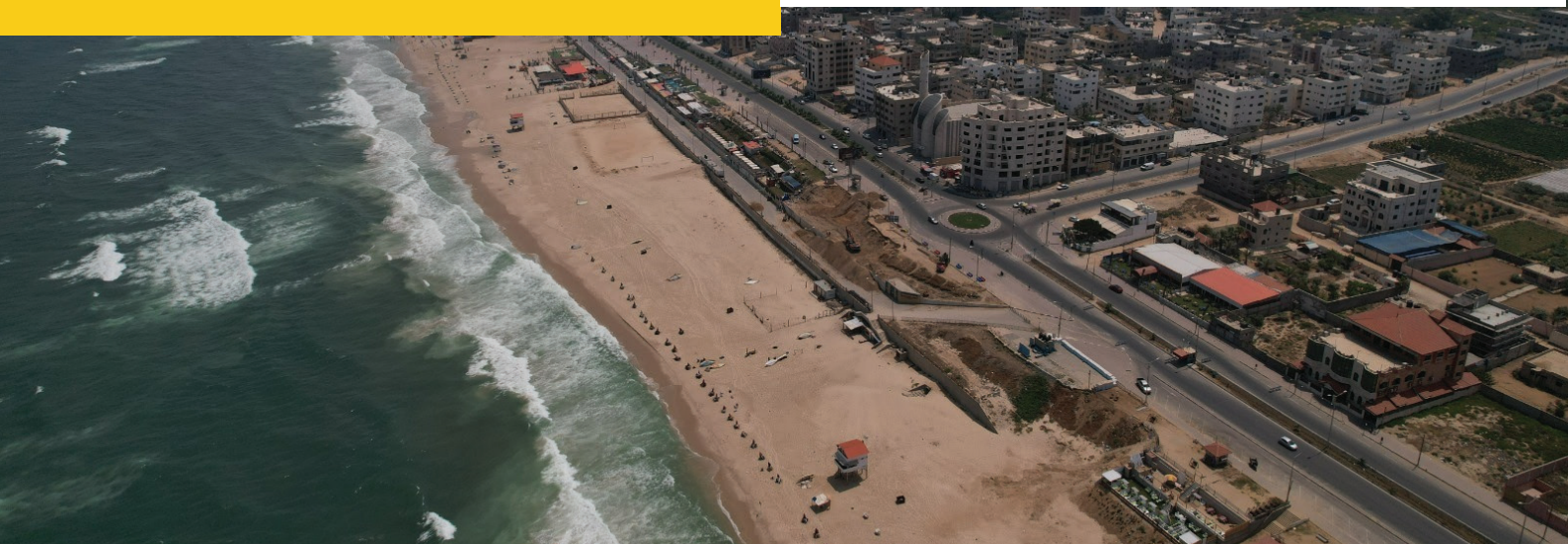




صندوق تطوير وإقراض الهيئات المحلية
Municipal Development & Lending Fund

20
23

ANNUAL
REPORT





صندوق تطوير وإقراض الهيئات المحلية
Municipal Development & Lending Fund

لحياة أفضل

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Annual Report 2023

Municipal Development and Lending Fund (MDLF) - Palestine

February 2024





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 Director (BOD)

Mr. Magdi Al-Saleh	Chairman of the Board, Minister of Local Government
Mr. Iyad Zitawi	Board Member, Representing Palestinian Monetary Authority
Mr. Ali Shaheen	Board Member, Representing Ministry of Public Works and Housing
Ms. Mohammad Rabi'	Board Member Representing Ministry of Finance and Planning
Ms. Areej Odeh	Board Member Representing Civil Society Organizations
Ms. Nadia Habash	Board Member Representing Engineers Association
Mr. 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. Raqi Kayed	Board Member Mayor of Al-Ram Municipality (Representing the Municipalities)



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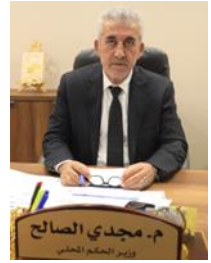
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A Message from the Chairman of the BOD

In my capacity as the Chairman of the Board of Directors of the Municipal Development and Lending Fund (MDLF) and as the Minister of Local Government, it is my pleasure to present the MDLF Annual Report for the year 2023.

The report gives insights into the organization's roles, performance, and achievements, while highlighting the difficulties and barriers that the local government sector faces, particularly in light of the current political and security measures put in place by Israel on the entire Palestinian Territories.



One of the greatest achievements for the year 2023 is the launching of the fourth phase of MDLF flagship program the "Municipal Development Program – MDP4". The new MDP4 is a new building block for MDLF efforts to strengthen the Local Government Sector aiming at improving the performance of Palestinian municipalities for resilient, inclusive and sustainable services provision. In addition, the year 2023 witnessed the successful completion of the last MDP3 with notable achievements in terms of improving services delivery, responding to COVID-19 crisis, creating temporary jobs, and moving the municipalities up on the performance ladder.

Unfortunately, the Israeli aggression on Gaza and the West Bank which has started since October 7th 2023, has placed the local governance sector in extremely difficult circumstances. Hundreds of projects have been destroyed in Gaza and MDLF plans have been disrupted as a result of this situation. It is worth noting that the long-lasting Israeli measures that have been made worse by the Israeli aggression since October 7th have led to economy decline with negative impact on the LGUs fiscal standing putting their capacity to provide basic services under critical risk.

The MoLG and MDLF have raised the red flag to immediately respond to support the LGUs with all possible means to sustain basic services with forward looking to keep the momentum for local governance sector development - which we all agree - is a cornerstone for building our Palestinian state.

I fully support the crucial role that MDLF plays and urge donors to continue supporting the MDLF interventions in the Local Governance sector. This will help shape the future of Palestinian LGUs, taking into account the special needs for Gaza people who are exposed to siege and multiple aggressive wars by the Israelis for the past 17 years.

Finally, on behalf of the Palestinian Government, it's important to express our sincere appreciation of MDLF achievements, dedication and hard team working, and to give our gratitude to all development partners' support which made it possible to reach what MDLF is presenting in this report.

Eng. Magdi Al-Saleh
Chairman of the Board of Director,

Minister of Local Government



A Message from MDLF Director General

With great honor, I present the MDLF Annual Report 2023, which outlines the goals and duties, accomplishments and performance, and outlook for the development of the Local Governance Sector. The MDLF plays a crucial role in the overall machinery of the MoLG by ensuring an effective management of the Local Government services. It also advocates good governance principles among the 159 municipalities in the West Bank and Gaza; thereby upholding local democracy.



The MDLF continues to constantly guide all Local Government Units so that their respective priorities and actions align with the vision of the Local Government and national directions, thus creating the synergy for enhanced social, cultural, and economic development.

The successful conclusion of the Municipal Development Program's third phase (MDP3) and the start of its fourth phase (MDP4) were among our top priorities over the past year. The program's distinctive features, including its transparent allocation criteria among municipalities and its application of an incentive-based approach towards sector reform, make it a cornerstone of the Local Governance Sector Reforms and Development.

The year 2023 witnessed outstanding progress in the delivery of services, resulting in the construction of hundreds of square meters of municipal buildings and facilities as well as hundreds of kilometers of municipal infrastructure. All of which were evident in the high degree of beneficiary satisfaction in Gaza and the West Bank. Additionally, the municipalities were able to improve their performance by utilizing the capacity building support provided under MDLF programs, which was evident by the results of municipal ranking assessment 2023.

The MDLF also kept the momentum to mobilize fund for the 4th phase of Municipal Development Program – MDP4, which was concluded by entering into new agreements with various donors. In addition to that, despite the Israeli political obstacles, MDLF was able to proceed with projects implementation in Area C, turning it into one of the major interventions with noteworthy successes.

Unfortunately, the last three months of the year 2023 was extremely difficult for the local government units in the West Bank and Gaza due to the Israeli aggression on Gaza which has started since October 7th. A wide range of infrastructure across Gaza was either damaged, destroyed or has been unable to operate after the war, and many completed projects implemented by MDLF were damaged. The effects of this aggression mean that the quantity and the quality of services delivered by municipalities will degrade. The Israeli war on Gaza was accompanied with Israeli measures imposed on the West Bank territories which have led to municipalities revenues drop, putting their ability to continue providing services under critical risk.

As one of the leading organizations in the local government sector, MDLF actively responded to the dire needs of the LGUs with a view to make adaptation of MDLF support to better match LGU' evolving priorities. More funding is anticipated with a view to create integrated solutions to revitalize the LG sector while maintaining the reform and development agenda as planned.

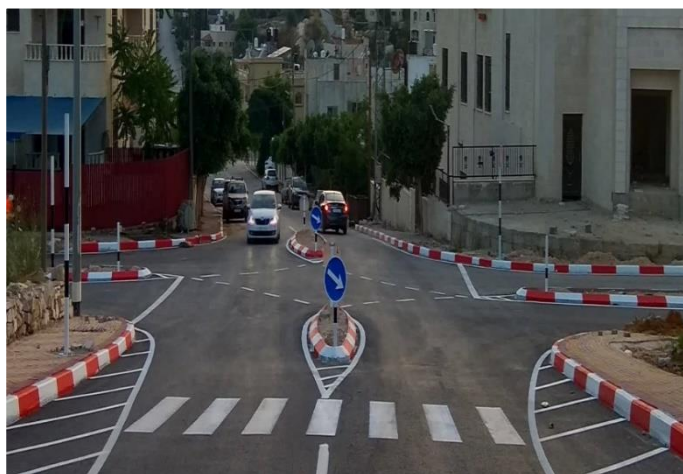
Finally, I would like to thank the hardworking staff of MDLF for their ongoing efforts and wish the organization continued success in its operational excellence with grateful assistance from our Development Partners, who helped us realize our goals in the Local Governance Sector.

Mohammed Al-Ramahi

General Director



SECTION ONE: ACHIEVEMENTS HIGHLIGHT



MDLF Support for Municipal Infrastructure Development and Services Delivery

Since its' inception, MDLF strives to improve services delivery, and promote municipal efficiency and accountability. We believe that our work contributes to the building of our Palestinian State through improving the quality and quantity of vital services at the Local Government Units. The following table are the cumulative accomplishments achieved until the end of 2023:



1,525 Km Roads were paved, developed and rehabilitated



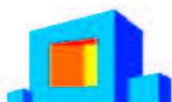
22.8 Km Electrical networks were rehabilitated



1,647 Electrical pre-paid meters were installed



47,453 Lighting units were supplied



148,706 Sqm Public buildings were constructed



44 Km Retaining walls were constructed



182,526 Sqm Parks and public gardens were constructed



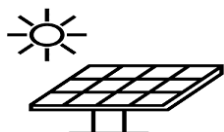
470 Km Sidewalks/shoulders were constructed



43,356 Solid waste containers were provided



261 Km Water networks were rehabilitated/constructed



4,094 KWH of Solar energy were supplied

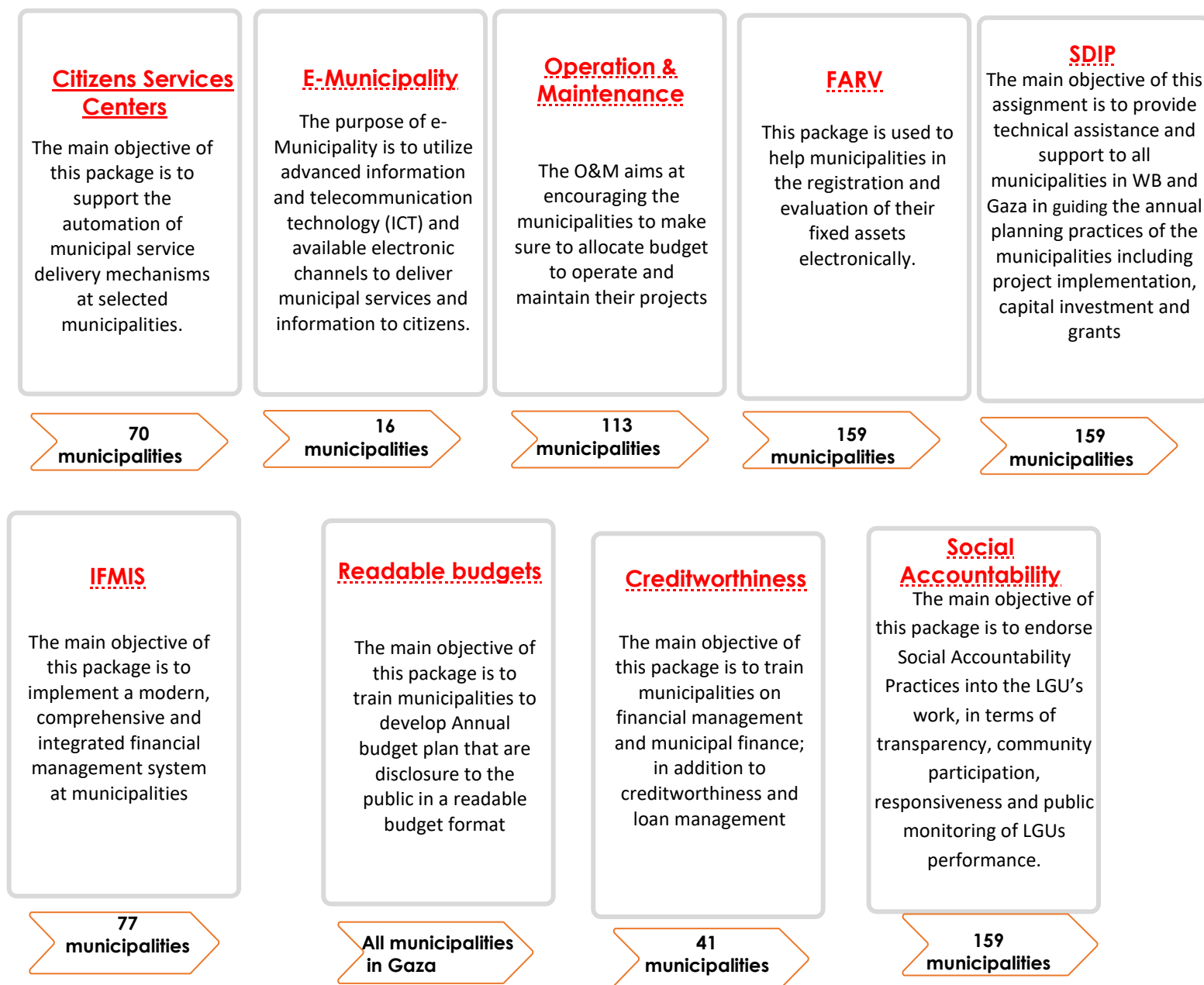


305 km Wastewater networks were rehabilitated/constructed



MDLF Support for Municipalities Capacity Development

The Capacity building packages delivered by MDLF, is a great example of its cohesive understanding for the importance of performing municipalities towards sustainable services delivery. Over the years, MDLF was able to support all municipalities with different capacity building packages to help them institutionalizing their work and to improve their graduation on the performance ranking ladder. The following section reflects the definitions of each package and the number of LGU's who received the package over the implementation of MDP.





2023 Key Outputs for Municipal Infrastructure Support

Roads	<u>20</u>	kilometres of roads were paved, developed and rehabilitated
	<u>1650</u>	L.M of storm water drainages were rehabilitated/constructed
	<u>4</u>	kilometres of sidewalks/shoulders were constructed
Water	<u>14</u>	kilometres of water networks were rehabilitated/constructed,
	<u>1000</u>	cubic meters capacity of elevated water reservoirs constructed
Wastewater	<u>16</u>	kilometres of wastewater networks were rehabilitated/constructed
	<u>1</u>	Wastewater Evacuation Truck was provided
Public Facilities	<u>5943</u>	Sq. meter of public buildings were constructed,
	<u>4250</u>	Sq. meter of parks and public gardens were constructed.
Solid Waste	<u>800</u>	Solid waste containers were provided
	<u>1</u>	Solid waste vehicle were provided
Electricity	<u>2.8</u>	kilometres of electricity networks rehabilitated
Solar Energy	<u>140</u>	kilo watt of Solar energy units were supplied
Direct Job Creation (cash for work)	<u>586,347</u>	Working days for operation and maintenance of municipal services
	<u>10,447</u>	Direct Job opportunities were created under the cash for work activities of which 20% for females.





Disbursement:

During the year 2023 the MDLF disbursed nearly US\$ 29 million of infrastructure, capacity building and innovative projects to all municipalities in West Bank and Gaza.

Institutional Development:

Deployment and testing phase of the Grants and Project Management Information System

The MDLF Grants and Project Management Information System is a tool that will be utilized by MDLF to enhance its efficiency and effectiveness. By using the power of MIS, MDLF can track, manage, and analyze its projects, grants, and financial transactions. Therefore, the data-driven information obtained from the MIS can enable MDLF to make wise decisions.



During 2023, MDLF continued working with a consultant to set-up and develop all functions of the system in cooperation with MDLF team, where the Software Requirement Specifications (SRS) was prepared, verified and approved by MDLF management. Based on the developed SRS, a software company was contracted during the 2nd half of 2023 to develop the system including different modules for each department. MDLF is now in the testing stage and the data is being entered into the system in order to launch it officially by June 2024.

Finishing stage of MDLF Headquarter building.

The construction of the MDLF building is progressing and has reached the finishing stage during the final quarter of 2023. This marble stone has been laid by the MoLG Minister Majdi Al-Saleh in Ramallah. The construction of the MDLF headquarters is considered a significant achievement that improves the staff's working environment and the organization's sustainability. It is expected to finish the construction of the building during the 3rd quarter half of 2024.





Executive Summary 2023

This annual report reflects the progress MDLF has made during the year 2023 to fulfill its strategic priorities. A number of project activities have been acquired or finished, and a considerable implementation progress has been made, as evidenced by the achievements highlights of this report. On the other hand, the year 2023 witnessed the worst Israeli aggression on Gaza Strip and the West Bank which has started since the last quarter of 2023. The Israeli aggression has led to severe risks and challenges concerning the disruption of plans and the destruction of realized projects. Remedial action is being considered, and plans for future support to the municipalities in West Bank and Gaza are being formulated.

Significant physical damage was inflicted across Gaza, causing heavy damage to municipal facilities, including many projects implemented by MDLF. The situation of local government units in the west Bank, highly dependent upon the political instability of the country, makes them also vulnerable and unable to provide the required services. Municipal authorities are now constrained in their ability to maintain basic services due to economic and political conditions. These pressures have been further exacerbated by the conflict and will impact the timeline for overall recovery.

In the immediate and short term, MDLF will focus on service delivery restoration with the repair and replacement of damaged and destroyed assets and will take corrective measures accordingly with the support of the MoLG and partners. The following sections describe the progress made throughout the first three quarters of the year, (pre-war stage).

The Municipal Development Program-phase 3 has reached its final stage and has successfully met its objectives. At project closing and in terms of reaching outcomes, the PDO was aligned with the Palestinian national development plan; particularly with Focus Area 8, "Improving Services to Citizens." The PDO was well aligned with the Local Governance Sector Strategy particularly with objective 3 "Empowerment of LGUs towards Financial Sustainability."

Furthermore, MDP contributed in promoting a culture of transparency and civic engagement through participatory strategic planning where all municipalities developed their plans for the 4th generation 2023-2026, and all municipalities disclosed their executed budgets and their executed SDIP's.

In 2023 and at project closing, several evaluation assignments of MDP3 were conducted, to assess the effectiveness, coverage and quality of municipal services and management practices. The results of the evaluation assignments were all positive with significant improvement in terms of functionality, transparency, effectiveness, and enhancement of LGUs capacities.

The endline survey of beneficiaries' satisfaction assessment, found that 84.2% of beneficiaries are satisfied/highly satisfied with the services provided by the infrastructure projects implemented under MDP3 (average satisfaction of beneficiaries regarding – relevance, coverage, impact, accessibility).

"Our dedication is unwavering, and we pledge to present proposals for critical areas requiring support in infrastructure and municipal services. Empowering women and youth in local bodies is a priority for us, and we are committed to supporting initiatives in this regard. Together, we can achieve significant progress in advancing municipal development in Palestine, and we look forward to continuing our fruitful collaboration".

Oliver Ovcha,
Head of the German Representative
Office in Ramallah



MDP3 has succeeded in enhancing the capacity of municipalities which is reflected in the compliance of municipalities with the key performance indicators (21 KPIs) as clearly indicated in the **municipal ranking assessment conducted in 2023**. The results of the municipal ranking assessment also revealed significant growth of municipal ranking results where (96) municipalities moved up in the performance ladder.

To conclude, MDP3 enhanced the civic participation at the municipal level which is highly reflected in the participatory approach for SDIP development with a clear involvement of vulnerable groups (youth, women and disables) in the prioritization of municipal investments.

The Municipal Development Program-phase 4 was launched in 2023 aiming at strengthening the capacity of municipalities for resilient, inclusive and sustainable services delivery. The total committed amount for MDP4 is EUR 108 million with a potential for scaling up in the 2nd cycle. The performance and services delivery component allocation was distributed among municipalities totaling EUR 40 million for cycle 1 where all municipalities are eligible for financing as they met the eligible criteria. MDLF is now progressing in the final appraisal of sub-projects to be procured and implemented in 2024. As for the capacity development component, the packages were identified and the municipalities were informed about the CD packages they will receive under MDP4-cycle 1. MDLF

"With the start of the fourth phase, we want to address new issues like social inclusion, technology, climate change, and the environment by introducing new performance standards. As a national program, the MDP is extremely important because it helps to strengthen our sense of national identity and encourages citizens to remain steadfast in their individual regions".

H.E Magdi Al-Saleh
Minister of MOLG

is progressing in the procurement and tendering phase with some delays encountered the implementation due to the current Israeli aggression on Gaza and the blockade on the West Bank. Most significantly, given the current situation, it is anticipated that the MDP4 will be reorganized and contextualized. This will affect the capacity development element, the downscaling of results, and the way forward with Gaza operations.

Gaza Vulnerable Communities Development II: In the new phase of the GVCD, MDLF completed the identification and selection of vulnerable communities as well as the Need Assessment to assess municipalities, citizens, and community groups' readiness to effectively use civic participation and social accountability tools. The assessment of community needs and priorities was based on a participatory approach focusing on the infrastructure services needs and the social service's needs. The implementation of infrastructure projects began during the 2nd half of 2023 with a plan to accomplish the hard and soft components as scheduled despite the technical obstacles encountered the implementation. However, the last aggression on Gaza since October 7th have led to adding more vulnerable communities in Gaza Strip. In order to contextualize the project and make it more relevant and effective, a complete restructure is thus required.

The implementation of the **"Area "C" Development Programme Package 5 – jointly funded by Denmark and the EU** had resulted in a positive impact on the living conditions of the lesser-served residents living in area "C" of the West Bank. The implementation of the Area "C" Development Programme Package 5 has been progressing with **13 projects completed, two are ongoing and one project is suspended**.

Finally, and given the ongoing political circumstances, MDLF submitted a request to the EU for extending the contract duration for additional one year to accomplish the uncompleted projects; and to overcome the



substantial delays encountered the implementation which can be attributed to the SWO and other technical aspects associated with the design and implementation.

On the other hand, the other package funded by the AFD through the EU **Area “C” Development program Package 6** in a total budget of (Euro 2,000,000) witnessed a progress with some delays due to budget constraints and the longer time than anticipated required to review the design and get the approvals from line ministries. Regarding the implementation status of each sub-project, (2) sub-projects namely, the Construction of a Multi-Purpose Building for Furush Beit Dajan Village Council and the Construction of Haris Secondary Boys School were undergoing. The other (2) sub-projects namely the “Rehabilitation and Construction of Internal Roads at AL-Jiftlik Village Council” is in the awarding phase, and the “Construction of an Elementary Mixed School at Al-Aqaba Village Council” is in the tendering phase.

In the same framework, the SDC-funded Area C phase 2 projects made some progress, but it was noticeably delayed by technical issues brought on by the longer than expected approval process from line ministries and the verbal stop working order issued by the Israeli authorities for the Jit School. Furthermore, the Israeli blockade, which has been in place since October 7th and rendered the project sites inaccessible—like in the case of Iskaria, which is suspended as a result of the site's inaccessibility—has had a detrimental effect on the implementation. The state of the remaining ten projects, excluding the two that are suspended in Jit and Iskaria, can be summed up as follows: Three new projects are ongoing, three new projects are undergoing tendering or evaluation, and four complementary projects were either finished or nearing completion.

The Local Government Reform and Development Programme “LGRDP II

The Grant Agreement of the project entered into force on **13th of October 2022**. Since then, there has been serious commitment from MDLF’s team to proceed with the activities of the project as planned; despite the delays that resulted from the political challenges that started in October the 7th, where certain activities could not progress as planned, such as the shipment of certain equipment and the accessibility of our team and our contractors to the areas of implementation which were completely out of access, due to the Israeli blockade of the entrance to these places. This caused serious delays that were beyond MDLF’s control.

Nevertheless, MDLF was able to proceed with the implementation of the planned project. Details of the implemented projects are the following: i) 8 projects out of 11 have been successfully technically completed. ii) One projects is in the final stage of implementation and delivery; and iii) Two projects are undergoing with noticeable progress.

The Multi-site Regeneration Project was designed to target Jericho with the aim to enhance the economic development of Jericho city by developing and upgrading public facilities and extending the city’s green spaces. The project witnessed progress during the past period where several donor missions took place reflecting on the progress of the projects’ several components. The new municipal garage was completed with a total cost of 1,433,332 Euro, and it is now being operated as planned. The Slaughterhouse equipment had been delivered from Turkey and installed onsite making the project functional and operating as planned.



Strategic Framework, Achievements and Directions

The first two years of the strategic plan (2022-2026), which cover the years 2022 and 2023, have been reviewed by MDLF. The organization's performance has been analyzed in relation to its strategic pillars to assess the degree to which MDLF is fulfilling the objectives for its strategic outcomes.

Analyses of secondary data, including performance reports, studies, guidance documents, and evaluations published by MDLF or pertinent stakeholders, were part of the review and revision process. The results of this review will guide the next strategic plan's development and provide insights for the final three years of the current one. To date, the MDLF has executed **US\$ 83.6 million**, which corresponds to **30%** of the total budget planned for the entire strategic plan.

Regarding the results achieved, the assessment found that MDLF has already made positive progress towards achieving the strategic objective in accordance to the targets set out for 2022 and 2023. However, in terms of the indicators, baseline values and targets, there is a need to revise them, especially in terms of the values of the indicators, which would allow for a better achievement of the project's results.

The general objective and specific strategic objectives of the strategic plan, as defined in the strategic plan Logical Framework, are clear and there is a logical relationship between the objectives defined. Furthermore, in terms of the indicators, MDLF was able to make progress in meeting certain targets relying on data extracted from evaluations, audit reports and bi-annual performance reports conducted by MDLF.

Regarding the 1st strategic pillar, "Empowering the LGUs and Strengthening their responsiveness", MDLF has conducted a Beneficiary Impact Assessment in 2023 to assess the relevance, efficacy, efficiency, and sustainability of interventions from the perspective of the beneficiaries, and also in order to assess the level of citizens satisfaction from the services provided by the municipalities. The outcomes of this assessment has shown positive results and has contributed to achieving multiple indicators set out in the strategic plan. The result of the assessment revealed that **84.2% of beneficiaries are satisfied with** the services provided. This is a mid-term assessment of this indicator as reflected in the strategic plan document.

Furthermore, the 2023 assessment revealed that MDLF was able to reach **65% as citizen satisfaction level** for municipal services, which was set the target for the year 2026. Projects implemented though the first two years of the strategic plan served areas of need and most specifically marginalized areas that suffer from poor service provision.

Another assessment was conducted to analyze municipalities fulfilment of the key performance indicators which affects their ranking updates, and feeds into multiple indicators of the strategic plan. The assessment revealed that a total **96 municipalities graduated to a higher rank as a result of their fulfilment of the required indicators**. The distribution of the 96 graduated municipalities reveals that 10 municipalities graduated to A++, another 24 municipalities graduated to A+, 1 municipality graduated to rank A, 23 municipalities graduated to rank B++, 28 municipalities graduated to B+, 3 graduated to B, and 10 municipalities graduated to C++. This result feeds into indicator "2.1 Percentage of graduated municipalities at least one step up on the municipal graduation ladder" of the strategic plan and contributed to the fulfillment of the objective "To contribute to the institutional development and financial sustainability of the LGUs".

On the other hand, MDLF is anticipated to reach the targets for other indicators related to supporting the marginalized groups, and the implementation of interventions that respond to climate change with the aim to enhance the local resilience as well as the adherence of municipalities to grievance protocol and implementation of disclosure plans. All of which were considered as key interventions to be realized under MDP4.

Regarding the 2nd strategic pillar, that focusses on the institutional development, the assessment of municipalities satisfaction with MDLF performance revealed a high level of satisfaction of municipalities'



employees with MDLF (94.5%), in terms of support, quality, interaction, management, transparency, and fairness. Additionally, the MDLF is moving toward operational excellence with its notable accomplishment in automating MDLF grant management and with its staff's dedication to meeting annual plans.

Regarding the 3rd strategic pillar, “Empowerment of vulnerable communities and enhancement of its resilience” , Area C programme with its sequential packages is a real example of noticeable achievement in supporting the most vulnerable communities in the West Bank. Since 2015, 94 projects have been implemented in 74 localities as part of the program, with 26 of those projects being implemented in 26 localities in 2022–2023.

From our strategic perspective, and while focusing on achievements, it is crucial to address the obstacles that could prevent MDLF from accomplishing its goals in light of the political circumstances that have severely affected the local government sector. These difficulties are entirely outside of MDLF's control and are related to the extraordinary challenges resulted from the ongoing war on Gaza and the Israeli measures on the West Bank, which seriously jeopardize reform and service delivery improvements - the core strategic outcomes of MDLF. To achieve this, we rely on our partners for their support in the spirit of our mutual partnership that will enable MDLF to deliver greater, re-establish plans and put corrective measures for the benefit of the LGU's.

Outreach and Communication

Ensuring effective communication and extensive visibility of projects continues to be a top priority for the Municipal Development and Lending Fund (MDLF). Building on our commitment, we successfully executed a variety of activities throughout the year 2023, adhering to our plans. This section outlines the key communication and outreach efforts MDLF undertook in 2023 to connect with our stakeholders, enhance transparency, and share the impactful outcomes of our projects.

- **Online Communication and Social Media**

In the span of the entire year 2023, MDLF has sustained its robust online presence, with a particular focus on social media platforms, notably Facebook and the newly established Twitter account. Our social media content has been consistently refreshed to foster engaging discussions on a variety of topics related to our project activities. We've shared success stories, showcased project transformations, and provided updates on the ongoing initiatives to keep our audience well-informed.

In a noteworthy achievement, MDLF's Facebook page reached a substantial milestone, reaching a total of 87,800 followers over the year. Additionally, our Facebook page has experienced consistent growth, with over 300 new visitors each month. This growth underscores the keen interest and active engagement from our followers, as evidenced by metrics such as page views per session and average visit duration.

Building on this success, we expanded our online presence by launching a Twitter page, broadening our reach, and enabling us to communicate news and updates in English. Our Twitter followers have steadily increased, and we are proud to share our project-related information with a wider audience. In addition to our responsive approach to addressing community





inquiries and feedback on Facebook, we've extended this commitment to our Twitter community, addressing questions, and fostering conversations.

- **Publications and Printed Material**

In 2023, MDLF maintained its commitment to transparent communication through various publications and printed materials. The spotlight of the year was on the "semi-Annual Report 2023," a comprehensive document showcasing the significant achievements and impact of our projects.

In addition to the semi annual report, MDLF took a proactive approach by developing a series of project-specific fact sheets. These concise summaries made our initiatives easier to understand by providing the stakeholders with essential information about each project's objectives, outcomes, and benefits to the communities we serve.

In order to provide a more comprehensive overview of our mission and major projects in both Arabic and English, MDLF expanded our printed material library by introducing brochures.

In 2023, MDLF expanded stakeholder engagement by strategically using promotional materials like pens, notebooks, calendars, agendas, roll-ups, banners, and billboards, featuring both the MDLF logo and our partners'. These items serve practical purposes while reinforcing MDLF's commitment to community development. This collaborative branding approach underscores our collective dedication to making a lasting impact on the communities we serve.

- **Videos and Multimedia Content**

Our communication strategy still relies heavily on visual storytelling, which provides valuable insights into our projects and their effects. MDLF continuously produced a variety of videos and multimedia content in 2023. These dynamic resources showed off project transformations before and after, documented project activities, and highlighted successful pilot clusters. Furthermore, in order to effectively communicate the essence of MDLF's work to a wider audience, we created promotional short spots.

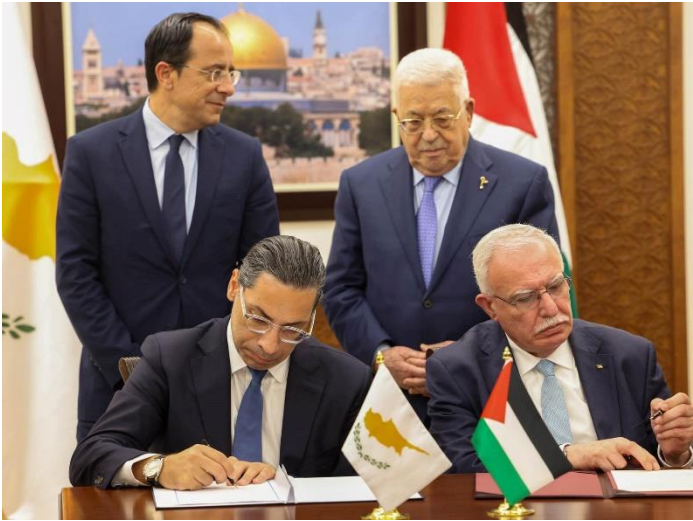
We carefully distributed our video content across a number of platforms, such as Facebook, YouTube, and our website. By using social media channels to share stories about our initiatives, MDLF was able to increase the audience for and impact of our video content.

- **Press Releases and Media Relations**

In 2023, we maintained an open line of communication by regularly updating everyone on MDLF's initiatives. Press releases kept the spotlight on important events, workshops, and training activities, earning coverage in newspapers and various media outlets. Taking it a step further, we ensured each release was not only shared on our social media channels and the MDLF website but also featured on television during inaugurations and ceremonies. This comprehensive approach aimed to maximize visibility and engagement, ensuring that our impactful projects reached diverse audiences through multiple platforms.

- **Events and Engagements**

In the year 2023, MDLF steadfastly continues its commitment to building direct connections and fostering communication channels with beneficiaries and stakeholders. Throughout the year, we actively participated in meetings, workshops, and signing agreements, while also spearheading significant events such as inaugurations, field visits, opening days, and launch ceremonies. These collaborative efforts involved key players such as government officials, donor institutions, local authorities, and other stakeholders, reaffirming our collective dedication to achieving positive change and enhancing the lives of citizens.

- In a significant move, Dr. Riyadh Al-Maliki, the Minister of Foreign Affairs, and his Cypriot counterpart, Mr. Constantinos Koumoussos, signed an agreement to support the project entitled: "Construction of Premise for the Local Council - Ein Qinya, Ramallah Governorate" through the Municipal Development and Lending Fund. The main objective of the collaboration is to construct a modern local council building in Ein Qinya, providing essential services and fostering local development. This partnership demonstrates the commitment to strengthen relationships and promote cooperation in local institutions and community development, aiming for sustainable development and for improved quality of life for Palestinian citizens.
- 
- In the presence of H.E the Prime Minister Mohammad Shtayyeh, an agreement was signed to support the fourth phase of the Municipal Development Program. The agreement, valued at EUR 8 million, was facilitated by the French Development Agency (AFD), constituting 7% of the total budget for the fourth phase, approximately EUR 108 million. The implementation will be carried out through the Municipal Development and Lending Fund.
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- As part of the fourth phase of the Municipal Development Program, implemented through the Municipal Development and Lending Fund, the Palestinian government signed agreements with the World Bank and Germany, amounting to US\$ 52 million. This funding includes 30 million dollars provided by Germany and 22 million dollars provided by the World Bank. The signing ceremony took place at the office of Prime Minister Mohammed Shtayeh and was attended by the Minister of Local Government, Majdi Al-Saleh.
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- The MDLF signed a new project agreement with the Belgian Development Agency (Enabel) in Palestine, known as "Green West Bank." This project is part of the second pillar of the Belgian-Palestinian cooperation agreement, focusing on climate and environment. The aim of the project is to support the Palestinian people by creating a more sustainable environment, encouraging green practices in municipal services, urban planning, and green spaces accessible to all members of society, especially women, children, and youth. The project will prioritize renewable energy sources and promote efficient energy usage in municipal services.



- MDLF has celebrated the signing of an agreement to launch the fourth phase of the Municipal Development Program in Palestine, with a funding amount of EUR 108 million. This agreement marks a new milestone in our efforts to enhance local development and improve the performance of Palestinian municipalities.





- **Workshops, Inaugurations, and Awareness Campaigns:**

- During the first half of 2023, we proudly celebrated the inauguration of the water tank construction project and main pipeline in Al-Ramadin under the Area C Development Program. This significant milestone marked a crucial step forward in our commitment to promoting economic growth and social progress in the Palestinian territories. The event was attended by esteemed guests, including representatives from the Danish Representative Office, the European Union, and the Municipal Development and Lending Fund (MDLF). With this project valued at EUR 550,000, we are dedicated to improving infrastructure and access to essential resources for the benefit of the local community.
- The Municipal Development and Lending Fund celebrated the inauguration of two schools, Wadi Rahhal Secondary School for Girls, and Ras Al-Wad Elementary School, with the participation of Minister of Local Government, Majdi Al-Saleh, and Minister of Education, Marwan Awartani. The inauguration took place as part of the Area C Development Program, funded by the Danish government and the European Union.
- MDLF collaborated with Qalqilya Municipality to introduce school students to the municipal services and facilities available in the region. The highlight of the campaign was a captivating visit to the municipality's zoo, where the students had a fun and educational experience. They learned about the various services provided by the municipality highlighting the support of the Municipal Development and Lending Fund. This initiative aimed to raise awareness among the youth about the vital role that municipalities play in enhancing the quality of life of the local community.
- The Municipal Development and Lending Fund, in collaboration with Gaza Municipality, organized a dialogue session for the beneficiaries of Window 6 (Cash for Work component) under the Municipal Development Program. The session aimed to discuss temporary employment issues among young men and women. The event took place at the Rashad Al-Shawa Cultural Center in Gaza City and saw a significant turnout of young individuals who had participated in temporary job opportunities throughout the year. The program has provided over 6000 temporary job opportunities in various sectors of Gaza, including road maintenance, public facilities, and services, as





well as projects related to electronic archiving, programming, urban planning, and more. This initiative demonstrates the commitment of the Municipal Development and Lending Fund and Gaza Municipality to support the youth in Gaza by creating employment opportunities and empowering them to contribute to the development of their communities.

- **Field Visits Mission Receiving:**

- A team from the Gaza office of MDLF accompanied a delegation from the World Bank on a visit to the Joint Services Council for Solid Waste Management in Khan Yunis, Rafah, and the Central areas of Gaza. The primary objective of this visit was to evaluate the results of the solid waste management project in Gaza. This project is considered the largest of its kind in the region, was designed to enhance waste management infrastructure and elevate environmental standards.
- The MDLF concluded a series of specialized workshops on the 'Funding Allocation Mechanism for MDPIV'. These workshops targeted all Municipalities in West Bank and Gaza, aiming to discuss the mechanism for calculating municipal allocations and the newly introduced performance indicators.
- The Municipal Development and Lending Fund (MDLF) conducted workshops as part of the Municipal Development Programme (MDP) Phase IV, reaching municipalities across the West Bank and Gaza. The objective was to familiarize these municipalities with program goals, focusing on capacity-building, services improvement, and targeted support for vulnerable groups. In its fourth phase, the program underscores innovative projects in climate change, revenue enhancement, and community involvement.
- As part of the developmental and vital projects implemented through the MDLF in Gaza, Minister of Local Government Majdi Al-Saleh inaugurated several projects. The most significant of these projects was the development of Algeria Street and its intersecting roads. The inauguration ceremony was attended by a high-level delegation of ambassadors and consuls from European Union countries.



- **Field Visits Mission Receiving**

- The Municipal Development and Lending Fund participated in the visit of Mr. Jochen Flasbarth, State Secretary in the Federal Ministry for Economic Cooperation and Development (BMZ), to the municipality of Bethlehem. The purpose of the visit was to observe the projects implemented by the MDLF and its role in supporting local authorities.
- The donor partners of MDLF conducted a supervisory mission to monitor the progress of the third phase of MDP. The visit spanned four days and included a series of meetings to discuss the technical and detailed review of the program. Various meetings were held with the departments of MDLF to assess the program's implementation and performance.



In 2023, MDLF hosted a crucial meeting with a World Bank delegation to discuss their pivotal role in supporting municipalities. The discussions highlighted collaborative efforts in enhancing local governance and implementing projects in Palestine. The MDLF expressed profound gratitude for the continuous support from the World Bank in promoting sustainable development in the region.



- The General Director of the Municipal Development and Lending Fund (MDLF), Mohammed Al-Ramahi, welcomed Mr. Martin Mauthe, the new representative of German Cooperation, in a meeting attended by a delegation from GIZ and KFW. The meeting aimed to introduce Mr. Martin to MDLF's as well as to give orientation on the MDLF role in supporting Palestinian local authorities through its longstanding partnership with Germany. Mr. Al-Ramahi expressed gratitude for Germany's consistent support in advancing local governance and sustainable development. MDLF presented an overview of its programs and projects in the West Bank and Gaza, focusing on enhancing local governance and services. Mr. Martin commended MDLF for its dedicated efforts.





SECTION TWO: MDLF PROGRAMS AND PROJECTS





1. Municipal Development Program (MDP III)

1.1 MDP III Description

A. PDO

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

B. Project Beneficiaries

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

C. Project Components

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

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

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

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

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

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

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



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

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

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

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

1.2 Financing Partners Contributions

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

Table 1: List of MDP III Signed Agreements

Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
GIZ Agreement (for cycle 1)	€ 150,000	December 5 th , 2017	December 31 st , 2018	This fund will be utilized in the MDP III-1 st cycle. The GIZ contribution to MDP III-Cycle 1 was added as an amendment to the LGRP.
GIZ Agreement (for cycle 2)	€ 669,876	December 1 st , 2019	December 31 st , 2022	This fund will be utilized in both cycles of MDP3.
KfW Financing Agreement (for cycle 1 & cycle 2)	€ 40,000,000	December 12 nd , 2018	December 30 th , 2022	This fund will be divided equally for the MDP III-1 st cycle and the MDP III-2 nd cycle.
AFD Financing Agreement (for cycle 1)	€ 4,000,000	April 26 th , 2017	December 31 st , 2021	This fund will be utilized in MDPII-1 st cycle
World Bank Agreement (for cycle 1 and cycle 2)	\$16,000,000	September 18 th , 2017	February 28 th , 2023	This fund will be utilized in both cycles of MDPII
Multi-Donor Trust Fund Agreement (for cycle 1 and cycle 2)	\$ 20,000,000	November 27 th , 2017	February 28 th , 2023	This fund will be utilized in both cycles of MDP III
SDC Agreement (for cycle 1 and cycle 2)	€ 4,818,000	November 1 st , 2017	December 31 st , 2022	This fund will be utilized in both cycles of MDP III
VNG Agreement (for cycle 1 and cycle 2)	€ 1,200,000	October 2017	December 31 st , 2020	This fund will be utilized in both cycles of MDPIII
AFD (Financing Agreement for cycle 2)	€ 10,000,000	June 17 th , 2019	December 31 st , 2022	This fund will be utilized in cycle 2



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

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

It is worth noting that the PA contribution was committed as 10% of the total fund (excluding the Covid 19 financing). Accordingly, **the total cost of the MDP III reaches €183,840,523 from which €51,049,082 million was invested in the 1st cycle, and €132,791,441 has been utilized for cycle II.**

Table 2: Distribution of MDP3 Financing by Donor per Cycle

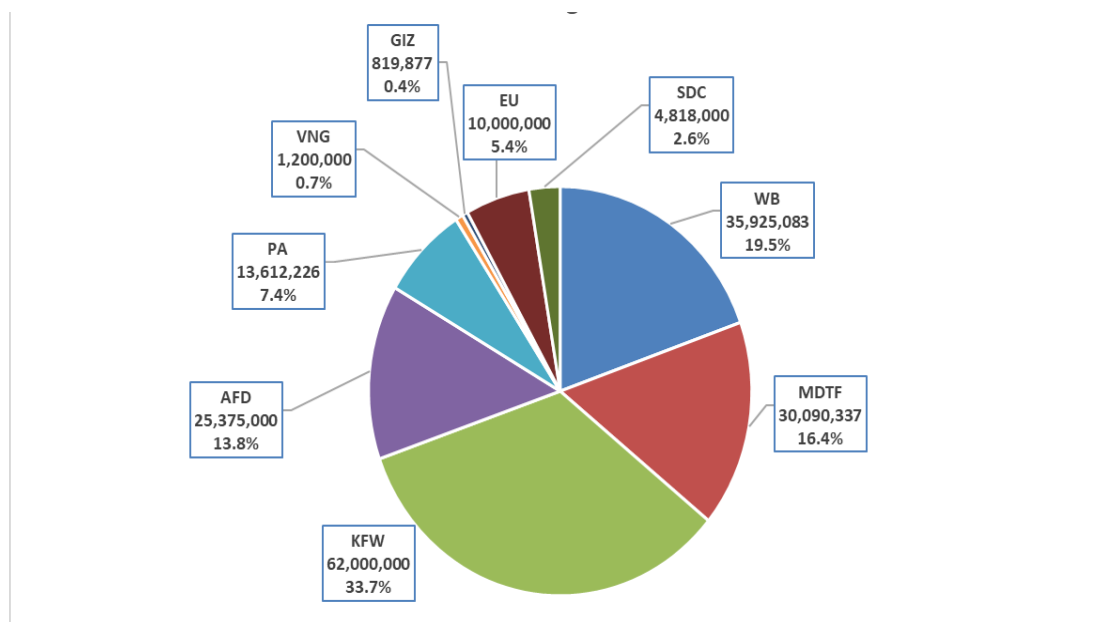
Financing Partner	MDP3 -Cycle 1	MDP3-Cycle 2	Total (EUR)	Percentage
WB	7,443,245	6,685,144	14,128,389	11%
WB additional financing to Gaza (labor intensive municipal services)	0	9,400,000	9,400,000	7%
KFW	20,000,000	20,000,000	40,000,000	31%
AFD	4,000,000	10,000,000	14,000,000	11%
AFD residual from MDPII	875,000	0	875,000	1%
MDTF	9,548,956	8,140,918	17,689,874	14%
MDTF (additional financing)	0	4,136,000	4,136,000	3%
GlZ	150,000	669,876	819,877	1%
PA	4,493,800	6,118,426	10,612,226	8%
PA-residual Fund	1,500,000	1,500,000	3,000,000	2%
VNG	600,000	600,000	1,200,000	1%
SDC	2,438,081	2,379,919	4,818,000	4%
EU - VAT exempted	0	10,000,000	10,000,000	8%
Sub - Total Excluding Covid 19	51,049,082	79,630,284	130,679,366	100%
Financing Partner	MDP3 -Cycle 1	MDP3-Cycle 2	Total (EUR)	Percentage
WB Additional Financing for Covid 19	0	12,396,694	12,396,694	23%
Multi-Donor Trust Fund Additional Financing for Covid 19	0	8,264,463	8,264,463	16%
AFD Additional Financing for Covid 19	0	10,500,000	10,500,000	20%
KFW Additional Financing for Covid 19	0	22,000,000	22,000,000	41%
Sub-Total Covid 19 Additional Financing	0	53,161,157	53,161,157	100%

Total Financing	51,049,082	132,791,441	183,840,523	
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Chart 1: Distribution of MDP3 Financing Per Donor

**Total
Financing**
€183,840,523



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

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

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

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

- **50% for performance:**

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

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

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



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

Table 3: Key Performance Indicators for MDP III

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



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



1.4 Assessment of Results Achievements

At project closing, the PDO was aligned with the Palestinian national development plan; particularly with **Focus Area 8, “Improving Services to Citizens.”** The PDO was well aligned with the Local Governance Sector Strategy particularly with **objective 3 “Empowerment of LGUs towards Financial Sustainability.”**

Table 4: Assessment of Results According to the RFW

Indicator	Target	Achievement
Number of municipalities that move up one rank in the performance assessment system	MTR Target 50 End Target 80	- 61 Municipalities – Graduated at midterm assessment. - Over achieved indicator with 96 municipalities moving up in the performance ladder and achieve higher ranking.
Comments: Target achieved and exceeded at 96. This indicator reflects the overall improvement in municipalities performance and measured based on compliance with KPI 19. An outsourced consultancy firm was contracted to assess the compliance of municipalities with KPIs in 2017, 2019 and 2023. The assessment revealed noticeable progress in compliance with KPIs and thus graduation in their ranking.		
Indicator	Target	Achievement
People provided with improved urban living conditions	Target: 500,000	The # of beneficiaries is estimated to be around 700,000.
Comments: Target achieved and exceeded at 700.000. This indicator measured the cumulative number of people living in municipal areas that have been provided with access to improved services, public spaces, parks, and/or urban environmental conditions and as a result are provided with improved living conditions. Throughout the MDP, MDLF has supported the development of hundreds of urgently needed infrastructure and construction projects to ease access to goods and services, and improve quality of life. Projects included construction and rehabilitation of roads, construction and rehabilitation of water and wastewater networks, construction of public buildings and public gardens. The # of beneficiaries was calculated based on the data received from the municipalities and verified by the Local Technical Consultants using different tools and techniques (visual estimation of roads beneficiaries, google maps, interviews with municipalities technical staff)		
Indicator	Target	Achievement
Municipalities with public disclosure of executed budget and executed SDIP	MTR Target: 50 End Target: 100	- 140 Municipalities disclosed the executed budget and the executed SDIP at the midterm assessment. - Based on the final assessment, 159 municipalities disclosed their budgets and SDIP's.
Comments: Target achieved and exceeded at 159. At project closing, all municipalities in WB and Gaza disclosed their budgets and their SDIP's. Support was also provided for enhancing transparency and accountability of municipalities through improved disclosure of municipal budgets and enabling citizen accessibility to and knowledge of the municipal budget process. The SDIP was developed with adequate public participation through planning committees comprised from the local stakeholders and the municipality. The participants of the aforementioned public meetings and workshops included women and youth (public announcement of the SDIP process, stakeholder workshops to identify priority issues, vision and identified interventions (programs and projects), public announcement of the SDIP.		



New generation of SDIP's

The new generation of SDIPs and new SDIP manual included recommendations on strengthened community participation, including women and youth. During 2022 and beginning of 2023, municipalities have updated their SDIP's to include at least 10% of the focus of the selected projects to respond to the needs of youth, women, and people with disabilities. The SDIP manual was also upgraded to include measures for Climate Change Adaptation that should be reflected in the description of prioritized sub-projects in the SDIPs. In this regard, the municipalities must include at least two major SDIP projects that take into account adaptation to climate change risk among their SDIPS priorities.

Indicator	Target	Achievement
Number of municipalities with operational and enterprise surplus and no increase in arrears	MTR Target: 60 End Target: 70	- 61 Municipalities have surplus with no increase in net lending at midterm assessment. - 57 municipalities have operational surplus and no increase in net lending based on the final assessment.

Target partially achieved at 57.

The main reasons for the lower-than-expected result of the indicator was due the external risks that encountered all municipalities; especially the COVID-19 crises which affected the financial performance of LGU's.

Net lending refers to unpaid invoices for bulk electricity, water, and wastewater treatment services supplied by Israel to PA institutions and LGUs that are deducted from clearance revenue transfers to the PA that take the form of unplanned subsidies at the end-user level. To promote a more sustainable fiscal position, the fairness, effectiveness, and efficiency of public spending needs to be improved through enhancing the intergovernmental fiscal transfer along with supporting the PA directions to reduce net lending.

Formulate policies and programs aimed at reducing the problem of net lending.

Many LGUs that provide electricity, water and wastewater services are not able or willing to pay the full cost of bulk supply for electricity and water. To find solutions to this long-standing problem, The PA has a new initiative underway to document and better record municipal arrears with the establishment of a portal into which LGUs are expected to enter relevant data for tracking and monitoring.

A Steering Committee for Revenues and Net Lending, comprised of MOF, MOLG and the Ministry of Interior, was established earlier this year to find solutions to this long-standing problem. A Net Lending Portal has been set up at MOF to better monitor and track municipal arrears using LGUs financial data. The MDP4 will include among its Minimum Conditions (MCs) the requirement that municipalities enter their data into the Net Lending portal on an annual basis in order to qualify for project-financed grants. This will facilitate a movement away from ad hoc actions and behaviors that undermine trust, accountability and efficiency to a more rules-based system.

MDP4 will provide technical support and training to facilitate this collaborative policy and program initiative in dealing with a problem that has been festering for many years. This condition will be applied in 2025 with the second cycle of project implementation to: a) ensure sufficient time for net lending portal to be fully operational and tested; b) provide MDLF with necessary time to identify the municipalities that will be required to meet this criteria; and c) determine the data to be filled into the portal and ensure appropriate training for relevant municipalities to be able to meet this condition at no risk being disqualified from an access to block and performance based grants.



Indicator Name	Target	Achievement Progress
Number of municipalities graduated to category A	MTR Target: 10 End Target :15	- 16 municipalities are ranked in a category A, out of which (10 municipalities are graduated to A compared to baseline figures 2017). - Overachieved with 35 municipalities are ranked in category A, out of which 29 municipalities are graduated to A compared to baseline figures 2017.
Number of municipalities completing sub projects within each cycle	MTR Target: 100 End Target: 140	- Cycle 1: 108 municipalities completed all 1st cycle projects within the time frame of cycle 1. (89 WB, 19 Gaza) - Cycle 2: By 28 Feb 2023, 139 municipalities completed all 2nd cycle projects (119 WB, 20 Gaza) considering that the agreed completion date for cycle 2 is (28-Feb-2023).
Number of municipalities with functional complaint system	MTR Target: 44 End Target: 100	- 113 municipalities have functional complaint system at midterm assessment. - This Indicator is overachieved with 134 municipalities having functional complaint system based on the final ranking assessment.
Percentage of investments financed under the project in adequate technical state and used as intended	MTR Target: 60% End Target: 80%	- 80% of W1 investment (subject to technical audit & usability assessment) are functional and used as intended. - Based on the technical audit for cycle 2 as well as the sample audited under cycle 1, all the sample sub-projects are well functioning and used as intended.
% Of beneficiaries satisfied with municipal sub projects executed under MDP 3	MTR Target: 70% End Target: 80%	- 85% (average satisfaction of beneficiaries regarding – relevance, coverage, impact, quality)-at midterm assessment. - 84.2% (average satisfaction of beneficiaries regarding – relevance, coverage, impact, accessibility).
Percentage of municipalities satisfied with MDLF support	MTR Target: 85% End Target: 95%	- Average satisfaction 89% in terms of MDLF support, interaction, transparency...etc. - 94.5% (average satisfaction in terms of MDLF support, interaction, transparency...etc.)
Road Map for MDLF as Lending Intermediary consulted with relevant stakeholders	End Target: Yes	- Achieved (The road map was prepared and shared with DPs).
Municipal audit standard developed	End Target: Yes	- Done by the GIZ
Number of municipalities with yearly increase in revenues collected by the municipality	End Target: 120	- 126 Municipalities have increased their own source revenues at midterm assessment. - This indicator is overachieved with 150 municipalities having increase in revenues.
Number of municipalities reporting enhanced capacity to engage with private sector for municipal service delivery and/or local economic development	End Target: 25	- 23 municipalities reported enhanced capacity in PPP. (20 municipalities prepared initiatives on PPP, 3 municipalities have been implementing CDIs financed from the VNG), in addition to 33 municipalities applied PPP concepts to MOLG competition for LED.
Number of subprojects completed by Gaza municipalities under the Additional Financing (Number)	End Target: 30	- 324 sub-projects have been identified and completed
Number of temporary jobs created in Gaza by the Additional Financing (Number)	End Target: 5000	- Actual: 5572
Female beneficiaries (Number)	End Target: 750	- Actual: 834
Number of Gaza municipalities successfully implementing an O&M activity (Number)	End Target: 25	- Achieved: 25



Indicator	End Target	Achievement Progress			
Number of direct beneficiaries under the Emergency COVID-19 response	200,000	250,000			
Percentage of beneficiaries satisfied with the impact achieved under the Emergency COVID-19 response ³ .	80%	84.9% Overachieved Scorecard calculation for the indicator is illustrated as follows: 6a - The project affected the ability to meet the basic needs of beneficiaries and their family members: 75.3% greatly or somehow improved the ability to meet basic needs. - Projects contribution to skills development: 52.7% greatly or yes to some extent. - Satisfaction with the project: 97.3% satisfied & very satisfied. - Satisfaction with the wage: 92.9% satisfied & very satisfied. Average = 79.5% 6b - Relevance of projects to municipality needs: 98.7% relevant and very relevant - Compatibility of projects with municipal challenges: 99% yes - Projects have positive effects and benefits on citizens : 99% yes - Projects have positive effects on municipality & society: 98.3% yes Average= 98.7% 79.5%* (6a sample) + 98.7%* (6b sample)/total sample (6.a + 6b) = (79.5% * 769) + (98.7*301) / 1070 = 84.9%			
Indicator	End Target	Achievement Progress			
Number of jobs created in relation to municipalities C4W projects % women	9500 15%		West Bank	Gaza	Total WB&G
		Actual figures for completed projects – (so far)	4,712 Out of which 1108 are females (23.5%)	5,735 Out of which 1,030 are females (17.9%)	10,447 Out of which 2,138 are females (20.4%)
Number of paid workdays created through the LIPW interventions supported under the Emergency COVID-19 response	540,000		West Bank	Gaza	Total WB&G
		Actual figures for completed projects – (so far)	276,110	310,237	586,347
Percentage of funds allocated under component 6.a towards sub-projects that respond to specific needs of women; Data will be monitored in a sex-disaggregated way whenever possible.	10%	West Bank 13% Gaza 10% <u>Type of projects that are considered:</u> • Building schools, public buildings, gardens, parks and halls, health centers. • Provision of basic services such as water, and solid waste facilities • Supports women CSO’s, and CBO’s.			



1.5 Insights of MDP3 Assessment Surveys/Assignments

Several evaluation assignments of MDP3 were conducted, to assess the effectiveness, coverage and quality of municipal services and management practices for improved service delivery and municipal transparency achieved through MDP3. The valuation assignments are the following:

- (1) **Beneficiary Impact Assessment (BIA) & Citizen's satisfaction Assessment** which aimed at assessing outcomes of MDP3 through quantitative and qualitative tools targeting citizens, clients (municipal workers), beneficiaries, and technical consultants who worked on or benefited from MDP3 projects.
- (2) **Technical Audit and Usability Assessment** which aimed at assessing Soundness, functionality, and effectiveness of the sub-projects' implementation processes.
- (3) **Municipal Ranking Update** which aimed at updating municipal ranking based on municipalities compliance with the 21 KPIs ranking system. In addition to determining the baseline values for 19 KPI's for MDP IV ranking system.
- (5) **Impact Evaluation for Capacity Building package** aimed at assessing the overall impact of the delivered CB packages delivered through the MDPs.
- (6) **Beneficiaries Impact assessment for MDP3 component 6** aimed to assess the perceptions of the targeted beneficiaries regarding the projects' outcomes.

Key highlights and insights from the Beneficiary Impact Assessment (BIA) of MDP3-Component 1

The main findings of the Beneficiary Impact Assessment (BIA) , Citizens Satisfaction Assessment, are the following:

84.2% of beneficiaries are satisfied/highly satisfied with the services provided by the infrastructure projects implemented.

(93%) stated that the municipal service is better after having the public

There is a relative increase in satisfaction levels in some services (Roads and Parks).

97% of respondents believe that projects under MDP3 are relevant to community needs.

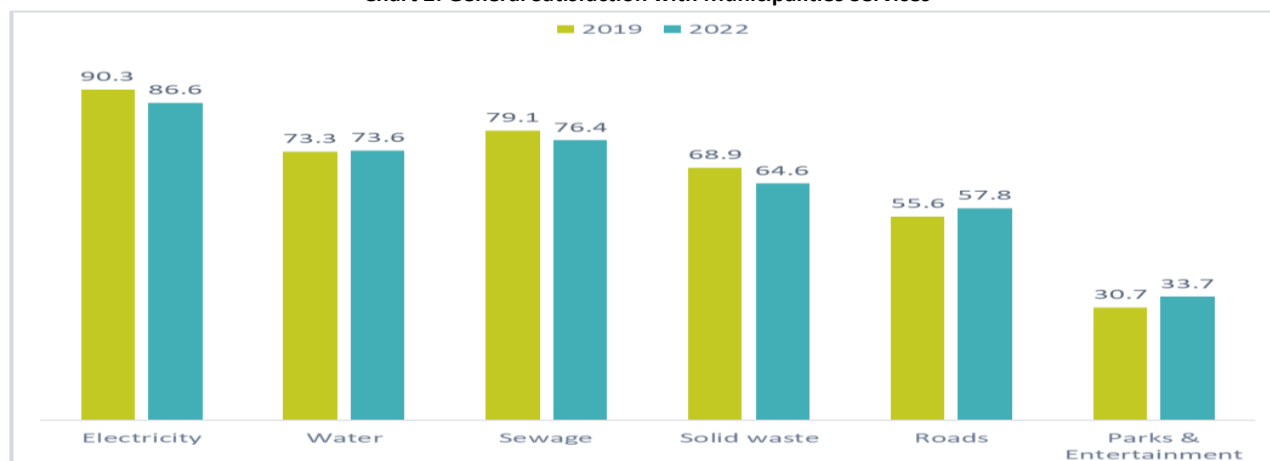
(90%) of those who have visited the CSC's are satisfied/very satisfied with

There is a slight decrease in the satisfaction level with electricity, sewage and solid waste service.

83% of respondents believe that the projects have positive impact on beneficiaries' lives.

whereas the satisfaction level with water services was nearly attained at the same level.

Chart 2: General Satisfaction with Municipalities Services



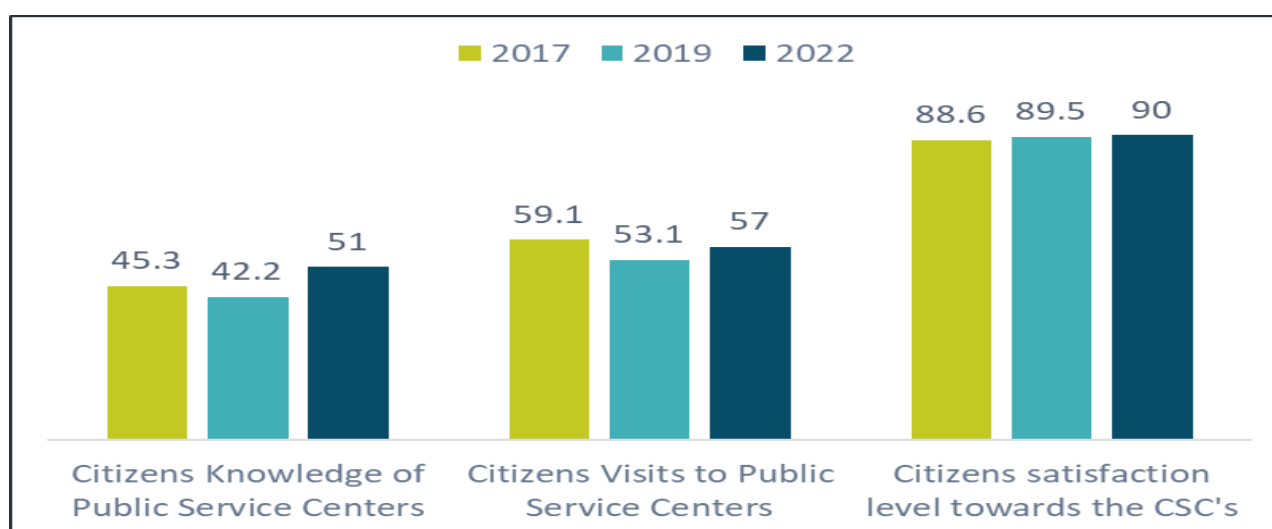
- There is a relative increase in satisfaction levels in some services (Roads and Parks).
- There is a slight decrease in the satisfaction level with electricity, sewage and solid waste service, whereas the satisfaction level with water services was nearly attained at the same level.



According to the assessment, Knowledge of the CSC's have increased among the public from (45.3%) in 2017 to (51%) in 2022. And the percentage of those who have visited the centers have increased from (53.1%) in 2019 to (57%) in 2022. In 2022, the overwhelming majority of respondents (90%) of those who have visited the centers are satisfied/very satisfied with the service compared to (88.6%) in 2017 and (89.5%) in 2019. Finally, it is worth mentioning that the overwhelming majority (93%) stated that the municipal service is better after having the CSCs. These results reflect MDLF's efforts to institutionalize CSCs to promote better service delivery.

Gathering citizen feedback through a complaint-handling mechanism also reflects municipal accountability. According to the assessment, Municipalities responsiveness in dealing with complaints have enhanced from 2017 to 2022, and the overwhelming majority of respondents (88%) were satisfied with the way their problem was resolved.

Chart 3: Satisfaction with Citizens Centers

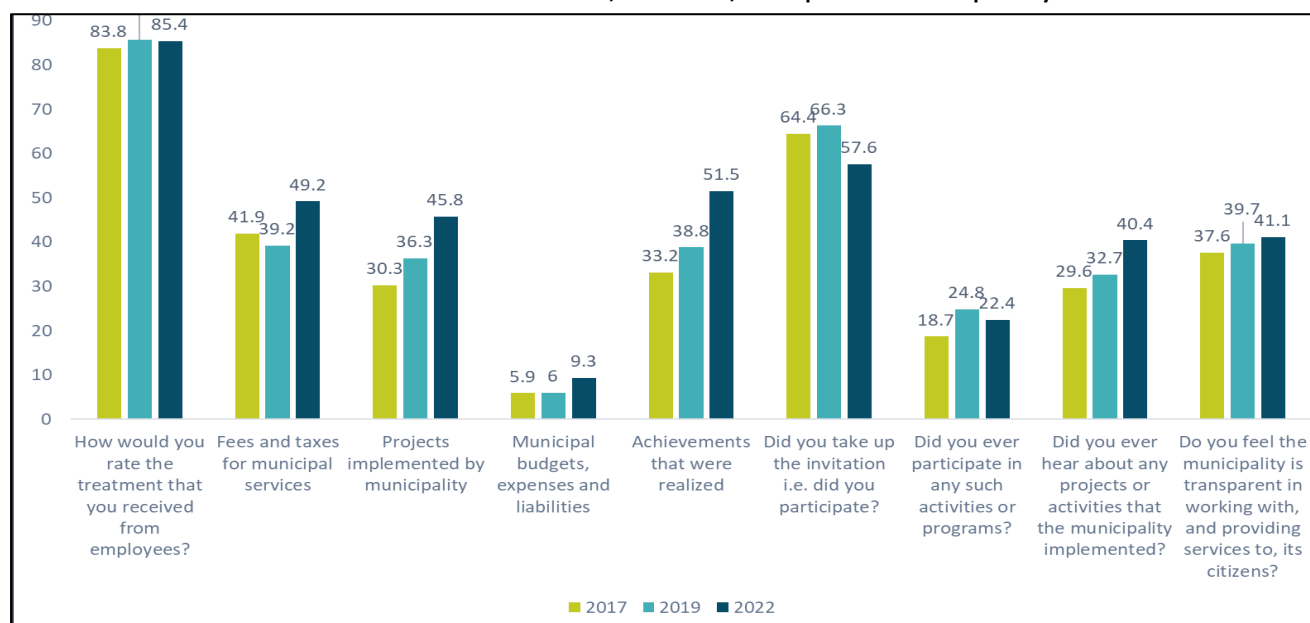


Transparency of municipal work:

A comparative analysis was conducted to compare citizens satisfaction of municipal transparency in 2017, 2019 and again in 2022 to reveal the changes in municipal transparent procedures. Result revealed that, in 2017 (end of MDP II) 37.6% of citizens believed that the municipality is transparent in working with, and providing services to its citizens, while in 2019 (End of cycle 1 of MDP3), 39.7% of citizens believed that the municipality is transparent in working with, and providing services to its citizens. In 2022 (During the implementation of cycle 2 of MDP3, the percentage increased to 41% satisfaction).



Chart 4: Satisfaction with Interaction, Awareness, Participation and Transparency



The MDP3 succeeded in formulating SA committees in 159 municipalities across WB & Gaza who led the implementation of SA toolkits and initiatives in collaboration with the municipalities. This is considered a key step towards institutionalizing the SA in the local governance. SA committees have proven its efficiency in integrating and institutionalization of SA concept and tools in LGUs affairs. An impact assessment of the efficiency of the SA committees that were formulated as part of the Municipal Development Program was conducted. 900 members of the SA committees were interviewed to grasp their opinions and feedback regarding the role of the SA committees. Results indicate the following:

Nearly all respondents (95%) believe that the existence of the Social Accountability Community strengthens the relationship and bridges the gap between the municipality and the citizen.

(78%) of respondents said they received training on the tools and concepts of social accountability.

The majority of respondents (78%) said a social accountability plan been developed.

All participants said they are satisfied/very satisfied (100%) with participating in the Social Accountability Committee

To conclude, MDP3 enhanced the civic participation at the municipal level which is highly reflected in the participatory approach for SDIP development with a clear involvement of vulnerable groups (youth, women and disables) in the prioritization of municipal investments.

Key Highlights and Insights from the Comprehensive Ranking Analysis

MDP3 has succeeded in enhancing the capacity of all municipalities which is reflected in the compliance of municipalities with the key performance indicators (21 KPIs) as clearly indicated in the **municipal ranking assessment conducted in 2023**. The following chart reflects municipalities compliance with the 21 indicators in comparison to 2017 year, 2019 and 2023.

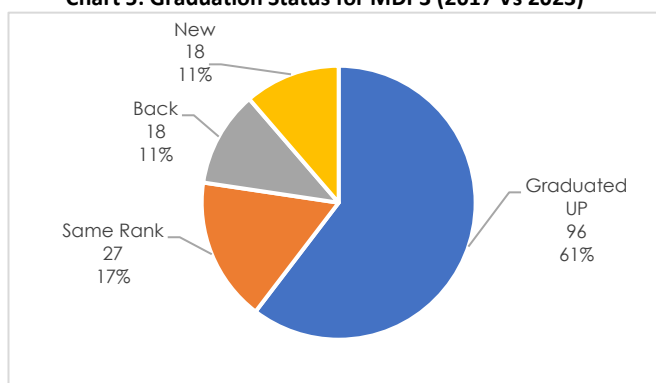


Main Results

The results for the end line reveal that four indicators were achieved by all municipalities, namely:

- ✓ having separate bank account for enterprise funds,
- ✓ financial accounting policies and procedure,
- ✓ the public disclosure of SDIP, budget, and MDP ranking; and
- ✓ Public disclosure of executed budget and executed SDIP

Chart 5: Graduation Status for MDP3 (2017 Vs 2023)



The results of the municipal ranking assignments also reveal significant growth of municipal ranking results where (96) municipalities moved up in the performance ladder as reflected in the chart.

The analysis also reveals a significant shift in municipality rankings, with noteworthy improvements observed. Specifically:

- Ten municipalities attained the highest ranking, A++, showing a substantial increase from the previous assessment where none achieved this distinction.
- A total of 24 municipalities secured an A+ ranking in 2023, a notable difference to the four municipalities that held this rank in the 2017 assessment.
- Furthermore, there is a notable increase in the number of municipalities placed in the B++ category for 2023, with 31 municipalities achieving this rank compared to 26 in the 2017 assessment.

Chart 6: Ranking Results 2023

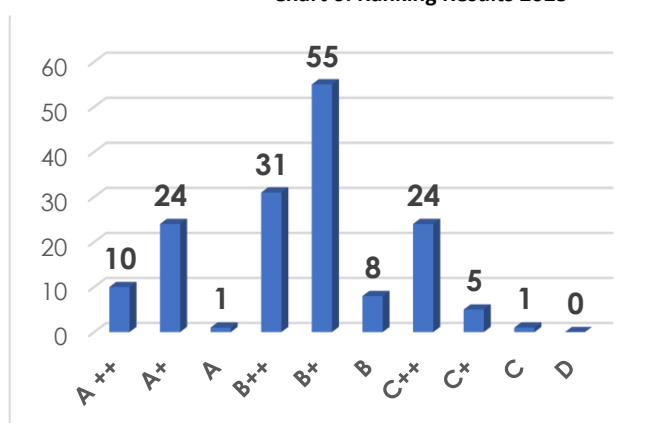
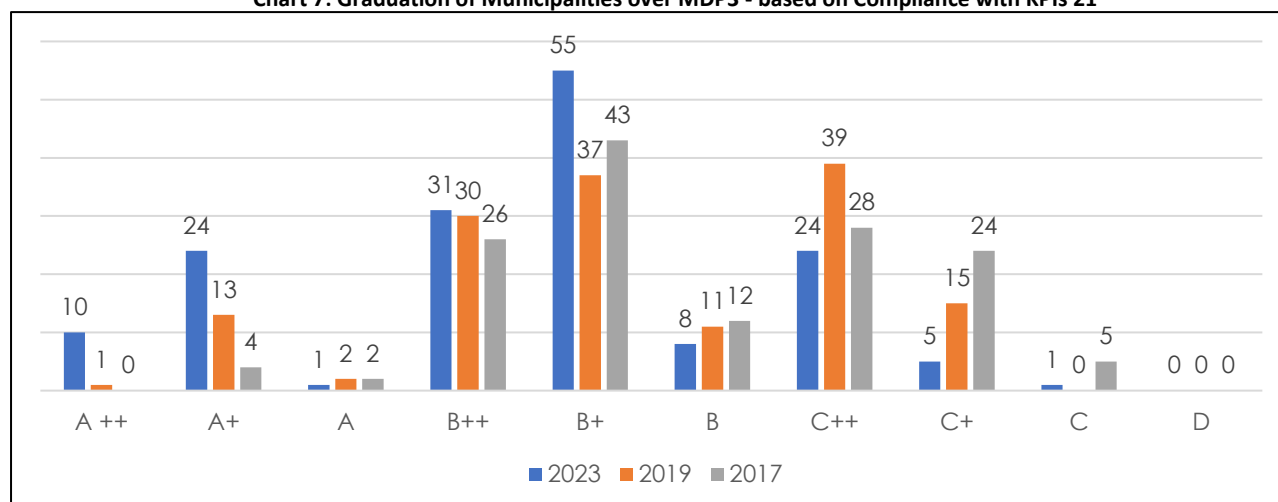


Chart 7: Graduation of Municipalities over MDP3 - based on Compliance with KPIs 21



The results and findings related to MDP3 highlight substantial progress in municipality rankings, reflecting the commendable efforts and improvements made across various regions since the last assessment in 2017.



In assessing the progress of municipalities compared to the base year of 2017, substantial advancements have become apparent across various ranking categories.

These findings underscore the tangible impact of the capacity-building initiatives managed by MDLF, which have played an essential role in driving positive transformations within these municipalities over the years.

The percentage of municipalities achieving rank A has shown remarkable growth, expanding from 4% in 2017 to 11% in 2019, and doubling to an impressive 22% in 2023.

Conversely, there has been a significant reduction in the percentage of municipalities ranked in the C category, dropping from 40% in 2017 to 36% in 2019, and ultimately reaching a 19% in 2023.

Despite the improvements in the operational and maintenance plans that have been achieved, still cost accounting system, IFMIS implementation, green spaces, and budget execution represent the main obstacles for municipalities to improve their ranking. This emphasizes the need for the MDP IV to continue addressing these gaps in future capacity building activities. These four indicators remain the main obstacles for many municipalities to achieve better ranks especially under MDP4 ranking system where some of these indicators are located in lower ranks than MDP3.

Table 5
End of MDP III Ranking Results
21 Indicators

KPIs-21	Total Yes	% of Yes	Total No	% of No	Total
Operational and Maintenance Plan in Place and Updated (Computerized)	104	65%	55	35%	159
Staff cost < 45% (West Bank) or < 70% (Gaza) of Operational and capital expenditures	137	86%	22	14%	159
Cost Accounting Systems set up	4	3%	155	97%	159
IFMIS Implemented	66	42%	93	58%	159
Green spaces implemented	78	49%	81	51%	159
Functional municipal Complaint system following MoLG guidelines	134	84%	25	16%	159
At least 10% of the budget execution for operation and maintenance	150	94%	9	6%	159
Operational surplus achieved	95	60%	64	40%	159
No increase in Net lending	89	56%	70	44%	159
Unqualified External Audit report)	130	82%	29	18%	159
At least 70% Budget execution	76	48%	83	52%	159
Audit Opinion disclosed to citizens and stakeholders	129	81%	30	19%	159
Year on year increase or more than 50 NIS own source revenues (excluding enterprise revenues)	150	94%	9	6%	159
Separate financial accounting for enterprise fund established	153	96%	6	4%	159
Executed Budget statement for the previous financial year submitted to MoLG in time	158	99%	1	1%	159
Fixed Assets Register in Place and updated	152	96%	7	4%	159
Public disclosure of executed budget and executed SDIP	159	100%	0	0%	159
Municipal complaint system established (complaint process publicly on their homepage / Facebook and / or on the municipality's bulletin board).	146	92%	13	8%	159
Separate bank Account for Enterprise revenues established	159	100%	0	0%	159
Financial Accounting policies, Procedure and reports in Place	159	100%	0	0%	159
Public disclosure of SDIP, budget, MDP ranking (Large municipalities > 50,000 in newspaper or radio.	159	100%	0	0%	159



Key highlights and insights from the Technical Audit and Usability Assessment

The soundness, functionality and effectiveness of projects implemented under MDP3 were also assessed. The main objective of the assessment was to collect quantitative data that will assist in measuring the indicator: *% of investments financed under the project in adequate technical state and used as intended* as reflected in the MDP3 result framework. The technical audit covered all aspects related to the following: Projects selection, construction quality, design consideration, safeguards, effectiveness of procurement process, quality control, time control, safety measures, cost efficiency, O&M arrangement, as well as the functionality of the implemented projects.

The main finding of the audit states that “The functionality, usability, and sustainability of the implemented project was evaluated as acceptable under the third phase of the MDP”.

This finding clearly reflects the achievement of the indicator with all the sample subprojects being well functioned and used as intended. Other findings included the following:

- ✓ Clear and transparent procedure was followed by the MDLF team in the evaluation and selection of the sub-projects.
- ✓ Good compliance with MDLF procedures and regulations had been noticed in project selection, procurement, and financial management.
- ✓ Quality control procedures applied by the Municipalities, LTCs, and the MDLF team were appropriate and satisfactory.
- ✓ All the municipalities, without exception, have prepared and submitted the O&M plan.
- ✓ Achievements in the majority of the sample subprojects were more than the planned targets. A high degree of satisfaction was witnessed among the interviewed LGUs and community representatives during the site visits.
- ✓ Most of the implemented sub-projects have had a positive impact, eased access to infrastructure utilities, and improved to a certain extent the life quality for the targeted communities.

Revitalization of the LGU functionality Through emergency support

To strengthen LGU's recovery from crises, MDLF has endorsed 2 emergency windows of support namely window (5) and (6) in the MDP3. Component (5) was designed to finance the costs associated with the scaling-up of MDP3 support to Gaza municipalities to enable them to expand local services provision through labor-intensive Operation and Maintenance (O&M) and municipal infrastructure development activities. Window (6) is a response COVID-19 crises. The specific purpose of the Covid 19 response is to generate short-term employment, to maintain local service delivery, and to improve resilience to the COVID-19 pandemic and crisis management.

Both emergency windows aim at supporting the maintenance and continuity of service provision at LGU's, and facilitate temporary job creation through a cash-for-work (C4W) element, partially addressing the wide-scale unemployment challenge that resulted from the economic shut-down caused by war and a worldwide pandemic.

Through component (5), 5571 people were employed; among which are 834 women. MDLF assessed the beneficiaries' satisfaction of window 5. A total of 351 respondents from Gaza Strip were interviewed as a part of the beneficiaries of Window 5 Projects to assess their satisfaction with the employment opportunity that they received through their participation in the project.

Generally, the project has had an almost positive impact on the respondents' lives, as concluded from the BIA of component 5:

- (71%) of them agree that it improved their quality of life to a certain extent.



- (96%) of Respondents were satisfied/very satisfied with the way the project was implemented.
- (87%) were satisfied with the employment opportunity wage.
- A qualitative analysis of the job opportunities provided under window 5 reveals that the opportunity enabled beneficiaries to cater to their family needs while also paying off their debts, resulting in greater material independence.
- Many individuals also reported that their economic, material, and living situation were improved as a result of the project, allowing them to increase or gain experience and skills without any negative effects.
- The project facilitated the formation of new social relationships, providing respondents with psychological comfort and a sense of self while eliminating the need to borrow from anyone. For some respondents, the project was a catalyst for starting a new project or helping their parents, resulting in a lifestyle change or routine change.

Additional financing for COVID-19 under Component (6) of MDP3 also included a temporary job creation through a cash-for-work (C4W) element, partially addressing the wide-scale unemployment challenge expected to result from the economic shut-down. Through this component, MDLF offered **10,447 cash for work (CfW) job opportunities**, among which are **2,308** are women; and around **586,347 working days** to those who are most vulnerable in WB & Gaza including women, people with disabilities and unemployed skilled youth.

- These projects have contributed to sustaining service delivery and have created job opportunities to address the sudden rise in unemployment in the West Bank and Gaza.
- Overall, the Cash for Work intervention was assessed to be highly relevant and to have achieved its objectives according to the Beneficiary Impact Assessment conducted at the end of the implementation. The main purpose of the assessment was to collect quantitative and qualitative data on the impact of CfW intervention on beneficiaries. The assessment assessed all stages of the CfW intervention from needs identification and beneficiaries' selection to measurement of the impact achieved.
- According to the assessment, the beneficiaries clearly appreciated the cash for work opportunities, the elevated social and economic status they gained, the level of autonomy, self-respect, and enhanced skills. In addition to the following results:
 - ✓ 97.3% of beneficiaries are satisfied/very satisfied with working in this project/ 96.3% satisfied with 6b (average is 96.5)
 - ✓ 69% of beneficiaries said that the job opportunity was their only source of income.
 - ✓ 75.3% of beneficiaries said that the job opportunity greatly or somehow improved their ability to meet basic needs.
 - ✓ 97.8% of beneficiaries are satisfied with the way the project was implemented.
 - ✓ 93.9% of beneficiaries are satisfied with the selection process. 95.5% also believe that the selection process was transparent and fairly transparent.
 - ✓ 92.9% of beneficiaries are satisfied with the wages they received from the job opportunity.
 - ✓ 90.5% of beneficiaries feel that the job opportunities they received meet their professional experience.
 - ✓ 94.4% believe that the job opportunity had no negative aspects on them or their families.
 - ✓ 5.8% of the interviewed beneficiaries said that their contracts were extended even after the project was finished. (44 beneficiaries out of the 769 interviewed were offered an extended job contract).

Beneficiary Impact Assessment of window (6)

MDLF has conducted a Beneficiary Impact Assessment of component (6). The main purpose of the assessment is to collect quantitative and qualitative data on the impact of CfW intervention on beneficiaries. The assessment will assess all stages of the CfW intervention from needs identification and beneficiaries' selection to measurement of the impact achieved. The main objectives of the assessment are to:

- Collect quantitative data that will assist in measuring the indicator: % of beneficiaries satisfied with the impact achieved under the Emergency COVID-19 response.
- Collect qualitative data about the impact of cash provision on selected beneficiaries.



- Identification of potential problems and negative effect of the income generated opportunities on women.
- Document and share lessons for scale-up and advocacy purposes and
- Provide recommendations for better design and implementation of CfW interventions that achieve higher-level results.

Main highlights:

- ✓ 97.3% of beneficiaries are satisfied/very satisfied with working in this project/ 96.3% satisfied with 6b (average is 96.5)
- ✓ 69% of beneficiaries said that the job opportunity was their only source of income.
- ✓ 75.3% of beneficiaries said that the job opportunity greatly or somehow improved their ability to meet basic needs.
- ✓ 97.8% of beneficiaries are satisfied with the way the project was implemented.
- ✓ 93.9% of beneficiaries are satisfied with the selection process. 95.5% also believe that the selection process was transparent and fairly transparent.
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- ✓ 94.4% believe that the job opportunity had no negative aspects on them or their families.
- ✓ 5.8% of the interviewed beneficiaries said that their contracts were extended even after the project was finished. (44 beneficiaries out of the 769 interviewed were offered an extended job contract).

1.6 MDP III - Implementation Status and Activities

• Component 1: Municipal Performance and Service Delivery (1st Cycle)

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

Table 6: MDP3-Cycle 1 Allocation

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



- The municipalities were informed about their allocation in October 2017 and they were asked to apply for their investment priorities using a standardized application form published on the web. Since then, the municipalities started filling out the application forms under direct supervision from MDLF engineers.
- 4 orientation workshops attended by all municipalities in WB&G were conducted during the 1st quarter of 2018. During the workshops, MDLF presented the updated ranking, infrastructure application forms, Environmental and Social Management Framework (ESMF), Land Acquisition and Livelihood (Policy) Framework (LALPF), Cost-Benefit Analysis as well as the financial and procurement arrangements. MDLF had also presented the lessons learned from the MDPII implementation regarding the infrastructure priorities, procurement, and bidding documents.
- One of the major obligations of MDP3 is to conduct site visits to the municipalities during the appraisal stage. A great effort from MDLF was made by conducting such visits every week. The executed site visits were conducted in the stage of request for application form where MDLF had the chance to meet with the municipalities' representatives, assist the municipalities in filling the standardized application forms, visit the projects' sites and do the documentation with photos.
- MDLF had received almost all the filled application forms from all municipalities in late April 2018, the applications/proposals were subject to revision and appraisal from the technical, social and the environmental perspectives to ensure the compliance with the regulations and guidelines as per the updated operational manual.
- **Upon the appraisal process, 353 sub-projects were approved (151 in West Bank and 202 in Gaza Strip).**



352 sub-projects were accomplished with a total allocation EUR 42,488,830. Whereas the remaining allocation belongs to Ittihad and Al-Zaitouna municipalities which were dissolved resulting in a residual allocation (€278,763). Furthermore, one municipality decided to postpone the "Remediation of the Old Garage" to be in line with the Renovation of Spanish Garden in cycle 2, with total allocation (€41,896).

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

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

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

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

- The municipalities were informed about their allocation in **October 2019** and they were asked to apply for their investment priorities using a standardized application form published on the web. Since then, the municipalities started filling out the application forms under direct supervision from MDLF engineers.



- 4 orientation workshops attended by all municipalities in WB&G were conducted during the in Dec-2019. During the workshops, MDLF presented the updated ranking, infrastructure application forms, Environmental and Social Management Framework (EMSF), Land Acquisition and Livelihood (Policy) Framework (LALPF), Cost-Benefit Analysis as well as the financial and procurement arrangements. MDLF had also presented the lessons learned from the 1st cycle implementation regarding the infrastructure priorities, technical audit, procurement, and bidding documents.
- **Most importantly, an orientation on the contract management was also done to all municipalities engineers as one of the weakness issues observed through the cycle 1 implementation.**
- One of the major obligations of MDP3 is to conduct site visits to the municipalities during the appraisal stage. A great effort from MDLF was made by conducting such visits every week. The executed site visits were conducted in the stage of request for application form where MDLF had the chance to meet with the municipalities' representatives, assist the municipalities in filling the standardized application forms, visit the project sites and document that with photos.
- MDLF had received all the filled application forms from all municipalities in late **February 2020**, the applications/proposals were subject to revision and appraisal from the technical, social and the environmental point views to ensure the compliance with the regulations and guidelines as per the updated operational manual.
- It is worth noting that due to the emergency state declared by the Palestinian Government on 5th of March 2020, to combat the spread of COVID 19 pandemic, the appraisal process was (somehow) interrupted. The movement was restricted between the governorates and the work continued virtually. On the other hand, the MDLF had communicated with FPs to respond to this pandemic at the municipal level where the municipalities are in the forefront of tackling this issue and being responsive for emergency and relief services. In the end the FPs accepted the suggestion from MDLF to allow for the municipalities in the West Bank (like Gaza municipalities) to utilize 20% of their allocation under MDP3 cycle 2, resulting in reformulating the list of sub-projects including the supply of disinfectants and protective materials for some municipalities as well as the incremental cost to cover the JSCs fees for solid waste collection and disposal for instance.
- Upon the appraisal process, 532 sub-projects were approved (245 in West Bank and 287 in Gaza Strip)





MDP3 - Cycle 1 / Outputs / Component 1

West Bank					
Sectore	Indicator	Unit	Total Target	Total Achieved	% of Achievement
Others	# of Back Hoe Loaders supplied	No.	1	1	100%
	# of Water Pumps supplied	No.	1	1	100%
	# of Cranes for Electrical Work supplied	No.	1	1	100%
	# of skid loaders supplied	No.	2	2	100%
	# of excavators supplied	No.	1	1	100%
	# of Hydrolic Platform Utility Vehicle supplied	No.	1	1	100%
Solar energy	Solar energy-No of PV units installed	No.	1,908	1,908	100%
Electricity	Electricity-Length of Electricity network rehabilitated	Km	3.5	3.5	100%
Solid Waste	# of Solid Waste Trucks Supplied	No.	1	1	100%
	# of Solid Waste Containers Supplied	No.	1,154	1,154	100%
Roads	Roads-Length of roads rehabilitated/constructed	Km	130	130	100%
	Roads - # of lighting units supplied	No.	508	508	100%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	1,100	1,100	100%
	Roads-Length of Sidewalks rehabilitated	Lm	72,847	72,847	100%
Water	Water - # of Prepaid Meters supplied	No.	2,100	2,114	101%
	Water-Length of water networks rehabilitated-	Km	17.9	18.0	101%
	Water - # of House Connections	No.	124	125	101%
Waste water	Wastewater-Length of wastewater networks rehabilitated	Km	8.8	8.8	100%
	Wastewater - #. of House Connections	No.	127	127	100%
Public Facilities	Public Facilities-Area of public buildings costructed	M2	3,691	3,691	100%
Public Facilities	Public Facilities-Area of public gardens constructed	M2	23,326	23,326	100%

MDP3 - Cycle 1 / Outputs / Component 1

Gaza					
Sectore	Indicator	Unit	Total Target	Total Achieved	% of Achievement
Solar energy	Solar energy-No of PV units installed	No.	55	55	100%
Solid Waste	# of Solid Waste Containers Supplied	No.	1,342	1,342	100%
	Roads-Length of roads rehabilitated/constructed	Km	50	50	100%
Roads	Roads - # of lighting units supplied	No.	2,586	2,586	100%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	4,620	4,620	100%
	Roads-Length of Sidewalks rehabilitated	Lm	29,553	29,553	100%
	Water - # of water pumps supplied	No.	9	9	100%
Water	Water-Length of water networks rehabilitated-	Km	35	35	100%
	Water - # of Households Connections	No.	2,370	2,385	101%
	Wastewater-Length of wastewater networks rehabilitated	Km	57.4	58.0	101%
Waste water	Wastewater - #. of House Connections	No.	2,903	2,905	100%
	Public Facilities-Area of public buildings costructed	M2	6,553	6,555	100%
Public Facilities	Public Facilities-Area of public gardens constructed	M2	28,700	28,700	100%

West Bank & Gaza - Component 1 - (Consolidated Cycle 1)

Sectore	Indicator	Unit	Total Target	Total Achieved	% of Achievement
Others	# of Back Hoe Loaders supplied	No.	1	1	100%
	# of Cranes for Electrical Work supplied	No.	1	1	100%
	# of skid loaders supplied	No.	2	2	100%
	# of excavators supplied	No.	1	1	100%
	# of Hydrolic Platform Utility Vehicle supplied	No.	1	1	100%
Solar energy	Solar energy-No of PV units installed	No.	1,963	1,963	100%
Electricity	Electricity-Length of Electricity network rehabilitated	Km	3.5	3.5	100%
Solid Waste	# of Solid Waste Trucks Supplied	No.	1	1	100%
	# of Solid Waste Containers Supplied	No.	2,496	2,496	100%
Roads	Roads-Length of roads rehabilitated/constructed	Km	180	180	100%
	Roads - # of lighting units supplied	No.	3,094	3,094	100%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	5,720	5,720	100%
	Roads-Length of Sidewalks rehabilitated	Lm	102,400	102,400	100%
Water	Water - # of water pumps supplied	No.	10	10	100%
	Water - # of Prepaid Meters supplied	No.	2,100	2,114	101%
	Water-Length of water networks rehabilitated-	Km	52.9	53.0	100%
	Water - # of House Connections	No.	2,494	2,510	101%
Waste water	Wastewater-Length of wastewater networks rehabilitated	Km	66.1	66.8	101%
	Wastewater - #. of House Connections	No.	3,030	3,032	100%
Public Facilities	Public Facilities-Area of public buildings costructed	M2	10,244	10,246	100%
Public Facilities	Public Facilities-Area of public gardens constructed	M2	52,026	52,026	100%



MDP3 - Cycle 2/ Outputs / Component 1

West Bank					
Sectore	Indecator	Unit	Total Target	Total Achieved	% of Achievement
Others	# of Back Hoe Loaders supplied	No.	11	11	100%
	# of Cranes for Electrical Work supplied	No.	2	2	100%
	# of skid loaders supplied	No.	8	8	100%
	# of Hydrolic Platform Utility Vehicle supplied	No.	11	11	100%
Solar energy	Solar energy-No of PV units installed	No.	2,492	2,492	100%
Electricity	Electricity-Length of Electricity network rehabilitated	Km	0.59	0.59	100%
Solid Waste	# of Solid Waste Trucks Supplied	No.	8	8	100%
	# of Solid Waste Containers Supplied	No.	1,406	1,406	100%
Roads	Roads-Length of roads rehabilitated/constructed	Km	106.8	103.7	97%
	Roads - # of lighting units supplied	No.	1924	1918	100%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	1,898	1,910.0	101%
	Roads-Length of Sidewalks rehabilitated	Lm	57,352.5	57,745.5	101%
Water	# of Water Pumps supplied	No.	1	1	100%
	Water-Length of water networks rehabilitated-	Km	17.8	18.0	101%
	Water - # of House Connections	No.	319	319	100%
Waste water	Wastewater-Length of wastewater networks rehabilitated	Km	4.3	4.0	92%
	Wastewater - #. of House Connections	No.	77	77	100%
Public Facilities	Public Facilities-Area of public buildings costructed	M2	4,488	4,500	100%
Public Facilities	Public Facilities-Area of public gardens constructed	M2	6,880	6,880	100%

MDP3 - Cycle 2 / Outputs / Component 1

Gaza					
Sectore	Indecator	Unit	Total Target	Total Achieved	% of Achievement
Solar energy	Solar energy-No of PV units installed	No.	117	146	125%
Solid Waste	# of Solid Waste Trucks Supplied	No.	10	10	100%
	# of Solid Waste Containers Supplied	No.	824	824	100%
Roads	Roads-Length of roads rehabilitated/constructed	Km	60.563	56.771	94%
	Roads - # of lighting units supplied	No.	2,480	2,428	98%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	4,358	3,606	83%
	Roads-Length of Sidewalks rehabilitated	Lm	39,224	31,199.8	80%
Water	Water-Length of water networks rehabilitated-	Lm	60.8	66.8	110%
	Water - # of Households Connections	No.	4,025	4,100	102%
Waste water	Wastewater-Length of wastewater networks rehabilitated	Km	60.3	65.7	109%
	Wastewater - #. of House Connections	No.	3,397	4,061	120%
	Wastewater - #. of pumps supplied	No.	3	4	133%
Public Facilities	Public Facilities-Area of public buildings costructed	M2	7,804	7,030	90%
	Public Facilities-Area of public gardens constructed	M2	13,720	13,776	100%

West Bank & Gaza - Component 1 - (Consolidated Cycle 2)

Sectore	Indecator	Unit	Total Target	Total Achieved	% of Achievement
Others	# of Back Hoe Loaders supplied	No.	11	11	100%
	# of Cranes for Electrical Work supplied	No.	2	2	100%
	# of skid loaders supplied	No.	8	8	100%
	# of Hydrolic Platform Utility Vehicle supplied	No.	11	11	100%
Solar energy	Solar energy-No of PV units installed	No.	2,609	2,638	101%
Electricity	Electricity-Length of Electricity network rehabilitated	Km	0.59	0.59	100%
Solid Waste	# of Solid Waste Trucks Supplied	No.	18	18	100%
	# of Solid Waste Containers Supplied	No.	2,230	2,230	100%
Roads	Roads-Length of roads rehabilitated/constructed	Km	167	160	96%
	Roads - # of lighting units supplied	No.	4,404	4,346	99%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	6,256	5,516	88%
	Roads-Length of Sidewalks rehabilitated	Lm	96,576	88,945	92%
Water	# of Water Pumps supplied	No.	1	1	100%
	Water-Length of water networks rehabilitated-	Km	78.7	84.8	108%
	Water - # of House Connections	No.	3,716	4,380	118%
Waste water	Wastewater-Length of wastewater networks rehabilitated	Km	64.6	69.7	108%
	Wastewater - #. of House Connections	No.	3,474	4,138	119%
	Wastewater - #. of pumps supplied	No.	3	4	133%
Public Facilities	Public Facilities-Area of public buildings costructed	M2	12,292	11,530	94%
Public Facilities	Public Facilities-Area of public gardens constructed	M2	20,600	20,656	100%



ESMP Summary for Component 1:

Cycle 1:

- Regarding the environmental and social assessment, MDLF commenced environmental and social screening of MPDIII-CI sub-projects in **March of 2018 after finalizing the LALAPF training**.
- The progress was slow at the beginning till the end of April of 2018, the social safeguard's procedures were simplified and the municipalities technical staff were able to absorb the new modalities for monitoring social and environmental safeguards.
- Sub-projects' Environmental and social screening was done through desk revision and site visits, moreover, a social safeguard committee (including the social officer, technical department manager, the environmental officer) was created to facilitate the social screening progress adhering to LALAPF requirements.
- The main environmental assessment was of Category B or C, the nature of the selected sub-projects was of a minor, short term, low-risk environmental impacts. The sub-projects adhered to the physical and the cultural resources and the involuntary resettlement policy which in some cases were listed in the environmental and social assessment summary sheet.
- The summary sheet was forwarded to the donors including the environmental assessment category, cultural resources policy, pest control management, the international waterways policy, risks, impacts, and implication to design, and ESMP sector. Also, social safeguards triggering involuntary resettlement were included: (sort the impact by each affected person, proposed mitigation, agreement, and then provided approvals).
- The following is a summary of the No. of appraised sub-projects in West Bank and Gaza Strip for the list of MDP3 – Cycle 1 sub-projects.

Table 8: Environmental and Social Assessment Summary (MDP3 – Cycle 1)

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



ESMP Summary for Component 1:
Cycle 2:

- Environmental and Social Management Framework (ESMF) and the technical Manual of the MDP had been updated in 2020 to be compatible with Pandemic COVID-19 procedures focusing on some of specific issues related to health and safety of workers such as: (provision of PPE and sanitizers, insurance coverage, code of conduct, a place for rest, and orientation about the health and safety measures at site). Contractors were requested to sign on a commitment letter to follow the MoH requirements at the sub-project site regarding the COVID-19 pandemic disease. As well, the public consultation procedures and stakeholder engagement plans were updated according to COVID-19 situation. The new update also included the no-objection of supplying of pest control materials and disinfection materials in West Bank, as well the sub-projects related to waste collection and transport.
- The following is summary of the No. of sub-projects in West Bank and Gaza Strip for the list of MDP3 – Cycle 2.

Table 9: Environmental and Social Assessment Summary (MDP3 – Cycle 2)

Item	West Bank	Gaza Strip
Environmental Assessment		
Total Sub-Projects	245	287
Sub-projects were screened to Category B	148	109
Sub-projects were screened to Category C	89	163
Sub-projects were screened to category B-C (Solid Waste management projects)	8	15
Sub-Projects caused internal displacement	0	0
Sub-project triggered the International Waterways policy	0	0
Sub-project triggered the Physical Cultural Resources Policy	0	0
Sub-project triggered the Pest Control Management Policy	0	3
Social Assessment (Category B Sub-projects)		
Sub-projects still under appraisal	0	0
Sub-projects have been approved after having agreements with citizens	59	46

- MDLF updated focus group report and unified the consultation and agreements' minutes for social safeguards procedures to be used by the LTCs and municipalities' engineers. In addition, MDLF ensured that the consultations were carried out with Project affected people (PAP) and required documentation of such consultations were prepared.



Focus Group of Qalqilya Municipality Sub-project



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

The objective of the sub-project Environmental and Social Management Plan (ESMP) is to cater to the environmental and social needs of the MDP in a simple, responsive and cost-effective manner that will unnecessarily overload or impede the project cycle. The ESMP provides sectorial ESMPs that must be included in the tender documentation, so that potential bidders are aware of environmental and social performance standards which are all reflected in the bids, including the cost of noncompliance with mitigation-measures.

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

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

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

Environmental and Social Management during Construction Stage

- MDLF directly contracted with individual consultants to have a better management and follow up of implementation of ESMP measures during sub-project implementation.
- The majority of the sub-projects are of small scale and rehabilitation nature that have their impacts mainly on - the continuity of the municipal services. Impacts are minor and temporary; no adverse potential impacts were raised.
- Sub-projects were mostly implemented in a manner that did not cause unwarranted adverse impacts to the environment, with minor environmental impacts during construction phase, and mostly mitigated through proper implementation of environmental, health and safety measures.
- MDLF monitored the compliance with ESMP mitigation measures through conducting site visits to the sub-projects during the construction stage. The E&S consultants prepared site visits reports and described the commitment of the contractor to implement the mitigation measures as per the sub-project ESMP. No accidents were registered or noticed in work areas of any sub-project.
- No labor influx was noticed at sites
- In cases of noncompliance to environmental and social considerations, environmental notes had been issued. Main registered environmental notes are for non-compliance to providing traffic warning signs, spraying water, or wearing PPE's.

On the grievance mechanism part:

- The Operation Manual had been amended to include a new section regarding the Grievance Mechanism for the sub-projects stating that: ***"when safeguards are triggered and LALAP's is being prepared more rigorous GRM procedures apply as per the LALAPF"***.
- The new GRM Manual was discussed with Municipalities and disclosed on MoLG and MDLF websites.
- Complaints' procedures were raised in the Focus Group sessions; citizens were notified about the presence of the system and they were able to submit their complaints formally. The electronic complaining was encouraged according to the COVID-19 procedures.
- Most of complaints had been raised during the construction stage of sub-projects were related to minor and temporary issues such as temporary access through the road segment, or to houses' entrances, in addition to work duration, are the sort of complaints communicated verbally or officially. The LTCs' reports verified the presence of complaints submitted for each sub-project.
- MDLF, and the LTCs have noticed that citizens in small size municipalities convey their complaints verbally to the municipality supervisor engineer, or to the mayor.

On Building the Capacity of Municipalities:

MDLF conducted virtual orientation workshop targeted municipalities Engineers to enhance their capacities in the environmental and social safeguards and management of MDP3-cycle 2. The content of ESMP, LALPF and GRM manual that were updated in compliance with national and international policies and legislations were presented. During the workshop, municipalities provided feedback and raised questions and inquires which were considered by MDLF in updating the E&S documents.



Component 2: “Capacity Development for Municipalities”

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

Standard Capacity Building Packages:

- Financial Package: Financial Policies & Procedures Manual (FPPM)
- Integrated Financial Management Information System (IFMIS)
- Operation & Maintenance (O&M)
- E-Municipality (EMS)
- Citizens Services Centers (CSCs)
- Strategic Development & Investment Plans (SDIPs)
- Fixed Assets Registration and Valuation (FARV)
- Social accountability (SA) package, noting that the SA is a crosscutting issue that is mainstreamed across all MDP3 components.



Tailored Capacity Building Packages:

- Creditworthiness
- Improve LGU's - Own Source Revenue management.
- Coach the Municipalities on Advance Accounting Skills.
- Cost Accounting Framework for Municipalities.
- Resilience

The progress status of MDP3 CD Component:

The municipalities were notified about the awarded capacity building packages according to the following process:

- Online application forms were launched and updated.
- Each package had specific pre-requisites to be fulfilled by the LGUs.
- The municipalities were notified and informed about the readiness of the applications.
- Each municipality received a username and password for the online application.
- Orientation workshops for municipalities were conducted in West Bank and Gaza.
- Municipalities were called upon to submit the final CB application after considering orientation workshop instructions.
- MDLF provided technical assistance during the entire process of choosing a CB package and during the process of filling out the CB packages application for each municipality.
- The final applications were evaluated by MDLF.



Table 10: Description of CD Packages

Package	Objective & Description	Implementation Approach	No. of Targeted Municipalities in both cycles	
			West Bank	Gaza
IFMIS Package	- The objective of this package is to implement a modern, comprehensive and integrated financial management information system at the selected municipalities. - The IFMIS is a management tool that will give municipal officials and MOLG managers the information needed for making decisions, planning their activities, monitoring and evaluating outcomes. - The integration between the municipalities and MOLG is a crucial part of this assignment and should be done using the best technologies and architecture. - The integrated financial management information system (IFMIS) is a system that integrates financial processes executed by different related systems such as budget preparation software (BPS), General ledger (GL), Revenue Management Information System (RMIS), Fixed Assets Registration, Payroll system to derive full benefits from performance-based public financial management. It is worth mentioning that the integration between the Budget module with the current budget system used by MOLG is essential. - Given that the implementation of IFMIS cannot be implemented in all municipalities at once, MDLF will initially provide the municipalities with the RMIS to help their readiness for implementing IFMIS for the small municipalities. The RMIS and the IFMIS can be integrated at the implementation stage of IFMIS at the end. On the other hand, the medium-size municipalities MDLF will implement the main modules according to the available capacity that exists inside these municipalities.	- Phase one: Institutional Assessment for Financial Package implementation at the selected municipalities. This consulting assignment aimed to determine the Municipalities which will meet the capacity mandatory to qualify for IFMIS modules. And, identify gaps and shortcomings against future staffing and skills requirements on an individual and departmental basis to ensure successful Financial Package implementation. - Phase two: Coaching Municipalities in Implementing IFMIS. This consulting assignment aimed to: - o Coach the selected municipalities in applying the financial policies and procedures as described in the Financial Policies and Procedure Manual (FPPM) on a modified accrual basis. Coach the financial staff at the selected municipalities in performing all the transactions based on the fund accounting method. - o Support financial staff to generate all balance sheet line items as of the latest close month and to support sufficient documentation the process has taken to justify all amounts recorded as opening balances. - Phase three: this phase will be performed in parallel with phase two which was aimed to supply and implement the financial software at the selected municipalities according to specified functional requirements. - Phase four: Supply the necessary hardware which has been specified in the first phase.	42	9
Operation & Maintenance Package	- The O&M aims at encouraging the municipalities to make sure to allocate budget to operate and maintain their projects, primarily when it relates to roads and public facilities as they appear in their updated Fixed Assets chart. The O&M software also provides what is known as the "Priority Index" which is an effective tool to prioritize the budget expenditure based on the most urgent and most relevant projects, as opposed to keeping it to the often-inaccurate guesses of those responsible for operations or maintenances or their biases. - Sub-assignments under the O&M package: - o Physical Inspection for Roads & Public Buildings - o IT Assessment - o The O&M Software - o Hardware Supply and Installation.	- Conducting a physical inspection of roads and buildings about procedures, forms, and templates of the updated O&M manual and as needed to establish the O&M database for each selected municipality. - Data Entry on the O&M software. - Preparing a base map from the updated master plan containing road centerlines, sections, and directions. - Coaching the selected municipalities and conducting on-the-job training on data collection and the use of the physical inspection forms and O&M process, also training on the data entry using the O&M software. - Working on the O&M software. - Conducting a series of training workshops for O&M software the selected municipalities.	50	13



Table 10: Description of CD Packages

Package	Objective & Description	Implementation Approach	No. of Targeted Municipalities in both cycles	
			West Bank	Gaza
Citizens Services Centers	- The main objective of this assignment is to support the automation of municipal service delivery mechanisms at selected municipalities. - The CSCs will provide easy access and reporting on municipal services & complaints, type of complaint, and percentage resolved and will provide efficient services to citizens.	- Institutional Assessment for Introducing Citizen Service Centers (mapping, identifying gaps in the working process, optimization of the work process, developing citizens' guidelines for CSCs). - Installation and deployment of the CSCs software system. - IT Assessment conduct IT assessment & BOQ for hardware. - Supply and installation of the hardware will be identified upon the IT assessment. - Supply of furniture for the CSCs. - Supply of A/C for the CSCs. - Supply of Glass Doors for the CSCs. - Printing of CSCs charter.	24	4
Strategic Development and Investment Plan (SDIP)	- The main objective of this assignment is to provide technical assistance and support to all municipalities in West Bank and Gaza to develop their Strategic Development and Investment Plans (SDIPs) taking into consideration the updated SDIP national methodology (2022) in accordance with the new approach that includes subjects related to climate change and social profile adopted by the Ministry of Local Government	- Involve the community in the planning process to ensure that the SDIP reflects the needs and priorities of the municipality's residents. This can be done through public meetings, focus groups, and other forms of engagement. - Identify the challenges facing the municipality, including political, economic, and climate challenges. This will help to address these challenges and make the SDIP more resilient. - The SDIP should include clear and measurable goals and objectives that reflect the priorities of the municipality and its community. - Develop strategies to achieve the desired outcomes as it should be realistic, feasible, and aligned with the resources and capabilities of the municipality. - Identify specific projects that will help achieve the goals and objectives of the SDIP. These projects should be prioritized based on their potential impact and the resources required to implement them. - Develop a detailed implementation plan that outlines the steps required to implement the projects identified in the SDIP. This should include a timeline, budgets, and the roles and responsibilities of different stakeholders.	134	25



Table 10: Description of CD Packages

Package	Objective & Description	Implementation Approach	No. of Targeted Municipalities in both cycles	
			West Bank	Gaza
E-Municipality (EMS)	- The purpose of e-Municipality is to utilize advanced information and telecommunication technology (ICT) and available electronic channels to deliver municipal services and information to citizens. - The EMS will demonstrate the application of modern ICT in government-to-citizen-to-citizens across multiple traditional and electronic channels. - Successful implementation will pave the way for expanding the scope to more municipalities and more services. - At the strategic level the benefits of e-Municipality include but are not limited to: - Demonstrate the successful application of electronic methods and channels in the delivery of public services and information to citizens.	- Readiness Assessment & IT Assessment - Supply of Hardware (Cycle 1 & Cycle 2) - Supply of Software - Ads and Printing Materials	8	4
Social Accountability	- The main aim of the SA package is to institutionalize citizen engagement and social accountability in municipal governance through formal guidelines and procedures and adopting good practices for strengthening citizen/beneficiary feedback on service delivery and municipal management and for enhancing the effectiveness of grievance redressed mechanisms. Objectives on the LGUs level: - Increase the awareness among decision's makers in LGUs about the concept of SA. - Build the capacity of LGUs employees, senior staff, projects supervisors and decision makers to apply SA concept and tools in the LGUs . - Integrate and institutionalize SA concepts and tools in LGUs affairs. - Develop tools to promote community partnership. - Enhance complaints mechanisms in the targeted locations and increase citizens role in how to use them. - Increase the public's access to information. Objectives on the local /community level: - Improve the relationship between the civil society and LGUs in the targeted locations. - Institutionalize and develop the capacity of the local social accountability committees in the targeted locations. - Increase community participation including women, youth and marginalized groups. - Enhance the role of media in social accountability.	- The SA package was implemented in partnership with local NGOs across West Bank and Gaza. - Orientation to Municipalities and identification of SA enabling environment through a diagnostic analysis and assessment of SA within the municipalities and the local communities. - Capacity Development and training for Social Accountability Committees SAC and Municipal employees. - Communities Awareness of the project and social accountability to ensure that Municipalities feel the ownership of the project. - More focus was given to Women , youth and vulnerable groups participation in social accountability actions . - Develop Infographic materials published on the website , water bill and reached half million all over Gaza Strip - At least 5 youth initiatives developed and implemented in the five governorate to promote social accountability - SA plans were developed in each area, and a comprehensive plan for each Lot was developed. - one of the social accountability tools in each municipality within the committees plan was conducted.	131	25
Fixed Assets Registration and Valuation	The main objectives of this assignment are to: - Assist municipalities in registering their fixed assets; - Valuate the registered fixed assets using the methodology and the standardized price list which were prepared by MDLF for this purpose;	- A consultancy firm was contracted by MDLF to support the newly established municipalities in updating an valuating their assets. - The consultant worked closely with the municipalities' staff for registering and valuating their fixed assets and train them on the methodology to do so.	13	0



Table 10: Description of CD Packages

Package	Objective & Description	Implementation Approach	No. of Targeted Municipalities in both cycles	
			West Bank	Gaza
	- Collect all necessary information on each item of fixed assets, as stated in the fixed assets manual and valuation methodology; - Compile a comprehensive fixed assets register according to specific forms provided by the methodology manual. - Train municipality staff with the needed procedures to register and update fixed assets. - Update the standard price list which will be used for establishing the replacement cost. - Support the selected municipalities in updated the data of Fixed Assets registration sheets.	- While performing this assignment the consultant adhered to the steps and procedures specified in the Fixed Assets Valuation Methodology Manual that was prepared by the MDLF. The manual has been used a reference that the consultant should follow while doing the assets registration and valuation. - The valuation covered all categories of fixed assets including (but not limited to) Land, Buildings, water and electricity infrastructure assets, general infrastructure assets, machinery & equipment, furniture and vehicles. All information required in the forms incorporated in the valuation methodology manual should be completed to facilitate a timely write-up of the fixed assets register. This information includes, but not limited to: - o asset group, subgroup and type; - o expected useful asset life; - o unit of measure - o price/value (Replacement Cost/Fair Value) - o comments on the status /condition of asset		

Other CD Packages	Description
Readable Budgets	- The readable budget in cycle 1 has been performed by the joint efforts of MOLG, GIZ, and MDLF for 60 municipalities (WB 45, Gaza 15) - The targeted municipalities published their budget for 2019 in infographic format through their websites and pages on social media. - In Cycle 2, the municipalities have published their budgets for 2020 in addition to their budgets VS actual for 2019. - This package was implemented in cycle 2 directly by GIZ for 35 municipalities in West Bank and has been rolled out again by MDLF in Gaza for 25 municipalities in 2020. It was completed by the end of March 2022.
Creditworthiness	- An outline of the MDLF approach to implementing creditworthiness activities was prepared and presented to MDLF Funding Partners. The activities under this intervention can be listed as follows: - o Delivery of training to 41 municipalities (8 in the Gaza Strip and 33 in the West Bank). The purpose of the training is to transfer the necessary knowledge about creditworthiness. The selection criteria for the targeted municipalities were based on their performance. The consulting firm was contracted to perform this assignment in the last week of June 2021 and completed by the end of Dec. 2021. - o Implementing self-assessment tool in 22 municipalities (5 in Gaza and 17 in West Bank). The aim of this assignment is to determine the areas of intervention by MDLF. Originally, the plan was for GIZ to develop the assessment tool, but they faced numerous challenges during its development. In the meantime, MDLF took the initiative to customize the applied tool from the World Bank, incorporating certain elements from the GIZ tool. - o To guide the municipalities on creditworthiness fundamentals, a consulting company was contracted to deliver a training session. Following the training, the self-assessment was implemented. As a result, MDLF effectively identified the required interventions to improve the creditworthiness of the municipalities, successfully concluding the assignment. The following assignments were considered in this regard: - Improving LGUs' Own-Source Revenue Management to be implemented in 3 municipalities (3 in Gaza and 3 in West Bank). In this regard, the following activities have been achieved:



	▪ A TOR has been developed with the goal of creating Revenue Management Plans. These plans will involve identifying and implementing short-term, medium-term, and long-term strategies to support Own Source Revenue. ▪ Two Consultants have been contracted (for WB & Gaza) in Oct.2022 as both assignments are completed. ✚ Training and coaching the municipalities on advanced accounting skills that cover the financial statements and cash flow planning to be implemented in 22 municipalities that were targeted by the self-assessment, out of which 5 municipalities will be targeted by coaching assignment. In this regard, the following activities have been achieved: ▪ A TOR has been developed to Support to Strengthen LGUs in Advanced Accounting Practices that aim to enhance the quality of the financial data and, improve cash flow management techniques that positively affect the municipality's credibility and its creditworthiness capabilities. ▪ The targeted municipalities were distributed into three clusters as three consultants were hired. ▪ The Assignment started in Sep. 2022 and was completed by the end of Dec. 2022. ✚ Developing a costing framework and simulating the identified costing methods in two municipalities. A term of reference document has been prepared, and the process to hire a consultant will commence in the beginning of MDP 4.
Re-Implement IFMIS in Gaza Municipality	○ The Implementation of IFMIS in Gaza Municipality was planned as part of the MDPII Program ○ During the project processes, MDLF recognized that the implementation of IFMIS in Gaza Municipality has been problematic in many aspects in terms of time overruns, unsatisfactory business performance, and the complexity of integration. ○ MDLF conducted a risk assessment study. The assessment resulted in the need to deal with the Municipality of Gaza in a separate project that meets the requirements of the existing administrative structure of a such large municipality. ○ The work on this project has been postponed until Gaza Municipality recognized its challenges in integrating the IFMIS with its internal management systems. ○ Both Gaza Municipality & the software provider have agreed on the detailed levels of the needed integration. ○ Gaza Municipality has decided to take the system with considering their request for performing the integration. ○ MDLF studied the request of Gaza Municipality and determined the needed actions to facilitate the implementation of the project. Accordingly, MDLF decided to expand the scope of work by including Gaza municipality requirements for integration with some customization of the system functions. ○ The project started in March 2021 and completed by June 2022. ○ By mid of June 2022, MDLF evaluated the progress status as well as reviewed the history of performance during the last period (from March/2021 till June/2022) and decided the following: ▪ Exclude all modules (RMIS & HR) that have not been completed to date. ▪ The dues of the software provider will be settled according to the modules that have been accomplished (GL, Budget, Fixed Assets, Inventory, and Procurement). ▪ The MDLF looks forward to sustaining what has been accomplished in the first group modules, which allow the adoption and practice of the new approach by the municipality for accrual accounting, through the continued technical support provided by an individual consultant until the end of the current year 2022.
Converting the Financial Policies and Procedures Manual (FPPM) from the Modified Accrual Basis to Full Accrual Basis	The assignment has been completed as the consultant updated the FPPM on a full accrual basis to adapt the IPSAS. MDLF is trying to schedule a suitable time with MOLG to deliver an orientation workshop about the updated FPPM. The assignment is considered completed.



Resilience Package	Resilience refers to the ability to act and adapt in the face of adversity or constraint and is the result of a complex interplay of risk and protective factors. In the context of disaster risk management, resilience is the ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including the preservation and restoration of its essential basic structures and functions through risk management. This package aims to develop and enhance the institutional capacity of municipalities for more accountable and sustainable service delivery. To better integrate the resilience in the Local Governance in West Bank and Gaza (WB&G), the MDP3 was restructured, where a specific sub-component was added with an allocation of USD 1000,000 for capacity building support to municipalities and technical assistance to the National Disaster Risk Management Center (NDRMC). The target outcome of this assignment is to lay the foundation for integrating resilience in local governance through the production of technical knowledge, information, and guidelines and conduct the corresponding institutional capacity development. To achieve this target, the assignment is composed of the following activities: - Conduct of a Multi-Hazard Risk Assessment and Mapping - Development of Guidelines on Local Resilience Planning. - Formulation of Resilience Plans for Pilot Local Governments. - Formulation of resilience standards for critical infrastructure. - Capacity building of the National Disaster Risk Management Center (NDRMC). In terms of implementation status, 20 pilot municipalities had their resilience plans developed in the West Bank and Gaza, particularly: (Jenin, Nablus, Tulkarem, Qalqilya, Salfit, Tubas, Ramallah, Al-Bireh, Jericho, Bethlehem, Hebron, Al-Yamoun, Beita, Abu Deis, Dura, Jabalia Gaza Deir Al-Balah Khan Younis Rafah). The tool for preparing resilience scoring was presented and how the resilience plans should be integrated with current planning processes at the municipalities. Regarding the Capacity building to the NDRMC, a strategic plan for the NDRMC associated with a communication strategy was prepared. While providing municipalities with the resilience package in MDP4, MDLF will use the documentation that have been prepared in MDP3 in cooperation with Al-Najah university and National Disaster Risk Management Center (NDRMC), namely the Multi-Hazard Risk Assessment and Mapping, the Guidelines on Local Resilience Planning, as well as the resilience standards for critical infrastructure. In MDP4, it is planned to roll out the resilience plans to another 40 municipalities. If the projected resilience plans are completed on time in cycle 1, it could be implemented in component 1 in cycle 2, meaning they could be financed by the second cycle grants. MDLF will support municipalities in the preparation of works and designs to guarantee the technical adequacy of the risk mitigation infrastructure, in accordance with international best practices. IDTA will include soft risk mitigation activities, addressing municipal governance and behavioral issues for hazards (floods, earthquakes, winter storms, etc.). Resilient capacity planning concept implementation will help local community to reduce impact of climate change and disaster risk and increase safety management.
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Social accountability

During the implementation of the third phase of MDP, Systematic participation of and accountability to women, youth and persons with disabilities was ensured and accounted for during the strategic development investment planning (SDIP) and decision making process based on beneficiary consultations. Integrating SA committees in the decision making process was also part of this process.

MDP3 worked on building the capacity of municipalities in social accountability which is in line with MDLF strategy of empowering local government bodies by contributing to the building of institutional systems in municipalities that are consistent with local governance policies and good governance principles, as well as improved level of infrastructure and services provided by local government bodies, and consistent with MDLF's vision of "efficient local authorities that contribute to a better life for the citizens".

The Social Accountability activities in the West Bank and Gaza were accomplished including the following:

- Provide orientation sessions to mayors, municipal council members, and staff on social accountability concepts and practices.
- Conduct and complete social accountability diagnostic report per each municipality.
- Forming SA committee at each municipality.
- Develop and conduct training sessions for social accountability committees and municipality staff.
- Develop and complete SACs action plans.
- Signing MOUs between the SACs and the municipalities.
- All SACs members signed the code of conduct for their participation.
- All municipalities developed their disclosure plans.
- An assessment of the complaint systems and mechanisms was developed
- Social Accountability awareness campaign were implemented.

Trainings and initiatives on social accountability:

- The Social Accountability Package under component (2) of the program has been implemented and completed with 156 municipalities in West Bank and Gaza Strip. In addition to the following achievements:
- In WB, up to 1487 social accountability members and municipalities staff received training , 50% of them are women , and 28% of which are PWD.
- In Gaza, 300 citizen attended the training program including SA committees and municipalities staff. 40% of the participants were women , and 13% were PWD.
- The training program lasted for 30 training hours for each group, and was delivered in 272 days in WB to cover north , south and middle of WB. While in Gaza, the training program was delivered in 100 days.
- The training program covered various topics including: participatory planning, social transformation , SA tools, monitoring and observatory skills , and developing community initiatives.
- 30 initiatives were selected and implemented in the WB, and 18 SA initiatives were implemented in the Gaza Strip. The selected initiatives focused on social accountability promotion and increasing citizens participation.



Table 11: Total # of Municipalities Supported with CB packages

	# of Municipalities Supported with CB under MDP3	Accumulative # of Municipalities Supported with CB - So far	Total # of Municipalities	Overall Coverage out of the total # of municipalities	MDP3 Contribution out of the total # of municipalities
FPPM	13	159	159	100%	8%
FARV	13	159	159	100%	8%
IFMIS	51	77	159	48%	32%
Readable Budgets	25	25	159	16%	16%
SA	157	157	159	99%	99%
SDIPs	159	159	159	100%	100%
LED Plans	15	15	159	9%	9%
O&M Package	63	113	159	71%	40%
EMS Package	12	16	159	10%	8%
CSC Package	28	70	159	44%	18%

Component 3: Municipal Partnership Project

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

A) Technical Assistance for Public Private Partnership

➤ Diagnostic of PPP at LGU level

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

➤ Implementation of action Plan as recommended from the diagnostic:

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



Training Topics

- Value Chain Process, Value for money, Evaluation of feasibility study, Palestinian legal framework for PPP mode, Risk Identification and evaluation techniques, Partnership contracts, Monitoring and evaluation of PPP projects.
- Beside the topics mentioned, the training material was upgraded to include both the PPP policy and regulatory framework which was agreed upon with MOLG as well as the PPP manual.

Targeted Municipalities

- 95 municipalities had been targeted by the PPP training.
- The number of targeted staff was 169 Participants from all targeted municipalities. The participant list includes municipality Manger, Mangers of engineering departments, financial managers, Lawyers, head of economic development units, and others.

PPP Initiatives

- By end of the PPP training, a list of 20 potential PPP initiatives was concluded by the targeted municipalities.
- The initiatives were subject to scoring criteria including (eligibility criteria and competitive criteria)

CRITERIA	Definitions
Killers	
Relevancy to PPP	Accepted / unaccepted
Sustainability	Accepted / unaccepted
Applicability/ Do ability	Accepted / unaccepted
Scoring Criteria	
Urgency of the project	The initiative shall provide highly demanded public services
Concept	The initiative shall include two to three Pillars of PPP. Namely: - risk allocation, -new technology and -public goods and financial resources.
Readiness	Reflects the steps taken by the municipality in preparation for the implementation of the project in partnership with the private sector. These steps may include allocating land, modifying a structural plan, preparing technical and economic studies, discussing with businessmen...etc.
Attractiveness to private sector	The attractiveness of the private sector can be understood when considering its nature, its profitability, the expected payback period, and the sharing of risks between the two parties. The municipality's name, structure and financial sustainability also play an important role in attracting investors.
Social dimension	The positive effects of partnership projects on poor groups, women, children, youth, or the elderly vary according to the project. Some of these projects provide services to these groups and others give them job opportunities or limit them. All of these factors are evaluated when looking at the project from its social dimension
Environmental impact	The environmental effects of the project include reducing dependence on traditional energy, optimal use of natural resources, reducing and/or utilizing solid waste...etc.

Delivered Outputs for PPP

Updated Policy Note for PPP

Training on PPP was conducted for 95 municipalities

By-law for PPP was prepared and endorsement by the PMO.

169 municipal staff were targeted with PPP training including (Manger, Mangers of engineering departments, financial managers, Lawyers, head of economic development units, and others).

20 PPP initiatives were concluded from the training packages

20 PPP initiatives were concluded from the training packages

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

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



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

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

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

This assignment was contracted on May 5th 2022 and completed by end of July 2023 where the final deliverables were shared with key stakeholders including the WB, municipalities, MDLF and MOLG.

B) Local Economic Development

This component supported the local economic development in terms of:

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

In terms of implementation:

1- Institutionalization phases:

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



2- Operation phase:

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

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



1.7 Project Management

❖ Local Technical Consultants (LTCs)

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

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

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

- Removing the tasks to assist municipalities in filling application form as its done easily by municipalities.
- The social and environmental specialists were directly contracted by MDLF as individual consultants.
- MDLF selected four municipalities to be out of the scope of the LTCs.



Component 5 - Additional Financing for Gaza

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

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

The scope of this component is to:

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

Implemented Activities,

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



- The plans were reviewed by MDLF concluding a prioritization from (O&M) sub-projects in accordance to the appraisal criteria as stated in the POM. Additionally, a part of the capital investment sub-projects was appraised and approved.
- A total of \$ 9.2M under this component were distributed among Gaza municipalities based on a well-defined criterion comprising of (flat allocation \$ 35,000 and the remaining was allocated as per capita).
- A total of 324 sub-projects were completed . Chart 8, 9 illustrate the distribution of funds between the Type 1 and Type two sub-projects and the distribution of allocation per sector.
- Table 12 shows the actual job opportunities as per the sub-projects identified where 5572 actual job opportunities were provided. 834 of which were provided to women representing 15%.

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

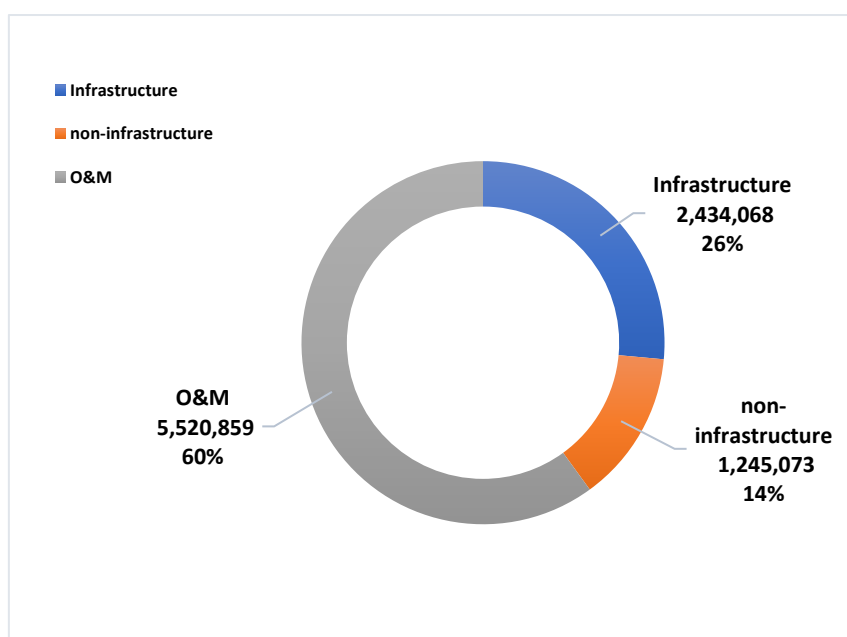
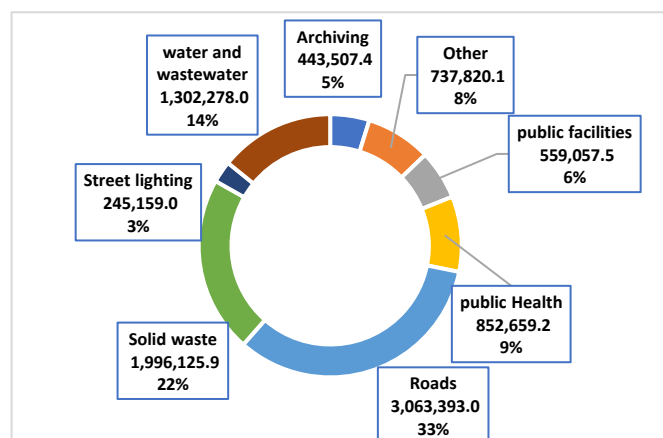


Table 12: Progress of Temporary Job Opportunities

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

Chart 9: Component 5 sub-projects Per Sector





MDP3 - Cycle 2 / Outputs / Component 5					
Gaza					
Sectore	Indecator	Unit	Total Target	Total Achieved	% of Achievement
Solid Waste	# of Solid Waste Containers Supplied	No.	90	126	140%
Roads	Roads-Length of roads rehabilitated/constructed	Km	12.9	13.1	102%
	Roads - # of lighting units supplied	No.	123	144	117%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	1,080	1,080	100%
	Roads-Length of Sidewalks rehabilitated	Lm	14,723	16,394	111%
Water	Water - # of water pumps supplied	No.	2	2	100%
	Water-Length of water networks rehabilitated-	Km	36.7	38.2	104%
	Water - # of Households Connections	No.	2,302	2,513	109%
Waste water	Wastewater-Length of wastewater networks rehabilitated	Km	18.6	19.4	104%

Environmental and Social Summary for – Window 5

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

Table 13: Environmental and Social Assessment Summary (Window 5)

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



Component 6: Additional Financing for Covid 19

Context behind Comp.6

- Despite significant financial and operational constraints, LGUs have proven to be essential actors on the frontline of ensuring emergency response, maintaining essential service provision, and meeting the needs of citizens during the COVID-19 crisis.
- A concept note was prepared by MDLF highlighting the negative impact of the longevity of Pandemic on the Palestinian Local Government Units. This was attributed to the following: i) The increasing unemployment leading to declining income of Palestinian families and ii) shrinking revenues for municipalities which limits their functionality and their capacity to ensure basic services.
- The concept was shared with Development Partners in Oct-2020, seeking for quick response to support the municipalities in West Bank and Gaza. Accordingly, the Development Partners positively responded to the MDLF concept note and to the PA request for financing the municipalities which were negatively impacted by the outbreak of COVID-19.
- The support to municipalities was based on the fact that municipalities are in the forefront to tackle the diverse impact of the pandemic which were addressed quantitatively and qualitatively by MDLF and MOLG.
- The specific purpose of the Covid 19 response is to generate short-term employment, to maintain local service delivery, and to improve resilience to the COVID-19 pandemic and crisis management.
- The target group of the AF are the estimated 3.7 million habitants of the 158 Palestinian municipalities, which represent around 75% of the total Palestinian population.

Description

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

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

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

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

Grants Allocation Mechanism for Comp.6

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

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

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

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



Financing of Comp.6

The above criteria were applied considering the total allocated fund from DPs for Comp.6 is **48,539,639 EUR**.

Table 14 below illustrates the allocation by donor per region.

Table 14: Distribution of Component 6 Allocation by Donor

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

Orientation Workshops to Municipalities:

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

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

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

Total number of sub-projects in WB and Gaza is **1227 : (589 Gaza and 638 WB)** with a total allocation of **48,539,636 Euros: (15,035,765 Euros for Gaza, and 33,503,871 Euros for WB).**

All of which were successfully completed.

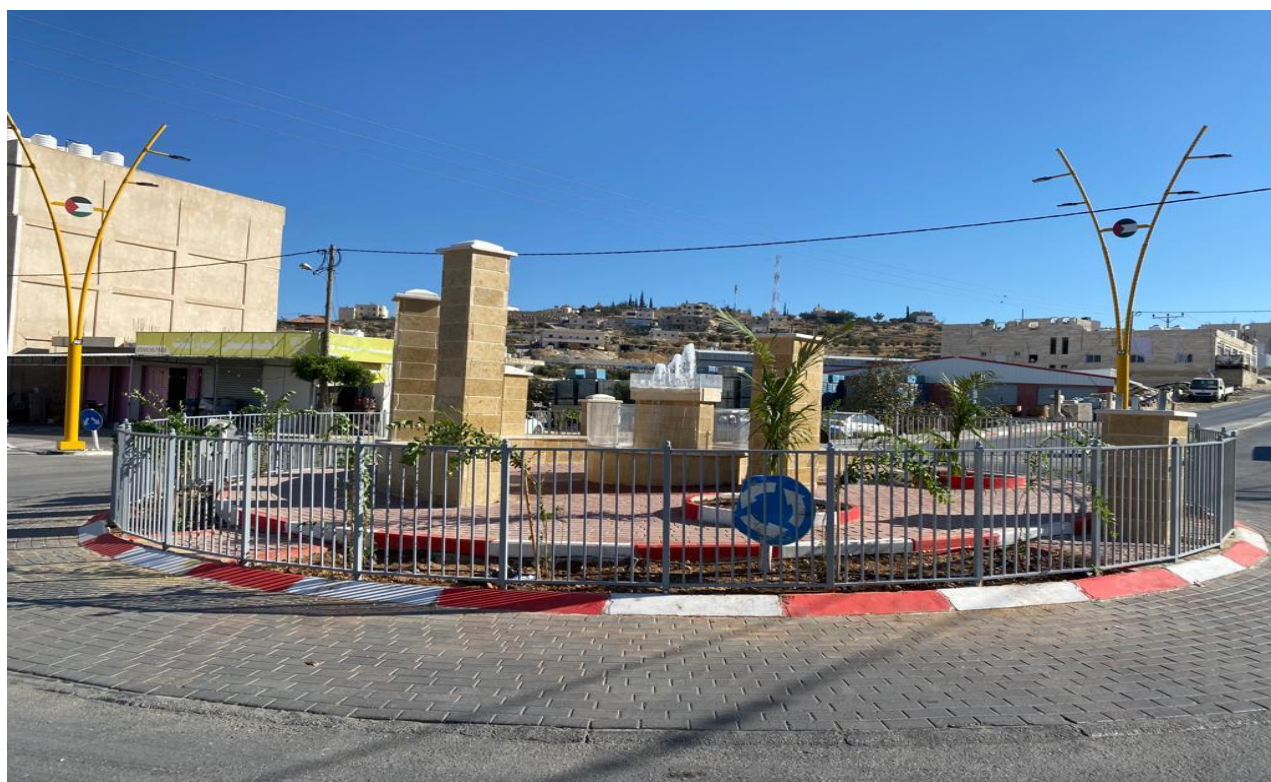




Table 15: Status of Component 6 sub-projects in West Bank and Gaza

		Under Appraisal/Pre-Approved		Approved-Preparation for tendering documents		Evaluation/Tendered/Awarded		Ongoing		Completed		Total	
		6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)	6.a (60%)	6.b (40%)
Gaza	No. of Sub-Projects	0	0	0	0	0	0	0	0	436	153	436	153
	Allocation (EUR)	-	-	-	-	-	-	-	-	9,021,460	6,014,305	9,021,460	6,014,305
	Sub-Total (No. of Sub-Projects)	0		0		0		0		589		589	
	Sub-Total Allocation (EUR)	0		0		0		0		15,035,765		15,035,765	
West Bank	No. of Sub-Projects	0	0	-	0	0	0	0	0	342	296	342	296
	Allocation (EUR)	-	0	-	0	-	0	-	-	20,102,323	13,401,548	20,102,323	13,401,548
	Sub-Total (No. of Sub-Projects)	0		0		0		0		638		638	
	Sub-Total Allocation (EUR)	0		0		0		0		33,503,871		33,503,871	
West Bank & Gaza	No. of Sub-Projects	0	0	-	0	0	0	0	0	778	449	778	449
	Allocation (EUR)	-	-	-	-	-	-	-	-	29,123,783	19,415,853	29,123,783	19,415,853
	Sub-Total (No. of Sub-Projects)	0		0		0		0		1227		1227	
	Sub-Total Allocation (EUR)	0		0		0		0		48,539,636		48,539,636	



Environmental and Social Summary for – Component 6

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

The following Environmental and Social requirements are considered for component 6 sub-projects during appraisal and design stage:

- **Environmental and Social Assessment has been carried out by MDLF/MDLF consultant for each sub-project.** The E&S assessment report was filled after a site visit to the sub-project location.
- **The ESMP was prepared by the municipality and approved by MDLF/MDLF consultant for each sub-project.** The majority of the sub-projects were of small scale and of maintenance nature, and the overall risk in the sub-projects was rated at low level.
- **Environmental and Social Commitment Letter:** it is a formal letter from the municipality to commit that the municipality will follow the ESMP measures during the implementation.
- **Focus Groups:** Municipalities were requested to conduct consultation meeting (Focus Group) with concerned people. During the focus group; the sub-projects components were presented as well as the complaints channels.
- **Public disclosure and Communication:** Municipalities were requested to share information for the local communities about the sub-project by using the different tools such as social media. Most of municipality share the ESMP on the social media.

The following tables 16 & 17 present the Environmental and Social requirements which had been used for component (6); Operation and Maintenance, and Recurrent Expenditure.

Table 16: Environmental and Social Summary for 6.a (Operation and Maintenance)

Type of Sub-project	Short description	Environmental assessment category	Environmental screening	ESMP	Site Specific requirements	Additional requirements
Hiring of employees for municipal office work	Employees to work on IT, GIS, design, archiving tasks, PR, accounting, lawyers, and any office work for the municipality.	C	Not required	N/A	N/A	Code of Conduct COVID-19 requirements Orientation session for the new employees on the regulation and environment and social safeguards
Hiring of workers for waste collection / health department	Hiring workers to collect waste, sweeping streets and tasks of the health department such as inspection tasks ..etc	B-C	Not Required	Waste collection ESMP	Waste should be received at a landfill, or at a transfer station which used as a collection point and then the waste is transferred to the landfill in a regular basis	Code of Conduct COVID-19 requirements Orientation for workers PPE for workers Valid Insurance Safety Measures for workers
Hiring of workers for roads and sidewalks maintenance	Workers will be used to implement maintenance of streets and not paving large scale streets	B	Required	Roads ESMP	Historical locations, and waterways are not accepted in this program. For any involuntary resettlement, Land acquisition Framework (LALPF) should be followed.	Code of Conduct COVID-19 requirements Orientation for workers PPE for workers Valid Insurance Safety measures for workers Signing contracts



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

Table 17: Environmental and Social Summary for 6.b (Recurrent Expenditure)

Type of Sub-project	Short description	Environmental assessment category	Environmental screening	ESMP	Specific requirements
Supply of Fuel / oils	Supply of fuel	C	N/A	N/A	- Storage of fuel in the municipal workshops will not be accepted, but in case of supply of big quantity of fuel; a proper storage should be available with proper safety tools e.g. fire extinguishers at the storage site.
Supply of Spare parts / small – medium size equipment / PPE / construction materials	Supply of spare parts for municipal vehicles and generators, small and medium size equipment e.g. equipment used in the municipality	C	N/A	N/A	- Review specifications which have less environmental impact.



Type of Sub-project	Short description	Environmental assessment category	Environmental screening	ESMP	Specific requirements
	workshops or tools used for gardening or lighting ...etc. Supply of PPE for workers. Supply of construction materials.				
Supply of outreach or awareness materials	Supply of brochures, awareness videos, fact sheets ...etc	C	N/A	N/A	N/A
Fees / Payments	Water, Wastewater, Waste, Electricity, Telephone fees ...etc	C	N/A	N/A	- Waste should be clear that it was sent to a landfill. - Wastewater should be clear it was sent to a treatment plant.
Renting of vehicles / tools	Renting of service vehicles or tools such as tools of surveying, generators ...etc.	C	N/A	Based on the type of rented tool	- Insurance of vehicles are required
Supply of any chemical materials used in the municipal field	Supply of pesticides or chemicals for water purification, or water quality tests, Supply of Alkohol or sanitizers ... etc	C	N/A	ESMP based on the sub-project nature	- MoH approval of the used pesticides materials (list of allowed materials)
Insurance	Insurance of workers and equipment	C	N/A	N/A	
Design of IT systems	IT systems such as SCADA system to manage the water supply system	C	N/A	N/A	
Supply of computers, electronics, stationary for municipality	Supply of furniture and electronics for municipality	C	N/A	N/A	
Supply of Pumps	Supply of small pumps used for water and wastewater pumping	C	N/A	N/A	- Review specifications which have less environmental impact.
Consultancy services	IT, Design, Financial, Managerial, legal experts ...etc.	C	N/A	N/A	



Environmental and Social Summary for – Component 6

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

Table 18: Summary for Social and Environmental - Component 6

Item	West Bank	Gaza Strip
Environmental Assessment		
Total Sub-Projects	638	589
Sub-projects were screened to Category B	183	194
Sub-projects were screened to Category C	436	340
Sub-projects were screened to category B-C (Solid Waste management projects)	119	55
Sub-Projects caused internal displacement	0	0
Sub-project triggered the International Waterways policy	0	0
Sub-project triggered the Physical Cultural Resources Policy	0	0
Social Assessment (Category B Sub-projects)		
Sub-projects have been approved after having agreements with citizens	56	4

Environmental and Social Management during Construction Stage

- The majority of the sub-projects are of small-scale and responses to COVID-19 situation. The Impacts of sub-projects are minor and temporary; no adverse potential impacts were raised.
- MDLF monitored compliance with ESMP mitigation measures through conducting site visits to the sub-project during construction stage. The E&S consultants prepared site visits reports and described the commitment of the contractor/municipality to implement the mitigation measures as per the sub-project ESMP. No accidents were registered or noticed in work areas of any sub-project.
- All workers signed contracts describing their scope of work, duration of the contract and working hours ...etc.
- All workers were covered by insurance.
- All workers were provided by Personal Protective Equipment (PPE) and first aid box at the site.
- All workers signed a code of conduct at the beginning of their work stage.
- All workers had orientation session at the first week of work to know their tasks, content of the COC, health and safety measures at the site, and complaints channels.
- No accidents had been recorded during the construction stage of sub-projects.
- In cases of noncompliance to environmental and social considerations, environmental notes had been issued to contractor and instructions had been issued to municipalities.





The main registered environmental notes/instructions were issued for non-compliance to providing traffic warning signs, spraying water, or wearing PPE's.

- Most of complaints had been raised during the construction stage of sub-projects were related to minor and temporary issues such as cutting water connection pipe and temporary access through the road segment, or to houses' entrances, are the sort of complaints communicated verbally or officially. The LTCs' reports verified the presence of complaints submitted for each sub-project.

Assessment of Environmental and Social Capacity of the Municipalities:

MDLF conducted a general assessment of the environmental and social performance, and the perceptions of the Municipalities and local community in West Bank and Gaza Strip regarding to the MDP3 CII program. The assessment has been carried out in August, 2022 and targeted a representative sample of Municipalities (112 out of 159) in West Bank and Gaza. Specific criteria had been identified in selection of municipalities. Among others, Municipalities size, its classification, its geographical location, its population, its needs and capacities. In addition, the assessment considered the experience of the environmental and social individual consultants who assigned by MDLF to support municipalities in preparation and implementation the ES instruments.

Moreover, additional assessment had been carried out to assess local community satisfaction on MDP3 CII projects. The assessment had been conducted in July, 2022. It targeted a representative sample of beneficiaries (10 municipalities) from local communities distributed in West bank and Gaza with a total of 150 households (15 household in each municipality).

The result of the assessment indicated that most of the municipalities are having understanding of the of ESMP concept and they have the ability to evaluate the environmental and social risk of projects and this experience had been taken through the previous programs of MDP. However, the municipalities are still not eligible to fully manage the sub-project environmentally and socially taking into account that the aforementioned experience had been built on the E&S safeguards and not the ESF. MDLF will consider this and will continue building the municipalities' capacity in the E&S aspects in the coming projects.

Preparation of Environmental and Social Risk Management Instruments for West Bank and Gaza Resilient Local Government and Municipal Services Project (RLGMSP)

MDLF has prepared requisite Environmental and Social (E&S) risk management instruments, in line with national polices and legislations related to environmental and social standards and the international polices and standards such as the Environmental and Social Framework (ESF) requirements, for project implementation and these has been consulted on, reviewed and cleared by the donors and disclosed in MDLF website on December 23, 2022, (<https://www.mdlf.org.ps/ar/cmspage/page?pagelid=1508>). These include: Environmental and Social Management Framework (ESMF), Land Acquisition and Livelihood Framework (LALF), Stakeholder Engagement Plan (SEP), Labor Management Procedures (LMP) and the project Environment and Social Commitment Plan (ESCP). Relevant site-specific instruments (as required), including Environmental and Social Impact Assessments/Environmental and Social Management Plans/ E&S Management Checklists, (ESIAs/ESMPs/E&S Management Checklists) and Land Acquisition and Livelihood Plans (LALPs), will be prepared and implemented in line with the ESCP requirements and once the location and design of sub-project activities is finalized.

The environmental and social (E&S) risk are rated as Substantial. The project is expected to have positive impacts including improving the service delivery at the municipal level, enhancing municipal capacity building, and enhanced climate resilience. Similar to MDP-3, municipalities are eligible to receive grants to implement a wide range of potential sub-projects in different infrastructure sectors. However, the details and specific locations of such investments are yet to be identified.

Stakeholder Public Consultation on the E&S Risk Management Instruments

MDLF conducted a public consultation meeting on Nov 1, 2022. The workshop was held in the West Bank and Gaza via virtual connection. Seventy-five (75) participants representing municipalities in West Bank and Gaza Strip, ministries and public authorities, several NGOs working on women, youth, disabled people, consultants, Engineer's Association, Contractors Union, representative of institutions interested in climate



change and, key representative of communities and beneficiary municipalities have participated in the consultation meeting. Supervision Engineers from (51) municipalities attended the meeting. Large and small municipalities, municipalities representing different governorates in the West Bank and Gaza (WB&G) and municipalities using different Grievance Redress Mechanism (GRM) systems were attending as well. In the consultation meeting, MDLF presented the contents of the Environmental and Social risk management instruments which are (ESMF, LALF, SEP, LMP & ESCP) that were prepared in compliance with national and international policies and legislations. During the meeting, municipalities provided feedback and raised several concerns, which were considered by MDLF in preparation of the E&S instruments.



1.8 Challenges and Limitations

The challenges that have faced the implementation of MDP3 have resulted in delaying a number of key activities in both cycles. Below are the main challenges:

■ Political Issues

- The Israeli war on Gaza Strip imposed by the Israelis in 2019, 2021, and 2022 resulted some delays in the implementation of infrastructure sub-projects and capacity development activities. The GRM was performing well during the first cycle of MDP3, however, it has faced some difficulties during the 2nd cycle, as cycle II already recorded some delay cases in the purchase of vehicles spare parts as well as the supply of hardware/electronic devices related to capacity development packages.
- The elections of LGUs councils in the West Bank that took place in December 2021 and March 2022 sequentially, resulted some delays in decision-making process during the election period and thus hinder the implementation of some projects' activities.

■ Financing Issues

- The PA contribution (10% to the project financing) was not transferred on time causing delays in the implementation of projects' financed by the PA. This issue was addressed with the Prime Minister's office and with MOLG minister outlining the main concerns such as the disruptions of project implementation and the lack of commitment to the national municipal sector program.

■ Institutional Challenges related to W1 implementation

- The municipal staff did not assume ownership of their sub-projects in some cases, and they heavily relied on LTCs engineers, consultants and MDLF staff in quality control, and financial management, especially in the context of irregular payment of salaries due to the financial crisis being in place.



- There was a lack of certain specialties, understaffing, overloads of routine works & multi-tasking within the municipalities. Furthermore, it was noticed a bureaucracy in some municipalities in data collection and verification related to infrastructure sub-projects.
 - There was low capacity of municipalities' staff in the evaluation, bidding documents preparation and projects supervising. Some of the municipal engineers are working in more than one Municipality on a part-time basis. Furthermore, the processes in the large municipalities in particular the evaluation of biddings documents took longer time than anticipated by the LTCs and the MDLF engineers.
 - Some municipalities did not assign site engineers to follow up the implementation of MDP3 sub-projects.
 - There was a lack of commitment from the municipalities regarding the submission of the needed documents for MDLF appraisal and verification as requested. The majority of municipalities started working on preparing the design and providing the needed permits once they received the allocation letter from MDLF, however, they had to do that earlier as the selected sub-projects are all identified in their SDIPs. Additionally, it was noticed that the submitted design documents in some cases are neither complete nor acceptable.
 - The projects typology was directed to roads projects to fit with the limited municipalities' allocations.
 - There was a gap among the municipalities regarding their capacities especially in the ESMF requirements which led to further works from MDLF and LTCs to ensure the compliance with standards and guiding procedures according to the MDLF operational manuals.
 - The consultation process associated with the documentation regarding the social safeguards took longer time than anticipated.
- **Institutional Challenges related to W2 implementation**
- There was limited commitment of some decision makers towards reforms in management, concerning the implementation of citizens services centers. i.e., the management decisions/approvals were difficult to obtain at the municipal level.
 - There was a dependency from the municipalities on the consultants to execute CB packages.
 - The procurement for the different capacity development packages started simultaneously concluding large numbers of EOIs and technical proposals to be evaluated technically.
 - The Lack of proper documentation and archiving at some Municipalities made it difficult to identify the ownership, acquisition year and costs regarding the fixed assets registration and valuation.
 - The slow process in response to financial management reforms: (an adaptation of new procedures, software, reporting and monitoring systems etc.).
 - SA institutionalization is a challenging process that requires more effective tools and systematic procedures.
 - Sustainability of SA in municipal work is challenging, as many of the municipalities don't take SA seriously and they are reluctant to implement SA tools and practices.
 - There was a change resistance, and lack of absorption capacity of municipal staff.
 - Double effort in operating (old and new) software's simultaneously at start up phase, especially the financial management software.
 - Lack of awareness in society towards the importance of using modern technology to complete transactions.
 - The absence of financial sustainability, including the inability of LGUs to allocate a budget for the CSC and EMS, and the near-total reliance on grants would jeopardize the viability of the project in the future.



▪ **Challenges Caused by the Covid-19 Pandemic**

- The crisis brought by the COVID-19 pandemic caused a delay to the planning and implementation of the project. Many sites were not allowed to be visited resulting in slow-down of the appraisal process in general.
- Year 2020 has an outstanding year with Covid 19 pandemic which had negative implications on the planned activities. The MDLF team had to replace the compressive workshops into small groups meeting to assure social distancing as well as the use of virtual meetings. The assignments took more time than anticipated.

▪ **Challenges Encountered the Implementation of Window 6**

- Window (6.a) included two types of employments: **1) University Graduates employment** (Backoffice support). **2) Workers** (Skilled and non-skilled workers for Infrastructure maintenance projects). Municipalities received huge number of applicants from university graduates, which was higher than expected and planned. On the other hand, there was a shortage of skilled & unskilled labours in local market: specially for the operation and maintenance of the municipality's infrastructure. Municipalities filtered the applications carefully and choose Backoffice workers as much as needed, such as archiving, administrative tasks, engineering tasks to improve their skills. Municipalities who did not receive the needed number of applicants made extra effort in advertising about the available opportunities. Some municipalities asked the workers to cover the required employment needs, while small number of municipalities failed to cover the required employment.
- **In WB, MDLF faced a shortage of skilled & unskilled labours in local market:** Specially for the operation and maintenance of the municipalities' infrastructure. On the contrary, there was a large turnout of workers in Gaza.
- The planned wages in project doc does not reflect the reality especially in the West Bank.

1.9 Evaluation of MDLF's performance at project stages with special emphasis on lessons learned

Despite all the challenges and obstacles that faced the implementation of the project, MDLF was able to complete the planned activities successfully and meet the project development objectives. The main lessons learned from this experience that should be considered for future improvement:

1. Projects identification and selection

- All projects were eligible and selected from the municipalities' SDIP, however, more focus is needed on the environmental and social aspects to enhance some projects' components (drainage, roadside protection). Thus, it is recommended to update the roads specification manual prepared by MDLF to reflect the needed measures to tackle the climate change.

2. Design and preparation of tender documents

- The design was based on international building and infrastructure codes, taking into consideration local practices, materials, and existing project conditions. The drawings were adequate for contractors to price and prepare the shop drawings. However, the design quality and accuracy could be further improved (general details book addressing design requirements and list of drawings).

3- Supervision and construction quality

- The projects were implemented according to design, specification, and contract documents. However, some of the small municipalities don't have the full capacity to manage and supervise their projects (they rely on MDLF and LTCs heavily). It is recommended to undertake a technical supervision and project management training for the municipal engineers at the beginning of the next program cycle to provide them with the required knowledge and confidence to take over their project effectively.



4- Procurement

- The procurement process applied by the Municipalities was effective, transparent, procuring the best value offer, and complying with the MDLF procurement manual. However, the municipalities procurement plans need to be updated regularly for better follow up the implementation.

5- Sub-projects Management

- A remarkable development in the capacity of the municipalities to manage their projects has been achieved. However, more attention is needed on regular updating and monitoring the projects time schedule even for small projects and other management aspects.

6- Sub-projects functionality & Usability

- All the completed projects were functional and usable as intended. However, more attention is needed to develop sound operation and maintenance plans (to be systemized rather than ad-hoc corrective maintenance). Furthermore, special focus is needed on the feasibility of sub-projects related to purchase of equipment in terms of (efficiency , operation, maintenance cost) during the appraisal stage.

7- Grants Allocation Mechanism and KPIs

- The MDP successfully established a funding allocation mechanism that created equal opportunities for all municipalities in the West Bank and Gaza to receive funding with linkage to performance and CB. In general, the implementation of MDP I, MDP II, and MDP II (Cycle 1) was found to be satisfactory where most of the MDP Key Performance Indicators (KPIs) have either been fully achieved or surpassed. However,
- it is of concern how to best account for the variations of municipalities in terms of capacities and skills, financial resources and performance. It is worth noting that while the program interventions indicated direct contribution to achieving these KPIs, it should be kept in mind that meeting such KPIs is linked to external factors that are outside the control of the MDLF or MDP.

8- Performance and lessons learned regarding CD packages:

General:

- It is clear that the capacity building training and support has been well received and integrated into the workflow and processes of the municipalities.
- The financial packages created an opportunity for increased effectiveness as these packages helped in setting up the needed processes to: Prepare a realistic and accurate budget Manage and control the accrual accounts (debtors & creditors), present reliable financial position, ability to control proper cash flow.
- Building the capacities of municipalities (accountability, participatory planning, and financial management) has resulted in advancing municipalities' ability to provide better service to citizens. However,
- MOLG to have effective role for ensuring the institutionalization and sustainability of provided capacity building packages.
- There is a need for better coordination between MOLG and MDLF regarding the financial packages to ensure that they are aligned with the budgeting requirements.
- There is a need for contextualization the capacity building packages when it comes to the varied resources from one municipality to another.
- There is still a need to customize those packages to the specific needs, size and functions of individual municipalities.
- Provide enough time and support for the systemic changes to tackle the change resistance.
- Come up with a continuous follow-up mechanism and mainly the post-implementation phase to ensure that the goals set in the long, mid, and short terms are achieved.



SA recommendations

- To increase community engagement on the municipal level (involvement of municipalities staff in SA)
- To Enforce transparency, participation, response and oversight – KPIs to be upgraded to reflect the SA institutionalization.
- To Build upon the successful gained from the engagement of local NGOs in implementing SA with more focus on SA initiatives.
- There is a need to encourage active volunteering, especially among the youth.

Financial packages

- Improve the practicing of understanding and analyzing the financial reports by the municipalities management.
- Enhancement of KPIs to reflect the utilizing of financial package.
- Enhance the tutorial of the new financial system in a way that the end-user is able to operate the system without the help of the service provider.
- Update the valuation the fixed assets targeting those municipalities that already started operating the new financial system.
- Enhance the responsiveness of systems providers. MDLF & MOLG may be involved in monitoring the responsiveness of systems providers during the first two years from the maintenance period.
- MOLG enforcement policy for institutionalization towards sustainability.

CSCs

- GRM enhancement within the CSCs.
- More focus on the integration with other systems within the municipalities.
- The CSCs as well as the EMS need to be well promoted.

O&M

- Integrating the O&M software with the GIS system if it exists, or providing municipalities with a GIS system as a prerequisite for the O&M.
- Adding municipalities' remaining assets to the O&M packages since it is mainly limited to the roads and buildings.
- The availability of a GIS system which should improve the capacity of the municipality to spatially map out the facilities, infrastructure, and assets that should be included in any O&M plan and budget.
- The O&M package needs to be simplified especially for small municipalities lacking the technical staff.

1.10 Sustainability

The MDP was designed in such a way as to ensure the sustainability of its effects regarding the services delivery, piloted innovations, and municipal capacity development issues. The sustainability of MDP impacts can be ensured due to the following factors:

- The linkage between the municipal grants with the municipal performance is an important factor that motivates municipalities for better performance with more focus on the utilization of CD packages.
- The capacity development packages were designed to institutionalize the procedures, guidelines, and manuals within the municipalities as a first step towards the reform and good governance for the local government sector in Palestine.
- More focus was given to the municipalities' financial management as a key towards creditworthiness and financial sustainability.



- The MDP was designed in line with national policies concerning the local government, this implies that all procedures, manual and other institutional arrangements within the municipalities regarding the financial, and planning aspects will be supported by the central government.
- The social accountability was mainstreamed across MDP3 activities towards building a strong relationship between the citizens of their municipalities. This leads to increase the level of confidence with municipalities and achieving a viable and sustainable interaction in the context of better services/better life.
- Most importantly, the manuals and guidelines regarding the (FARV, SDIP, CSCs,...etc.) are being utilized by other institutions working in LG sector.
- There is a strong coordination among different partners regarding the LG sector development to ensure the harmony and the complementarity of their interventions. The sector working group meetings chaired by the Minister of Local Government and attended by all FPs in charge of the local government is considered the appropriate venue and mechanism for the exchange of information and policy dialogue on good local governance.
- The SDIP approach was institutionalized by having SDIP committees who were engaged in the SDIP annual update without direct interventions under MDP3.
- Under MDP3, more focus was given to the O&M capacity development package which is considered a key for sustainable infrastructure.



2. Municipal Development Program Phase IV

2.1 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:

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 to 3, 611,649⁴ represent 75% of the total population of West Bank and Gaza¹.

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.

⁴ 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:

A) Sub-component 2.a: On-demand Capacity Development Support for Municipalities

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.

B) 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 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**



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.

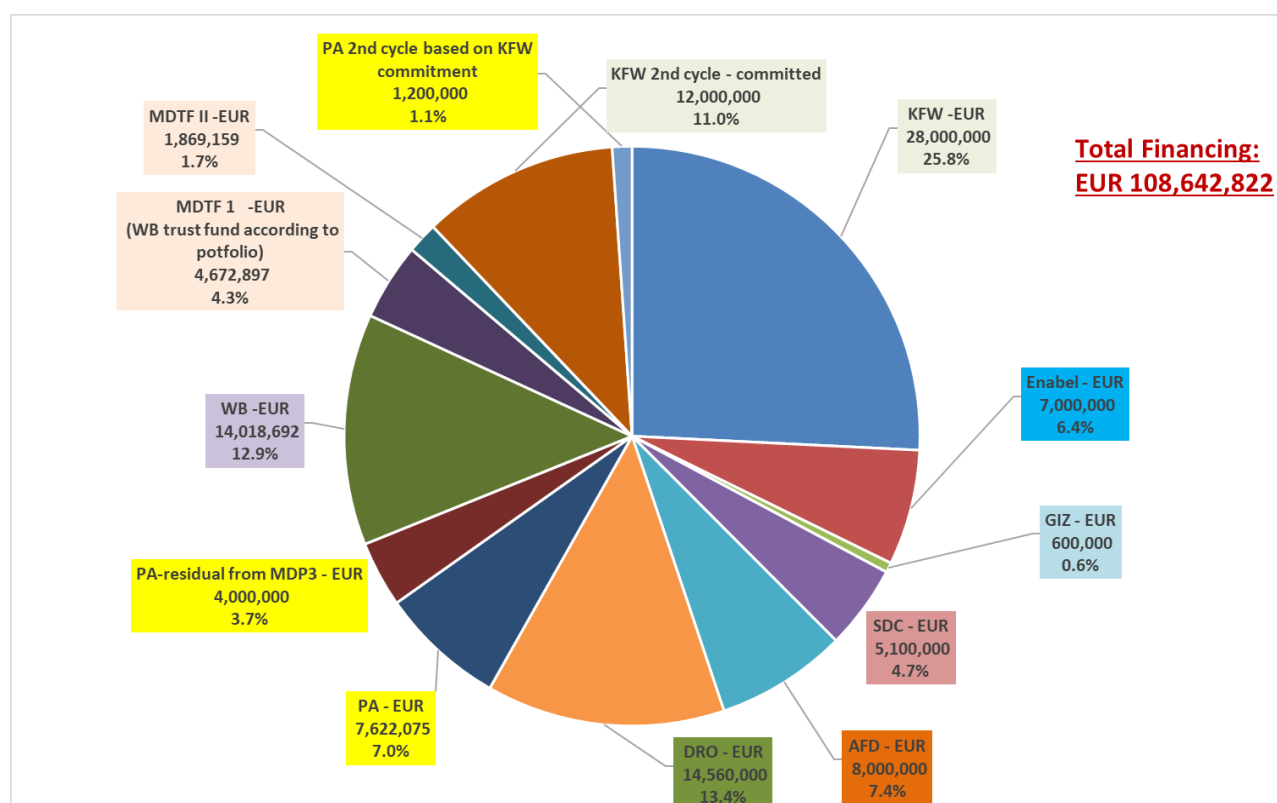
Component 5: Contingency Emergency Response

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.

2.2 Financing Partners Contributions

The MDP IV 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), the Netherlands (through VNG International) and the Switzerland (through SDC) and the European Union "EU". Chart 10 below illustrates the financial contributions of financing partners for MDPIV.

Chart 10: Distribution of MDP4 Financing Per Doner



2.3 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.

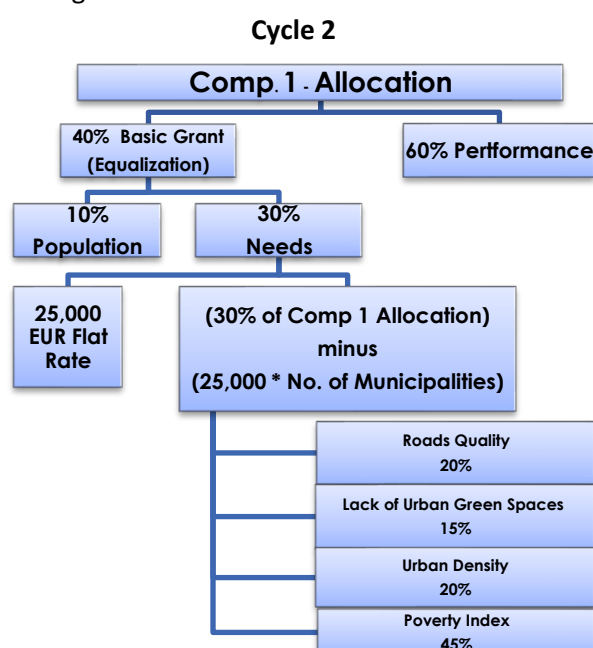
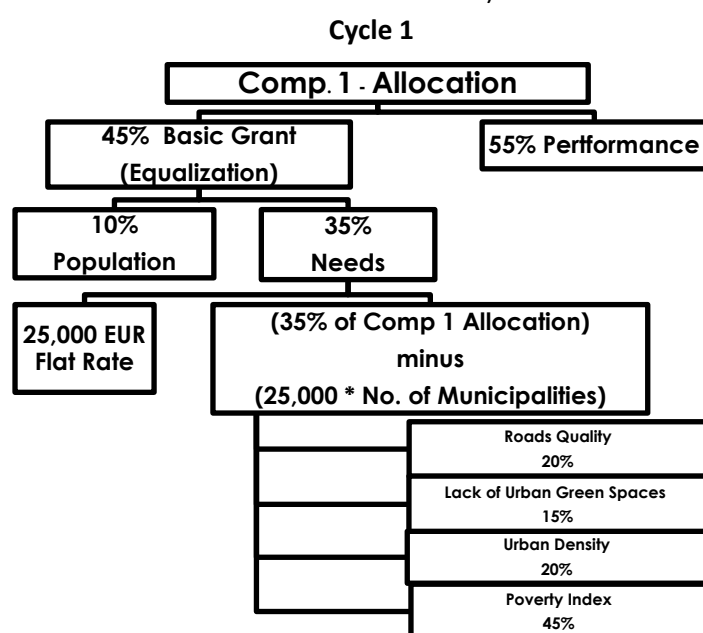


Cycle 1:

- **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



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 19: 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 multiplier for each Rank.

Table 20: 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





Table 21: KPIs for MDP4

KPIs – 1 st Cycle	Verification Protocol	Performance Areas	Rank
1. Cost Accounting Systems Set up	a) LGU is applying a costing method for setting out the needed resources for costing the major services.	Institutional Performance	A
	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.		
2. IFMIS implemented	a) financial position statement generated from the system for the last FY.	Institutional Performance	A
	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.		
3. Green Spaces implemented	a) The municipality has expanded or rehabilitated green spaces (at least 0.1 m ² per capita in the past two years)	Services Quality	A
	b) Availability of public green space of > 0.5 m ² per capita in West Bank urban municipalities and > 0.3 m ² per capita in Gaza and West Bank rural municipalities.		
4. LGU's Liquidity.	a) The calculation for this ratio is Current Ratio (Liquidity) = Current Assets/Current Liabilities.	Used to evaluate a LGU's ability to pay its short-term obligations, such as accounts payable and wages) Financial Management	A
	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.		



Table 21: KPIs for MDP4

KPIs – 1 st Cycle	Verification Protocol	Performance Areas	Rank
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
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
7. 10% < X < 15% of the operational expenditure <u>Paid</u> for Maintenance	a) Paid maintenance expenditure 10% < X < 15% of Paid total operational expenditure in the last complete FY	Service Sustainability	B
	b) The calculation for this ratio is: <u>Paid</u> Maintenance expenditures/ <u>Paid</u> Operating expenditures		
8. Operational Surplus achieved	a) Operational revenues exceed operational expenditures for the last FY	Financial Management	B
	b) Operational Surplus (margin) = <u>Collected</u> Operational revenues - <u>Paid</u> operational expenditures.		
9. LGU's Fiscal Autonomy	a) The calculation for this ratio is: Own Revenues /Total Revenues	Service Sustainability	B
	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		
10. At least two SA tools implemented annually by the municipality and the SA committee	a) Municipal budgets and resource allocation for SA tools.	Transparency and Accountability	B
	b) Reports related to implemented SA tools		
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
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.	Transparency and Accountability	B



Table 21: KPIs for MDP4

KPIs – 1 st Cycle	Verification Protocol	Performance Areas	Rank
	b) Reports in place regarding statistics related to the complaints with proven evidence of response.		
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
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
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: <u>Paid Salaries & Wages expense</u> / <u>Paid Operating expense</u> .	Financial Management	C
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
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
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 b) The previous year's budget was generated from the Ministry of Local Government portal. c) MoLG informs MDLF	Institutional Performance	D
19. Public disclosure of executed budget and executed SDIP	a) Information disclosed in line with public disclosure procedures b) (second cycle) Annual budget plan disclosure done in the readable budget format	Transparency and Accountability	D



• 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. The two charts below show municipalities ranking based on their compliance with the MDP 4 key performance indicators.

Chart 11: MDP4-Baseline - Ranking KPI 19

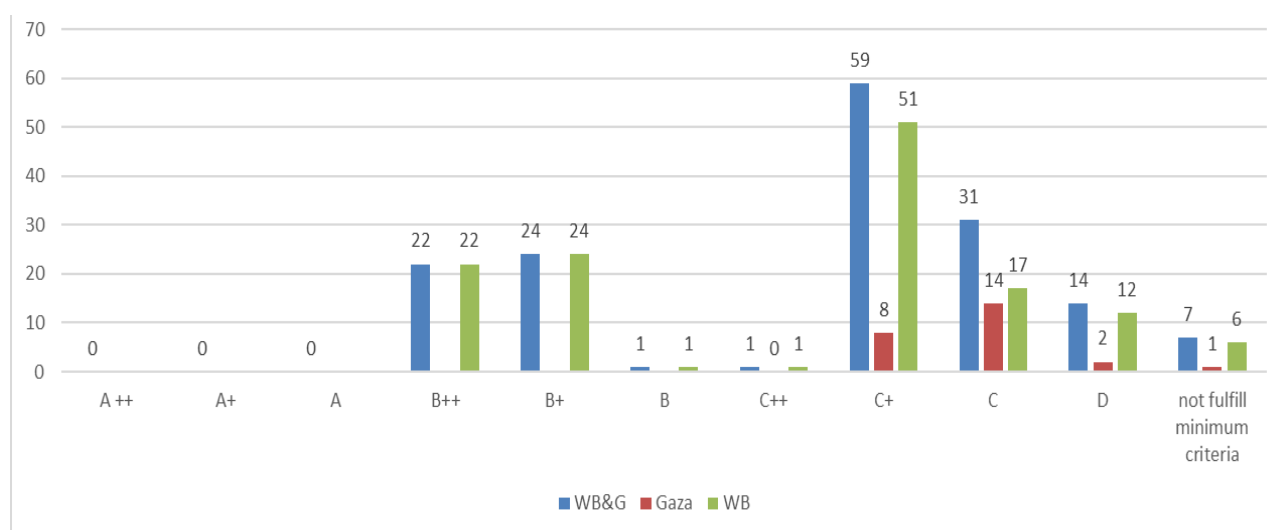
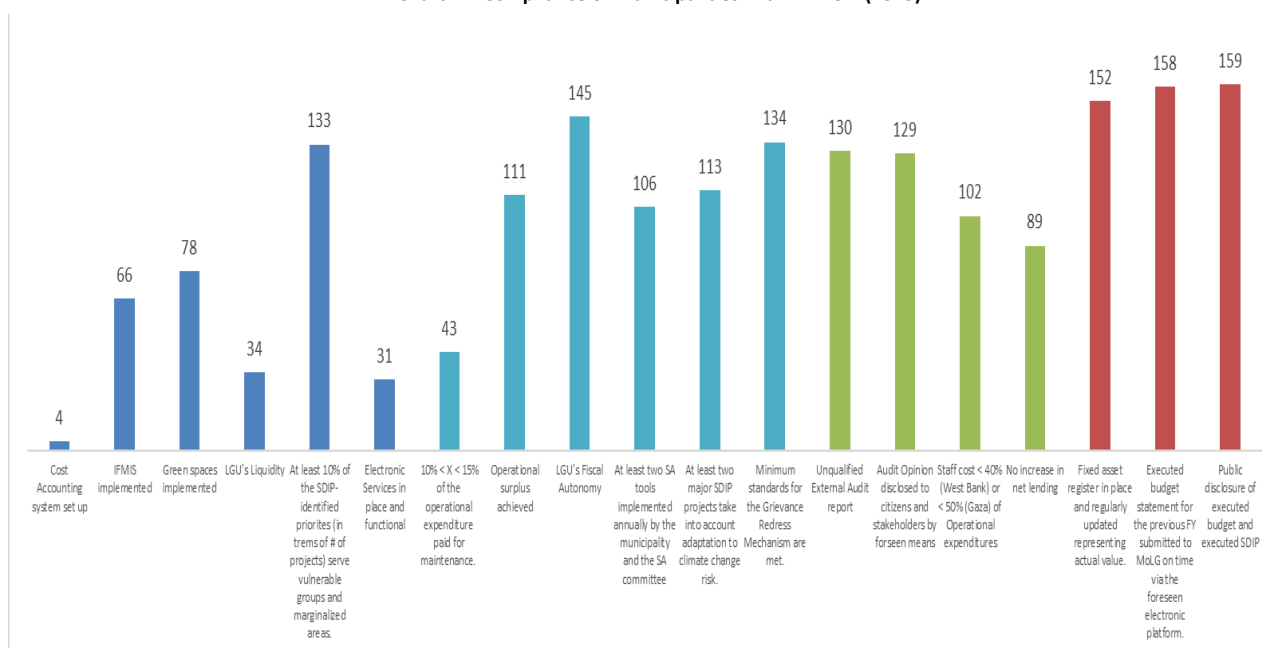


Chart 12: Compliance of Municipalities with KPI 19 – (2023)





• Municipalities Allocation (1st cycle)

A total of Euro 40 million 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 22: Allocation for MDP4 Cycle 1 by Doner

	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	3,544,265	1,860,000	4,579,440	2,032,710	1,738,318	40,000,000
Gaza - Cycle 1	4,969,213	924,753	2,645,888	2,900,349	1,544,930	810,766	1,996,159	886,050	757,726	17,435,834
West Bank - Cycle 1	6,430,787	1,196,747	3,424,112	3,753,418	1,999,335	1,049,234	2,583,281	1,146,660	980,592	22,564,166

1.4 MDP IV - Implementation Status and Activities

2.4.1 Component (1): Performance Based Service Delivery Grant

Preparatory Activities for MDP4

- ✓ MDLF conducted the Launching Ceremony for MDP4
- ✓ MDLF informed the municipalities about:
 - Their Ranking.
 - Their Allocation.
- ✓ MDLF Prepared the POM for MDP4 including:
 - Technical Manual
 - Environmental and Social Risk Management Instruments
 - Grants Allocation Mechanism
 - M&E Arrangements
 - Financial Manual
 - Procurement Manual
 - Capacity Building Manual
- ✓ MDLF conducted 4 orientation workshops for All Municipalities, (3) workshops in West Bank and one Gaza.
 - These workshops familiarized municipalities' staff with the objectives, components, and requisites of the new program.
 - The workshops were attended by city managers and engineers.
 - MDLF provided detailed explanations about project management and implementation stages, how to deal with bids, how to fill applications for infrastructure projects and all ESMF related material, and explanations about capacity development packages.





Technical progress

- ✓ The procurement process for hiring the LTCs and the E&S individual consultants was completed and the new LTCs are onboard to provide the technical assistance to the municipalities in accordance to the agreed upon TOR. (three LTCs in the West Bank)
- ✓ Individuals for Environmental and Social were contracted to support the MDLF and the municipalities in the screening and appraisal of sub-projects as well as in the supervision of social and environmental aspects. (Only for West Bank).
- ✓ The Technical progress of component (1) also includes the following updates:
 - Application forms from municipalities have been received. The potential projects are under appraisal.
 - MDLF Engineers have conducted site visits to the potential projects, despite the restriction of movements imposed on West Bank (ongoing process).
 - MDLF is working to update the road manual to be responsive to climate change.
 - MDLF prepared the TOR to conduct ESF training targeting municipalities in West Bank and Gaza.



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



Preparation of Environmental and social risk (E&S) management instruments

- ✓ E&S risk management instruments have been prepared, consulted on, reviewed, and cleared by the donors and disclosed in MDLF website on December 23, 2022.
- ✓ The E&S risk management instruments include:
 - Environmental and Social Management Framework (ESMF),
 - Land Acquisition and Livelihood Framework (LALF),
 - Stakeholder Engagement Plan (SEP),
 - Labor Management Procedures (LMP) and
 - The project Environment and Social Commitment Plan (ESCP).



Stakeholder Public Consultation on The MDP4- E&S Instruments

- ✓ MDLF conducted a public consultation meeting on Nov 1st, 2022.
- ✓ Seventy-five (75) participants representing different institutions and authorities participated.
- ✓ MDLF represented content of E&S instruments (ESMF, LMP, LALF, SEP and ESCP)
- ✓ Municipalities provided feedback and raised several concerns, which were considered by MDLF in preparation of the E&S instruments.



2.4.2 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 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.
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Newly formed packages can be defined 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 conduct 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.
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 level 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

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 in consistency 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.
- ToR's 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 (Institutional package, and advanced package)



Upon completion of these preparatory activities, the total number of municipalities per package was finalized as follows:

Table 23: Number of municipalities per Package (Cycle 1)

Capacity Building Package	WB	Updated implementation status
Financial Package	24	- 42 municipalities applied for the financial package, 24 of them succeeded according to specific criteria. The remaining municipalities will be directed into the institutional package. - The TORs for this package is under development to be ready for the procurement stage.
O&M	23	- The TOR for the IT assessment was developed and it is now in the procurement stage. - An individual consultant was assigned, and the IT assessment is now in the implementation phase. - The TOR for the physical inspection was developed and it is now in the procurement stage.
CSC	19	- The TOR for the IT assessment was developed and it is now in the procurement stage. - An individual consultant was assigned, and the IT assessment is now in the implementation phase.



Capacity Building Package	WB	Updated implementation status
		- The ToR for design and supervision for the CSC physical place was developed and it is now in the procurement stage.
E-Municipality	8	- The TOR for the IT assessment was developed and it is now in the procurement stage.
Social Inclusion	67	- A ToR for social inclusion was developed and it is now in the procurement stage. However, this assignment was postponed until further notice given the current circumstances, in particular, the Israeli war on Gaza and the Israeli measures imposed on the West Bank, that make this package irrelevant and not attractive at the local level.
Climate change	134	- A TOR was developed. However, this package is dependent on the pilot training modules that the GIZ planned to conduct late 2023 but postponed it until further notice due to the current war on Gaza and the Israeli measures imposed on the West Bank.
Resilience	15	- 15 resilience plans will be developed for selected municipalities similar to the 20 developed plans that were done in MDP 3. The focus will be on the West Bank municipalities. - On the other hand, the resilience plans may be contextualized to be (emergency plans) to fit with the current situation and to make this intervention more relevant and effective at the local level.
Institutional	34	- The technical team is in the process of the TOR preparation.
Advanced	7	- The technical team is in the process of the TOR preparation. - The cost accounting framework TOR is ready for the procurement stage. - 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.



2.4.3 Competitive Grants for Natural hazard and Climate Change Resilience

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 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.**

- A TOR for (3.1) and (3.2) sub-components was prepared for assessing and selecting natural hazard and climate change adaptation investments.
- Secondary risk assessment for 15 municipalities will be conducted accordingly.
- The TOR was circulated and was uploaded on the STEP software for the World Bank's approval.

The Consultant will be 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 and 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 with MDLF on the feasibility and costing of the projects to be financed.

- However, this component will be reorganized in a way that may involve reducing the amount of time and resources spent on studies and assessments in favor of quick-win interventions in a few chosen municipalities.

- ✓ **Sub-component 3.3: Promotion of Green Services and Climate Change Initiatives in Local Governance**

MDLF completed the mobilization phase of this component, including the coordination with the Palestinian Energy and Natural Resources Authority "PENRA", Environmental Quality Authority "EQA" and MOLG to ensure smooth implementation of the initiatives.

To commence the preparation stage of the project, MDLF prepared the relevant term of references to contract individual consultants for projects scoping, design, and supervision. Two consultants had been contracted to oversee the promotion of RE and EE investments in the public sectors and the promotion of solid waste management in the public sector. The consultants conducted coordination meetings with the related stakeholders and started a surveying process to identify the potential interventions to be implemented under the project. A detailed description of the implemented activities for the sub-component 3.3 can be summarized as follows:



Activity (1): Promote RE and EE investments in the public sectors.

MDLF completed the mobilization stage of this activity and began with the identification stage through the assessment of the potential interventions that will be implemented for the LGUs at the selected clusters (this includes conducting rooftop on the Municipality Buildings or mid-size solar panels). The consultant: on the other hand, prepared a survey form to collect the relevant needed information for the selectin of preliminary potential interventions. The consultant also conducted site visits to some of targeted municipalities particularly in the northern cluster. More field visits will be conducted as soon as the political circumstances stabilize.

Related achieved outputs:

- Completed endorsement of interventions by the programme Steering Committee.
- Completed preparation of the local technical consultant terms of reference.
- Completed contracting the local technical consultant for project scoping, design, and supervision.
- Started the preparation of the project identification stage; including the assessment of the selected interventions.

Main challenges faced during the implementation of these activities can be summarized as follows:

- Unsafe conditions of using the external roads to visit the targeted LGUs in this challenging and turbulent time.
- Instability of LGUs employee's working hours.

Related indicators: The following indicators will be used to measure the progress of this activity as it progresses in the project timeframe.

- # of kW installed Renewable Energy capacity.
- # of kW of energy saved (Energy efficiency measure)
- % of energy saved in the supported public facilities

Activity (2): Promote solid waste management in the public sector.

MDLF completed the mobilization stage of this activity and began with the identification stage through the assessment of the potential interventions. The LTC coordinated with the MOLG and JSCs through several meetings. For data collection purposes (assessment stage), the LTC prepared and distributed a survey targeting the selected JSC's to collect relevant needed information.

Related outputs:

- Completed endorsement of interventions by the programme Steering Committee.
- Completed preparation of the local technical consultant terms of reference.
- Completed contracting the local technical consultant for project scoping, design, and supervision.
- Started preparation of the project identification stage including assessment of the selected intervention

Related indicators: The following indicators will be used to measure the progress of this activity as it progresses through the project timeframe.

- Quantity of liquid or solid waste collected, treated, and recovered.
- # of solid waste containers, vehicles supplied.



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

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.

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



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

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

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

The selection criteria⁵ is composed of sub criterion starting from the high-level eligibility and screening, followed by a competitive scoring of the eligible localities, and ending with a competitive selection criterion for projects. Upon that, a set of localities were nominated by MOLG/MDLF during the meeting on 19th February 2020 and then endorsed by the SC on 24th February 2020 to be targeted by this action.

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

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

⁵ For more details on the selection criteria please see section 2.1.3.2 of the grant proposal.



Objectives of the Action

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

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

Expected Outputs

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

3.2 Financing

The "MDLF" has received a grant from the European Union "EU" towards the cost of "Development of Area C in the West Bank" in a total of (Euro 5,775,142.31). The agreement was signed on June 23th, 2020 for 40 months and extended until August 23rd 2024. Table 24 illustrates the budget breakdown.

Table 24: Breakdown Budget – Area C Development Programme –Package V

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



3.3 Sub- Projects Identification and Description

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

The selected projects were visited by MDLF staff in collaboration with the MOLG where the council's members as well as the local communities have emphasized the importance and vitality of those sub-projects. The total allocated amount for sub-projects in the targeted localities is € 4,890,000. The allocated budget can be summarized in Chart 13 and Chart 14 below:

Chart 13: Distribution of Financing Per Sector

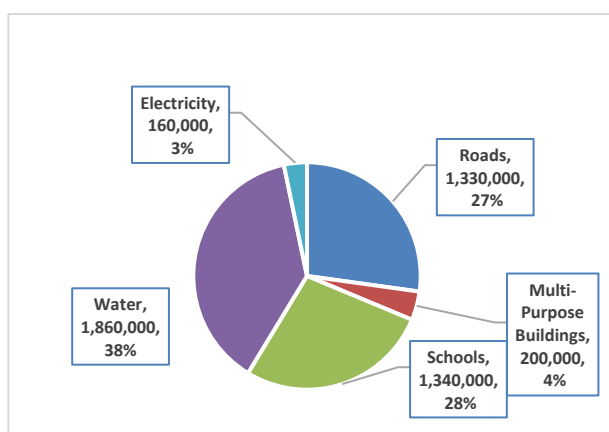
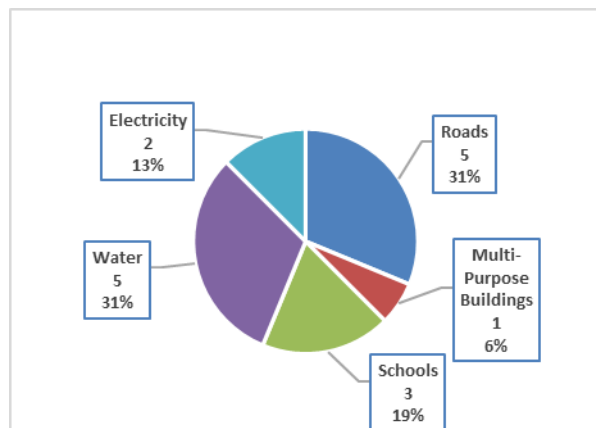


Chart 14: Distribution of Projects Per Sector



3.4 Results and Activities

3.4.1 Assessment of Results Achieved

Table 25: Results Framework						
Results chain		Indicator	Baseline (value & reference year)	Target (value & reference year)	Achieved	Percentage of Achievement
Overall objective: (Impact)	To improve the social and economic conditions of Palestinian communities in Area C which is crucial for maintaining Palestinian presence in Area C and for the development of the Palestinian economy	Number of residents living in Area C in the targeted localities	26,062 (2020) [TBC during the design phase] Disaggregated by sex 12,769 females 13,293 males	5% increase beyond the natural growth rate (2027)	This indicator will be measured after successful implementation of all projects as it reflects the overall impact of all implemented projects.	-----
		% Increase of LGUs revenues as a result of the implemented interventions (water, electricity, new crafts and shops)	0 (2020)	15% increase (2027)	This indicator will be measured after successful implementation of all projects as it reflects the overall impact. Of all implemented projects	-----



Results chain		Indicator	Baseline (value & reference year)	Target (value & reference year)	Achieved	Percentage of Achievement
Specific objective(s): Outcome(s)	SO 1: To improve access to essential and public infrastructure in Area C (Schools, public buildings, roads, water distribution and electricity distribution)	Number of direct beneficiaries that have been supported to get access to essential and public services, in Area C, under MDLF programmes	40,000 people (52 % women & 48 % men), (2020)	82,000 people (52 % women & 48 % men), (2025)	25,491 beneficiaries	-----
		Number of localities supported through EU Area C Development Programme in the West Bank	31 (2020)	46 (2025)	46 have been supported	100%
		Number of individuals with access to safe and equitable potable water	0 (2020)	8,500 (2025)	4 subproject completed 6946 individuals	81%
		Number of individuals with improved access to electricity	0 (2020)	1,600 (2025)	1 subproject completed (1009) individuals	63%
		Number of students benefited from the schools constructed or expanded a) primary education, b) secondary	Primary 360 (2020) Secondary 360 (2020) (enrolled to unfortunate and crowded education facilities)	Primary 450 (2025) Secondary 420 (2025) (to be enrolled to better educational facilities)	2 schools were accomplished (primary 300) (secondary 315 of which 85 females and 230 males)	70%
	SO, 2: To strengthen the Palestinian institutions' capacity to deliver essential social and public sustainable services in Area C	% Of citizens satisfied with the outcomes of the implemented projects and services provided by the LGUs (representative sample of citizens and projects)	TBC (2020)	75% (2025)	This indicator will be measured through the comprehensive Baseline and BIA assessment that will be conducted for package 7	-----
		Number of localities benefiting from capacity building support in management of aftercare period for the completed projects	0 (2020)	15(2025)	Achieved throughout the on-job training conducted by the LTCs.	-----
		% Allocated of LGU budget for operation, sustainable performance and development projects in Area C	0 (2020)	10%, (2027)	Not yet assessed	-----
		% Of inhabitants participated in community mobilization activities	0 (2020)	15% (2025) in average	Overachieved With an indicative percentage (20%) based on the NGO report.	-----



Outputs	New/improved public facilities implemented in Area C including: (schools, public buildings, roads, water and electricity) and Improved services delivery	Number and areas of schools constructed or expanded	0 (2020)	Three (3) schools with total area of 2,798 SQM of constructed/expanded. (2025)	2 schools were completed Area (1440 SQM))	50%
		Number and area of public buildings renovated/developed	0 (2020)	One public building renovated/developed with total of 800 SQM, (2025)	Completed Arae (800 SQM)	100%
		Total length of roads constructed/rehabilitated	0 (2020)	3.7 KM of roads constructed/rehabilitated, (2025)	5 subprojects 3.36 KM	100%
		Length of water distribution networks and main carrier lines implemented by the project	0 (2020)	11.7 KM of water distribution networks and main carrier lines are installed and in use, (2025)	4 sub-projects 12.1 Km water line 119 House connections	103%
		Number of additional safe storage of Cubic Meters (CM) of potable water	300 CM (2020) Stored at rusted and unhealthy conditions	1300 CM (2025) Stored in safe and healthy conditions	1 Undergoing (350 CM) 2 completed (1000 CM)	77%
		Length of electrical distribution networks developed by the project	0 (2020)	3.2 km of electrical distribution networks developed, (2025)	1 sub-project completed. 3.9 km	121.8%
		Number of social mobilization workshops (design, social responsibility, water and electricity public awareness concepts)	0 (2020)	50 (2025)	50	100%
		Number of operational and maintenance plans prepared by the project	0 (2020)	15 (2025)	15	100%

3.5 Implementation Progress at the Activity Level

a) Infrastructure Component

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



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

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

Preliminary Stage:

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

Design Stage:

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

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



Table 26: Status of Sub-projects										
No	Locality	LGU	Governorate	Population ⁶	Recommended Title	Sector	Brief Description	Allocated budget	Contracted (EUR) ⁷	Sub-project status
1	Almorooj	Janata Municipality	Bethlehem	500	Development of Water Distribution Network	Water	The project will replace the current low-capacity water supply line (1/2") with new water line (2") with total length of 1.8 KM. It includes upgrading the boosting station within Janata municipality jurisdiction.	100,000	59,232.50	Completed
2	Abdulla Ibrahim	Wadi Rahal Village Council	Bethlehem	1819	Renovation and development of an existing multipurpose building	Public Facilities	The project consists of finishing works for the existing multipurpose building (2 floors with total area 800 SQM), which comprises of community hall, village council premises and kindergarten, construction of boundary walls, provision of furniture, and insulation works for the roof.	200,000	101,608.95	Completed
3					Development of Wadi Rahal Secondary Boys School	Education	The project consists of construction 3 new rooms (horizontal expansion) and staircase of total area 240 SQM, rehabilitation of existing school yard, entrance road to school, sanitary unit and upgrade the electricity connection. The land for the new classes lies within the existing school site.	220,000	255,533.46	Completed
4	Alkhader	Alkhader Municipality	Bethlehem	1715	Construction of an Internal Road in Al Khader town	Roads	The project consists of the construction of about 0.5 KM length. The works will include excavation, levelling, concrete sidewalks, retaining walls, boundary walls and road furniture, sanitary pipe line. The roads' width is 6 m and up to 1 m sidewalks each side.	290,000	206,333.00	Completed

⁶ Data Source: MOLG

⁷ Excluding VAT.



Table 26: Status of Sub-projects

No	Locality	LGU	Governorate	Population ⁶	Recommended Title	Sector	Brief Description	Allocated budget	Contracted (EUR) ⁷	Sub-project status
5	Ras Al Wad	Za'tara Municipality	Bethlehem	900	Construction of Ras Al-Aad Elementary Mixed School	Education	Construction of an elementary school comprised of nine (9) classrooms, laboratory premises, teacher's room, library premises, sanitary unit (toilets and septic tank), and external works. The furniture and equipment for the elementary school will be provided by the Ministry of Education. The total area of the school is 1,200 SQM.	630,000	853,423.00	Completed
6	Um Addaraj	Al Ka'beneh Village Council	Hebron	1009	Rehabilitation of the Electrical Network	Electricity	The project consists of rehabilitation of the existing network including poles, underground cables and transformer. The total length of the network is 2 KM.	70,000	49,500.00	Completed
7	Al Ramadeen	Al Ramadeen Municipality	Hebron	4150	Construction of an Elevated Water Tank and Main Transmission Line	Water	The project consists of construction of an elevated water tank of 500 Cubic Meter, the work consists of mobilization works, earth works, concrete works, piping works, external works, testing works. The works include supply and install of 1 KM of transmission line.	510,000	526,249.75	Completed
8	Ma'een	Al Karmel Municipality	Hebron	825	Construction of the Secondary Girls School	Education	The project consists of construction of six (6) classrooms, in addition to science laboratory, teacher's room, library room, staircase (toilet units and septic tank), and external works. The furniture and equipment for the school will be provided by the Ministry of Education. The total area is about 900 SQM.	490,000	755,668.00	Ongoing
9	As-Semia	Al Samu' Municipality	Hebron	571	Rehabilitation of the Electrical Network	Electricity	The project consists of rehabilitation of existing network. The work consists of supplying and installing medium voltage cable 36 KV of 1.2 KM, transformation station of 36KV to 400KVA and development of low voltage network.	90,000	93,000.00	Suspended due to verbal SWO from Israelis



Table 26: Status of Sub-projects

No	Locality	LGU	Governorate	Population ⁶	Recommended Title	Sector	Brief Description	Allocated budget	Contracted (EUR) ⁷	Sub-project status
10	Izbat Shoufeh	Shoufeh Village Council	Tulkarem	1456	Construction of an Elevated Water Tank and Main Carrier Line	Water	The project consists of construction of an elevated water tank of 250 Cubic Meter, the work consists of mobilization works, earth works, concrete works, piping works, external works testing works and main carrier line of 1.7 KM.	370,000	315,785	Redesigned to on-ground water tank completed and direct contracting with local contractor. The project is undergoing
11	Khirbet Fares	Zabdah Al Jadeedeh Village Council	Jenin	250	Rehabilitation of Internal Roads	Roads	The project consists of reconstruction of two roads with total length of 0.75 Km. The roads' width is 4 m and up to 1 m concrete shoulders each side. The works also includes road furniture. The works includes the replacement of 0.4 KM water pipe line.	120,000	81,465.0	Completed
12	East Aba	East Aba Village Council	Jenin	571	Construction of Water Distribution Network	Water	The project consists of construction of water distribution network; work includes supply and install of steel pipe lines of different diameters (totalling 7.25 KM) and new valves of different types, house connections with water meters.	390,000	209,079.62	Completed
13	Bir Albasha	Bir Albasha Village Council	Jenin	1725	Construction of an Elevated Water Tank and Upgrading of Existing Water Distribution Network	Water	The project consists of construction of elevated water tank of 500 Cubic Meter, the work consists of mobilization works, earth works, concrete works, piping works, external works, testing works. The works also includes upgrading works for the existing distribution work to change the distribution method from direct pumping to gravity distribution.	490,000	428,570	Completed



Table 26: Status of Sub-projects

No	Locality	LGU	Governorate	Population ⁶	Recommended Title	Sector	Brief Description	Allocated budget	Contracted (EUR) ⁷	Sub-project status
14	Qalqilya	Qalqilya Municipality	Qalqilya	2000	Rehabilitation of an Internal Road	Roads	The project consists reconstruction of one road with total length of 1.2 Km. The roads' width is 6 m and up to 1 m concrete shoulders each side and; The road is considered commercial; the technical design should consider the traffic management and parking areas. The works will include excavation, levelling, drainage, concrete shoulders/sidewalks, and roads furniture/light, infrastructure works (electrical and sewage).	440,000	558,476* (Contribution from municipality)	Completed
15	Jensafout	Jensafout Village Council	Qalqilya	2571	Rehabilitation of an Internal Road	Roads	The project consists of construction about 0.75 KM length. The works will include excavation, levelling, and concrete shoulders, retaining walls, and roads furniture. The roads' width is 6 m.	190,000	156,837.94	Completed
16	Al-Ezariya	Al-Ezariya Village Council	Jerusalem	6000	Reconstruction of an Internal Road	Roads	The project consists of reconstruction of about 0.5 Km length. The works include electrical lighting, sidewalks and concrete shoulders, retaining walls, guardrails, and drainage storm water pipelines and manholes. The works includes also the road furniture	290,000	330,000.00	Completed
				26,062	Total Construction Estimated Cost (Excluding VAT)			4,890,000		



b) Civic Engagement and Community Mobilization

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

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

✓ Objective of Citizens Engagement

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

The specific 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.

✓ Progress So far (general):

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



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

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

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

✓ **Training Needs Results:**

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

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

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

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



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



SA Environment Assessment Session in East Aba (Left)

*“Social Accountability is a Chance For Creating A Change In Our Community
And Improving The Services Provided By The Municipality” –*

Mr. Wajdi Dababseh – SA Focal Point At Al Karmil Municipality



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

Implementation of SA Tools in Each Locality by SAC: As an output of the SA action plans, each SAC was supported to implement selected SA tools in cooperation with the concerned LGU considering the timeframe of the action plan i.e., one year, aiming at practicing the SA concepts and tools. As a result, (15) SACs conducted at least one of the SA tools. It is worth to mention that all the SA tools have been oriented, as possible, towards the synergy with the infrastructure projects supported by the MDLF under the EU-funded sub-projects. The SA Tools mainly focused on public hearing and stakeholders’ dialogue sessions. In total, the local NGO supported the (15) targeted SACs and LGUs in planning and implementing **35 SA Tools**.

Reflection Meetings: The (15) formed SACs met the LGUs’ representatives following the approval of the SA plan to agree on the implementation of SA tools. As such reflection meetings continued between the SACs and LGUs at least twice every three months either face-to-face or virtually. As such collective meetings gathered both the SACs and LGUs representatives of the (15) targeted localities, both exchanged the progress of the SA process along with lessons learned and recommendations for better SA tools implementation. These meetings highly contributed to the improvement of the SA efforts at both the SAC and LGU levels as well as accelerated civic participation and SA engagement in the public sphere.

Additional Community Awareness and Educational Activities: Following the development of the awareness plans of the SACs in cooperation with the relevant LGU, each SAC started the actual implementation of the activities as per the developed awareness plan. The table below shows the actual type and the number of awareness materials used, in addition to descriptions of the awareness activities that were implemented by the SACs in each targeted locality.

Awareness Tool	No. of Copies	Status
Posters	300 (150 each Poster)	Printed Out, and distributed
Notebooks with Four SA and CP	800	Printed Out, and distributed
Social Media Awareness Messages	13	13 already published on FB Pages
Videos	2	Published on FB Pages
Quotes	8	Published on FB Pages
Activities	10	Implemented

The NGO supported the implementation of two awareness sessions in Um Addaraj because of the difficulties encountered in the locality due to the change of the LGU council in addition to the weak awareness of the LGU and community members regarding the relationship between the LGU and the local community.

The NGO team under direct supervision of MDLF, conducted two awareness-raising sessions for the secondary schools' male and female students along with the schools' teaching and administrative staff regarding the relationship between the LGU and the Local community as well as the mutual roles and responsibilities.

According to the data available and accessibility on the Facebook Pages of the SACs and LGUs, the total number of targeted audiences of the social media posts and videos published along with the awareness activities and materials developed, printed, and distributed was 117,500 from the 15 targeted localities.

Identify and Document Good Practices: Following the planning and implementation of the awareness activities/campaign on SA and CP targeting the local communities in the 15 targeted Localities, the local NGO team has concluded the below best practices:

- The high level of cooperation between SACs and LGUs that has been initiated at the beginning of the assignment led to successful and smooth planning and implementation of the awareness activities. This is a result of having joint and reflection meetings from time to time between the SACs and LGUs.
- The notable increase in the utilization of social media by the targeted SACs and LGUs has increased the number of engagements during the implementation of the awareness-raising campaign.
- The recruitment of the PR Company by MDLF for the project visibility and promotion has added dimension to the scope and type of activities implemented under the umbrella of the awareness campaign. Plus, as such added value has encouraged the SACs and LGUs to expand the scope of the awareness activities to target more community segments i.e. school children.



Part of the Social Media Posts and Quotes

“SA tools implemented by the SAC, mainly the Stakeholders’ Dialogue Sessions have highly improved community participation, where, as such sessions gave the chance to the citizens of area “C” to share and discuss their concerns and needs with the municipality and jointly find solutions accordingly” – Ms. Rania Sa’sa’ – Member of Qalqilya SAC



Awareness Activities Took Place in Al Khader(left) and As Semia (Right)



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



c) Capacity Development Activities

The capacity development under this action was not conducted in a traditional way through specific budget line with specific training activities. It was agreed that the main element to be focused on is the sustainability and the operational aspects related to the projects. Hence, a general perception was concluded during the preparation of this action is to have a pillar with special focus on institutional development, where the nature of the activities shall be piloted through out the project implementation as a cross cutting elements.

The TOR for the LTCs includes some activities related to the preparation of operation and maintenance plans in addition to the inclusion of on-job training for the sub-projects management, correspondence with line ministries and contractors, how to supervise the projects and how to ensure the quality of the projects towards sustainability, and the operational aspects related to the water sub-projects.

All these efforts were complemented with other contracts, for instance the civic engagement activities where the local community and the targeted LGUs received training on social accountability and how to integrate the social accountability within the LGUs plans, and how to implement its toolkits among the community for better disclosure and transparency.

Adding to that, the PR company worked in harmony with the LTCs and the local NGO to convey some messages beyond the projects visibility, like the water losses and the importance to pay LGUs fees towards services sustainability.

It is worth noting that, more efforts are still needed to tackle the capacity development for the targeted LGUs which cannot be done only throughout this action, but also with special attention from the MOLG and its directorates.

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

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

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

- It is recommended to contact MOLG/LGUs and MOE to assure the periodic maintenance of the sub-projects.
- More focus is needed to empower the VCs focusing on those located in Area C and getting the benefits from the ongoing village support program.



Construction of buildings



Construction of water distribution network

e) Diagnostic Baseline Study

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

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

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

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

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

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



✓ **Conclusions**

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

1. In completed and operational projects, the scores for all indicators are relatively high where there is a witness shift on water & electricity accessibility & reliability. An example is the project **“Development of Water Distribution Network in Al Morooj”**. Regarding accessibility to water, 90% of respondents described their access to water as weak, of which 85% do not have access at all before the project. While after implementing the project, 97% of the respondents described that their access to sufficient amounts of water is above average, and only 3% do not have access at all. On the other hand, the scores for all indicators for other “Ongoing, not operated or suspended” projects are relatively low, as follows: accessibility (scoring 30.5%) , sustainability and impact (scoring 30.9%).
2. The baseline survey gives a clear and overall picture of the programme areas, a good reference for programme’s interventions. Most of the indicators at benchmark, which are low, need strong efforts in coordination between and amongst the related stakeholders to achieve ambitious targets.
3. Based on the results, the following data reveal the following overall conclusions about the targeted communities:
 - **‘Izbat Shufa** is the most marginalized of all seven targeted communities.
 - **East Ab** is the second most marginalized of all seven targeted communities.
 - **Bir Al-Basha** is the third most marginalized.
 - **Om Adaraj** is the fourth most marginalized.
 - **Ar Ramadin** is the fifth most marginalized.
 - **Almorooj** is the sixth most marginalized. The relative positive assessment of the situation in Almorooj might be explained by the implementation of the project in the community and the feeling of the members of the benefits of the project.
 - **As-Semia** is the seventh most marginalized. While the project in As-Semia has been suspended due to the stop working order from the Israeli Authorities, the evaluation for the overall electricity infrastructure and services is due to the fact that the community has full linkage to the network provided through the nearby Al-Samu’ municipality, which obtains its electricity from the Israeli company directly. This does not negate the need for the intended sub-project, which represents (1.9%) of the infrastructure entire budget and aims at the Rehabilitation of the Electrical Network in As-Semia, which continues to be deemed as a core priority for the local leaders and community members.



Development of Water Distribution Network in Al
Morooj



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



Table 27: Action Plan																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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▪ Task 1 - Mobilization (Preparatory Activities)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				</



Table 27: Action Plan																					
Task	Respon sibility	2020				2021				2022				2023				2024			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3			
Impact and Sustainability Assessment that will be financed by DRO for water projects (Baseline Assessment).	DRO																				
▪ Task 2- Preparation for the implementation (Sub-projects Design)																					
Contracting two local technical consultants (LTCs) for sub-projects design and supervision	MDLF																				
Rapid assessment for the status and usage of the funded previous packages																					
Preparing the design and the bidding documents for the selected sub-projects including the Environmental and Social Management Plan (ESMP) by the contracted LTC.	MDLF, LTC																				
Advertising/announce for bids, composition of opening and evaluation committees (with MDLF prior approval), evaluating.	LGUs																				
Contracts award following MDLF no objection. MDLF shall approve and endorse all contract by co-signing or initialing these with the wording " <u>reviewed, cleared and endorsed by the MDLF</u> ".	LGUs, /MDLF																				
Contracting the firm/NGO specialized in community mobilization	MDLF																				
Task 3 – Sub-projects Implementation Stage																					
Technical Assistance for supervision																					



Table 27: Action Plan																							
Task	Respon sibility	2020				2021				2022				2023				2024					
		Q3		Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3			
Assist the LGU's in the supervision of subprojects	MDLF, LTC																						
Monitor and Ensure compliance with MDLF standards	MDLF, LTC																						
Communities’ mobilization activities	NGO/ Local Firm																						
Financial Management																							
Monitor and Ensure compliance with MDLF financial procedures	MDLF																						
Social Safeguards Monitoring																							
Monitor and Ensure compliance with social safeguards policies	MDLF, LTC																						
Environment Safeguards Monitoring																							
Monitor and Ensure compliance with environmental safeguards policies	MDLF, LTC																						
Overall monitoring and reporting																							
Monitoring of projects indicators		MDLF																					
Sites Visits		MDLF, MOLG																					
Task 4 - Audit and Evaluation																							
Midterm review	MDLF, EU																						
External audit includes it for each further pre financing	external auditor																						
Final Evaluation	Outsourced consultant																						
Task 5 - Reporting - Final Report	MDLF																						

Completed

Ongoing

Not yet Started



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

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 water and school projects with PWA and MOE respectively to ensure the compliance of designs with technical requirements for both line ministries.
- MDLF shared the information related to this package with the Prime Minister Office as part of MDLF regular reporting.
- There was continuous communication between MDLF and the EU notifying them about the progress and achievements as well as the challenges throughout the implementation.
- MDLF early notified the EU, MOCA and MOLG for the case of stop working order/confiscation of material and equipment for the project: (Al-Simya electrical network and Izbit Shoufa water tank) to follow up and track the case as needed.
- A close communication with the local technical consultants was done to ensure the clear understanding of the consultants regarding the scope of work.

3.7 Visibility

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

✓ **Printings and Promotional Material:**

Throughout the year 2022, MDLF has completed the design of different printing materials under this package, including:

- An Informative brochure in Arabic and English about Area C Development Programme in the West Bank – Package V.
- Technical Fact Sheets for different projects,
- Rollups.
- Foam boards with messages and images.
- Billboards.
- MDLF also produced 2023 Calendar for Area C Development Programme.
- Programme, the calendar was distributed among key stakeholders.



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

✓ **Event Management:**

- MDLF organized a fun day activity for children in the European day which was successfully implemented in Wadi Rahhal.
- MDLF organized three awareness raising initiatives on the importance of water in different schools. The main objectives of the awareness raising initiatives were to improve awareness on water issues and encourage local community members and their families to act in conserving water. Messages were received positively by the local community, especially the direct linkage between the initiatives and the projects being implemented to improve access to water in the targeted localities. The awareness initiatives were raised through a variety of channels such as interactive activities, role playing, and creating artworks to engage the public in topics such as: water conservation; hygienic water use; or





preservation, and public and private water networks conservation. In addition, a big part of the activity was dedicated to the involvement of the community itself by formulating focus groups to create their own awareness materials recognizing the importance of water for our lives.

- MDLF also engaged social media influencers who have large engagement in the targeted communities. The citizens of the targeted communities will be more involved and aware of our projects due to influencers actions that will include sharing photos or stories on their Instagram, Facebook, Twitter pages.

✓ Field Visits & Inaugurations

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

Three inaugurations were successfully accomplished and the other two events are planned to be done in September-October 2023.

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



3.8 Challenges

Challenges faced during the Diagnostic Baseline Study:

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

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

- The timing of the actual implementation of awareness activities was challenging due to Ramadan, and the LGUs Local Elections.
- The Strike of school teachers highly affected and delayed the implementation of some of the awareness activities that were planned to target the school students which in turn forced the SACs to change the target audience of the activities.
- The political and security situations that occurred in area "C" have also affected the implementation of some of the awareness activities such as in Al Khader and Jenin which



witnessed clashes and the fall of more than one martyr in the last period. This, in turn, had delayed the implementation of some activities, mainly the publication of the social media posts which was considered inappropriate timing to publish the posts on the SAC and LGU - FB pages.

- Lack of cooperation or the absence of the local council affected the implementation of the awareness activities specifically in Bir Al-Basha and Um Addaraj.
- Weak communication with some of the SACs' focal points due to the change in their residential areas caused a delay in the implementation of some awareness activities.
- The change of the local councils as a result of the last two rounds of the local elections caused a delay in the implementation of some of the awareness activities.

Challenges faced during the infrastructure projects:

- The lack of the capacity and skills of most LGU's to prepare ESMP as well as the preparation of bidding documents and procurement plans. To overcome this challenge; on-job training and site visits were conducted by the contracted LTCs.
- The road project in Jeinsafout was subject to verbal SWO by the Israeli with confiscation of the roller. Fortunately, the implementation was resumed and successfully completed despite the SWO. However, the confiscated roller has been released.
- Evaluation of sub-projects' bids took long time to finalize due to procurement verifications.
- The designs of the 3 sub-projects, namely, (Ras Elwad school, Maeen school, Wadi-rahhal school) were subject to substantial delays due to the requirements of Ministry of Education and the Civil Defense.
- Two sub-projects, namely "As-Semia electrical network, and Izbit Shoufa water tank" were subject to verbal Stop Working Order (SWO) from the Israeli Authorities with confiscation of equipment. After waiting for more than one year it was collectively agreed to proceed with the implementation in Izbit shoufa despite the SWO.
- The contract for the construction of an elevated water tank and the upgrade of existing water distribution network in Bir Albasha was terminated with the contractor due to disputes, a new single source contract was signed with another contractor to complete the construction works.
- The start up process of the school project in Maïen was subject to substantial delays where the project location was changed by the LGU since the original site is considered archaeological according to the Israeli archaeological plan, adding to that a SWO from the Israeli Authorities has been issued on 9-5-2023. Despite the SWO the implementation was resumed on 25-5-2023.
- Several obstacles were encountered in more than one project for the following reasons:
 - i. The inability of the village councils to bind the citizens to the pledges they signed before implementing the projects, which led to a change in the scope of work and a delay in the implementation process.
 - ii. The emergence of design problems in some projects during the implementation, which led to making change orders, disputes between the contractor and the consultant, and a delay in the implementation process of the projects (Al-Khader Roads Project - Bir Al-Basha Reservoir Project).

3.9 Recommendations

Recommendations proposed during the implementation of the Diagnostic Baseline Study:

(1) Developing LGUs Capacities and Management

- Capacitate the VCs to improve accessibility to and quality of services delivered, clarity of VC procedures and average customer time spent to obtain each service.



- Increase the financial funds for the VC to improve the quality of the implemented project and improve the community members quality of life.
- Conduct trainings in relation to professional project management, monitoring and evaluation, and to include small VCs in such trainings.
- The village councils have a limitation in human resource in all fields; a system that will allow these villages to benefit from hiring joint staff would be a consideration. MoLG had already experiment with this, but it was a temporary arrangement. A more permanent modality could be adopted.

(2) Promote Civic Engagement and Accountability

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

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

Recommendations proposed during the implementation of the SA and CP interventions

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

Other recommendations

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



4. Area C Development Programme in the West Bank – Package VI – EU fund

4.1 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 programme. 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 criteria⁸ 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 as 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 projects. Finally, the list of localities and projects was endorsed by the steering committee on 13th April 2022.

4.2 Financing

The “MDLF” has received a grant from the European Union “EU” towards the cost of “Development of Area C in the West Bank” in a total of (Euro 2,000,000). The agreement was signed on June 6th, 2022 for 30 months. Table 28 illustrates the budget breakdown.

⁸ For more details on the selection criteria please see section 2.1.3.4 of the grant proposal.



Table 28: 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

4.3 Sub-projects Identification

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 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 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-project 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-projects 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 in table 29 below.



Table 29: List of Endorsed Sub-Projects

Locality	Governorate	Sub-Project	Sector	Estimated cost (EUR)
Al-Jiftlik	Jericho	Rehabilitation and Construction of Internal Roads	Roads	300,000
Haris	Salfit	Continue the Construction of the Existing Haris Secondary Boys School	Education	500,000
Furush Beit Dajan	Nablus	Construction of a Multi-Purpose Building for Furush Beit Dajan Village Council	Public Facilities	220,000
AL-Aqaba	Tubas	Construction of an Elementary Mixed School	Education	550,000

4.4 Assessment of Results Achieved (so far)

The outcomes and the outputs of the action will be assessed later stage given that the project are still in the design and tendering stage as show below.

Table 30: 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)		
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)	Not yet assessed	



	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Achievement Progress	% of Achievement
		Number of localities supported through Area C Development Programme in the West Bank (through the EU and SDC interventions)	66 (2022)	100 (2027)		
		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)		
	SO 2: To strengthen 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 ⁹	75% (2025)	Not yet assessed	
		% allocated budget of LGU for operation, sustainable performance and development projects in Area C	0 (2022)	10%, (2025)		
		% of inhabitants participated in community mobilization activities	0 (2022)	15% (2025) in average		

⁹ 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	Output related to SO1: 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)	Not yet assessed	
		Number and area of public buildings constructed under this package	0 (2022)	One public building constructed with total of 300 SQM, (2025)		
		Total length of roads constructed/rehabilitated under this package	0 (2022)	2 km of roads constructed/rehabilitated, (2025)		
	Output related to SO2: 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)		
		Number of operational and maintenance plans prepared	0 (2022)	4 (2025)		
		Number of SA plans implemented	0 (2022)	8 (2025)		
		Number of training sessions conducted for the targeted LGUs ¹⁰	0 (2022)	20 (2025)		

4.5 Implementation Progress at the Activity Level

4.5.1 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.

¹⁰ Capacity building includes for instance; document management protocol, reporting and correspondences, project management skills, orientation on budgeting, and orientation on strategic planning.



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.
- Regarding the infrastructure sub-projects, there are 4 NCB sub-projects (Works) with total allocation of € 1,570,000

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.



Table 31: Status of sub-projects									
No	Locality	Governorate	Population ¹¹	Sub-Project	Sector	Brief Description	Estimated Construction Cost (EUR) ¹²	Contracted (EUR)	Project Status
1	Al-Jiftlik	Jericho	3,366	Rehabilitation and Construction of Internal Roads	Roads	The project consists of the construction of two roads segments of 2.0 km length. The works will 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.	300,000		Awarded - The project will be financed out of the portfolio of package 6, particularly from the AFD through the RDP implemented by the MOLG. - The decision was taken in the SC meeting #6 which was held in Nov.2023 to overcome the budget deficit where the estimated cost of the projects exceeded the allocated budget.
2	Haris	Salfit	4,606	Continue the Construction of the Existing Haris Secondary Boys School	Education	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.	500,000	824,360	Ongoing

¹¹ Data Source: MOLG

¹² Excluding VAT.



Table 31: Status of sub-projects									
No	Locality	Governorate	Population ¹¹	Sub-Project	Sector	Brief Description	Estimated Construction Cost (EUR) ¹²	Contracted (EUR)	Project Status
3	Furush Beit Dajan	Nablus	789	Construction of a Multi-Purpose Building for Furush Beit Dajan Village Council	Public Facilities	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.	220,000	257,488	Ongoing
4	AL-Aqaba	Tubas	186	Construction of an Elementary Mixed School	Education	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 Ministry of Education will provide the furniture and equipment for the elementary school. The total area of the school is about 950 M ²	550,000		Tendering
Total Construction Estimated Cost (Excluding VAT)							1,570,000		



4.5.2 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.

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.

4.6 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 both line ministries.
- MDLF shared the information related to this package with the Prime Minister Office as part of MDLF regular reporting.
- There was continuous communication between MDLF and the EU notifying them about the progress and the challenges throughout the implementation.

4.7 Visibility

A draft communication and visibility plan was prepared by MDLF to be shared with the EU and get their clearance. As stated in the table below, the main activities will be outsourced through a firm specialized in promotion and visibility.

To ensure the timely and effectiveness promotional activities, the contract with the PR firm was postponed until having the projects undergoing. Following are the summary of the main activities for promotion and visibility of the action.

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 - Posters: Create eye-catching posters that highlight the key messages and accomplishments of the Area C Development Programme. - Media Kits: press releases, articles. - Factsheet for each sub-project - Calendar for Area C Development Programme 2024 - Stickers for the Furniture with the EU Logo	- will be implemented through specific items under the media coverage and outreach
I Project Website\ Social Media Web Packages Facebook	- Photographer: Hire a professional photographer to document the various stages of the programme, including construction activities, community engagements, inauguration events, and training sessions. The photographer can capture impactful images that showcase the progress and outcomes of the programme. These photographs can be used in print materials, social media posts, website content, and media outreach. - Drone Photography/Videography: Consider using drone photography or videography to capture aerial views of the project sites, highlighting the scale and impact of the programme. - 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 projects 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 will be implemented through specific items under the media coverage and outreach - 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
Main Activity	General Description	How to be Implemented
Event Management	- The inauguration event 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.
Social Media Campaigns:	- The campaign will involve collaborating with social media influencers and media personalities who have a significant following and are aligned with the program's objectives. - Influencers will be invited to visit project sites, interact with beneficiaries, and share their experiences through various social media platforms. - Engaging and informative content will be created, including success stories, facts, and updates on program activities, to showcase the positive impact of the program. - A campaign hashtag will be developed and promoted to encourage influencers and the public to use it when sharing content related to the program. - The campaign will be monitored and measured for engagement metrics, such as likes, comments, shares, and reach, to assess its effectiveness and adjust as needed.	- will be implemented will be implemented through specific items under the media coverage and outreach
Outreach Activities	1. <u>Fun day activity: (Al-Aqaba Village Council)</u> - Celebrate the International Day of Education or the World Children's Day with a day full of fun and educational activities for students. - Provide an opportunity for students to relax, enjoy, and engage in playful activities while promoting the importance of education. - Interactive Games and Sports - Arts and Crafts 2. <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. 3. <u>Road Marathon Event: (AL-Jiftlik Village Council)</u> - Organize a road marathon event that involves participants from the local community, neighboring areas, and running enthusiasts. - Signage and Banners, Event T-shirts or Bibs, Water and Refreshment Stations, Event Medals or Trophies, Photography and Videography Equipment. 4. <u>Women's Exhibition - Celebrating Women's Day:</u>	- will be implemented will be implemented through specific items under the media coverage and outreach. Note: - All these activities will be conducted in the field unless having restrictions in the country. - Measurements on how to conduct the activities will



	- This exhibition will provide a platform for women to display their crafts, artwork, handmade products, and any other creations they would like to share with the community. - Venue and Setup, Call for Participation, Exhibition Booths, Visitor Engagement, Publicity and Promotion	consider the suitable precautions according to the regulations from government.
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 programme, 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 concerned development partners to the target localities with media coverage. - The public building projects should have visual identity.		

4.8 Challenges and Obstacles

- The lack of the capacity and skills of most LGU's to prepare ESMP as well as the preparation of bidding documents and procurement plans. To overcome this challenge; on-job training and site visits were conducted by the contracted LTCs 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 will be given for one segment (adjacent to the UN school), whereas the other segment could be considered for further packages.
- There was a substantial delay in the design phase where the approvals from the MOE and the civil defense consumed more time than anticipated.



5. Development of Marginalized Communities in the West Bank (Area “C” Development Programme-Phase II) - SDC Portfolio

5.1 Background

The SDC 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”.

The Municipal Development and Lending Fund (MDLF) has been nominated for the implementation of basic infrastructure in Area C. A Steering Committee composed of the SDC, PA (Palestinian Authority), MDLF and of other donors financing the action was formed as an organizational set-up of implementing this programme. The Steering Committee is mandated to discuss and endorse the localities as well as the selected projects to be implemented in the target 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.

The selection criteria¹³ is composed of sub criterion starting from the high-level eligibility and screening, followed by a competitive scoring of the eligible localities, and ending with a competitive selection criterion for projects. Upon that, a set of localities were nominated by MOLG/MDLF and then to be endorsed by the SC.

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

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

5.2 Description of the Programme

The envisaged SDC contribution concerning area C development is located within the context of harmonized approach to avoid duplication and to ensure the integration with other financing partners: the scoring of localities is used as a base for selection process of the target localities. Depending on budget availability, this phase will target around 15 localities over the coming 3 years, out of which 8 newly localities will be targeted and 7 previously targeted localities under phase 1 will be supported with complementary works.

Action plans for the selected localities were revisited by MDLF, MOLG and SDC to confirm the initially proposed priorities. The preliminary estimated cost was done by MDLF and agreed upon by the SDC, noting that these estimates will be subject to revision upon the completion of the final design of each sub-project.

¹³ For more details on the selection criteria please see section 2.1.3.2 of the grant proposal.



5.2.1 Objectives, Expected results and Activities

Objectives

The main objective of the proposed 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 Results (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. The ability of those communities to develop small-scale infrastructure is heavily limited by the planning and zoning regime that is illegal under International Humanitarian Law but practiced by Israel.

Infrastructure projects expected outputs (based on preliminary site visits)

- Construction of 150 cubic meter water tank with transmission line.
- Adding and construction of around 2,000 square meter of schools.
- Construction of 1,200 square meter grass Playground.
- Construction/rehabilitation of around 2.0 Km of roads with 5.2-meter asphalt width.

Complementary works for previous projects

- Supply of solar system for electricity production (40 KW),
- Construction/rehabilitation of 1.0 km of roads.
- Complementary works for schools (Fence, boundary walls, water tank, etc...), and supply/install Solar Led Street Lights, seats and toys, etc.).

5.3 Financing Partner Contribution

The SDC granted the MDLF a contribution of **US\$ 4,000,000** to be utilized for supporting several villages in Area C. The grant agreement was signed on May 1st, 2022 until the end of December 31st 2024.

5.4 Sub- Projects Identification and Description

The selected projects at the targeted localities were identified 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 the 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 were 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.**

The total amount allocated for construction is **EUR 3,221,800**. Chart 15 and 16 show the breakdown of the allocation per governorate and project sectors respectively.



Table 32: Summary of the package projects

Governorate	Location	Project	Population	Cost Estimate \$	New / Complementary
Qalqilia	Jit	Construction of new Elementary School - 1000m2	974	1,000,000	New
	Hajja	Rehabilitation of internal roads	2941	279,800	New (not yet confirmed)
	Isla	Rehabilitation of internal roads	1180	100,000	New
Tulkarm	Kafa	Rehabilitation of internal roads	552	200,000	New
Bethlehem	Khirbet Al Nahla	Expansion of elementary School - 500 m ² additional floor	179	270,000	New
	Iskaria	Rehabilitation works (Roads and school) for Iskaria including school walls isolation and interlock paving for roads	311	250,000	Top up
Hebron	Fuqeqis & Khirbet Salama	Expansion of elementary School - 500m ² additional floor)	409	230,000	New
	Um Al Khair	Supply and install Solar LED street light with light control outdoor waterproof IP65 polycrystalline Silicon LED.	949	50,000	Top up
Jenin	Al Mansoura	150 m3 Water Tank and transmission pipe line	324	270,000	New
Tubas	Al Aqaba	Supply and install Solar system for electricity production(30KW)	263	30,000	Top up
		Supply seats and Toys for the Public Garden .		30,000	Top up
Nablus	Yanoun	Supply and install Solar system for electricity production(10KW)	141	12,000	Top up
Jerusalem	Qalandiya	Construction of 1200m2 of grass playground	1390	500,000	New
Total Estimated Cost for above projects				3,222,000	8 New 5 top up



Chart 15: Distribution of Projects Allocation Per Governorate

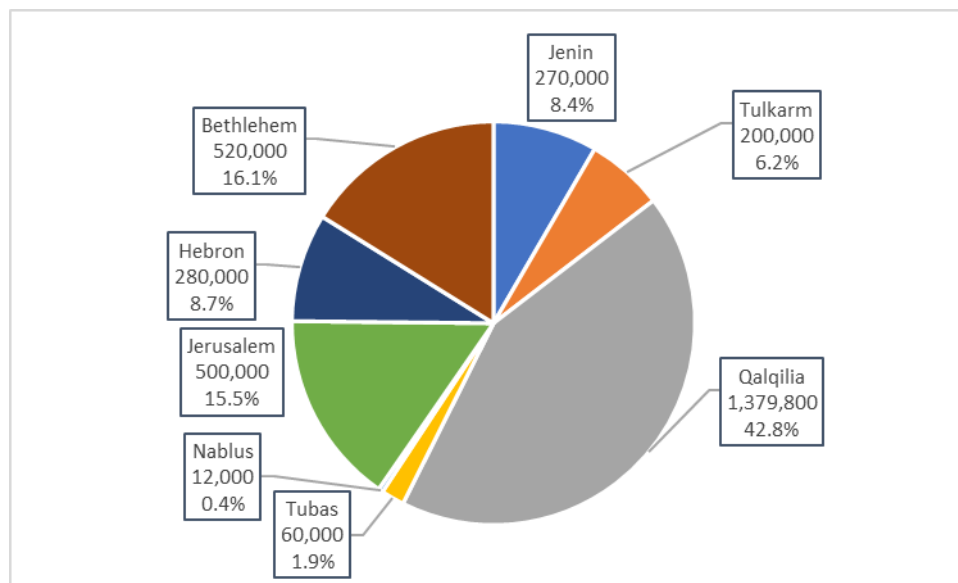
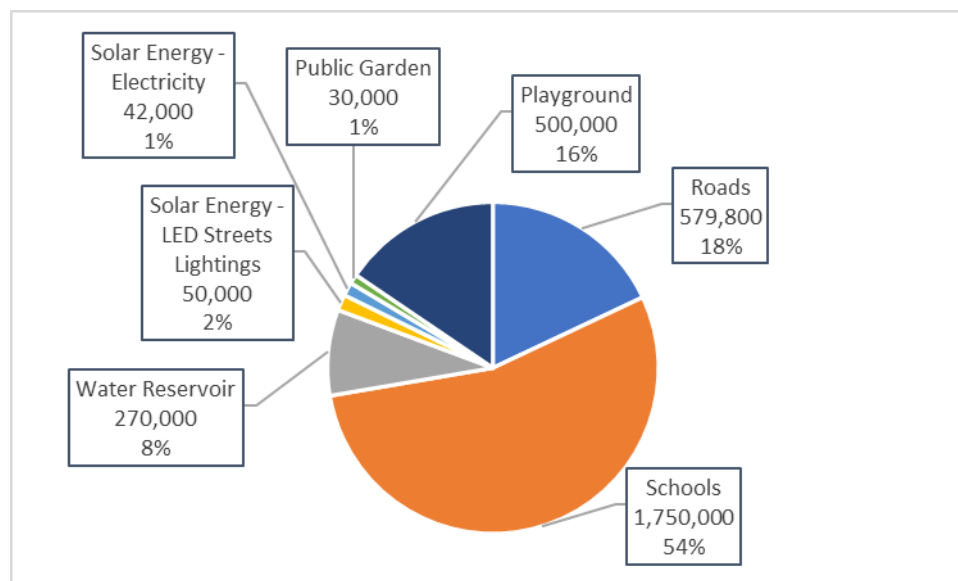


Chart 16: Distribution of Projects Allocation Per Type



5.5 Implementation Status

Since the signature of the agreement between MDLF and the SDC, MDLF started the coordination with key stakeholders (SDC, the MOLG, and the target LGUs) to meet the planned targets and to avoid any miscommunication during the implementation phase. MDLF conducted several meetings with the MOLG and the target LGUs to make sure all the preparatory activities were done in regards to permits and approvals from line ministries including getting the needed approvals of the Ministry of Education for adding classrooms and construction of schools, getting the approval of the Palestinian Water Authority for expansion or construction of water networks...etc.



Kick Off Meeting:

A kick-off meeting with MOLG, SDC, UN-Habitat and MOLG was conducted in July, 2022. The purpose of the meeting was to give an overall orientation on the programme interventions given that both UN-Habitat and the MDLF have contracts with the SDC for Area C with specific scheme of interventions for each. The meeting was blessed by the MOLG and it was agreed to keep channels of coordination during the implementation of both interventions.



Contracting Local Technical Consultant for Design and supervision:

- The TOR for the local technical consultant was prepared. Special focus was given to the quality control, supervision, composition and qualifications of the requested personnel. The terms of reference included a specific part for the technical assistance of the local governmental units.
- **The LTC was contracted in August, 2022.** The scope of LTC includes: (i) **Projects planning and design** and (ii) **Projects supervision**. The LTC team of specialists are expected to support the targeted LGUs in defining the scope of work, pricing the bill of quantities and define the obstacles and challenges that may affect the implementation of project including technical, social and environmental issues. The LTC is expected to prepare the required design and supervise the implementation of infrastructure projects under the project.
- MDLF assigned a project engineer at the beginning of 2023 year that will provide the day-to-day follow up on the project activities, in addition to supervise the local technical consultant who will be responsible for preparing the design schemes, implementation plans and supervision.

Design, Tendering, and Implementation Stage:

- Field visits were conducted to the target LGUs by MDLF's Engineers and the LTC to know each other and 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 roads projects 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.
- The LTC started working on collecting the needed design data to decide the steps needed for every single project.
- The LTC with direct support from MDLF instructed the LGUs to create and organize an independent project file for every single sub-project.
- The needed design data were collected, and site investigation was conducted
- All required test & structural investigations were conducted.
- The LTC had completed the design phase of the projects which was complemented with the bidding documents preparation in accordance with MDLF procurement manual.
- 90 % of sub-projects were tendered and most of them were awarded to the contractors. **Table 33 below** illustrates the status of the sub-projects.



Table 33: Status of the Projects

No.	Locality	LGU	Governorate	Project	Cost Estimate Dollar	Contracted Amount Dollar	status
1	Jit	Jit VC	Qalqilia	Construction of new Elementary School - 1000m2	1,000,000	1,005,263	The contract has been signed but the contractor couldn't reach the site due to roads closures by Israel Army and the 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 and the decision for moving forward with the new proposition is waiting for the joint field visit between (MDLF, MOLG and the SDC). This may led to adapt the design with the new location and approaching the same contractor to implement the school project.
2	Isla	Isla VC	Qalqilia	Rehabilitation of internal roads	100,000	102,050	The work has been subject to verbal SWO on 27/8/2023 issued to the village council. However, MDLF contractor continued the work with the contractor. MDLF asked the contractor to prepare action plan to overcome the delays.
3	Kafa	Tulkarem municipality	Tulkarem	Rehabilitation of internal roads	200,000	160,749	The work in the site is ongoing slowly due to the outbreak of the Israeli war on Gaza and the continued attacks of Israel army on Tulkarm city.
4	Khirbet Nahla	Wadi Rahhal VC	Bethlehem	Expansion of elementary school	270,000		Bidevaluation stage
5	Iskaria	Iskaria VC	Bethlehem	Rehabilitation works (roads and school)	250,000	120,000	The contract has been signed but the contractor can't reach the site due to roads closures by Israel army.
6	Fuqeiqis & Khirbet Salama	Dora Municipality	Hebron	Expansion of elementary school	230,000		The project is now in the Re-tendering phase after facing delays caused by the disputes with the Palestinian Contractor's Union which is now resolved.



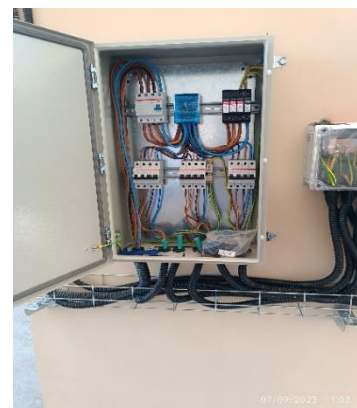
No.	Locality	LGU	Governorate	Project	Cost Estimate Dollar	Contracted Amount Dollar	status
7	Um Al Khair	Um Al Khair VC	Hebron	Supply and install solar led streetlight	50,000	43,850	The project is ongoing and the materials were delivered to the site but could not be installed by contractor because of outbreak of war
8	Al Mansoura	Al Mansoura VC	Jenin	150 m3 Water tank and transmission pipeline	270,000		The project is now in the tendering phase after facing delays caused by acquiring the needed technical approval from the Water Authority.
9	Al Aqaba	Al Aqaba VC	Tubas	Supply and install solar system for electricity production (30KW)	30,000	22,200	Completed
10	Al Aqaba	Al Aqaba VC	Tubas	Supply seats and toys for the public garden	30,000	24,325	Completed
11	Yanoun	Aqraba Municipality	Nablus	Supply and install solar system for electricity production (10KW)	12,000	9,400	Completed
12	Qalandiya	Qalandiya VC	Jerusalem	Construction of 1200 m2 grass playground	500,000	446,000	Ongoing

Below are photos for the completed and ongoing projects.

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



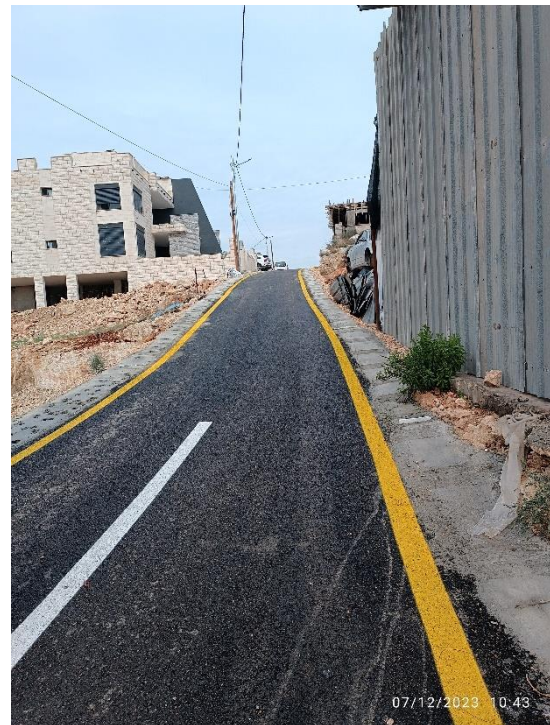
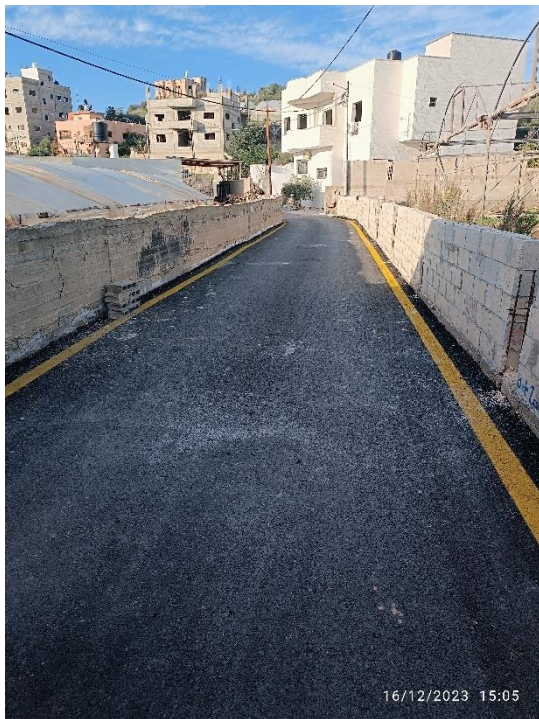
- Supply and installation of solar system, for electricity production in Al-Aqaba in Tubas.



- 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.



5.6 Challenges and obstacles:

- ✓ 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 who announced not to participate in the project. This issue was resolved and the project will be awarded early March 2024.
- ✓ One sub-project, particularly, 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, this issue has been followed by MDLF and the contractor decided to resume the work where the project is currently undergoing.
- ✓ One sub-project, particularly, Al Mansoor 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.
- ✓ 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. more specifically, the access restrictions and the Israeli measures imposed on all areas of the West Bank, included but not limited to: closures, checkpoints, cement blocks, arrests, settlers attack, lack of safety for field officers and contractors, etc., all of which badly affected the implementation process of the sub-projects.

5.7 Communities Mobilization and Civic Engagement

This Communities Mobilization Activities is proposed under this phase based on MDLF 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”.

The primary objective of this task 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. 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.

This task will be conducted through reputable and experienced civil society organizations (CSOs) as an implementing partner to empower the local community activities and to provide the needed support and social management and assistance to enhance the capacity of the concerned LGUs and local communities in Area C for social and public sustainable services delivery in the target localities.

The specific objectives of this task 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 consultancy 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.
- ✓ 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.
- ✓ The consulting NGO will work closely with MDLF’ staff, and while performing this assignment it must adhere to the principles and transversal themes to include gender & youth empowerment, do no harm, human rights-based approach, collective sensitive program management (CSPM), in alignment with SA tools and instrument endorsed by MOLG. The TOR for the consulting NGO has been awarded and the NGO is preparing the inception report. The NGO submitted an updated action plan to respond to the emerging situation where the SA is contextualized with more relevance with the current circumstances. The update will cover the following areas: i) The development of emergency plans; ii) the digitization of SA tools; and iii) the development of communication plans.

5.8 Timeframe and Action Plan

The following table represents the project’s timeframe and action plan.



Table 34: 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
Signing Agreement	Completed as planned	Planned											
		Revised Planned	NA										
		Actual											
TOR preparation for LTC	Completed as planned	Planned											
		Revised Planned	NA										
		Actual											
Contracting LTC	Completed as planned	Planned											
		Revised Planned		NA									
		Actual											
Recruitment of Project Engineer	In process	Planned											
		Revised Planned											
		Actual											
Projects Verification	Not Yet Started - the field visits are planned to be jointly conducted in Nov-2022	Planned											
		Revised Planned											
		Actual											
Projects Endorsement by SC	The endorsement of projects depends on finalizing the appraisal	Planned											
		Revised Planned											
		Actual											
TOR preparation for NGO/civic engagement	Completed as planned	Planned											
		Revised Planned		NA									
		Actual											
Contracting NGO for civic engagement	Postponed until the endorsement of the projects	Planned											
		Revised Planned											
		Actual											
Projects Design	Completed	Planned											
		Revised Planned											
		Actual											
Projects Tendering	In progress	Planned											
		Revised Planned											
		Actual											
Projects Implementation	In progress	Planned											
		Revised Planned											
		Actual											
Civic Engagement and CD initiatives	Not yet Started	Planned											
		Revised Planned											
		Actual											
M&E (Beneficiaries Impact Assessment)	Not yet Started	Planned											
		Revised Planned											
		Actual											
Auditing	Not yet Started	Planned											
		Revised Planned			NA				NA				NA
		Actual											



6. Gaza Vulnerable Communities Development “SDC Fund”

6.1 Introduction

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

GVCD aligns with the Palestinian Authority policies, namely the National Policy Agenda of 2021-2023, the draft of the Local Government Strategic Framework, and the new MDLF Strategy (2022-2026). It further implements the state-building agenda, the Human Rights Based Approach (HRBA) of the current Cooperation Strategy (2015-2018).

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

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

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

More than 160,000 people benefited from the GVCD program different complements and projects including women, youth, people with disabilities and elderly people.

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

6.2 GVCD description

6.2.1 Overall Objective

GVCD will be implemented over 9 years in three consecutive phases (each phase starts every three years), GVCD Phase I was implemented and completed between (2018 – 2021), and the second phase is planned to be implemented between (2022 – 2024).

Gaza Vulnerable Communities Development aims at:

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



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

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

- Component 1: Improving accountable service delivery for vulnerable communities through (12) small infrastructure projects.
- Component 2: Increasing Civic Participation & Social accountability of vulnerable communities in local decision-making and community development.
- Component 3: Enhancing Policy Dialogue on vulnerability Issues in the LG sector in oPt.

6.2.2 Geographic and Vulnerability Targeting (Phase II)

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

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

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

In the new phase, MDLF will target the same number of municipalities from the previous phase (7) and select (7) new municipalities, this means a total 14 municipalities will be targeted in the new phase. The vulnerability criteria for geographical targeting included the following:

- Areas and populations with insufficient/ underserved service provision including:
- Ineffective solid waste services (shortage of waste bins, solid waste collection vehicles)
- Limited or no access to the water network
- Lack of energy supply for electricity service.
- Limited or no access to sewage network if applicable
- A low percentage of paved roads in the neighbourhood
- Areas subject to natural and or human-caused disasters.
- Lack of or insufficient public spaces as gardens, playgrounds or multipurpose facilities¹⁴
- Prioritized addressing women's (especially widows and female-headed households), youth and elderly populations' needs.
- Areas with repeated and documented complaints/requests from citizens/ neighbourhoods.
- Population living outside Municipalities' built-in areas, or at the periphery of UNRWA refugee camps that may have fewer capacities to exert traction on municipalities.

¹⁴ Prevalence of 1 to 3 directly increases environmental and health risks for the targeted communities, but also the Gaza Strip population as a whole. The initial weighting of selection criteria (20% poverty – 80% insufficient service provision) will be run in the preparation of the CP.



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



GVCD new targeted municipalities (Phase II)

6.3 Selection Criteria for Vulnerable Communities

Based on GVCD implementation in phase I, MDLF followed the following strategy to select vulnerable communities and areas:

- a. **Working with the previous (7) Geographic areas and municipalities from phase I, the allocations of each municipality will be varied based on the following criteria:**
 - Insufficient and lack of basic infrastructure services, (limit access to water network - sanitation - paving roads- ineffective solid waste services.
 - Weak capacity of municipalities to provide basic services.
 - Collaboration and responsiveness of the municipalities in the piloting phase
 - Community commitment to participate in social activities.
 - Municipalities get lower financial allocation from MDLF.
- b. **Select (7) New Geographic areas and municipalities.**
 - Ineffective solid waste services (shortage of waste bins, solid waste collection vehicles)
 - Limited or no access to the water network
 - Limited or no access to sewage network if applicable
 - Low percentage of paved roads in the neighborhoods
 - Areas subject to natural and human-caused disasters.
 - Lack of or insufficient public spaces as gardens, playgrounds, or multipurpose facilities¹⁵
 - Prioritized addressing of women's (especially widows and female-headed households), youth, and elderly populations' needs.
 - Areas with repeated and documented complaints/requests from citizens/neighborhoods.

¹⁵ Prevalence of 1 to 3 directly increases environmental and health risks for the targeted communities, but also for the Gaza Strip population as a whole. Initial weighting of selection criteria (20% poverty – 80% insufficient service provision) will be run in the preparation of the CP.



- Population living outside Municipalities' built-in areas, areas closed close borders, remote areas, random populated areas.

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

6.4 Financing Partner's Contribution & Agreement Duration

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

6.5 Implementing Partners

✓ **Municipal Development and Lending Fund "MDLF"**

The MDLF is the delegated implementation agency of the intervention including the three components. It is a semi-governmental entity with an independent Board¹⁶, transparent financial management, and reputable procurement procedures that comply with national legislation and World Bank standards. MDLF has proven to become an efficient mechanism for channeling numerous donors' contributions to the LG sector in the West Bank and Gaza.

In the context of improving a socially accountable approach to basic service delivery, MDLF will be responsible for supervising municipalities and their local communities in the selection of projects with the support of a local non-governmental organization, namely, (the Palestinian Center for Democracy and Conflict Resolution PCDCR) who was contracted and completely financed by the SDC under component 2. The NGO overall objective is to:

Identify the vulnerable communities to be targeted under component 1.

To empower civic groups (women, youth, neighbourhood Committees), CBOs and citizens to constructively engage and pro-actively provide inputs in the joint decision-making - planning, prioritization, selection - of infrastructure projects selected for implementation under C1.

Enhance citizens' and civic groups' **awareness and capacity to assist in the maintenance and monitoring of infrastructure projects selected for implementation under C1**. It was assumed that more informed and engaged citizens will be more apt to hold municipal authorities accountable for their service delivery functions.

Enhance citizens' and civic groups' participation through concrete, innovative and gender-sensitive smaller-scale community social accountability projects funded by small grants.

Strengthen local civic groups and community-based organizations' capacity to utilize civic participation and social accountability tools such as public hearings effectively and sustainably, civic consultations, focus group discussions, citizen scorecards and satisfaction surveys, as indicated in the MoLG Social Accountability Toolkit.

Engagement of particularly vulnerable (women, widows, youth, elderly) and marginalized groups, ensuring that they are heard, and their inputs are incorporated in local decision-making processes.

✓ **Local Technical Consultant "LTC"**

A local consulting firm (namely the Center for Engineering and Planning) was contracted to be financed from SCD contribution to supervise the component 1. The LTC objective is to:

- Sub-project Selection: the LTC will assist MDLF and work closely with municipalities & their

¹⁶ The Board consists of the PA, municipalities, civil society with the MoLG Minister as the Board chairman. The MDLF has a main office in Ramallah and a sub-office in Gaza City.



vulnerable communities and the MDLF contracted local NGOs in the selection of sub-projects to benefit from the available fund. The selection will be based on preliminary selection criteria which LTC will review and propose any needed improvements following a participatory approach in the selection and prioritization of sub-projects.

- Project planning and design: prepare and verify designs (survey maps, existing plans, design drawings, licenses, bill of quantities, specifications, and bidding documents...etc.); and preparation of bidding documents as per the MDLF manuals including the Environmental and Social Management Framework; review and comment on individual procurement plans, infrastructure, and services maintenance.
- Project implementation and supervision: conduct site supervision for all projects and visit all participating Municipalities during project implementation, including daily or as-needed site supervision and periodic (daily if needed) visits all participating Municipalities during project implementation, and daily follow-up to ensure that the Municipalities coordinate with all relevant parties, including relevant ministries, directorates, and contractors, and give approvals for all milestones and subproject activities. This also includes building the capacity of targeted Municipalities to implement projects and assist them in the supervision, including reporting on implementation progress, monitoring of indicators, and compliance with the standards delineated by MDLF.
- Ensuring compliance with technical and fiduciary aspects: build the capacity of and guide targeted Municipalities on technical and fiduciary aspects of project preparation and implementation to ensure compliance with MDLF's procurement, financial, social, and environment safeguards procedures (including the provision of mitigation measures).

✓ **Municipalities:**

Municipalities will be the owners of projects and they will be with their communities the end beneficiaries of the intervention. Municipalities are the key stakeholders in the different stages of the intervention in component two C2, they were part of the planning processes with their communities through the management of the civil society organization to identify the vulnerable communities and their needs. Under component One C1, municipalities will be the contracting authority of infrastructure projects and will conduct the direct management of the contracts for the implementation of the assistance of the project by the local technical consultant. Communities will be empowered through component 2 by the NGO on monitoring of the projects as well.

6.6 GVCD II Implementation Status and Progress

Outcome 1: improved accountable service delivery for vulnerable communities

Output 1: Infrastructure projects implemented catering to the needs of vulnerable communities.

During the reporting period, the following activities were completed:

✓ **Recruitment and Hiring of Local Technical Consultant (LTC)**

- During the reporting period, MDLF completed the evaluation of the LTCs technical proposals and invited the (5) LTCs to attend the opening of the financial proposal. Based on the evaluation criteria of both the technical and financial proposals, The Center for Engineering and Planning (CEP) marked the highest score.
- MDLF conducted a negotiation meeting with CEP prior to the signing of the contract to provide clarifications on the TOR and the overall assignment.
- MDLF finalized the contracting process, and CEP signed the Contract on 1st February 2023.
- MDLF conducted a kick-off meeting on 9th February 2023 with the CEP team and discussed

GVCD activities and involved tasks. The CEP team raised their concerns and questions, and the MDLF team provided clarifications and feedback to ensure all things related to the LTC contract and the roles and responsibilities are clear.

- ✓ **Review and finalize the selection of small to medium infrastructure and social subprojects in the new and old targeted municipalities.**
 - The LTC completed the review and assessment of the priorities sub-projects lists provided by the NGO partner who facilitated the process of prioritized sub-projects through a participatory approach and community workshop organized for this purpose.
 - The LTC, with MDLF and municipalities engineers, conducted site visits to all prioritized sub-projects for further investigation and assessment of technical issues and finance.
 - The LTC developed two evaluation sheets including a specific criteria, one for infrastructure sub-projects evaluation and one for social sub-projects evaluation, the evaluation was conducted for the priorities of both type of sub-projects, and it was conducted jointly by the LTC, MDLF and the municipalities staff.
 - A total of 25 sub-projects were selected to cover both infrastructure and social sub-projects (12 subprojects to be implemented in the new municipalities, and 13 sub-projects to be implemented in the old municipalities)
 - The final list of selected and prioritized sub-projects was provided for MDLF for their approval and shared with SDC for final approval (the list of selected projects is shown in the table 35& 36 below)
- ✓ **Design infrastructure projects and preparations for tendering**
 - LTC has started sub-projects design and supported the municipalities to prepare tendering documents.
 - The preparations included conducting environmental and social screening for all selected sub-projects to ensure compliance with MDLF safeguards policies.



Sub-projects discussion meetings



Table 35: List of selected projects for the new Municipalities

NO	Municipality	Project Name (English)	Allocation (US \$)	Statuses	Description	Scope of work	Environmental/social/economical benefits
1	Abasan Al Kabira	Paving Al Falah Street in Abasan Al Kabira	200,000.00	Ongoing	The street located in the vulnerable community of Al Fukhari area, and it serves around 4,300 capita. The existing street has a length of 600 m and width between 5-7 m. During winter storms, the street floods with water limiting the accessibility of the residents to their homes and basic service. Therefore, the beneficiaries are also hoping through this project to solve the existing stormwater problem.	The project will include the following works: - Replacement of water pipes with a total length of 850 m. - Installation of wastewater collection system with a total length of 1350 m. - Installation of stormwater collection system with a total length of 300 m. - Installation of interlock tiles with a total area of 3900 m². - Installation of energy efficient street lighting.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and handicap accessibility to their homes and surrounding public facilities such as schools and mosques. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
2	Abasan Al Kabira	Installation of Street Lights in Different Areas in Al Abasan Al Kabira Vulnerable Communities	40,000.00	Tendering	The project includes installing energy efficient streetlights in different areas in Al Abasan Al Kabira Vulnerable Communities. The estimated number of beneficiaries are 20,000 persons.	The works will include: - Installation of LED outdoor lights - Installation of poles and electric cables.	The project will enhance the safety of the streets and intersections especially during the night. Therefore, the residents will better attend their needs.
3	AL Fukhari	Construction of Multipurpose Building in the Southern Community in Al Fukhari	250,000.00	Under design	The building will be developed on a land that is owned by the municipality and it will be the first community building that is available for the public in Al Fukhari. The location is central, and it will serve most of the residents in Al Fukhari. The available land area is around 1000 m ² and the building will have an area of around 500 m ² . The building will include a large open floor hall with a maximum capacity for 400 people. It will also include smaller meeting / activity halls and support services.	The project will include the following works: - Construction of 500 m² floor area that includes large hall, smaller meeting / activity rooms, restrooms, buffet, and services. - Outdoor and green activity space - Boundary wall and protection	- The planned project will provide the residents of the marginalized areas with a space for community activities. - The space will serve as a hub for the community to gather, engage in discussion and affect the decision making in their municipality. - The community will use the space to attract other donors to implement activities to continue develop their capacity as effective members in the community.
4	AL Maghazi	Construction of Wastewater Networks for Al Sa'yda Community	97,954.00	Under design	The project goal is to construct a wastewater collection system for the vulnerable community of Al Sa'yda. The project will serve around 700 people. Currently, residents in the community use septic tanks which are adversely affecting the environment, nearby farms, and municipal water wells.	The works will include: - Installation of gravity wastewater collection pipes with a total length of 1300 m. - Construction of wastewater pumping station and transmission lines. - Construction of house connections.	- The planned project will enhance the public health of the residents in the area by removing the existing septic tanks which pose a health risk when in contact with humans and crops. - The planed project will relive the residents from the extensive fees typically paid to pump septic tanks. - The project will enhance the environmental conditions through reducing the infiltration of raw wastewater into the ground water and well as reducing gas emissions.



NO	Municipality	Project Name (English)	Allocation (US \$)	Statuses	Description	Scope of work	Environmental/social/economical benefits
5	AL Maghazi	Paving of Al Zafaran Mosque Road in Al Zafaran Community	138,000.00	Completed	The streets in Al Zafaran community suffer from stormwater flooding in the winter. The flooding causes mud that limits the accessibility of residents to their homes and public facilities. Additionally, the flooding cause public health risks and damage to existing infrastructure and utilities. The project aims at paving Al Zafaran road and resolve stormwater issue through surface drainage. The estimated number of beneficiaries are 450 persons.	The project will include the following works: - Replacement of water pipes with a total length of 350 m. - Replacement of wastewater collection system with a total length of 170 m. - Surface flow for stormwater. - Installation of asphalt layer with a total area of 3800 m² including subbase and basecourse layers.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and handicap accessibility to their homes and surrounding public facilities such as schools and mosques. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
6	AL Maghazi	Installation of Street Lights for Al Zafaran Community	10,000.00	Under design	The project includes installing energy efficient streetlights in different areas in Al Zafaran Vulnerable Community. The estimated number of beneficiaries are 450 persons.	The works will include: - Installation of LED outdoor lights - Installation of poles and electric cables.	- The project will enhance the safety of the streets and intersections especially during the night. Therefore, the residents will better attend their needs.
7	Al Musader	Rehabilitation of Elias Al Musader Street in Al Ansar Community	200,000.00	Awarding	The existing pavement in Elias Al Musader Street is deteriorated and full of pothole and trenches. Under the current situation the street is not safe for pedestrians or vehicles. The projects will upgrade the street, so it is becoming safer for the resident in the area. The estimated number of beneficiaries are 600 persons.	The project will include the following works: - Replacement of water pipes with a total length of 500 m. - Patching of the existing asphalt pavement with a total area of 2,500 m². - Surface drainage for stormwater and infiltration borehole. - Installation of interlock tiles with a total area of 300 m² including subbase and basecourse layers.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and handicap accessibility to their homes and surrounding public facilities such as schools and mosques. - Improve traffic flow conditions. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
8	Al Musader	Installation of Street Lights in Different Areas in Al Musader Vulnerable Communities	40,000.00	Under design	The project includes installing energy efficient streetlights in different areas in Al Musader Vulnerable Communities. The estimated number of beneficiaries are 900 persons.	The works will include: - Installation of LED outdoor lights - Installation of poles and electric cables.	- The project will enhance the safety of the streets and intersections especially during the night. Therefore, the residents will better attend their needs.
9	Bani Suhaila	Development of Al Hokomah school street	240,000.00	Tendering	Al Hokomah school street is the access road to two schools in Irmeeda community. The road is currently unpaved and becomes very muddy when it rains which limits the accessibility of the students and	The project will include the following works:	The project will: - Reduce dust emissions from the current roads and improving air quality in the area.



NO	Municipality	Project Name (English)	Allocation (US \$)	Statuses	Description	Scope of work	Environmental/social/economical benefits
					teachers to the schools. Additionally, during dry season, the street a major source for dust which impacts the air quality in the area. The estimated number of beneficiaries are 4,900 persons.	- Installation of water pipes with a total length of 1100 m. - Installation of wastewater collection system with a total length of 750 m. - Surface stormwater drainage. - Installation of interlock tiles with a total area of 8400 m² including subbase and basecourse layers. - Installation of energy efficient lighting.	- Enhance pedestrian and vehicle accessibility to homes and surrounding public facilities such as schools. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
10	Khan Yonis	Paving street No. 69 in Qa' Al Qurain Community	250,000.00	Under design	Street No. 69 is one of the main access roads to Qa' Al Qurain community as it connects to public services and facilities. Currently, the street is unpaved and floods during storms which limits the accessibility of residents to their homes, schools, and public services. The project aims at developing a part of the street to secure access to the residents. The estimated number of beneficiaries are 5,420 persons.	The project will include the following works: - Stormwater drainage. - Installation of interlock tiles with a total area of 7700 m² including subbase and basecourse layers.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and vehicle accessibility to homes and surrounding public facilities such as schools. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Enhance the aesthetic appearance of the street and increase property value.
11	Wadi Al Salqa	Development of K8 Street in Abu Maghaseeb Eastern Community	180,000.00	Ongoing	K8 street is the main access road to Abu Maghaseeb eastern community. The road is currently unpaved and has rough terrain which makes it difficult for the residents to use. The estimated number of beneficiaries are 1500 person.	The project will include the following works: - Installation of water pipes with a total length of 550 m. - Slope protection. - Surface stormwater drainage. - Installation of asphalt pavement with a total area of 4600 m² including subbase and basecourse layers.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and vehicle accessibility to homes and surrounding public facilities. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.



NO	Municipality	Project Name (English)	Allocation (US \$)	Statues	Description	Scope of work	Environmental/social/economical benefits
12	Wadi Al Salqa	Construction of Cultural Center for Muharib and Dhahir Community	60,000.00	Awarding	The new floor will be constructed on top of the existing municipality building with an area of 210 m2. The cultural center will include multipurpose hall, meeting/activity rooms and library. In addition, the new floor will have accessible restrooms and services. The estimated number of beneficiaries are 7700 persons.	The project will include the following works: - Construction of 210 m2 floor area that includes meeting / activity rooms, restrooms, buffet, and services. - Construction of staircase - Supply of furniture - Relocation of existing utilities.	- The planned project will provide the residents of the marginalized areas with a space for community activities. - The space will serve as a hub for the community to gather, engage in discussion and affect the decision making in their municipality. - The community will use the space to attract other donors to implement activities to continue develop their capacity as effective members in the community.

Table 36: List of the selected projects for Old Municipalities

NO	Municipality	Project No.	Project Name (English)	Allocation (US \$)	Statues	Description	Scope of work	Environmental/social/economical benefits
1	Al Buraij	GVCD1.2.1	Development of Different Streets in Mohammed Abu Medain Community	120,000.00	Under Design	Mohammed Abu Meddain community has a large number of the unpaved roads which hinders the accessibility of the residents to their homes and public facilities especially during the winter. The most affected population are children, women and elderly living in this community. In this project, streets will be developed in different areas serving 1800 beneficiaries.	The project will include the following works: - Replacement of water pipes with a total length of 700 m. - Installation of wastewater collection system with a total length of 500 m. - Installation of stormwater gullies. - Installation of interlock tiles with a total area of 3500 m2 including subbase and basecourse layers.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and handicap accessibility to their homes and surrounding public facilities such as schools and mosques. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
2	Al Buraij	GVCD1.2.2	Installation of Street Lights for Mohammed Abu Medain Community	10,000.00	Under Design	The project includes installing energy efficient streetlights in different areas in Mohammed Abu Medain Community. The estimated number of beneficiaries are 1800 person.	The works will include: - Installation of LED outdoor lights - Installation of poles and electric cables.	- The project will enhance the safety of the streets and intersections especially during the night. Therefore, the residents will better attend their needs.
3	Abasan Al Jadeeda	GVCD1.2.3	Rehabilitation of Cultural Center in Al Redwan Community	40,000.00	PMU	The project includes the rehabilitation of the existing cultural center in Abasan al Jadeeda. The building will serve around 6000 beneficiaries.	The project will include the following works: - Rehabilitation works. - Supply of furniture - Installation of solar energy system	- The planned project will provide the residents of the vulnerable area with a space for community activities. - The space will serve as a hub for the community to gather, engage in discussion and affect the decision making in their municipality. - The community will use the space to attract other donors to implement activities to continue develop their capacity as effective members in the community.
4	Abasan Al Jadeeda	GVCD1.2.4	Installation of Street Lights in Different Areas in Abasan Al Jadeeda Vulnerable Communities	20,000.00	PMU	The project includes installing solar lighting systems at main intersections in Al Rabee Community. The estimated number of beneficiaries are 6000 persons.	- Installation of 5 solar power lighting poles.	- The project will enhance the safety of the streets and intersections especially during the night. Therefore, the residents will better attend their needs.



NO	Municipality	Project No.	Project Name (English)	Allocation (US \$)	Statuses	Description	Scope of work	Environmental/social/economical benefits
5	Al Naser	GVCD1.2.5	Development of Street No. 20	130,000.00	awarding	Street No. 20 is one of the main roads of Al Naser, which connects the center of the town with the western area of Al Naser. Additionally, the street connects the vulnerable community to one of the schools and health center. The street will serve around 6000 beneficiaries.	The project will include the following works: - Installation of asphalt pavement layer with a total area of 4500 m2 including subbase and basecourse layer. - surface stormwater drainage	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and handicap accessibility to their homes and surrounding public facilities such as schools and mosques. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
6	Al Qarara	GVCD1.2.6	Extension of Al Seka Public Park	50,000.00	Under Design	Al Seka public park is one of a few public spaces available for the children of Al Qarara. The first stage has been constructed in a previous project. However, park still needs further development, so it becomes more child and user friendly. The park will be accessible for all residents of Al Qarara and will serve around 15,000 Beneficiaries.	The works include: - Installation of interlock tiles including subbase and basecourse. - Installation Park furniture including shades, seats, playground, etc. - Greening works	The project will: - Enhance the existing conditions of the park so it will become more user friendly. - Elevate the level of safety in the park especially for children. - Encourage the residents of Al Qarara to do outdoor activities in the park.
7	Al Qarara	GVCD1.2.7	Installation of Street Lights in Different Areas in Al Qararah Vulnerable Communities	30,000.00	Under Design	The project includes installing energy efficient streetlights in different areas in Al Qarara. The estimated number of beneficiaries are 5,000 persons.	The works will include: - Installation of LED outdoor lights - Installation of poles and electric cables.	- The project will enhance the safety of the streets and intersections especially during the night. Therefore, the residents will better attend their needs.
8	Al Shoka	GVCD1.2.8	Development of Darb Al Masri Street	120,000.00	Ongoing	Darb Al Masri Street is the most important access road in Darb Al Masri vulnerable community. It connects the resident to paved road, public facilities and serves. The expected number of beneficiaries from the street is 7,000 persons.	The project will include the following works: - Installation of water house connections. - Stormwater surface drainage. - Installation of asphalt pavement layer with a total area of 3600 m2 including subbase and basecourse layer.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and handicap accessibility to their homes and surrounding public facilities such as schools and mosques. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
9	Al Shoka	GVCD1.2.9	Construction of Sports Field	20,000.00	Under Design	Al Shoka residents are of a dire need for a dedicated sports field especially youth and children. Currently, residents play football in the street which are not safe. The planned project will prove a safe area for sports activities for around 3,500 beneficiaries.	The works will include: - Installation of fencing and gates - Installation of traffic and safety works. - Installation of artificial grass system	- The project will greatly enhance the safety of children and youth when playing football. - The community will be encouraged to participate in physical activities which has a role in improving people's psychology.



NO	Municipality	Project No.	Project Name (English)	Allocation (US \$)	Statuses	Description	Scope of work	Environmental/social/economical benefits
10	Khuza'a	GVCD1.2.10	Development of Al Dewan Street	100,000.00	Ongoing	Al Najar and Taqwa community in Khuza'a is one of the most vulnerable communities. Al Dewan Street is the main road to these community which is currently unpaved and causes dust and floods during storms. Additionally, the community water and wastewater infrastructure need upgrading. The estimated number of beneficiaries of this road is 4800 people.	The project will include the following works: - Replacement of water pipes with a total length of 300 m. - Installation of wastewater collection system with a total length of 300 m. - Stormwater surface drainage - Installation of asphalt pavement layer with a total area of 1200 m2 including subbase and basecourse layer. - Installation of interlock tiles with a total area of 2200 m2 including subbase and basecourse layer. - Installation of energy efficient lighting.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and handicap accessibility to their homes and surrounding public facilities such as schools and mosques. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
11	Khuza'a	GVCD1.2.11	Rehabilitating and Extending the Children Library	20,000.00	Under Design	The existing children library in Khuza'a is currently overcrowded and needs rehabilitation. The project aims at further developing the existing library to become more suitable for the use of children in the area. The number of beneficiaries of this project are approximately 7,000 persons.	The works will include: - Decorations and painting. - Installation of doors. - Installation of AC units. - Supply of furniture.	- The planned project will provide the children in the area with an educational and activity space. - The community will use the space to attract other donors to implement activities for children in the area.
12	Rafah	GVCD1.2.12	Extension of the development of Third and Fourth Streets in Amer Project	100,000.00	Ongoing	The third and fourth street of Amer project a crowded fifth vulnerable population. Currently the street is unpaved and floods in the winter making it difficult for residents to reach their homes and for the municipality to attend public services. The streets need development of the wastewater and water system as well as pavement. The number of beneficiaries of this project are 3,000 persons.	The project will include the following works: - Replacement of water pipes with a total length of 700 m. - Rehabilitation of existing wastewater collection system. - Installation of stormwater gullies. - Installation of interlock tiles with a total area of 2900 m2 including subbase and basecourse layer. - Installation of energy efficient street lighting.	The project will: - Reduce dust emissions from the current roads and improving air quality in the area. - Enhance pedestrian and handicap accessibility to their homes and surrounding public facilities such as schools and mosques. - Enhance the municipality's ability to attend service provision in the area (such as solid waste collection, water, and wastewater systems maintenance, etc.) - Help in mitigating soil erosion caused by heavy storms in the winter. - Enhance streaming of stormwater runoff, yet future interventions could be needed. - Help in mitigating mud puddles that are usually found in the street after storms. - Enhance the aesthetic appearance of the street and increase property value.
13	Rafah	GVCD1.2.13	Installation of Street Lights in Different Areas in Khirbet Al Adas	40,000.00	Tendering	The project includes installing energy efficient streetlights in different areas in Khirbet Al Adas community. The estimated number of beneficiaries are 30,000 persons.	The works will include: - Installation of LED outdoor lights - Installation of poles and electric cables.	- The project will enhance the safety of the streets and intersections especially during the night. Therefore, the residents will better attend their needs.

Special Notice:

Undoubtedly, the war in Gaza, which has caused severe and widespread destruction of municipal infrastructure and facilities, will have an impact on the list of projects and priorities. As a result, the project may need to be restructured in light of the damages suffered by the particular municipalities. Additional assessment will be required as soon as conditions permit, and it will serve as a starting point for any future project restructuring.

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

- ✓ **The partner NGO - PCDCR completed the identification and selection of vulnerable communities from the targeted municipalities and areas.**
 - The implemented tasks related to the NGO organization assignment during the reporting period are listed in the following table 37.

Table 37 - GVCDII NGO Assignment Implemented Tasks

Task No.	Task Name	Status
Task No. 01	Identify and select marginalized communities in targeted municipalities and local areas.	Completed
Task No. 02	Strengthen the role of municipalities in infrastructure services, and enhance civic participation in the identification and selection of projects and priorities	Completed
Task No. 03	Development and conduct Need Assessment to assess municipalities, citizens, and community groups' readiness to effectively use civic participation and social accountability tools	Completed
Task No. 04	Capacity building and training program for municipalities, community activists, and members, formed local committees, CSOs, and CBOs in the targeted localities on civic participation and social accountability.	Ongoing

- A total of 31 vulnerable communities from the new seven municipalities (Al Maghazi - Al Mssader - Wadi Salqa - Khanyounis - Abasan Kabeara - Bani Shaila and Al Fukhari) were selected, in addition to the 24 communities from phase 1.
- The assessment of the vulnerable communities is based on three elements: the status of infrastructure services (water networks coverage, wastewater service, solid waste services, roads pavement), the social services, including health and education, and the last element is the level of community participation.



Community Participation

- ✓ **Identifying the needs and priorities of the vulnerable communities:**
 - The partner NGO -PCDCR, with the support of MDLF, has developed a methodology and tools to identify the needs and priorities of the selected vulnerable groups.
 - The prepared methodology is based on a participatory approach, including one community



workshop for each community and 14 FGD in the targeted municipalities from the new phase, and 7 FGDs for communities from phase 1,

- The assessment was conducted focusing on the infrastructure services and the social service's needs. To ensure community participation in the assessment process, one community workshop was conducted for each community, and 14 FGDs were conducted for each new municipality, 7 FGDs were organized to assess the community needs from phase 1,
- The partner NGO - PCDCR used the pair ways to prioritize needs selection, and as a result of this process, two lists of community needs were developed, one included infrastructure service's needs, and the other included social service's needs.
- The partner NGO-PCDCR completed and submitted the community mapping report to identify the CSOs, CBOs, civic groups, and other stakeholders.



Community Workshop

✓ **Develop and conduct need assessment for vulnerable communities and municipalities in civic participation and social accountability.**

- Development of methodology and tools to conduct the need assessment, and share it with MDLF for review and approval,
- 14 interviews with mayors and the municipality project coordinators in the seven new municipalities were completed.
- Seven interviews with old municipal coordinators have been completed.
- 31 focus groups were implemented with citizens in vulnerable communities in the new municipalities, with a focus group for each community.
- The implementation of 14 focus groups in the old municipalities has been completed, with two groups for each municipality.
- Provide training and coaching for the field workers (10), who participated in collecting data for the questionnaire.
- 1400 questionnaires were completed for citizens in the new municipalities.
- Finalize the data collection and analysis, the results will be shared with MDLF staff.
- The need assessment final report will be completed and used to prepare for the capacity building and training program.
- The partner NGO-PCDCR conducted 7 workshops in the new municipalities with citizens and municipalities to explain the mechanism for selecting projects that were carried out in Task #2.

✓ **Activities that will be implemented until the end of 2023:**

- Finalize the need assessment report of CP and SA in the targeted communities.
- Prepare and developing training materials and program for the vulnerable groups and municipalities.
- Selection of citizens and vulnerable groups to attend the training program, it is expected to



train about 350 participants from the new municipalities for five days training program and provide training for the local committees (70 people) from phase 1, women and PWD should represent 50% of the participants.

- Provide TOT for about 100 participants who proved good performance during the training program.
- Training of municipal employees on CP and SA concepts and practices, the total participants are expected to be 25 from the new municipalities and 20 participants from old municipalities.
- Preparations for community initiatives.
- Implementation of media campaign activities.

✓ GVCD Participants Information and Disaggregation

The total number of participants regarding the PCDCR tasks (1,2 &3) are 4,476 participants, below tables show participants information and classification based on gender.

Table 38 - Task No. 01 participants information

Activity Name	#	Total participants	# of Male	# of Female
1. New Municipalities				
Introductory meetings with municipalities	7	35	19	16
Interviews with institutions	7	154	113	41
focus groups	14	208	130	78
Questionnaires	368	368	230	138
Interviews decision makers from municipalities	16	16	14	2
Participatory meetings	7	252	74	178
Total in New Municipalities		1033	580	453
2. Old Municipalities				
Introductory meetings with municipalities	7	24	14	10
Interviews with institutions	7	149	86	63
Focus Groups	7	109	67	42
Interviews decision makers from municipalities	7	7	7	0
Participatory meetings	7	194	149	45
Total in Old Municipalities		483	323	160
Total participants in Task No. 01		1516	903	613



Table 39 : Task No. 02 participants information

Activity Name	#	Total participants	# of Male	# of Female
1. New Municipalities				
Focus groups	31	427	280	147
Joint workshops (priority order)	7	245	170	75
Advertising workshops for the selected projects	7	152	80	72
Total in New Municipalities		824	530	294
2. Old Municipalities				
Joint workshops (priority order)	7	200	135	65
Total in old Municipalities		200	135	65
Total participants in Task No. 02		1024	665	359

Table 40: Task No. 03 participants information

Activity Name	#	Total participants	# of Male	# of Female
1. New Municipalities				
Focus groups	31	350	179	171
Questionnaires	1400	1400	781	619
Interviews decision makers from municipalities	14	14	12	2
Total in New Municipalities		1764	972	792
2. Old Municipalities				
Focus groups	14	165	89	76
Interviews decision makers from municipalities	7	7	7	0
Total in Old Municipalities		172	96	76
Total participants in Task No. 03		1936	1068	868

6.7 Implementation of GVCDII Baseline Assessment

- ✓ MDLF completed the recruitment of a Consultancy Firm to implement GVCDII Baseline Assessment, under this assignment,
- ✓ The contracted consultancy firm - EMCC has completed the followings:
 - Prepare the inception report and outline the methodology and implementation plan.
 - Develop the tools to collect data, including questionnaires, interviews, and FGDs.
 - Completed data collection and analysis.
 - Prepared the draft baseline assessment report and shared it with MDLF for review and approval.
 - The final report of the baseline assessment was completed in June 2023.

6.8 SDC Technical Assistance and Support

- During the last six months, SDC conducted several activities as part of the technical assistance and support to GVCD implementation:
- Mr. Claude Wandeler, Head of MENA Section at SDC HQ, visited Gaza on 31st January 2023,



the visit was organized to meet the community members and beneficiaries from the GVCD program at Al Qarara

- A virtual meeting was organized based on SDC request on 24th May 2023 as part of the follow-up and provision of technical assistance to GVCD implementation; the proposed agenda included the following issues: Progress update in 2022, 2023 Action plan, Status of 2022 spending, selection of projects and Challenges and opportunities.
- SDC had a one-hour discussion with MDLF, PCDCR, and LTC on 07th June 2023. The initial lists of selected projects were presented and the criteria of selection as well as the disbursement progress was reviewed.
- SDC had spent one day visiting sites under GVCD II on 12th September 2023.



SDC S Visits



6.9 Updated Action Plan

Main Activities	Status	Planned Vs Actual	GVCD II ACTION PLAN 2022- 2024																								
			2022								2023								2024								
			Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		
Task 1 Mobilization and Preparation																											
Preparing tentative procurement plan regarding mobilization and preparation	Completed as planned	Planned																									
		Revised																									
		Planned																									
Actual																											
	Completed as planned	Planned																									
		Revised																									
Planned																											
Recruitment of Coordinator (Project Engineer)	Completed as planned	Revised																									
		Planned																									
		Actual																									
Recruitment of the social and community mobilization specialist	Completed as planned	Planned																									
		Revised																									
		Planned																									
Contracting CSO (Eol, TOR, Agreement)	Completed as planned	Revised																									
		Planned																									
		Actual																									
Baseline survey	Completed	Planned																									
		Revised																									
		Planned																									
Actual																											
		Planned																									
		Revised																									
Planned																											



Main Activities	Status	Planned Vs Actual	GVCD II ACTION PLAN 2022- 2024															
			2022								2023							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Signing MOU between NGO and Municipalities	Completed as planned	Revised Planned																
		Actual																
Task 2 Implementing of C2																		
Identify the local vulnerable communities	Completed	Planned																
		Revised Planned																
		Actual																
Conduct Need Assessment for vulnerable communities	Ongoing	Planned																
		Revised Planned																
		Actual																
Identify the C1 Component Vulnerable area sub-projects	Completed as planned	Planned																
		Revised Planned																
		Actual																
Develop CP and SA Plan and all related interventions	Not Yet Started	Planned																
		Revised Planned																
		Actual																
Develop Training Materials	completed	Planned																
		Revised Planned																
		Actual																
Implement Training	Ongoing	Planned																
		Revised Planned																
		Actual																
		Planned																



Main Activities	Status	Planned Vs Actual	GVCD II ACTION PLAN 2022- 2024															
			2022								2023				2024			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Follow up of the CP and SA Plan implementation	Not Yet Started	Revised Planned																
		Actual																
Identify and included gender sensitive program entry points and activities	Not Yet Started	Planned																
		Revised Planned																
		Actual																
Identify, plan, design and implement the community development projects organize grants call for community development project	Not Yet Started	Planned																
		Revised Planned																
		Actual																
Plan, design and implement social media and public Awareness campaigns, development and implementation	Not Yet Started	Planned																
		Revised Planned																
		Actual																



Main Activities	Status	Planned Vs Actual	GVCD II ACTION PLAN 2022- 2024															
			2022								2023							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Task 3 implement of C1																		
Preparing tentative procurement plan regarding component 1																		
Singing GIA between MDLF and municipalities	Ongoing	Planned																
		Revised																
		Planned																
Contracting LTC (EOI ad. Interviews and contracting)	Completed	Actual																
		Planned																
		Revised																
Verifying the designs prepared by LTC (including ESMF)	Ongoing	Planned																
		Revised																
		Planned																
Procurement of Component 1 sub-projects	Ongoing	Actual																
		Planned																
		Revised																
C1 Sub-Projects implementation Stage	Ongoing	Planned																
		Revised																
		Planned																
		Actual																



Main Activities	Status	Planned Vs Actual	GVCD II ACTION PLAN 2022- 2024															
			2022								2023							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Task 4 Implementation of C3																		
Preparing tentative procurement plan regarding component 3																		
Studies and surveys	Not Yet Started	Planned																
		Revised																
		Planned																
Policy Dialogue Sessions	Not Yet Started	Planned																
		Revised																
		Planned																
Policy Dialogue workshops and annual policy dialogue	Not Yet Started -	Planned																
		Revised																
		Planned																
Task 5 Overall Monitoring, Auditing and Reporting																		
Final Evaluation/survey	Not Yet Started -	Planned																
		Revised																
		Planned																
Financial Audit	Not Yet Started	Planned																
		Revised																
		Planned																
Reporting (Semi-annual/annual)	Ongoing	Planned																
		Revised																
		Planned																



6.10 Challenges and Obstacles

Pre War - Challenges

- It is slightly difficult to identify and prioritize vulnerable areas in the Gaza Strip under the complexity and continued deterioration of the socioeconomic of all sectors including municipal sector which suffer of severe shortage of financial resources to cover the essential expenditures.
- There is a lack of studies, information and literatures on vulnerability issue in Gaza Strip, adding to the lack of standards to measure vulnerability as a reference to the selection of vulnerable communities.
- There is a lack of information and reports on the socioeconomic status and poverty in the rural and marginalized areas.
- The engagement of the NGOs in the municipal services is considered newly experience compared to their profound experience in Community based projects and participation.
- Municipalities have low capacity and experience in community participation and social accountability despite the improvement that has taken place during the MDP phases. However, it still needs further development and systemization.

Post War Challenge

The Israeli war on Gaza, which has severely damaged the infrastructure throughout the Gaza Strip and left all Gaza citizens vulnerable, is the main obstacle facing the project's implementation in 2023.

Based on MDLF assessment and in coordination with the SDC, the GVCD concept will continue to be valid after contextualization to make it more applicable and efficient.

The project will be restructured with the intention of targeting the same region, however, additional assessment is needed as soon as the situation permits to agree on the priorities, implementation modality and the way forward.



7. Local Government Reform and Development Programme – Phase 2 Addendum

7.1 General information

Section		Information															
Beneficiary-contractor		Municipal Development & Lending Fund															
Name and function of the point of contact		Mr. Mohammad Al Ramahi Director General															
Title of action		Implementation of Climate Change Initiatives under LGRDPII Addendum															
Grant Agreement number		PZA1303311-10031															
Start date and end date of the reference period		The Grant Agreement enters into force on 13 th of October 2022 and ends on 31 st of December 2023															
City / cities		<table><tr><td>Yatta Cluster</td><td>Hebron Governorate</td></tr><tr><td>East Bethlehem JSC</td><td>Bethlehem Governorate</td></tr><tr><td>Beit Leqia Cluster</td><td>Ramallah Governorate</td></tr><tr><td>West Bani Zaid Cluster</td><td>Ramallah Governorate</td></tr><tr><td>Jourt Amra Cluster</td><td>Qalqilya Governorate</td></tr><tr><td>Baita cluster</td><td>Nablus Governorate</td></tr><tr><td>Barta'a Cluster</td><td>Jenin Governorate</td></tr></table>		Yatta Cluster	Hebron Governorate	East Bethlehem JSC	Bethlehem Governorate	Beit Leqia Cluster	Ramallah Governorate	West Bani Zaid Cluster	Ramallah Governorate	Jourt Amra Cluster	Qalqilya Governorate	Baita cluster	Nablus Governorate	Barta'a Cluster	Jenin Governorate
Yatta Cluster	Hebron Governorate																
East Bethlehem JSC	Bethlehem Governorate																
Beit Leqia Cluster	Ramallah Governorate																
West Bani Zaid Cluster	Ramallah Governorate																
Jourt Amra Cluster	Qalqilya Governorate																
Baita cluster	Nablus Governorate																
Barta'a Cluster	Jenin Governorate																
Final beneficiaries and/or target groups ¹⁷ (if different) (including the number of persons)																	
Category	Target	Achieved															
Local Government units including joint service councils.	<u>7 LGU's including the following:</u> <u>Yatta, East Bethlehem, Beit Liqia, West Bani Zaid, Jourt Amra, Baita and Barta'a</u>	Seven localities representing 7 local government units were successfully targeted. In-direct beneficiaries are the residents of these localities.															

7.2 Evaluation of the action

The Grant Agreement of the project entered into force on **13th of October 2022**. Since then, there has been serious commitment from MDLF's team to proceed with the activities of the project as planned. MDLF was able to proceed with the implementation of the planned project. Details of the implemented projects are the following:

- I) 7 sub-projects out of 11 have been successfully technically completed.
- II) Two sub-projects are I the final stage of implementation; and
- III) Two sub-projects are in the first phases of implementation.

¹⁷ The "target groups" are groups/entities for which the project has a direct and positive contribution at the level of the project's objective, and the "final beneficiaries" are those who will benefit from the project in the long term at the level of society or of a sector generally.



The following section describes the completed projects:

1. The Supply of solar panels for the Municipal public buildings & the supply of solar energy lighting units for Yatta Park. This project included the following outputs:
 - 1.1 The supply and installation of solar energy lighting units for Yatta Park. The project **Technically completed and is going through the handing over phase.**
 - 1.2 The supply of Solar Pannel for the public headquarters of Al Karmil municipality with a total amount of EURO **60,958.0. The project was successfully completed and handed over on 16/10/2023.**
 - 1.3 The supply of Solar Pannel units for the main street of Khelet Al Mayah Municipality. **The project was successfully completed and handed over on 29/8/2023.**
 - 1.4 The supply & installation of lighting units for Khelet Al-Mayyeh Girls School.

As a result of these projects, 3 buildings are now connected to solar energy; which are Yatta Park , AL-Karmel Municipality and Khelet AL Mayeh Girls School.



2. The supply of Solid Waste Containers for the Southeast Bethlehem JSCPD. **The project succeeded in achieving** the following outputs:
 - 2.1 Supply of 500 steel solid waste containers for the Southeast Bethlehem JSC. The project was handed over on the 28th of May, 2023.
 - 2.2 Supply of 350 plastic solid waste containers for the Southeast Bethlehem JSC. The project was handed over on the 7th of June, 2023.





3. The construction of Drainage Water System in Beit Liqia Cluster. This project is technically completed, yet the handing over of the project is still undergoing.

On the other hand , the ongoing Israeli War on Gaza Strip since October 7th , 2023 has negatively affected the implementation progress for supply and shipment of Perfusion Truck Pump for Barta'a and the solid waste truck for Beita which are expected to be delivered late January 2024.



Furthermore, the Israeli blockade imposed by the Israelis on the West Bank; hindered the accessibility of MDLF technical team/contractors to the locations of two ongoing sub-projects. Precisely, the rehabilitation of wastewater treatment plants in Hajja and West Bani Zeid. Both of which are expected to be accomplished by end of March 2024.

7.3 Introduction

In July 2020, the Belgium Government decided to increase the budgetary envelop for the development cooperation in the Palestinian Territory with the amount of EUR 10 million. The additional resources should be used for the present cooperation programme "LGRDP II" to extend successful and promising components as well as to develop new initiatives under the framework of the LGRDP II objectives. On this basis the Palestinian and Belgian Parties decided that the Local Government Reform and Development Programme "LGRDP II" would be extended with a specific focus on addressing environment and climate change challenges, to contribute developing more **'green, resilient and sustainable municipalities and territories'**. Accordingly, the LGRDP II addendum was concluded with a budget increase of additional EUR 3 million and a time extension of 3 years. The LGRDP II addendum will be focusing on two results:

- **Results #6:** Increased capacities of LGU's to address global environmental challenges through LGU cooperation.
- **Result # 7:** Increased capacities of MoLG departments to support, coach and monitor LGU's to address global environmental challenges through LGU cooperation.

Integrated Planning

This project targets 7 clusters across the West Bank aiming at strengthening the capacities of the targeted clusters' LGUs to cooperate in tackling the environmental challenges related to climate change and to deliver better services to their citizens.

In summary, the MDLF studied the selected 7 initiatives across 7 clusters profoundly. MDLF area engineers visited the sites and met with the representatives of their LGU's and spokespersons for those communities, MDLF heard from planning consultants, and met with representatives of the MoLG and several others, as well as having available a range of reports and publications. The MDLF's findings are based on this wide range of evidence. They are grouped under one heading: **Integrated planning**.

The project enhanced participatory and integrated planning processes among LGU's and relevant stakeholders through the identification of climate change initiatives based on a strategic environmental planning exercise that was led by the local community.



The implementation of this project is yet on its final stages; but the first recommendation grasped so far is that the culture of planning needs to change to make it more integrated, strategic, and participatory. Planning needs to be “people-centred”, and the focus should be more on development opportunities and challenges.

Preparation & implementation phases

The preparation phase for the implementation of the selected environmental climate change initiatives has successfully started in all 7 clusters with complete coordination between MDLF and the relevant line ministers. The activities under this phase included the design and tendering phase including the evaluation and contracting. All selected clusters effectively started the tendering process; some clusters accomplished the implementation of the initiatives with successful outcomes. Due to the emergent call for support to this sector, as reflected in the clusters’ environmental strategic plans, several interventions namely in East Bethlehem cluster, West Bani Zaid, Jorit Amra and Barta’a focused on solid and wastewater disposal; and treatment. In Southeast Bethlehem cluster, 500 steel solid waste containers and 350 plastic solid waste containers were successfully supplied. A solid waste truck for Beita cluster will also be supplied in the coming months. Furthermore, the rehabilitation of wastewater treatment plants in Jorit Amra and West Bani Zaid clusters are ongoing, and results will be seen shortly.

7.4 Activities:

A detailed description of the implemented activities:

Activity:1	Supply of Solar Panels for the Municipal Public Buildings and Supply of solar energy Street Lighting Units in the Yatta Cluster
Start date (As its in planned)	March, 2023
Actual starting date:	May, 2023
Status:	☐ Not started ☒ Finished ☐ Delayed ☐ Canceled ☐ On Going
Justification and response If delayed or canceled	The project was contracted in August 2023. However, there were some delays in receiving the shipment of materials from abroad, as a result of the ongoing 7 th of October war on Gaza and its implications on the shipment of materials from and into the Palestinian borders.
Progress:	The implementation progress per activity can be summarized as follows: 1.1: Supply and install solar energy lighting units for Yatta park – Technically completed and going the final stages of handing over. 1.2: Supply and install Solar Panels for the headquarters of Al Karmil Municipality-The implementation phase is Completed 1.3: Supply and install of Solar Panel units for the main street in Khalet Al Mayah Municipality- The implementation phase is Completed Actions were carried out by dividing the work into four contracts for the three localities. Al Karmel & Khalet Al Mayeh municipalities have completed their projects, while the Yatta Municipality is in the final stage of handing over including the supplying and installing the solar lighting units.
Main Outputs:	- Supply and install lighting units for Yatta municipal park. - Supply and install solar panels for Al Karmel municipality building



	- Supply and install solar panels for the Khelet Al-Mayyeh Girls School and supply and install lighting units.
Related indicator: (Targets)	- -Km of street lighting network with solar panels (Targets: 2.5 Km approximately 50 lighting units assuming 50 meter between lighting poles) - # of public buildings connected to solar energy – (Target: 2 buildings) - KW produced by the Solar Panels –(Target: 100 Kw)
Related MEAL activities:	- The MEAL activities of this action have started in the design (pre-procurement stage), where the MDLF procurement department along with MDLF engineers monitored the procurement stage assuring that the project is designed well and ready for tendering. - MEAL activities in the implementation stage included: • Continuous field visits by MDLF engineers • Tracking the progress of implementation, adjusting, and fine tuning the first phases of implementation • Provision of constructive feedback and briefs by technical staff regarding the implementation • Gathering relevant data and observations • Transform all collected data into valuable information by the M&E staff at MDLF Strategic Planning Department.
Main Challenges:	The preparation stage consumed more time than anticipated due the lack of commitment and delays from the targeted LGUs in preparing the design and bidding documents timely.
Lessons Learnt and Recommendations:	- It is important to have a consultant to provide technical assistance to LGUs in preparing the design of the solar panels to tackle the limited capacity of the LGUs. - It is extremely important that the LGU focusses on the regular maintenance and cleaning of the supplied solar panels to keep them running smoothly and functioning properly. All of which are needed to extend its lifecycle and to meet energy production targets over the lifecycle.

Activity:2	Supply of Solid Waste Containers for Southeast Bethlehem JSC
Start date (As its in planned)	February, 2023
Actual starting date:	April, 2023
Status:	☐ Not started ☒ Finished ☐ Delayed ☐ Canceled
Justification and response If delayed or canceled	No major delays have been encountered that would jeopardize the plan. However, some delays were faced in the supply and shipment phase of the containers as it took longer time than expected due to external conditions.
Progress:	Sub activities with status of implementation are as follows: 2.1 Supply 500 steel solid waste containers for the Southeast Bethlehem JSC – Implementation is completed. 2.2 Supply 350 plastic solid waste containers for the Southeast Bethlehem JSC – Implementation is completed.



	The activity was implemented through two contracts. One contract for the supply of steel solid waste containers, and the second contract was for the supply of plastic solid waste containers. The activity was successfully implemented and handed over on the 7th of June 2023.
Main Outputs:	- Steel solid waste containers are supplied. - Plastic solid waste containers are supplied
Related indicator: (Targets)	# of solid waste containers supplied– (Target: 500 containers)
Related MEAL activities:	- Environmental assessment and design - Tracking the progress of implementation, adjusting, and fine tuning the first phases of implementation - Provision of constructive feedback and briefs by technical staff regarding the implementation - The progress of the delivery of the waste containers was monitored and verified qualitatively and quantitatively by project engineers and then measured against outputs, objectives and outcomes by MDLF M&E staff.
Main Challenges:	- Shipment phase of the containers took longer time than expected due to external conditions.
Main Lessons learned and Recommendations:	- To foster the bidding process and conduct regular/effective follow up the with the LGUs.

Activity:3	Construction of Drainage Water System in Beit Lqia cluster
Start date (As its in planned)	May, 2023
Actual starting date:	June, 2023
Status:	☐ Not started ☒ Finished ☐ Delayed ☐ Canceled
Justification and response If delayed or canceled	No major delays have been encountered so far. Actions are being implemented as planned. Small delays during the preparation phase were encountered such as the tendering phase for the Beit Lqia municipality works, which was re-tendered to reduce the scope of works
Progress:	3.1 The construction of a drainage water system - The activity was technically completed and going through the final stages of handing over.
Main Outputs:	- A drainage storm water system is supplied
Related indicator (Targets)	- Length of storm water constructed – (Target: 150 LM)
Related MEAL activities:	The MEAL activities of this action have started in the design (pre-procurement stage) through an Environmental assessment exercise that was implemented by an external consultant with direct supervision from MDLF. MDLF procurement department along with MDLF engineers monitored the procurement stage to assure that the project is designed well, feasible, affordable



	and that there is capacity with a suitable level of expertise to carry it out and within the required timescales. MEAL activities in the implementation stage included: - Continuous field visits to the area by MDLF engineers - Tracking the progress of implementation, adjusting, and fine tuning the first phases of implementation - Provision of constructive feedback and briefs by technical staff regarding the implementation - Gathering relevant data and observations - Transform all collected data into valuable information by the M&E staff at MDLF.
Main Challenges:	The LGU was unable to perform the design phase as they lacked qualified human resources needed to perform the task. They contracted an external consultant to develop the designing of the system.
Main Lessons learned:	It is important to have an outsourced consultant managed directly by MDLF to prepare the design instead of relying on municipality's consultant.

Activity:4	Rehabilitation of the Wastewater Treatment Plant in West Bani Zaid.
Start date (As its in planned)	June, 2023
Actual starting date:	September, 2023
Status:	☐ Not started ☐ Finished ☐ Delayed ☐ Canceled ☒ On Going
Justification and response If delayed or canceled	Some minor delays are encountered as the municipality of West Bani Zaid needs more time for design the project.
Progress:	4.1 Rehabilitation of the Wastewater Treatment Plant – the activity is still Ongoing
Main Outputs:	- Wastewater treatment plant is rehabilitated
Related indicator: Targets	- # of households with access to wastewater treatment plants (Target: West Bani Zaid cluster 200 (Households))
Related MEAL activities:	- The MEAL activities of this action have started in the design (pre-procurement stage), where the MDLF procurement department along with MDLF engineers monitored the procurement stage assuring hat the project is designed well and ready for tendering. - MEAL activities in the implementation stage included: • Continuous field visits to the area by MDLF engineers • Tracking the progress of implementation, adjusting, and fine tuning the first phases of implementation • Provision of constructive feedback and briefs by technical staff regarding the implementation • Gathering relevant data and observations • Transform all collected data into valuable information by the M&E staff at MDLF.



Main Challenges:	The Israeli blockade imposed by the Israelis on the West Bank; hindered the accessibility of MDLF technical team/contractors to project location causing an implementation delay.
Main Lessons learned:	Lessons learned will evolve as the project moves further into the implementation phase.

Activity:5	Rehabilitation of Hajja Wastewater Treatment Plant in Jorit Amra JSC
Start date (As its in planned)	June, 2023
Actual starting date:	September, 2023
Status:	☐ Not started ☐ Finished ☐ Delayed ☐ Canceled ☒ On Going
Justification and response If delayed or canceled	The Jorit Amra JSC needs more time for design the project.
Progress:	5.1 Rehabilitation of the Wastewater Treatment Plant - the activity is in the Ongoing phase
Main Outputs:	- Wastewater treatment plant is rehabilitated
Related indicator:	- # of households with access to wastewater treatment plants (Target: Jorit Amra cluster (400 Households)
Related MEAL activities:	- The MEAL activities of this action have started in the design (pre-procurement stage), where the MDLF procurement department along with MDLF engineers monitored the procurement stage assuring hat the project is designed well and ready for tendering. - MEAL activities in the implementation stage included: • Continuous field visits to the area by MDLF engineers • Tracking the progress of implementation, adjusting, and fine tuning the first phases of implementation • Provision of constructive feedback and briefs by technical staff regarding the implementation • Gathering relevant data and observations • Transform all collected data into valuable information by the M&E staff at MDLF.
Main Challenges:	The Israeli blockade imposed by the Israelis on the West Bank; hindered the accessibility of MDLF technical team/contractors to project location causing an implementation delay.
Main Lessons learned:	Lessons learned will evolve as the project moves further into the implementation phase.

Activity:6	Supply of Solid Waste Truck in Beita
Start date (As its in planned)	April, 2023
Actual starting date:	May, 2023
Status:	☐ Not started ☐ Finished ☐ Delayed ☐ Canceled ☒ On Going



Justification and response if delayed or canceled	No delays are encountered. Works are smoothly moving as planned.
Progress:	6.1 Supply of solid waste truck – Ongoing The municipality has signed the contract and the solid waste truck will be delivered soon after.
Main Outputs:	Solid waste truck is delivered
Related indicator:	# of solid waste trucks supplied – (Target: 1 truck)
Related MEAL activities:	- The MEAL activities of this action have started in the design (pre-procurement stage), where the MDLF procurement department along with MDLF engineers monitored the procurement stage assuring that the project is designed well and ready for tendering. - MEAL activities in the implementation stage included: • Continuous field visits to the area by MDLF engineers • Tracking the progress of implementation, adjusting, and fine tuning the first phases of implementation • Provision of constructive feedback and briefs by technical staff regarding the implementation • Gathering relevant data and observations • Transform all collected data into valuable information by the M&E staff at MDLF.
Main Challenges:	The ongoing Israeli War on Gaza Strip since October 7 th , 2023 has negatively affected the implementation progress for supply and shipment solid waste Truck.
Main Lessons learned:	Lessons learned will evolve as the project moves further into the implementation phase.

Activity:7	Supply of Wastewater Perfusion Truck Pump in Barta'a
Start date (As its in planned)	April, 2023
Actual starting date:	May, 2023
Status:	☐ Not started ☐ Finished ☐ Delayed ☐ Canceled ☒ On Going
Progress:	7.1 Supply of wastewater pump – Ongoing The municipality has signed the contract and the wastewater truck pump to be delivered soon after.
Main Outputs:	Wastewater truck pump is delivered
Related indicator:	- # of wastewater perfusion trucks supplied – (Target: 1 truck)
Related MEAL activities:	- The MEAL activities of this action have started in the design (pre-procurement stage), where the MDLF procurement department along with MDLF engineers monitored the procurement stage assuring that the project is designed well and ready for tendering. - MEAL activities in the implementation stage included:



	• Continuous field visits to the area by MDLF engineers • Tracking the progress of implementation, adjusting, and fine tuning the first phases of implementation • Provision of constructive feedback and briefs by technical staff regarding the implementation • Gathering relevant data and observations Transform all collected data into valuable information by the M&E staff at MDLF.
Main Challenges:	The ongoing Israeli War on Gaza Strip since October 7 th , 2023 has negatively affected the implementation progress for supply and shipment of Perfusion Truck Pump.
Main Lessons learned:	Lessons learned will evolve as the project moves further into the implementation phase.

7.5 Updated action plan

Year 2023													Year 2024		
	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Quarter 1		
Activity															
Preparation phase for Activity 1: Supply of Solar Panel for Yatta cluster															
Implementation phase for Activity 1: Supply of Solar Panel for Yatta cluster															
Preparation phase for Activity 2: "Supply of Solid Waste Containers"															
Implementation phase for Activity 2: "Supply of Solid Waste Containers"															
Preparation phase for Activity 3: "Construction of Drainage Water System"															
Implementation phase for Activity 3: "Construction of Drainage Water System"															
Preparation phase for Activity 4: "Rehabilitation of the Wastewater Treatment Plant in West Bani Zaid"															
Implementation phase for Activity 4: "Rehabilitation of the Wastewater Treatment Plant in West Bani Zaid"															
Preparation phase for Activity 5: Rehabilitation of Hajja Wastewater Treatment Plant															
Implementation phase for Activity 5: Rehabilitation of Hajja Wastewater Treatment Plant															



Year 2023												Year 2024		
	Quarter 1			Quarter 2			Quarter 3			Quarter 4			Quarter 1	
Activity														
Preparation phase for Activity 6: Supply of Solid Waste Truck for Baita Cluster.														
Implementation phase for Activity 6: Supply of Solid Waste Truck for Baita Cluster.														
Preparation phase for Activity 7: Supply of Wastewater Perfusion Truck Pump														
Implementation phase for Activity 7: Supply of Wastewater Perfusion Truck Pump														

7.6 Performance indicators

Indicator	Baseline	Target	Progress as of <date>	Status
Environment and climate change are integrated part in the strategic development and spatial framework in the 7 LGU clusters				Completed. LGU's have integrated a climate change component within their SDIP's.
LGU clusters have developed sustainable green initiatives in the sector of waste optimization and renewable energy				Ongoing
Awareness and knowledge about environment and climate change has increased within the clusters				To be coordinated with Enabel and APLA.
# of Environmental Plans Developed for the targeted clusters	0	7 plans		Completed
# of beneficiaries (approximately	0	105,000 inhabitants		Not yet calculated. The final number of beneficiaries will be calculated after the successful implementation of all activities.
# of additional households with access to wastewater treatment plants	0	200 households for West Bani Zaid & 400 households for Jorit Amra		Not yet
# of wastewater perfusion trucks supplied		2 trucks		Not yet
# of solid waste containers supplied	0	500 containers	500 containers supplied	Completed



Indicator	Baseline	Target	Progress as of <date>	Status
# of solid waste trucks supplied	0	2 trucks		Not yet
Length of storm water constructed		150 LM	150 M	Completed
# of public buildings connected to solar energy	0	5 buildings	3 buildings (Park, school, and Municipality)	Completed
KW produced by the Solar Panels	0	100 Kw	100 KW	Completed
Km of street lighting network with solar panels	0	2.5 Km approximately 50 lighting units	50 lighting units (1.5 KM street)	Completed

7.7 Networking and partnerships

Coordination with several institutions have been done as the project moves along. Furthermore, a close coordination has been done with the Environmental Quality Authority (EQA) as a lead national institution for climate change and environmental aspects. The EQA was part of the discussion and dialogue for the identified priorities to ensure the integration between the national adaptation/mitigation plans for climate change and how to be localized at the cluster level. This has continued throughout the implementation of the action in the framework of the steering committee discussions where the EQA is part of it. This action was also coordinated with the Palestinian Energy and Natural Resources "PENRA" and the Palestinian Water Authority "PWA" to ensure the smooth implementation of the specific initiatives for water, wastewater, and the renewable energy.

This action will utilize the achievements across the targeted LGRDPII clusters to enhance the inter-LGU cooperation responding to their socio-political and economic specialties and needs. Addressing the success of LGRDPII would be an entry point for scaling up the interventions in the targeted clusters with more focus on climate change towards resilient municipalities and territories.

It is worth noting that the climate change initiatives were identified based on a strategic environmental planning exercise lead by the local community with support from a local consultancy firm in 2022. The planning approach was initiated with an environmental assessment (status analysis) through gathering information and reviewing previous documents and studies. Upon that, the climate change related challenges were identified through a workshop with the Technical Committee and finally, the strategic environmental issues initiatives were well identified for each cluster.

Accordingly, a set of initiatives were selected and endorsed by the programme steering committee to be implemented under this action which were fully coordinated with the key stakeholders including the PWA, PENRA and the EQA.



The selected initiatives will have positive impact on the environment and will enhance the capacity of the targeted clusters to combat for negative effects of climate change. Afterwards, MDLF initiated the communication with the targeted clusters' LGUs to get more information on the selected initiatives and to start the appraisal process according to MDLF working procedures as detailed in the technical operational manual.

Adding to that, this action is considered a pioneering initiative to be complemented by other interventions like MDP4 with special focus on the environmental pillar and climate change. More specifically, the new Strategic development and investment plans for the municipalities considered the climate change as a key element where a condition was agreed upon with financing partners to have at least 10% of identified projects that tackle the environment and climate change.

7.8 General Challenges

Challenge	Lessons learned / solutions
LGU's lack the commitment and to perform main tasks such as the design, procurement and tendering process timely.	Supporting consultant to provide the technical support and thus to expedite the process.
Some LGU's were unable to perform the design phase as they lacked qualified human resources needed to perform the task.	Supporting consultant to provide the technical support and thus to expedite the process.
The war on Gaza which started on October the 7 th has caused delays on the implementation of some projects where the shipment of certain equipment was delayed. Also, contractors were unable to access the work sites as planned.	Request for no cost extension to overcome the implementation delays and allow for reasonable time for implementing the remaining activities. (4 ongoing sub-projects)



8. Multi-site Regeneration Project for Jericho

8.1 Project Overview

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

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

8.2 Project Description

The fund for the project is EUR 6.2 million out of EUR 10.2 million granted to MDLF for MDP III-Cycle 1 and MSR according to the financing agreement signed between the AFD and the Ministry of Finance on April 26th, 2017.

The project Agreement between MDLF and the Ministry of Finance was signed on August 7th, 2017, followed by a project Agreement between MDLF and Jericho Municipality was signed on November 16th, 2017.

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

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

The project includes the following subcomponent:

- **Subcomponent (A): Slaughterhouse**

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

Regarding the operation of the slaughterhouse, a Steering Committee (SC) will be assigned by the municipality to supervise and advise both partners. It will be composed of representatives from the municipality and the private operator, but also from butchers and farmers, as well as from the Public Health Committee, whose exact role will be detailed in a lease agreement.

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



▪ Subcomponent (B): Municipal Garage

This subcomponent includes the construction of a new garage and remediation works for the old garage.

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

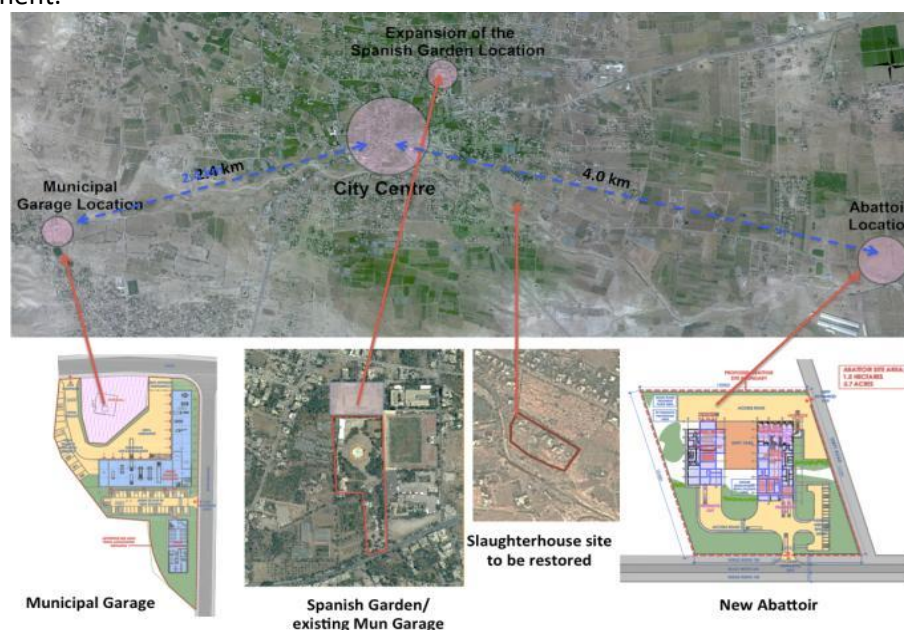
The Rehabilitation of the Municipal Garage Road was implemented under MDPIICI, the works include rehabilitation and asphaltting of the main road that leads to the Garage totaling 2 km length with avg. width of 5.5. The final amount of the works was EUR 198,188.

Additionally, the Extension of the Spanish Garden is complemented by the MDP IIICII. The extension of the Garden will be onto the lands currently occupied by the Municipal Garage, the MSR project offers the opportunity to enhance substantially the role of the Spanish Garden as a place of leisure in the heart of the city.

▪ Subcomponent (C): Technical Assistance

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

MDLF will support Jericho Municipality in implementing designated activities defined under this subcomponent.



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

8.3 Implementation Status (General)

This section highlights the project's technical progress until the end of April 2023. Noting that all the parties; MDLF, Jericho Municipality, and the donor are aware of the challenges and has worked together to overcome all issues through discussions.

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During the last period, MDLF was successfully able to construct and operationalize the municipal garage. This activity included **the relocation of the municipal garage on the outskirts of the city**, which



will allow the storage, maintenance and repair of utility vehicles, including those for garbage collection and other essential city services. This new municipal garage will therefore **ensure the proper maintenance of equipment** crucial for the municipal services operation and for carrying out the urban activities of Jericho Municipality.

The garage construction included the following sub-activities; i) Rehabilitation of the Municipal Garage Road (under MDPIICI). The rehabilitation and asphaltting of the main road leading to the Garage in a total length (2 km); and ii) Construction of an electricity service network feeding the Municipal Garage facility. **The project was completed with a total cost of 1,433,332 Euro.**

The second constructed infrastructure through the MSR project is the Slaughterhouse that meets the health and environmental standards. In order to modernize the installations, the first task was to relocate and build a new slaughterhouse that complies with hygienic, sanitary and environmental standards as well as meeting Jericho demand for chickens, cattle, sheep and goats drawn from local supply chains. The new slaughterhouse replaces the current municipal slaughterhouse, which does not meet hygiene and environmental standards, poses serious problems both in terms of health risks for the population, and pollutes the environment of Jericho and its surrounding area.

During the last period, the submittals for drawings and materials for the slaughterhouse were approved by the engineering association. Most of the Slaughterhouse equipment had been delivered from Turkey to the contractor stores in Jericho. Also, the slaughterhouse buildings skeleton works were almost completed **The project is expected to be completed by end of August 2023.**

Overall, the MSR project will make Jericho more attractive for locals and visitors. It is estimated that more than 22,600 inhabitants, 10,000 students, 15,000 holiday home-owners, and local tourists from modernized neighborhoods, will benefit stimulated commercial activities and better urban environment. The project reflects MDLF's priorities in promoting urban development and adopts an integrated approach that addresses the environmental and social needs of the population in Jericho City.

8.4 Progress of Main Contracts

8.4.1 Slaughterhouse Construction

The concept design has been based on the consultant revision of the slaughtering capacities where:

- The capacities over 20 years design period are reflected in the below:

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

- This capacity has been based on projecting the slaughtering demand according to the served citizens, taking into account the market share, market competence, and awareness of illegal slaughtering.
- The additional risk factor was taken to propose the potential expansion of the Cold Rooms and the Operation Hours of the Slaughterhouse facility to overcome the low risk of overcapacity.
- Jericho Slaughterhouse was designed and constructed on leased land of size 19,000 m², using 4,000 m² located in the south east of Jericho City. The Concept design proposed two buildings with a total area of approximately 2200 m², besides, parking area, holding Pens, and landscaping. For Infrastructure facilities: the project includes a wastewater treatment plant, blood treatment, Incinerator, potable water connection pipe, wastewater disposal pipe, and other facilities.
- The implementation has started since November 2nd, 2021, with total EUR 3,727,810. The project was successfully completed.



Pre-bid meeting site visit

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

The contractor prepared a health and safety plan (HSP) at the earliest stage of the project to clarify what needs to be done by whom, in order to treat safety as an integral part of project management. In addition, the contractor prepared the Environmental and Social Management Plan (ESMP) which aims to assist in the systematic and prompt recognition of problems with corrective actions. So that ultimately good environmental and social performance to be achieved during the construction stage of the project. The plans were reviewed and approved.

The contractor complied with the health and safety requirements through implementing the mitigation measures incorporated in the ESMP & HSP as indicated hereinafter. The Health and Safety Officer (HSO) has been appointed by the contractor prior to starting the construction works. The HSO is responsible for implementing the health, safety, and environment requirements as per the HSP.

- **Workers Health and Safety Hazards:** HSP has been provided by the contractor and has been implemented during the construction stage of the project. Insurance complying to the Palestinian Labor Law has been provided for construction labors, staff attending to the construction site and equipment at site. Personal Protective Equipment (PPEs) has been provided to protect workers from injury such as (hearing protection, hard hats, safety goggles, brightly colored vests, and other appropriate safety equipment). Toolbox meetings have been conducted periodically and proportionate to the construction activities. A first aid station has been set at site and proper training has been provided.
- **Public Health and Safety:** the construction site has been protected by fence and other appropriate safety means such as safety signs and tools.
- **Dust, noise, and air pollution:** the contractor controlled the dust through spraying water during work and avoided working during windy days. In addition, the contractor took the proper mitigation measures to minimize the impacts on air and noise through working during the daytime, minimize movement of the vehicles as much as possible and limit working hours.
- **Construction Materials Storage Area:** the contractor maintained and protected storage of construction materials. The storage area has been fenced and proper signs and safety tools have been installed.
- **Wastes generated during construction stage:** the contractor prepared its waste management plan to assure proper disposal of wastes generated during construction stage and coordinated with the municipality to dispose the generated wastes in a designated landfill.
- **Safety Compliance Reports:** The contractor submitted health and safety reports periodically presenting his commitment to implement the mitigation measures incorporated in the ESMP & HSP to minimize/ avoid the potential risks as much as possible.



Compliance with Environment, Health, and Safety Requirements at Site

MDLF is managing the environmental, health and safety measures of the project through its team and with a support of the hired consultant as follows:

- **Environmental Specialist of MDLF Consultant:** The Environmental Specialist who was hired to monitor the contractor's compliance with ESMP during the project implementation coordinates the work with the Resident Engineer at site. Periodic site visits have been carried out and to the potential E&S risks relevant to the construction activities. Monitoring reports have been prepared per each site visit conducted by the environmental consultant, and have been shared with the MDLF team, the resident Engineer and the Health and Safety Officer of the Contractor. The contractor is complying satisfactorily with ESMP mitigation measures at site. However, some minor excesses related to housekeeping, dust, among others have been recorded. The contractor was notified in this regard, and he immediately took a proper corrective action.



- **Resident Engineer (RE) of MDLF consultant at Site:** the RE conducts daily supervision to assure the compliance of the contractor to ESMP measures. Additionally, he is coordinating with the environmental consultant to inform him about the environmental and safety conditions at site and to arrange for site visits once an activity takes place on ground that may have potential risk from E&S aspects. The RE prepares a daily progress report incorporating description of contractor compliance to E&S aspects as per the ESMP. The report is submitted to the MDLF team in a regular basis.
- **Incidents and Complaints:** neither incidents nor complaints were recorded during the reporting period.

8.4.2 Municipal Garage Construction

- Initial Contract Amount: 1,283,690 Euro
- Commencement Date: July 22nd, 2018
- The Final Contract amount & Amendment: 1,433,332 Euro
- The First Extension was to April 22th, 2019.
- Second Extension end date: June 25th, 2019
- The project has been initially handed over on September 11th, 2019, and the Final handing over took place on November 13th, 2019.
- The project has been implemented over 14 months, with various delays due to challenges in transferring the high voltage electricity cable as well as the contractor's slow progress in construction.



The Municipal Garage





- **Rehabilitation of the Municipal Garage Road (under MDPIICI)**

The rehabilitation and asphaltting of the main road leading to the Garage in a total length (2 km) was completed with a total amount EUR 198,188.



Municipal Garage road

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

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

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

The contractor prepared a safety plan at the earliest stage of the project; it's been reviewed and approved. Environmental and social compliance is monitored regularly and reported in monthly progress reports noting that the contractor abided and complied with the project ESMP and safety plan.

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

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





Although, the project has been stopped for a few days after the commencement following to receiving verbal complaints from a number of citizens who claimed to use dirt road passing the western part of the site. Jericho municipality has conducted consultation meetings with affected persons and agreed to exclude that part of the project and maintain temporary access for those complainants. Supplementary safety measures to the new boundary were set. Another issue of relocating honey boxes that were recently placed at the site has been verbally raised. The municipality consulted the owner and agreed to place the boxes out of the site.



8.4.3 Old Municipal Garage Remediation (Renamed to Extension of Spanish garden and Remediation of the Old Garage)

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

8.4.4 Work supervision including Environmental and Social Monitoring

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



8.5 Jericho Municipality Components

The Municipality inaugurated the Garage in an official ceremony where the garage is currently under operation.

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



8.6 Mitigation Measures for Fund Allocation

- The project components of the construction of Municipal Garage and the Construction of Slaughterhouse faced delays in different stages, in addition to a deficit of financial availability, however, all these issues have been solved after proposing the new Slaughterhouse Construction Method. In addition to some measure had been taken at the early stages by reducing the scope of work at the Municipal Garage Construction Project, using MDP III cycle 1 allocation for relocating the HV cable, and the rehabilitation of the access road to the New Municipal garage.
- Financing the Electricity Connection to serve the Slaughterhouse was financed through the project.
- The rehabilitation of the Internal Roads to access the Municipal Garage is approved to be financed through MDP III Cycle 1.

8.7 Challenges and Obstacles

- A challenge was faced regarding a deficit of funding to implement those utilities. To overcome the financial issue, MDLF proposed a financial methodology correlating potential capability and utilization of MDPIII cycle 1 allocation. This proposal was discussed with Jericho Municipality and the AFD as follows:
- The proposal states that the municipality will finance the remediation of the old Municipal Garage site. MDPIII Cycle 1 allocation will be utilized to:
 - o Finance the electrical connections for the Municipal Garage.
 - o Finance electrical connection to serve the Slaughterhouse after the Slaughterhouse Construction bid opening.
 - o Finance the water connection for the Slaughterhouse project after the Slaughterhouse Construction bid opening.
- The remediation of the old Municipal Garage site will be financed through the integration of remaining funds from MDP III cycle 1 with MDP III cycle 2 allocations to ensure proper integration for remediation and design of the extension of the Spanish Garden.
- Upon agreement, the extension of the Spanish Garden was agreed to be shifted to MDPIII cycle2.
- An additional challenge was the delay in finalizing the auction documents by Jericho Municipality, which was supposed to have been launched prior to the commencement of works at the Slaughterhouse Construction project.



SECTION THREE: SUCCESS STORIES

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

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

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

MDLF was able to rehabilitate the road with all complementary needed elements. The works included excavation, levelling, drainage, concrete shoulders/sidewalks, and roads furniture/light, infrastructure works (electrical and sewage). The road now serves around (15,000 workers per day); workers coming from outside the city towards the northern crossing of the city. The road serves city visitors coming towards the National Zoo. It also serves multiple homes, commercial establishments, and housing. The rehabilitation constituted in reducing pollution and dust in residential areas located within Area C.

The implementation of the project was completed on 25th May, 2022 and all objectives of the project were achieved.



Rehabilitation of an Internal Road in Qalqilya

Success story #2: Reconstruction of an Internal Road in Al-Ezariyeh

The project consists of road reconstruction of about 0.5 Km length. The works included electrical lighting, sidewalks and concrete shoulders, retaining walls, guardrails, and drainage storm water pipelines and manholes. The works also included constructing the road furniture.

The situation during the construction of the road was very challenging to the field workers due to the daily and repeated passage of vehicles transporting workers in the morning and again in the evenings, and the presence of many shops and industrial workshops along the road, making the implementation process difficult to the workers consuming more time and effort.

The project team successfully implemented the infrastructure works with the available time and resources, which included the implementation of the drainage works of the road, as well as the electricity, telecommunications and household connections, whether for water or sewage.



Rehabilitation of AL-Ezareyah internal road





Success story #3: Development of Water Distribution Network in Al Morooj

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

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

The project after successfully completion, witnessed a **paradigm shift of water accessibility & reliability to the 500 people living in the area.** The results of the assessment conducted by MDLF showed that 10% of the respondents described their access to sufficient amounts of clean water as above average before implementing the project. This is compared to 90% who describe their access as weak, of which 85% do not have access at all. After implementing the project, 97% of the respondents describe that their access to sufficient amounts of water is above average, and only 3% do not have access at all. This was emphasized by the results of the qualitative data, as one of the male community members said that *"we have extreme water shortages before the project that affected our daily life activities such as showering, cleaning, and others"*.

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

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

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



Development of Water Distribution Network in Al Morooj



Success Story # 4

Beit Qad Electricity Power Generation Plant- A capacity of 30 Mega Watts

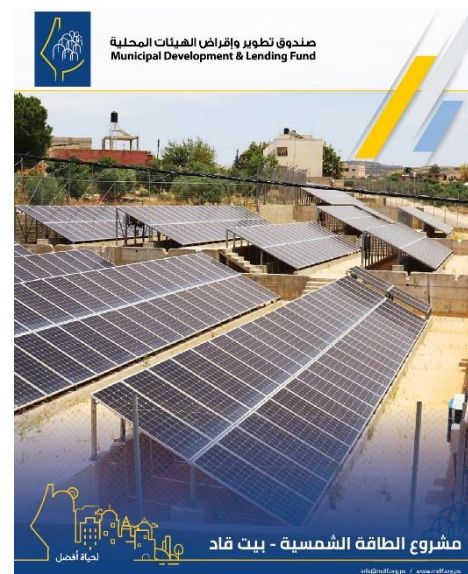
Beit Qad is a Palestinian rural village in Jenin Governorate in the West Bank. The village is located 5km from Jenin city. The village of Beit Qad has suffered from continuous power cuts for many years; especially during the peak periods in winter and summer. For this reason, it has become imperative for the Municipality of Marj Ibn Amer, which is responsible for 10 surrounding villages including Beit Qad, to find a realistic solution through a solar energy project. The project was implemented by an external contracting company and funded through MDLF under the Municipal Development Programme-MDP3. The project is located on a 3,000-square-meter land that was allocated by the Palestinian Government for the municipality, with a total project cost of approximately **EUR 247,000**. The project was successfully completed in February, 2022, serving about 2,000 residents in the villages of North Beit Qad, with a population of 500 inhabitants, and South Beit Qad, with a population of 1600 inhabitants.

Samer Hussein, a citizen living in the village of Beit Qad, comments that continuous power cuts have damaged a number of electrical appliances in his home during the past years which costed him great financial burdens. He adds ***"I'm very satisfied about the outcomes of the project which has contributed to providing energy to our village permanently, in addition to reducing the domestic electricity consumptions"***

Engineer Omar Abu Al-Rub, the Project Manager and the Director of Planning and Organization Department at the Municipality, said that the solar energy panels generate 30,000 kilowatts per month, which has contributed in reducing about 20% of the dependence on electricity coming from Qatar-Israel Electricity Company, and as a result reduced the financial returns to the Israeli side.

He also added, ***"During the next five years, the municipality of Marj Ibn Amer plans to produce 1 megabyte of electrical energy, in order to further reduce the financial returns to the Qatari-Israeli company, and on the other hand, reduce pressure on the electricity networks in the winter and summer"***. Abu al-Rub notes that the continuous rejection from the Israeli side to increase the electrical power was the main reason behind the frequent power cuts in the village. Therefore, the solar energy project has provided an efficient alternative to the residents.

"The solar energy project which had a positive impact on the lives of citizens, should be replicated in other localities in the governorate" Abu Al-Rub adds. Abu Al-Rub also comments that the project has contributed in relying on Palestinian human resources and has **created job opportunities**. It has also stopped the Israeli consolidation of electricity monopoly as it exercises exclusive **control** over the distribution of electricity which gave them the ability to cut electricity on certain localities without prior notification to the citizens. **Abu Al-Rub finally added that MDLF's projects and programmes have a positive feedback from citizens and contribute to the development of the recreational and developmental sectors.**





Success Story # 5 Ajja Public Park, An Outlet and Place for Entertainment

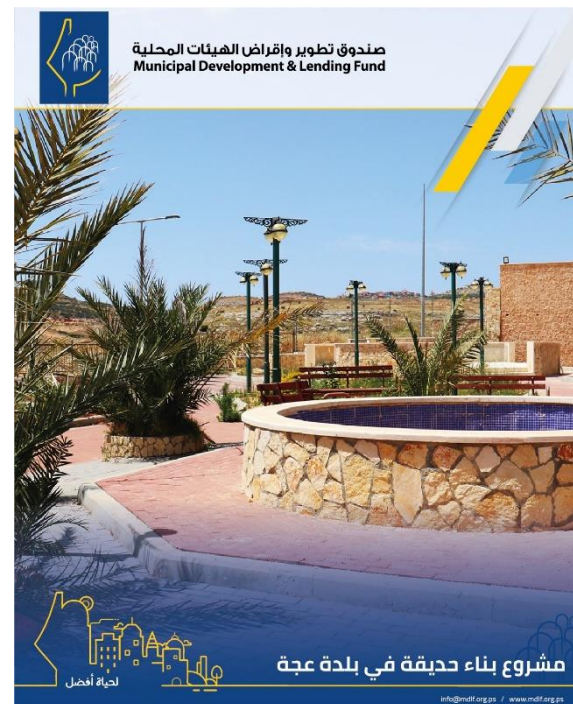
Ajja, a Palestinian village in Jenin, is home to about 6,000 residents who are struggling with poor outdoor recreational facilities. For many years, Ajja village did not have a public park to provide community *residents* the ability to connect, socialize and spend time with their children.

The municipality of Ajja realized the importance of having a community park which provides an opportunity to increase one's social interactions and gain a sense of social connectedness and commitment to the community. For this reason, Ajja Municipality included this need as a priority in its' strategic development and investment plan "SDIP". The project had a total cost of **EUR 173,000**, which was financed by MDLF under the Municipal Development Programme – MDP3) with a contribution of EUR 75,000 from the municipality.

Saeed Shehadeh, one of the residents expressed his gratitude with the project saying ***"Ajja village was in desperate need for this park, which represents an outlet and a place for entertainment for the parents and their children, especially during the summer. It is a place where children practice physical activities and engagement safely"***. Another resident **Mohamamd Ma'ali** also expresses that ***"People living in Ajja had to commute to other surrounding villages to spend some time in the park because Ajja did not have a similar public facility"***

The newly established park which is located on an area of about **5 acres**, serves about **6,000 citizens** living in Ajjah. It includes places for families and young people, games for children, a theater for holding cultural, national and social events, restaurants, and a parking lot.

Municipality mayor asserted that the establishment of the park was based on community members' consultations and decision. He pointed out that the park is located in a place that is far from residential areas to avoid any type of disturbance to the people living nearby. The park has an outstanding view where you can see a series of mountains covered with trees. The mayor stressed that the park is a national public place that provides its services to all citizens.





Success stories # 6

Comp.6 – MDP3 (Cash for Work Component)

Institutionalization of the GIS system at the municipal level

The employment opportunities that were provided at the municipalities have contributed to the institutionalization of the municipal work such as updating the GIS database including updating the numbers and data of buildings and facilities within GIS databases. GIS employment opportunities have helped municipalities improve efficiency and reduce staff workload.

MDLF's CfW component of Municipal Development Program has been engaging women in temporary income-generating opportunities. Ahlam Abu -Leilah, a female beneficiary of the program living in Gaza, said after participating in the CfW opportunity:

“The CfW opportunity was the best professional experience I had in three years. I was accepted as a Graphic Designer and had the chance to work in a team with different people from various backgrounds. I gained so many new skills such as projects management, leadership, and cooperation. This chance has inspired me to pursue my post education in Projects Management”
