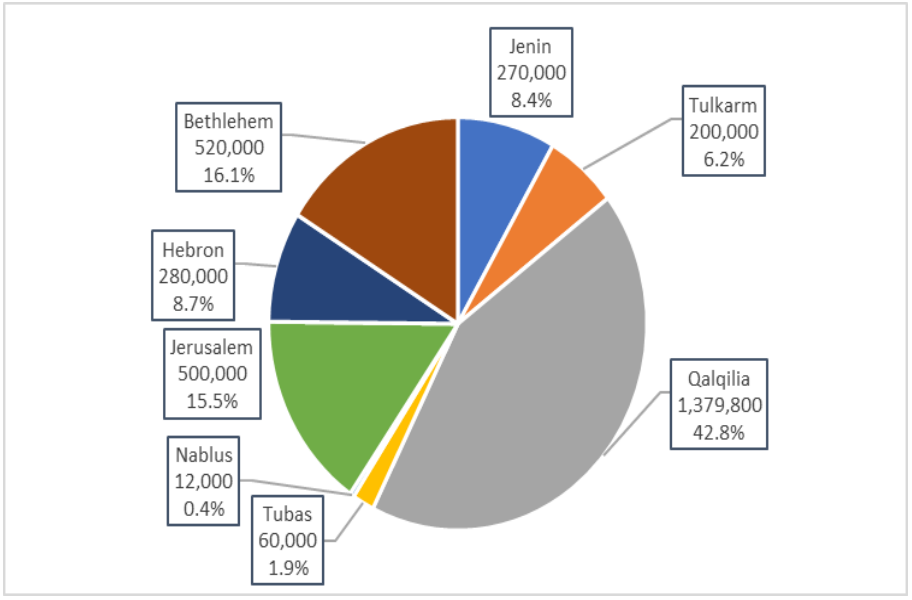


Chart 7: Distribution of Projects Allocation Per Sector

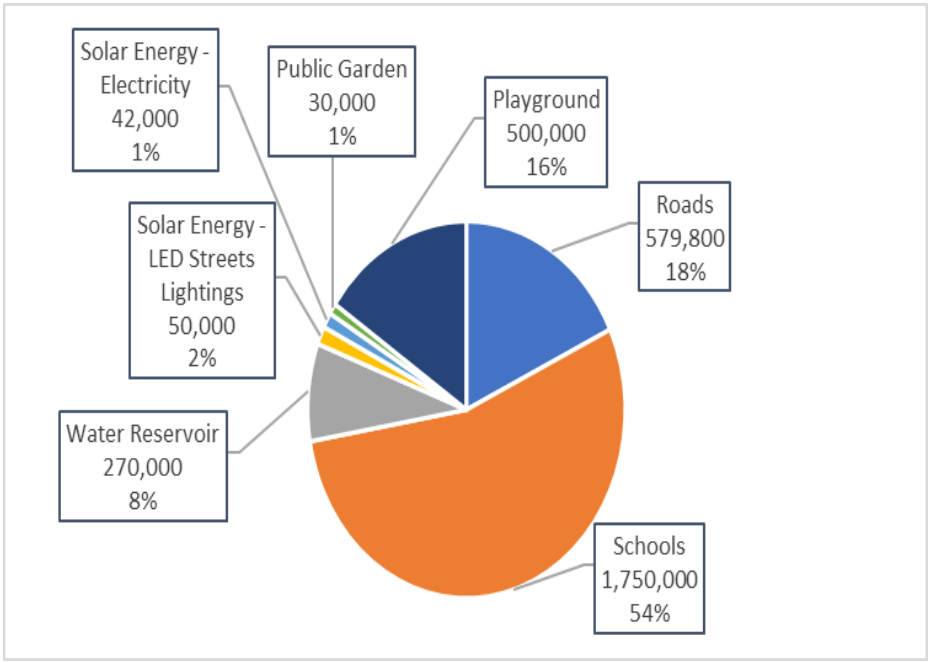


Table 27: Summary of the sub-projects

Governorate	Location	Sub-Project	Population	Cost Estimate $	New / Complementary	Related Output
Qalqilia	Jit	Construction of new Elementary School - 1000m2	974	1,000,000	New	Output 1
	Hajja	Expansion of wastewater network	2941	279,800	New	Output 1
	Isla	Rehabilitation of internal roads	1180	100,000	New	Output 1
Tulkarm	Kafa	Rehabilitation of internal roads	552	200,000	New	Output 1
Bethlehem	Khirbet Al Nahla	Expansion of elementary School - 500 m2 additional floor	179	270,000	New	Output 1
	Iskaria	Rehabilitation works (Roads and school) for Iskaria including school walls isolation and interlock paving for roads	311	250,000	Top up	Output 2
Hebron	Fuqeiqis & Khirbet Salama	Expansion of elementary School - 500m2 additional floor)	409	230,000	New	Output 1
	Um Al Khair	Supply and install Solar LED street light with light control outdoor waterproof IP65 polycrystalline Silicon LED.	949	50,000	Top up	Output 2
Jenin	Al Mansoura	150 m3 Water Tank and transmission pipe line	324	270,000	New	Output 1
Tubas	Al Aqaba	Supply and install Solar system for electricity production(30KW)	263	30,000	Top up	Output 2
		Supply seats and Toys for the Public Garden.		30,000	Top up	Output 2
Nablus	Yanoun	Supply and install Solar system for electricity production(10KW)	141	12,000	Top up	Output 2
Jerusalem	Qalandiya	Construction of 1200m2 of grass playground	1390	500,000	New	Output 1
Total Estimated Cost for above projects				**3,221,800**	**8 New**	
					5 top up	

B) Sub- Projects Design, Tendering and Implementation



- **MDLF Coordination with Key Stakeholders:** Following the agreement signature between MDLF and SDC, MDLF has successfully coordinated with key stakeholders—including SDC, MOLG, and the targeted LGUs—through regular meetings to ensure that all preparatory activities were completed. This included securing the necessary permits and approvals from the relevant ministries to facilitate the smooth implementation of infrastructure projects.

- **Kick Off Meeting:** A kick-off meeting held in July 2022 between MOLG, SDC, UN-Habitat, and MDLF provided an opportunity for each party to present and align their planned interventions in Area C. All stakeholders committed to maintaining close coordination throughout the implementation phase to ensure synergy and effective execution.

- **Contracting Local Technical Consultant for Design and supervision:**
  - The Terms of Reference (TOR) for the local technical consultant (LTC) was prepared, focusing on quality control, supervision, personnel qualifications, and technical assistance to local government units (LGUs).
  - The LTC was contracted in August 2022 to plan, design, and supervise projects, as well as to assist LGUs in defining scope of work, pricing, and identifying challenges, including technical, social, and environmental issues.
  - MDLF assigned a project engineer in early 2023 to oversee day-to-day project activities and supervise the LTC in preparing design schemes, implementation plans, and supervision.

- **Design, Tendering, and Implementation Stage:**
  - Field visits and surveys were carried out by MDLF engineers and the Local Technical Consultant (LTC) to gather data and assess the proposed project areas.
  - The LTC coordinated with MOLG to verify that the project sites are located within master plan boundaries.
  - The data collection and site investigations were completed, including all necessary testing and structural assessments.
  - The final design of the projects was completed as well as the bidding documents, and 90% of the sub-projects were completed/partially completed. Table 28 below illustrates the status of the sub-projects under output 1 and output 2.

Table 28: Status of the Projects

No.	Locality	LGU	Governorate	Sub-Project	Cost Estimate Dollar	Contracted Amount Dollar	Related Output	Status
1	Jit	Jit VC	Qalqilia	Construction of new Elementary School - 1000m2	1,000,000	1,005,263	Output 1	The project was subject to Stop Working Order issued by the Israeli Army in January, 2024. A new alternative for the parcel of land was proposed for the construction of the school which is assessed as low risky location. A field visit led by MDLF and MOLG was conducted. A new design for the school was prepared to match with the new location. The project was subject to 2nd SWO by the Israeli Authorities and is currently on-hold. Update: The work is suspended.
2	Isla	Isla VC	Qalqilia	Rehabilitation of internal roads	100,000	102,050	Output 1	The work was subject to a verbal Stop Work Order issued to the village council on 27/08/2023. Despite this, the MDLF contractor proceeded with the implementation. In response to the situation and resulting delays, the contractor developed an action plan to mitigate the impact and ensure continued progress. Update: The sub-project was completed
3	Kafa	Tulkarem municipality	Tulkarem	Rehabilitation of internal roads	200,000	160,749	Output 1	Update: The sub- project was completed.
4	Khirbet Al Nahla	Wadi Rahhal VC	Bethlehem	Expansion of elementary school	270,000	259,648.11	Output 1	Update: The sub-project was completed.
5	Iskaria	Iskaria VC	Bethlehem	Rehabilitation works (roads and school)	250,000	120,000	Output 2	The work progress was subject to substantial delays due to the blockade and closures by Israeli army which has been

Table 28: Status of the Projects

No.	Locality	LGU	Governorate	Sub-Project	Cost Estimate Dollar	Contracted Amount Dollar	Related Output	Status
								tackled since the outbreak of Israeli war on Gaza. **Update:** The work related to school rehabilitation was completed. The rehabilitation of the road is suspended. The contract was terminated with no possibility to implement the road construction at this stage.
6	Fuqeiqis & Khirbet Salama	Dora Municipality	Hebron	Expansion of elementary school	230,000	167,294.5	Output 1	Update: The sub-project was completed.
7	Um Al Khair	Um Al Khair VC	Hebron	Supply and install solar led streetlight	50,000	43,850	Output 2	Update: The sub-project was partially completed. The materials were delivered to the site but could not be installed by the contractor. The contractor tried several times to install the lighting units but was prevented by the Israeli Authorities. The contract was terminated.
8	Al Mansoura	Al Mansoura VC	Jenin	150 m3 Water tank and transmission pipeline	270,000	273,941	Output 1	Update: The sub-project was completed
9	Al Aqaba	Al Aqaba VC	Tubas	Supply and install solar system for electricity production (30KW)	30,000	22,200	Output 2	Updated: The sub-project was completed
10	Al Aqaba	Al Aqaba VC	Tubas	Supply seats and toys for the public garden	30,000	24,325	Output 2	Updated: The sub-project was completed
11	Yanoun	Aqraba Municipality	Nablus	Supply and install solar system for electricity production (10KW)	12,000	9,400	Output 2	Updated: The project was completed

Table 28: Status of the Projects

No.	Locality	LGU	Governorate	Sub-Project	Cost Estimate Dollar	Contracted Amount Dollar	Related Output	Status
12	Qalandiya	Qalandiya VC	Jerusalem	Construction of 1200 m2 grass playground	500,000	446,000	Output 1	Although the work has witnessed a SWO, the contractor has decided to proceed with the work. The sub-project was completed





Supply and installation of solar system, for electricity production in Al-Yanoun in Nablus





Supply and installation of solar system, for electricity production in Al-Aqaba in Tubas

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Supply seats and other facilities for the Aqaba public garden





Rehabilitation of an internal road in Kafa locality





Construction of 1200 m2 playground for Qalandia village council







Rehabilitation of an internal road at Isla/Qalqilia





Construction 150 m3 Water tank and transmission pipeline – Al Mansoura





Expansion of the Fuqeiqis & Khirbet Salama elementary School.

5.4.2 Activities Related to Output 3 and Output 4

"Communities Mobilization and Civic Engagement"

- A consulting NGO has been contracted since August 2023 to implement the communities mobilization and civic engagement among the targeted localities.
- The project is progressing with minor adjustments to address the challenges arising after the October 7th events. These challenges include political, security, and economic issues in both the West Bank and Gaza, which directly affected the daily lives of citizens and the functioning of village councils, particularly those located in Area C.
- Therefore, it was agreed with the local NGO on some changes to ensure the continuity of the project while maintaining its nature and the agreed-upon terms of reference.

- In this context, two new measures were adopted:
    - **Measure One:** Shift to a "Digital Accountability" approach, using digital platforms to enable citizen participation in social accountability, while still incorporating key face-to-face activities.
    - **Measure Two:** Enhance village councils' capacity to manage emergencies and sustain public services, while using social accountability to monitor their performance in crisis situations.

The assignment aims to enhance civic participation of vulnerable communities in local decision-making, improving relations between citizens and local governments, and strengthening governmental accountability. Effective service delivery and participation for marginalized communities require civil society involvement. Reputable civil society organizations (CSOs) will implement the task by empowering local activities and supporting social management, helping local governments in Area C deliver sustainable public services. The specific goal is to institutionalize citizen engagement and social accountability by adopting formal guidelines and good practices, ensuring marginalized communities influence decisions and services provided by local governments.

5.5 Main Activities Implemented During the Past Period:

Activity	Description and Progress
Activity One: Guiding Local Authorities and Defining the Environment for Enabling Social Accountability.	The effort has centered on guiding local authorities and defining enabling environment for social accountability. A comprehensive range of activities has been implemented to achieve this objective, with special consideration given to the unique challenges faced by Palestinian village councils—especially those in marginalized areas with significant capacity limitations. A comprehensive desk review, which included studying all previous evaluation surveys, reports, and available community social files was done by the NGO. Additionally, integrated community action plans, websites, and social media platforms of local authorities were reviewed. This review aimed to identify gaps between local authorities and citizens, document practices, successes, challenges, and provide recommendations. A baseline survey was designed and developed using mixed quantitative and qualitative methods. A comprehensive questionnaire was prepared to gather accurate information to assess social accountability from the perspective of citizens and the local community. This survey was developed electronically through the smart application (Ask4you), with one of its sections dedicated for conducting surveys at citizens level. The baseline questionnaire covered five main areas: Area One: Disclosure and Transparency Area Two: Participation Area Three: Responsiveness. Area Four: Community Monitoring. Area Five: Concept and Practice of Social Accountability in Reality. Based on the data collected from the desk review and the village councils, a social accountability needs assessment questionnaire was developed for village councils. This questionnaire was filled out through individual interviews with the heads and members of the village councils using Zoom technology. Consultative field visits were organized with local authorities to introduce the project and discuss the results of the needs assessment. During these visits, both successes and challenges were documented, and key priorities/area that require improvement were identified. The primary objective of this activity was to foster consensus on the concept and practical applications of social accountability, promoting a shared understanding between local authorities and the community on the value of transparency and the importance of active citizen participation.

Activity	Description and Progress
Activity Two: Developing a Mobile Application for Social Accountability "It's Our Right to Ask-Ask4You"	Work has been done to develop a mobile application named "It's Our Right to Ask." This application aims to enable citizens to practice social accountability digitally, enhancing interaction between local authorities and citizens in a direct and user-friendly manner. The application was officially launched during March and April 2025 across the targeted villages. Since then, usage has steadily grown, reaching approximately 417 users, with 56% male and 44% female, reflecting encouraging engagement levels. Although the application is already in use, continuous testing and user feedback collection are ongoing to ensure effectiveness, improve performance, and maintain reliability. Technical teams are addressing minor enhancements based on real-time input to optimize the user experience. The development journey of the application began with defining its core idea: to create a digital platform that allows citizens to communicate directly with local authorities. This concept was driven by the need to enhance responsiveness and accountability in local governance through practical digital tools. Various sections of the application were identified to improve transparency and two-way communication between village councils and citizens. These include: a directory of services provided by councils, latest news and updates, community surveys and service evaluation tools, complaints and objections portal, events calendar, volunteering opportunities, reports and publications, an information center, and educational content on social accountability. Comprehensive tests were conducted—both functional and performance-based—to ensure all features work correctly and meet user needs. These tests were carried out in partnership with selected community members, particularly those involved in community accountability committees, whose feedback helped refine and improve the application prior to and after its launch. The launching of the application has been progressively adopted in the target areas. To support this rollout, a media promotion campaign was launched in May 2025, aiming to raise awareness, encourage downloads, and strengthen citizen engagement with local governance. The awareness campaign emphasized the role of digital tools in fostering a culture of participation, transparency, and shared responsibility. It aims to position the app as a key instrument for enhancing accountability and bridging the gap between citizens and their local authorities.

Activity	Description and Progress
Activity Three: Capacity Building and Training for Village Councils and Social Accountability Committees	A series of capacity-building and training activities targeting village councils and social accountability committees have been implemented. This activity aims to strengthen the capacities of local authorities in emergency and crisis management, develop social accountability tools, and increase community participation, with a special focus on vulnerable groups such as youth, women, and people with disabilities. **Training of VCs** ○ The targeted village councils were divided into two groups (North Group and Central-South Group), and an intensive 3-day virtual training was held, encompassing 20 training hours for each group. The training focused on emergency and crisis management, and enhancing relationships with the local community during periods of instability. This was the first round of training for the village councils, with a second round planned for the upcoming months to implement digital social accountability tools. ○ 36 members and employees from the targeted local authorities were trained in emergency and crisis management, and enhancing community relations. ○ As an outcome of the training process for the village councils, ten preliminary emergency and crisis management plans were prepared, tailored to the needs and conditions of each local authority. These plans included a rapid analysis of the local context regarding environmental and infrastructure services, social and cultural conditions, economic situations, and the state of governance and good management in the village councils. The plans also outlined the crisis management team's structure, responsibilities, and tasks, identified risks, and detailed pre-crisis, during-crisis, and post-crisis procedures. A participatory approach was used in preparing the plans in collaboration with council members and the project's consulting team. (The training sessions was accomplished at the level of VCs by preparing 10 well-studied and detailed emergency and crisis management plans). **Training of SA committees** ○ Virtual Training Sessions for Social Accountability Committees lasting two days and encompassing 12 training hours was organized, focusing on civic participation and social accountability, digital social accountability tools, and community mobilization, with an emphasis on vulnerable groups such as youth and women. ○ The social accountability committees were divided into two groups (North Group and Central-South Group), with the second round of training planned for the upcoming period. ○ Training materials were prepared in accordance with the nature of the target group, aiming to enhance participants' knowledge of social accountability for village councils. The training process

Activity	Description and Progress
	also encouraged the concept of cooperation and teamwork by strengthening relationships among trainees through group work during the sessions. ○ The training sessions were evaluated through verbal assessments and using pre- and post-training evaluation forms, with analyses and recommendations on the learning process for participants. ○ Various interactive training methods were employed to ensure effective learning. The training content and implementation method included the following: - Definition of social accountability, community participation, right to disclosure and responsiveness - Importance of social accountability - Principles and foundations of social accountability - Requirements for implementing social accountability - Obstacles to implementing social accountability - Social accountability tools - Advantages of using social accountability tools A four-day virtual training on social accountability for village councils was conducted by Local Communities Organization, targeting members of community accountability committees. The training, held online, was attended by approximately 34 participants—with 52% male and 48% female representation. It aimed to strengthen participants' knowledge and practical skills in monitoring public services, promoting transparency, and encouraging civic participation. Topics included the principles and tools of social accountability, community participation, service evaluation methods, and mechanisms for engaging with local councils. Interactive learning techniques such as case studies, group discussions, and real-life simulations were used to enhance engagement. Pre- and post-training assessments showed noticeable improvement in understanding and readiness to apply accountability tools. Despite the virtual setting, the sessions were highly participatory and collaborative. The training successfully fostered participants' confidence and teamwork while reinforcing their role as active civic actors within their communities.

5.6 Timeframe and Action Plan

Table 29: Action Plan

Milestone	Status	Planned Vs Actual	Q2-2022	Q3-2022	Q4-2022	Q1-2023	Q2 - 2023	Q3-2023	Q4-2023	Q1-2024	Q2 - 2024	Q3-2024	Q4-2024	Extension until 30 June 2026
TOR preparation for LTC	Completed	Planned												
		Revised Planned	NA											
		Actual												
Contracting LTC	Completed	Planned												
		Revised Planned		NA										
		Actual												
Recruitment of Project Engineer	Completed	Planned												
		Revised Planned												
		Actual												
Projects Verification	Completed	Planned												
		Revised Planned												
		Actual												
Projects Endorsement by SC	Completed	Planned												
		Revised Planned												
		Actual												
TOR preparation for NGO/civic engagement	Completed	Planned												
		Revised Planned		NA										
		Actual												
Contracting NGO for civic engagement	Completed	Planned												
		Revised Planned												
		Actual												
Projects Design	Completed	Planned												
		Revised Planned												
		Actual												

Projects Tendering	Completed	Planned												
		Revised Planned												
		Actual												
Projects Implementation	In progress to be accomplished within the proposed extension	Planned												
		Revised Planned												
		Actual												
Civic Engagement and CD initiatives	In progress to be accomplished within the proposed extension	Planned												
		Revised Planned												
		Actual												
M&E (Beneficiaries Impact Assessment)	Not yet Started	Planned												
		Revised Planned											NA	
		Actual												
Auditing	Not yet Started	Planned												
		Revised Planned			NA				NA				NA	
		Actual												

5.7 Challenges and Obstacles:

A) For Social and Infrastructure Sub-projects

- In general, Area C interventions have been implemented in a very challenging environment; given the political obstacles and the substantial delays in sub-projects identification. Furthermore, the sub-projects' design and the approvals from the line ministries consumed more time than anticipated, which have led to multi versions of designs that correspond to the allocated budget.
- One sub-project, particularly, Fuqeiqis school was tendered several times due a dispute with the Palestinian Contractors Union. However, this issue was resolved and the project has been awarded and the work was completed.
- Isla road was subject to verbal SWO issued to the VC by the Israeli army with confiscation of the council's JCB. The contractor of the project was reluctant to work under the SWO issued to the VC. However, the contractor decided to resume the sub-project was successfully completed.
- One sub-project, particularly, Al Mansoora water tank has faced a significant delay in getting the needed technical approvals from the water authority. However, MDLF was able to obtain the needed approvals and proceeded with the tendering and implementation, and the sub-project was successfully completed.
- The construction of the elementary school in Jit is currently on hold due to a second Stop Work Order (SWO) issued by the Israeli Authorities on April 22, 2025 even after the project had been relocated to a parcel of land closer to the built-up area (assessed more safe than the original location). As a result, the MDLF has instructed the contractor to leave the site and suspend all activities until further notice. In the interim, the Ministry of Local Government (MoLG), the General Authority of Civil Affairs (GACA), and the CWRC have been informed to follow up on the issue.
- The difficulties on the ground and the implications of the ongoing Israeli War on Gaza Strip which has started on 7/10/2023 put its shadows on the sub-projects' implementation in Area C. Challenges imposed by the Israeli occupation include: Access restrictions, closures, checkpoints, cement blocks, arrests, settlers attack, confiscation of equipment, and lack of safety for field officers and contractors, etc., all of which have badly affected the implementation process of the sub-projects.

B)For Civic Engagement and Social Accountability

- Security and Political Challenges One of the most significant challenges have been faced in implementing CE/SA is the unstable security situation in Area C. Security tensions disrupt scheduled activities and delay project implementation, affecting the efficiency of field teams. Additionally, we may encounter political obstacles related to obtaining support and cooperation from local and national authorities.
- Technical Challenges: Rural and marginalized areas may face a lack of technological infrastructure needed to support the use of digital applications and tools. Moreover, there might be a deficiency in technical skills among village council workers and citizens. This challenge has been addressed by:
    - Continuous Training: Provide ongoing training for village councils and citizens to enhance their technical skills.
    - Technical Support: Establish technical support teams to assist users in solving technical problems.
- Social and Cultural Challenges: Resistance to change in some local communities can be an obstacle to adopting social accountability principles and civic participation, especially in environments that have experienced long-term marginalization. The diversity of the target groups and their varying needs add complexity to the design and implementation of programs. This challenge has been addressed by:

  - Awareness and Education: Organize awareness campaigns to enhance understanding of the importance of civic participation and social accountability.
  - Encouragement and Incentives: Provide incentives for community participation and clarify the benefits derived from the project.
  - Community Consultation: Involve local community leaders in designing and implementing activities to ensure their acceptance and adoption.

- Communication and Participation Challenges: There may be a lack of effective communication between village councils and citizens, affecting the level of community participation and trust between both parties. Additionally, engaging marginalized groups, such as youth, women, and people with disabilities, requires extra efforts to ensure their effective participation. This challenge has been addressed by:
  - Enhancing Communication: Use multiple communication channels, such as public meetings, social media, and newsletters, to improve communication with citizens.
  - Consultation with Marginalized Groups: Organize special meetings with marginalized groups to ensure their voices are heard and their needs are met.

6. Social Recovery and Job Creation Project (SRJCP)

6.1 Introduction

This project responds to the urgent recovery needs in the West Bank following the October 2023 conflict, which caused a severe economic collapse across Palestine. Unemployment has reached unprecedented levels—80% in Gaza and 35% in the West Bank—leaving nearly all Gazans in poverty and gravely undermining household livelihoods. The job crisis stems from a sharp economic contraction, with Gaza's GDP falling by 86% and the West Bank's by 23%, and is further aggravated by a US$2 billion financing gap facing the Palestinian Authority (PA). This gap is straining the banking sector through cash shortages, rising credit risks, and reliance on temporary Correspondent Banking Relationships. The most vulnerable—women, youth, the elderly, and people with disabilities—have been disproportionately affected, deepening existing inequalities.
Led by the Ministry of Planning and International Cooperation (MoPIC), the project is part of a broader strategic vision to advance social recovery, stimulate job creation, and drive economic revitalization, alongside governance and sector reforms. In this initial phase, financing will focus on the West Bank, with plans to extend similar support to Gaza when conditions allow and additional funding is secured.

The project aims to:

1. **Promote community resilience and well-being** by providing short-term work opportunities for the unemployed and enhancing employment for women and persons with disabilities.
2. **Stimulate local economic revival** by channeling wages and project outputs into communities, enabling beneficiary households to partially restore their capacity to purchase basic goods and services.
3. **Develop transferable skills and improve employability**, particularly for women and persons with disabilities, to enhance future labor market integration.
4. **Strengthen institutional capacity** of MoPIC and other key ministries to effectively coordinate, implement, and sustain recovery and employment programs.

The project comprises of 3 main components as follows:

- **Component 1: Labor-Intensive Infrastructure** will finance small-scale, labor-intensive public works in West Bank Local Government Units (LGUs) to create short-term jobs for unemployed Palestinians, both skilled and unskilled. Targeting will prioritize LGUs most affected by destruction or with the highest unemployment, identified by the Ministry of Local Government and MDLF in coordination with the Ministry of Labor and local communities. Activities will focus on maintaining local services and LGU facilities, with designs that are conflict- and climate-resilient where possible, and will include construction supervision.

- **Component 2: Support to Women and Persons with Disabilities** will assist those unable to participate in labor-intensive works under Component 1 by helping them sustain and expand existing businesses or create new ones across sectors such as agriculture, handicrafts, services, and processing. The component will enhance business management skills, financial literacy, operational processes, and access to markets through training, mentoring, and

coaching. To address the critical barrier of limited finance, performance-based grants—ranging from US$1,000 to US$30,000 for individuals and up to US$50,000 for groups or cooperatives—will be provided, with criteria defined in the Project Operations Manual. Grants may cover inputs, equipment, materials, utilities, marketing, and certification, enabling women and persons with disabilities to grow their enterprises and strengthen their economic resilience.

- **Component 3: MoPIC and PA Capacity Building** will establish a Project Management Unit (PMU) within MoPIC, staffed with key specialists in coordination, social and environmental safeguards, finance, M&E, procurement, and communications/logistics. It will finance goods, services, outreach, communications, and M&E to ensure effective project delivery. The component will also fund a broader technical assistance facility to strengthen PA institutions through capacity building, policy development, and systemic reforms, with initial support to the Ministries of Labor, Local Government, and Agriculture.

MDLF is the implementation agency for component 1 in coordination with MOLG and MOL. The implementation arrangements and the coordination mechanism were defined in the Project Operation Manual "POM".
The following sections focusses on Component 1, outlining the description, allocation criteria, beneficiaries and the implementation status.



6.2 Description of Component 1

Objectives:

- Improve Infrastructure: Upgrade selected areas (e.g., retaining walls, concrete shoulders).
- Create Employment: Provide short-term work for unemployed individuals, enhancing skills and livelihoods.
- Support Local Economy: Wages and projects help households restore purchasing capacity.

Expected Results:

- # of Beneficiaries of labor-intensive work (Number) – target 6753,
- % of beneficiaries satisfied with the services provided under the project (percentage) – target 75%
- Infrastructure improvement in certain areas (e.g. M.L retaining walls, concrete shoulders constructed, …).

Features of Component 1:

- **Demand-Driven:** LGUs identify priority needs with community input, including vulnerable groups.
- **Temporary Job Creation:**
  - Jobs target unemployed individuals verified through government databases.
  - Preference given to those: unemployed ≥12 months, heads of households, married with dependents, age ≥18, not in other programs.
  - Transparent selection coordinated with PFESP and LGUs.

- **Selection Criteria:**
  - Joblessness/no income
  - Equity (one per household; two if a woman)
  - Household role (head)
  - Required skills
  - Age limits (≥18, max per sub-project)
  - Ongoing LGU daily wage contracts

- **Labor Intensity**
  - **Labor cost:** ~50% of Component 1.
  - **Jobs:** 6,239 temporary positions.
  - **Daily rates:** Unskilled 120 shekels (US$34), skilled 180 shekels (US$50)
  - **Duration:** ~3 months; 80% unskilled, 20% skilled/back-office.

Eligible sub-projects and interventions

This component will provide financial support to selected local government units in the West bank to maintain the provision of local services (covering all sectors mandated to LGus including solid waste management and public health activities, Water, Waste Water, Transport including storm water drainage and streets lighting, gardens and public spaces, public facilities owned and operated by LGU) through labor-intensive small scale infrastructure Works including O&M of services and infrastructure, rehabilitation of existing infrastructure and facilities and small scale infrastructure new/development

activities. The component will cover financing for labor, Equipment and supplies necessary to undertake the approved activates/sub-projects of the LGUs. Among others these activities/sub-projects can include:

- Solid waste collection and sorting,
- Water and Waste Water priorities,
- Public health activities,
- Cleaning and beautification of public spaces,
- Irrigation of municipal areas,
- O&M of public facilities (Markets, City Hall, Culture centers, Water and Wastewater facilities, Solid Waste facilities such as transfer stations and or landfills, cemeteries if operated by municipality, schools, Public parks and gardens, municipal owned sport facilities, O&M of Slaughterhouses, etc.)
- Roads repairs and maintenance (filling potholes, crack repair and sealing, etc.),
- Strom water system operation and maintenance,
- Fumigation,
- Landscaping of roads medians,
- Stone walls/retaining Wall constructions,
- Financing of public awareness campaigns

LGUs would identify selecting their priorities from either one of the following:

- From their existing or newly created investments plans (SDIPs),
- Lists of Damaged infrastructure and facilities resulted from the conflict,
- A two-year operation and maintenance plan either exists or to be developed during the course of component 1 implementation.

6.3 Financing of Component 1

The project is financed by the World Bank trust fund and co-financed by the Palestinian Fund for Reconstruction and Development "administered by the Worls Bank". The total budget of component 1 and component 5 (project management) is **US$ 40,016,425** of which **US$ 32,216,425 are signed in 2025, and US$ 7,800,000 are committed for 2026**, according to the below table.

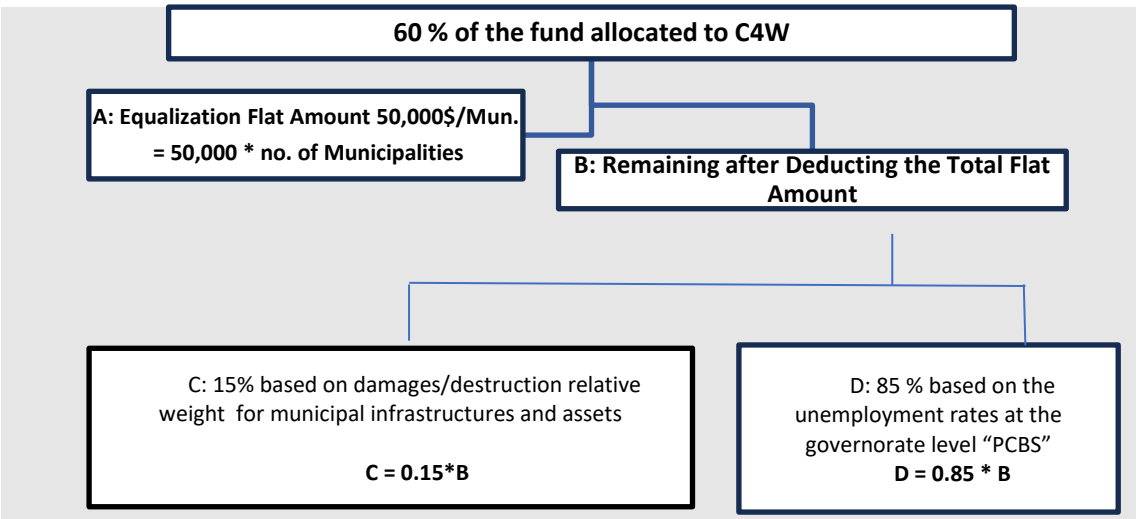
Table 30: Costing of Component 1

		WBTF Agreement (signed)	PFRD 1 (signed)	PFRD2 – committed for 2026	Total (US$)
1	**Component 1: Labor Intensive Infrastructure "C4W"**	**24,610,000**	**4,784,000**	**7,176,000**	**36,570,000**
1.1	C4W for Municipalities	14,766,000	2,870,400	4,305,600	**21,942,000**
1.2	C4W for Village Councils	9,844,000	1,913,600	2,870,400	**14,628,000**
5	**Component 5: Project Management**	**2,390,000**	**432,425**	**624,000**	**3,446,425**
5.1	Management fees	1,890,000	364,000	546,000	**2,800,000**
5.2	Local Technical Consultants	500,000	68,425	78,000	**646,425**
		27,000,000	**5,216,425**	**7,800,000**	**40,016,425**

6.4 Grant Allocation Mechanism

All LGUs in the West Bank will benefit from component 1 except those are totally located in Area C or those having built up area exceeding 70% in Area C.
The fund allocated for C4W under component 1 of the project will be distributed among the eligible LGUs as sub-grants according to the following:

1- **Municipalities Sub-grants representing 60% of the funds allocated for C4W will be distributed according to the following criteria:**
   a) Equalization flat amount: $ 50,000 per municipality.
   b) The remaining after deducting the total flat amount will be distributed according to the following sub-criterion:
      - 85 % based on the unemployment rates at the governorate level as received from the latest statistics from PCBS.
      - 15% based on damages for municipal infrastructures and assets, specifically the municipalities subject to envisions by Israeli Army after the escalation of conflict following the incident of October 7th, 2023. The data on damages will be received from MOLG.

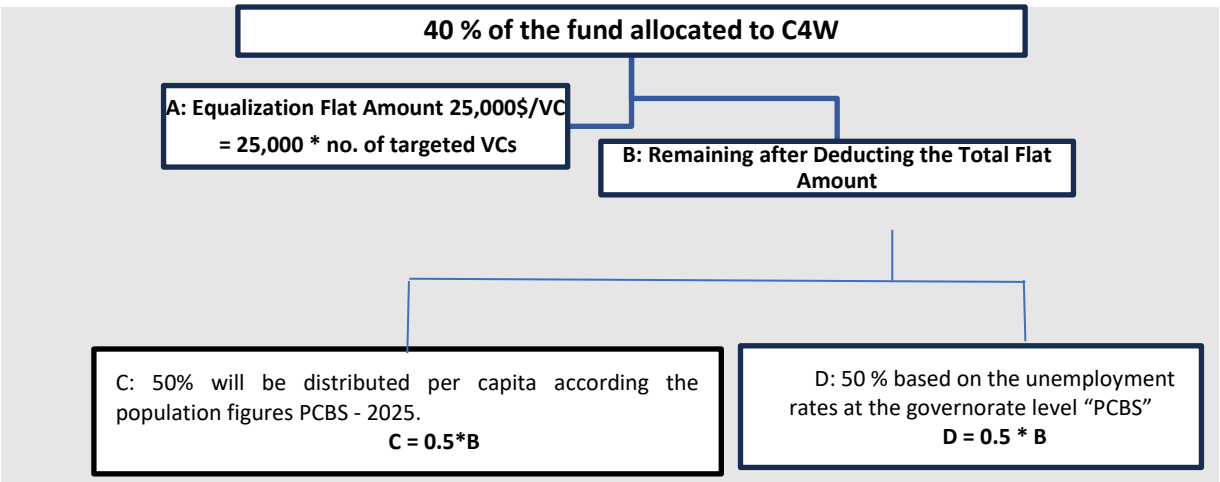


Example: Allocation for municipality 1

Total Allocation = $ 50,000 + $(0.15*B*\frac{Damage\ for\ mun\ 1}{Total\ Damages}) +$

$0.85 * B(\frac{\%\ of\ Unemployment\ mun1 * Pop\ mun1}{\sum(of\ Unemployment\ mun1 * Pop\ mun\ 1) + (of\ Unemployment\ mun2 * Pop\ mun\ 2) + -------etc.})$

2- **Village Councils Sub-grants representing 40% of the fund allocated for C4W will be distributed according to the following criterion:**
   a) Equalization flat amount: $ 25,000 per VC.
   b) The remaining after deducting the total flat amount will be distributed according to the following sub-criterion:
      - 50% will be distributed per capita according to the population figures PCBS - 2025.
      - 50 % based on the unemployment rates at the governorate level as received from the latest statistics from the PCBS



Example: Allocation for VC 1

Total Allocation = $ 25,000 + (0.5*B* ***Pop for VC1 * (*** $\frac{Pop\ for\ VC\ 1}{Total\ PopulationVCs}$)) +

0.5 * B($\frac{\%\ of\ Unemployment\ VC\ 1 *\ Pop\ VC\ 1}{\sum(of\ Unemployment\ VC\ 1 * Pop\ VC\ 1)+(of\ Unemployment\ VC\ 2 * Pop\ VC\ 2)+ \text{----------} etc.}$)

6.4 Allocations for LGUs

Based on the formula described in the previous section, a total of **US$ 36,570,000 allocated for** component 1 have been distributed across the targeted LGUs. Of which **US$ 21,942,000 allocated for 136 municipalities, and US$ 14,628,000 allocated for 235 Village Councils.** The combined population of these **(371 LGUs)** is **2,930,533**, with municipalities accounting for **2,316,218** people and Village Councils for **614,315** people.

6.5 Implementation Status

A) Virtual Stakeholder Consultation on ESMF with 110 Participants:

A public stakeholder consultation session through a virtual session via Zoom was held on June 25, 2025, hosted by the Ministry of Planning and International Cooperation (MoPIC). The consultation session had approximately 110 participants, representing a broad spectrum of stakeholders, including ministries and government institutions, NGOs and CBOs working with women and persons with disabilities, representatives of the private sector, local governments, municipalities, consultants, as well as academics and other interested parties.

During the session, MoPIC delivered a comprehensive presentation detailing the ESMF. Key points discussed included:

- Overview of project objectives, components, and expected outcomes.
- Potential environmental and social risks and impacts associated with project activities under each component.
- Proposed mitigation measures and management arrangements to effectively manage and mitigate these identified risks.

- Project-level Grievance Mechanism (GM), including specific channels for grievances related to Gender-Based Violence (GBV) and Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH).
- Implementation, supervision, monitoring, and reporting arrangements for ESMF compliance.

Participants were actively engaged and provided valuable feedback on various aspects of the ESMF, including focusing on the capacity-building requirements for effective implementation of environmental and social risk mitigation measures, the grievance mechanism, OHS, as well as ensuring inclusion and equitable benefit distribution among vulnerable groups.

B) Orientation Workshops for LGUs

Within the first months following the dissemination of project allocations, MDLF has conducted two **orientation workshops** for participating LGUs. The first workshop was conducted on July 7th, 2025, and was attended by all participating municipalities and representatives from MoL, MoPIC, MoLG and MDLF. The second workshop targeted VC's and was conducted on July 16th, 2025. The workshops were designed to ensure LGUs understand project requirements and build their capacity for effective implementation. Key topics covered include:

- Raising **awareness of the LGUs regarding SRJC project**, its schedule, conditions, and requirements including the fund allocation formula.
- Completion of the **application form** and provision of supporting documents
- Conducting **project environmental and social impact** (preliminary) assessments, the eligible standards, how to use the environmental and social management Framework (ESMF), and other E&S instruments such as the LMP, the SEP, the content of ESCP, amended version of LALF, how to properly manage subproject 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 will be fulfilled under the Local Technical Consultant support during project stages.
- Preparing **PPM and O&M** for projects.
- Details of the **GIA**.
- **Procurement** Instructions.
- **Financial** Instructions.

C) Request for Applications

After conducting the orientation workshops, MDLF has issued the Request for Application (RFA) and invited eligible LGUs to propose projects and seek financial support. The identification of the sub-projects under component 1 "Labor- Intensive Infrastructure" passes through the following process:

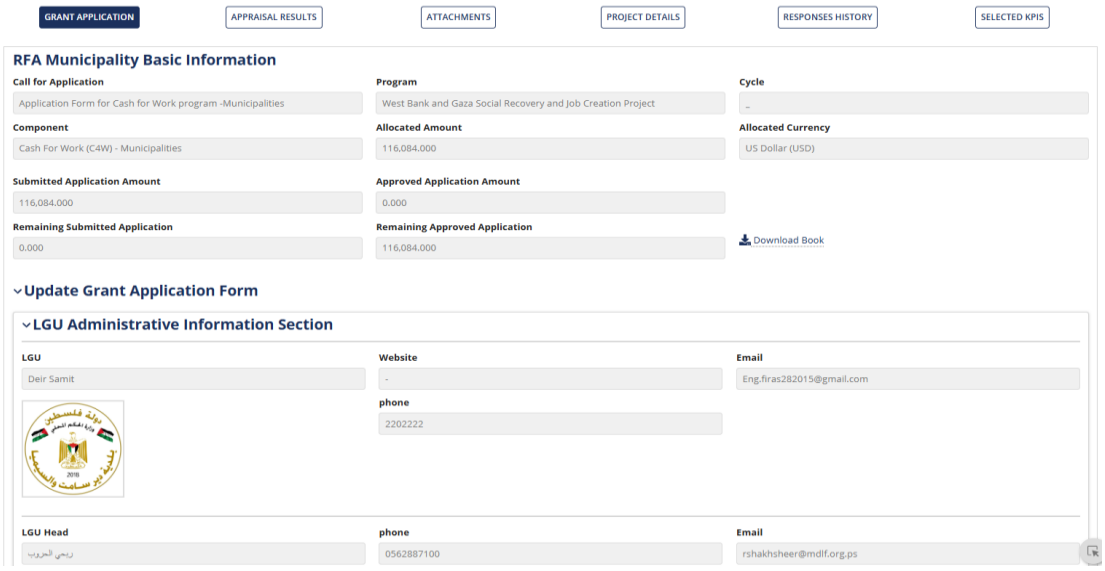
- From the SDIP or emergency operation and maintenance plan, the LGU



determines a list of priority projects (list of small-scale public infrastructure projects) aligned with their budget.

- The selected LGUs projects must achieve the number of job opportunities required by the LGU, and the percentage of employment in the projects for each LGU must not be less than 50%.
- The current daily rate for unskilled workers is around 34 USD and is around 50 USD for skilled workers.
- A job opportunity is defined as a job opportunity for an unemployed person that does not repeat itself within one year.
- Each LGU must achieve a certain number of job opportunities according to the LGU's allocation.





7. Village Council Support Project (VCSP)

7.1 Introduction

The Village Councils Support Project was designed provide targeted assistance to selected VCs to enhance basic service delivery, strengthen local governance capacity, and foster inclusive participation in local planning processes, with special attention to vulnerable groups such as women, youth, and persons with disabilities.

It builds on the planning frameworks and service improvement approaches developed under the Local Governance and Services Improvement Program (LGSIP), and aligns with the Ministry of Local Government's strategic objectives to empower localities toward financial sustainability, promote local economic development, and improve service delivery.

The project is financed by German Government via KfW will contribute to enhancing resilience, reducing rural–urban disparities, and improving the quality of life for marginalized Palestinian communities.

This project comes at a critical time to support Local Government Units (LGUs), especially Village Councils (VCs), which were already struggling to provide basic services due to ongoing economic and political challenges. The current crisis has made the situation much worse because of: (i) cuts in funds transferred from the Israeli Government to the Palestinian Authority, (ii) a sharp drop in external aid, (iii) an economic slowdown caused by movement restrictions and blockades, and (iv) a big increase in unemployment since October 7th . These factors have caused a serious fall in local revenues, putting the delivery of essential services at high risk.

7.2 Description

Project Development Objective

PDO: The development objective of the project is to improve the delivery of inclusive local services in large[18] Village Councils across the West Bank.

Key Results of the PDO:

- Inclusiveness: Citizens in selected rural areas of the West Bank (participating VCs) are actively engaged in local development planning. (This result will be achieved through the GIZ engagement for ACIP development/update).
- Services Accessibility: **"Improving citizens' access to public services in large Village Councils in the West Bank."**

The Project encompasses two primary components:

- **Component (i):** Support the preparation of Annual Capital Investment Plans (ACIPs) for the selected Village Councils in a participatory manner to enhance voice and accountability in local

planning and investment processes. Strengthening citizen engagement in Village Councils and ensuring their active participation in local development are central objectives of the project. The development of ACIPs will be carried out through GIZ and will serve as the foundation for Component 2

- **Component (ii)** Support for infrastructure services at the village level will be provided through infrastructure projects by allocating funds based on the population of each eligible Village Council. These Village Councils will receive support through infrastructure service projects to help implement their developed ACIPs

  Investments financed under the ACIPs will follow an open-menu approach, including small-scale local infrastructure projects identified based on community priorities. The sub-grants for infrastructure support services will be allocated to the Village Councils on a straightforward per-capita basis.

Adding to the above components, the project will provide technical support to the targeted VCs in terms of soft capacity building activities/packages based on diagnostic study to explore the institutional/capacity gaps with a capacity building plan for the targeted VCs. The project will develop a performance-based criteria with KPIs to be adopted for future funding across VCs.

7.3 Geographical Scope

The project will support up to 30 Village Councils located across eight governorates, including Ramallah & Al-Bireh, Nablus, Hebron, Jenin, Tulkarm, Tubas, Salfit, and Bethlehem. Eligibility is limited to large Village Councils with a population exceeding 4,000 inhabitant[19].

The project will ensure the implementation of infrastructure projects to enhance service delivery in the 30 selected Village Councils listed in Table 31, assuming all of them meet the eligibility criteria for financing.

Table 31: The eligible village councils

No.	Governorate	Village Council	Population in 2022
1	Jenin	Siris	6,480
2		Al-Judeida	6,450
3		Sanur	5,489
4		Anin	4,538
5		Alfundqumiya	4,406
6		Faqqua	4,747
7		Raba	4,214
8	Tubas	Wadi Al-Far'a	4,325
9	Tulkarm	Far'un	4,244
10	Nablus	Salem	6,706
11		Tell	5,525
12		Rujeib	6,383

[19] The VCs with population more than 4000 inhabitants is considered large VCs in accordance to the agreed upon definition with the WB and KFW while appraising the LGSIP.

No.	Governorate	Village Council	Population in 2022
13		Burqa	4,444
14		Bayt Dajan	4,473
15		Beit Iba	4,366
16		Awarta	7,550
17	Salfit	Haris	4,298
18		Shuqba	5,896
19		Abu Falah	4,746
20		Deir Jrieir	4,827
21	Ramallah & Al-Bireh	Saffa	4,724
22		Kifor Ni'meh	5,032
23		Deir Abu Mash'al	4,572
24		Qibya	6,578
25		Kharbatha Al-Musbah	6,591
26		Husan	7,612
27	Bethlehem	Al Shawarweh	4,494
28		Irtas	6,205
29	Hebron	Al-Rayhiyya	6,328
30		Assura	4,716
Total			**160,959**

7.4 Agreement Signature and Budget breakdown:

The agreement between the PA (represented by MOPIC Minister- Dr. Wael Zaqut and MOLG Minister Dr. Sami Hijjawi) with the German government, represented by Mr. Oliver Owcza was signed in December 2024. The total budget of the agreement is **EUR 6,000,000** as illustrated below:

Table xxxxx: Budget Breakdown

Item	Budget (Euro)
1- Consultancy Services	**560,000**
Technical & Procurement Audit	20,000
Evaluation Cost - BIA	40,000
Local Technical Consultancy for Design and Supervision	300,000
Cost for CB support including: - Develop a performance criteria - Diagnostic for CB support - Implementation of CB activities	200,000
2- Cost of Infrastructure Sub-projects	**4,970,000**
3- Management Indirect Cost (7%)	**420,000**
4- Contingency for UXO	**50,000**
Total Cost of the Action	**6,000,000**



7.5 Implementation Status (for Social and Public Infrastructure Projects)

Table 32: Overall Implementation Status

Stage	Key Activities	Status
A) Contract Stage	The agreement was signed in December 2024.	Completed
B) Mobilization Stage *Projects Identification & Selection*	This phase is a preparatory phase for project cycle to start; in this phase MDLF has implemented the following: I. Development of the eligibility criteria; and II. Identification of 30 village councils based on the eligibility criteria; and III. Identifying allocations for each Village Council; and IV. Preparation of necessary documents to be distributed to VCs; and V. Implementation of orientation workshops for VC's  VI. Preparation of all the necessary documentation of the project including: ○ the Environmental and Social Management Framework (ESMF) to support the planning and implementation of the Village Council Support Project (VCSP). ○ The Labor Management Procedures (LMP) to help Village Councils manage the risks associated with the project ○ Land Acquisition and Livelihood Framework ○ Stakeholder Engagement Plan ○ Environmental and Social Commitment Plan ○ Grievance Redress Manual ○ Project Application Form ○ Operation and Maintenance (O&M) plan form ○ Procurement Plan Form (PPF) Form ○ Grant Implementation Agreement (GIA) form ○ Cost benefit analysis Guidelines	Completed

Stage	Key Activities	Status
C) Identification stage	- MDLF issued a Request for Application (RFA) and invited eligible Village councils to propose projects and seek financial support. Applications include a detailed project description, preliminary design (if available), required professional certificates, cost-benefit analysis, priced Bill of Quantities (BOQ), and any other supporting documents, etc - MDLF assigned engineers from the technical department to follow up and work closely with the Village Councils. The engineers are divided geographically among the governorates to ensure full coverage of MDLF's operations - The area engineer provided the Village Councils with information, guidelines, and explanations to help complete their applications. This assistance has been offered in one of two ways, subject to MDLF's budget limitations and the approval. - The Village councils selected their projects from their Annual Capital Investment Plan (ACIP) which was developed/updated with assistance from the GIZ/MOLG. - All proposed sub-projects were subjected to a screening process carried out by MDLF supported by E&S consultants at MDLF. **Analysis of Approved Projects per sector** A total of 33 sub-project proposals were submitted by 30 village councils from 8 governorates. Analysis of these proposals reveals that: 1- Sector Distribution by Number of Projects: - Roads: 21 projects (63% of total projects) → clearly the majority focus. - Public facilities: 7 projects (21%) → second priority. - Water: 2 projects, Solid waste: 3 projects → together 5 projects (15%). 2- Sector Allocation by Funding: - Roads dominate the budget with 3,474,014 (≈70% of total funds). - Public facilities receive 878,499 (≈17.6%), consistent with their second-priority status. - Water: 272,308 (~5.5%), Solid waste: 345,179 (~7%), showing lower financial allocation relative to roads and public facilities.	Completed

Stage	Key Activities	Status
Stage D) Design Preparation, Tendering, Awarding	- 33 projects were screened and approved, and a local technical consultant (LTC) was hired to prepare the required design and bidding documents for each subproject. - The Local Technical Consultant (LTC) is contracted to provide design and supervision for the project as well as to provide technical support to the targeted LGUs. - The design documents, bidding packages, and Environmental and Social Management Plans (ESMPs) were initiated by the LTCs, with an advanced stage of design completion and tenders preparations. - Procurement processes, including advertising, bid opening, evaluation, and contract awards, will be implemented with MDLF oversight. - Contracts for infrastructure works will be awarded for the LGUs following MDLF's no-objection.	Undergoing
Stage E) Implementation	- The Project implementation will be supervised by LTC in coordination with the LGUs. - Environmental and social safeguards will be monitored as per the ESMPs. - Monitoring and evaluation activities will be conducted by MDLF and LTCs to ensure compliance, resolve issues, and track progress. - The Village councils and the LTC throughout the implementation phase shall ensure the following are done: o Supervision of all quality control, technical, and financial provisions in accordance with the contract agreement, the technical specification and VCSP guidelines o Ensuring the implementation of environmental and social mitigation measures that was determined from the stakeholder engagement tool such as focus group discussion during the identification stage in addition to occupational health and safety. Supervise the contractor's compliance and implementation of the environmental management plan satisfactorily. The LTC and Village council shall follow contractor compliance to environmental considerations according to the ESMP, E&S checklist, ESMF and LALF and will gain support from MDLF area engineers and officers to ensure compliance of the municipalities with the ESMF[20]. o Furthermore, the bidding documents will depict in detail the procedure of environmental noncompliance penalties following to ESMF guidelines. - Complaint mechanism must be available at the Village council as referred to in section 9.3 of the ESMF. Considering that prior to the implementation of the project, the Village council will	Planned

[20] Contractor Compliance is depicted in ESMF and reflected in the procurement documents.

Stage	Key Activities	Status
	announce its willingness to accept the local community complaints through different ways, such as: ○ Distribution of leaflets to the public places ○ Notice Boards ○ The Village council Website ○ Telecommunication tools (SMS and phone line) ○ Public Meetings	

8. West Bank & Gaza Integrated Solid Waste Management Program, Phase 1 (ISWMP-1)

8.1 Introduction

The Integrated Solid Waste Management Project (ISWMP-1) is the first in a Series of Projects (SOP) designed to address the complex challenges facing the solid waste management (SWM) sector in the West Bank and Gaza (WB&G). ISWMP-1 responds to the urgent infrastructure and equipment gaps across the three waste sheds in the West Bank, focusing on addressing the operational deficiencies and the need to expand disposal capacity at the two existing sanitary landfills in the northern and southern regions (Zahrat Al-Finjan and Al-Minya Sanitary Landfills – ZF and AM SLF's), in addition to supporting the construction and rehabilitation of selected waste transfer stations. In parallel, ISWMP-1 will lay the foundation for critical policy reforms and institutional capacity-building to ensure the sector's long-term operational, financial, and institutional sustainability. ISWMP-1 spans from 2025 to 2031, where the future second phase, ISWMP-2, will focus on long-term challenges building on the foundation established under ISWMP-1, and will include further optimizing of waste collection systems, upgrading or closing semi-controlled landfills and dumpsites, phasing out illegal dumping sites, constructing waste sorting facilities, and supporting the implementation of legal and institutional reforms initiated under ISWMP-1. Moreover, the project will integrate related priorities from the water, energy, and transport sectors into its planning and execution. Coordination with these sectors will facilitate the support of initiatives, where possible, such as proper disposal of sludge from wastewater treatment plants (WWTPs), utilize the use of electricity produced from landfills, and strategically selecting transfer station locations in collaboration with the transport sector.

ISWMP-1, as the first project in this SOP focused on the West Bank's solid waste sector, embraces a programmatic approach that balances urgent needs with longer-term goals. While it prioritizes immediate infrastructure solutions and policy/capacity-building actions, it acknowledges that more comprehensive reforms are essential for sector-wide transformation. ISWMP-1 serves as a stabilizing force to prevent system collapse, while ISWMP-2 will aim to drive forward the transformative reforms necessary for a sustainable and high-performing SWM sector. Overall, the program under both phases aims to achieve an integrated solid waste management with enhanced environmental and institutional sustainability and greater circular economy.

8.1 Description

Project Development Objective (PDO):

The PDO of the ISWMP – Phase 1 is to upgrade, sustain and support integrated solid waste management system in the West Bank, this can be measured by the following 5 indicators:

PDO Indicator 1	Increase in the overall waste disposal capacity at Zahrat Al-Finjan and Al-Minya sanitary landfills
PDO Indicator 2	Financial management model prepared and utilized by at least 60% of targeted Joint Service Councils and local SWM service providers.

PDO Indicator 3	People benefiting from climate resilient infrastructure.
PDO Indicator 4	Landfills and transfer stations supported under the project operate and managed per defined operational standards in the project operational manual (POM).

Project Components

- Component 1: Priority Infrastructure[21]
  1. Zahrat Al-Finjan (ZF) Landfill:
     a. Construction of new cells
     b. Remedial rehabilitation of existing cells: and it includes cells' operational stability and closure, improved leachate collection and treatment system, and the necessary infrastructure for gas collection.
     c. Sludge management: to study the feasibility of inter-sector cooperation in terms of sludge and leachate treatment.
     d. provision of essential landfill O&M equipment.
  2. Al-Minya (AM) landfill:
     a. Construction of new cells.
     b. Remedial rehabilitation of existing cells: and it includes cells' operational stability and closure, improved leachate collection and treatment system, and the necessary infrastructure for gas collection.
     c. Sludge management: to study the feasibility of inter-sector cooperation in terms of sludge and leachate treatment.
     d. Provision of essential landfill O&M equipment.
     e. Provision of medical waste treatment equipment.
  3. Transfer Stations:
     a. Construction and rehabilitation of transfer stations based on detailed assessment and viability.
  4. Supply of waste bins.

- Component 2: Strengthening Sector Policy and Institutional Capacity
  1. National-Level support:
     a. Policy initiatives to promote waste reduction through more circularity in waste management and enabling framework for private sector involvement.
     b. Policies and regulations minimizing uncontrolled dumping and unsanitary disposal.
     c. Improve the financial sustainability of the sector through preparation of financial management toolkits/model.
     d. Capacity development support to MoLG and EQA to strengthen the policy compliance oversight and enforcement capacity at central level, in addition to supporting data and performance monitoring platforms at MOLG and EQA and providing TA for strengthening solid waste investment planning, procurement, and contract management.
  2. Service Providers Level:
     a. Performance-based support to selected JSC's focusing on the following aspects:
        - Service improvement: efficiency in collection, transfer and disposal.

[21] Refer to the description of existing infrastructure (ZF and AM SLFs) in the Project Appraisal Document, paragraphs 46 and 47.

- Financial improvement: improvement in fee collection, cost recovery, financial monitoring system, billing system and the implementation of waste information management systems.
- Adoption of waste minimization initiatives.

b. Technical Assistance (TA) to local SWM service providers.

3. Waste Shed Optimization Studies:
   a. Primary & Secondary collection optimization studies with a focus on reducing the operating costs of local SWM service providers
   b. Feasibility studies and detailed designs to upgrade and extend existing landfills in the West Bank.
   c. Feasibility studies and detailed design for the construction and rehabilitation of transfer station.
   d. Support the preparation of the National Hazardous Waste Management Plan (HWMP).

- Component 3: Contingency Emergency Response Component (CERC): a zero-sum component to make funds available to the government by reallocation in the event of a natural, man-made or health crisis.

- Component 4: Project Management
  1. Consultancies to support project implementation:
     a. Independent Verification Agent (IVA).
     b. Project Evaluation including Beneficiary Impact Assessment (BIA) and Technical Audit
     c. Construction supervision and contract management.
     d. Technical and safeguards personnel (safety, environment and social including the support to grievance redress mechanism).
     e. Financial and technical audit, M&E activities, monitoring of E&S requirements and other technical studies and consultancies critical for project implementation.
  2. MDLF management fee.

8.3 Allocated Budget and Financing Partners

The current allocated budget for ISWMP-1 is USD 25 million, table (33) provides the budget breakdown over project components, financed by the World Bank Group under the Partnership for Infrastructure Development – Multi-Donor Trust Fund (PID-MDTF) and the Trust Fund for Gaza and the West Bank (TFGWB), table (34).

Table 33: Allocation of Funds per Project Component – ISWMP-1

Component	Allocation (USD Million)
Comp. 1: Priority Solid Waste Infrastructure & Equipment	16.75
Comp. 2: Strengthening Sector Policy and Institutional Capacity	4.50
Comp. 3: Contingency Emergency Response Component (CERC)	-
Comp. 4: Project Management	3.75
Total	**25.00**

Table 34: ISWMP-1 Project Funding Data

Source of Funding	No.	US$ (million)	Closing Date
World Bank Group – PID-MDTF	TF0C6876	5.00	30 June 2027
World Bank Group – TFGWB	TF0C6877	20.00	31 December 2031
French Development Agency (AFD)	-	-	-
Total		**25.00**	

8.4 Project Stakeholders

The strategic nature of the ISWMP-1 requires coordination and consensus building among all stakeholders in accordance with national policies and plans. Figure (3) lists project stakeholders.

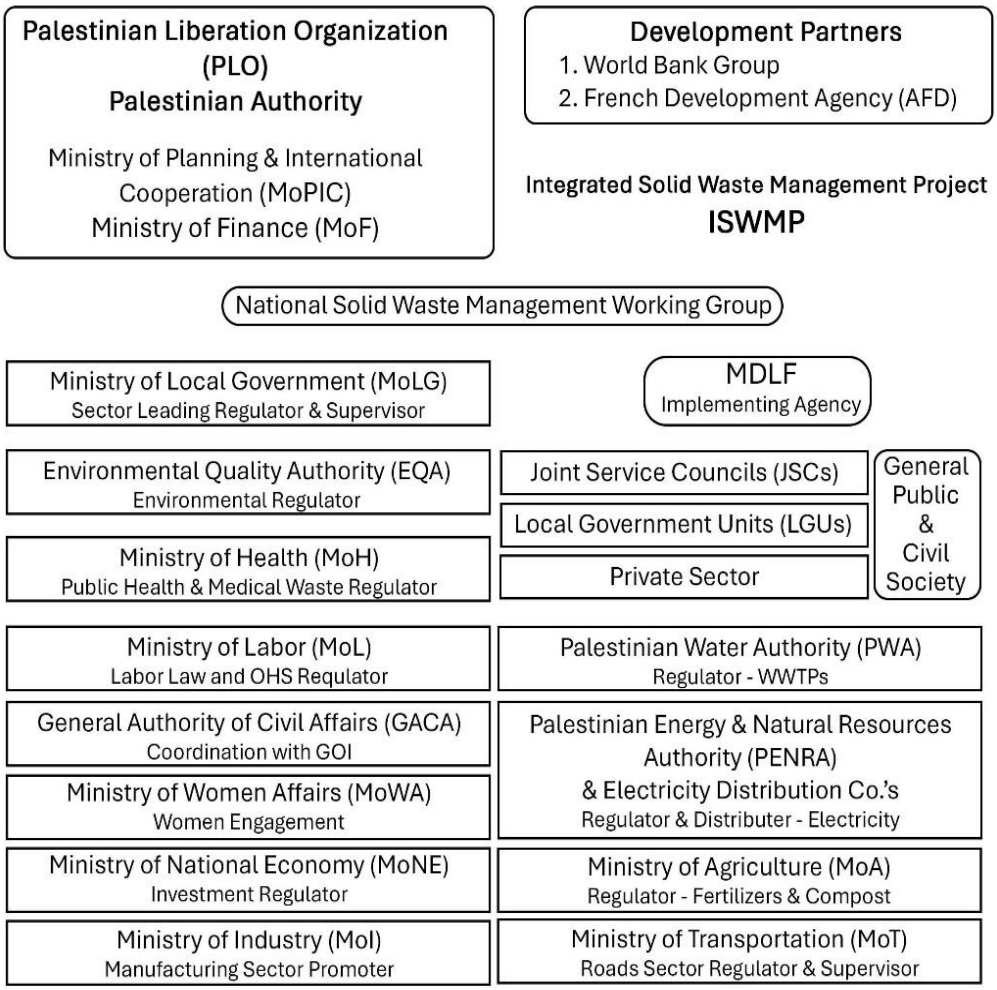


Figure 3: Project Stakeholders

8.5 Implementation Status

The ISWMP-1 was declared effective on 2nd June 2025, therefore this semi-annual report is issued at about the time of project preparation activities. During the first semester of 2025 and as part of the preparation for project effectiveness, MDLF signed at the end of 2024 the environmental and social commitment plan (ESCP) which responds to the World Bank requirements per the Environment and Social Standards (ESS). The Project Operational Manual (POM) was prepared during the reporting period and was cleared as a condition for project effectiveness. MDLF maintained open dialogue with the Ministry of Local Government (MoLG) Directorate of Joint Service Councils, and with the Joint Service Councils operating the Zahrat Al-Finjan and Al-Menya Sanitary Landfill since the response to the challenges facing the sanitary landfills in the West Bank represents high priority in the project, with 67% of the project budget is allocated to those two major sites serving the majority of the population of the West Bank, figure (4). For the second semester 2025 (next reporting period) number of activities are planned to be launched, including the first major study aimed to design the different interventions at Zahrat Al-Finjan and Al-Menya Landfills as in expanding the capacity of landfills by constructing new cells, the rehabilitation of existing full cells, and to upgrade the existing leachate collection and introduce solutions for leachate management and treatment, in addition to the installation of gas collection system and flaring unit. Other activities are anticipated in the second semester 2025 to enhance the environment and social management by hiring social and environment officers to assist monitor and assist in the improvement of landfill operations in accordance with the environment and social audit's recommended corrective action plans.





Figure 4: West Bank Sanitary Landfills Service Areas