



صندوق تطوير وإقراض
الهيئات المحلية
Municipal Development
& Lending Fund

ANNUAL REPORT 2025

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Annual Report 2025

Municipal Development and Lending Fund

(MDLF) – Palestine

February 2026



Our Vision

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

Our Mission

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

MDLF Values

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

Our Strategic Themes

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

To Our LGUs

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





Glossary

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



Board of Directors

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A Message from the Chairman of the Board of Directors

It is with deep appreciation and a profound sense of national duty that I present the Municipal Development and Lending Fund's Annual Report for 2025—a year that has redefined the landscape of local governance in Palestine and tested the resilience of our national institutions at every level.



The year 2025 unfolded against one of the most difficult political and humanitarian backdrop. The devastating war on the Gaza Strip and the intensification of Israeli military measures across the West Bank created conditions that severely obstructed municipal work, undermined fiscal stability, and placed extraordinary pressure on local governments striving to protect their communities and maintain essential services.

These realities were not merely operational challenges; they were a stark reminder of the political struggle in which our municipalities, village councils, and local institutions are on the frontlines—preserving Palestinian existence, safeguarding our urban and rural fabric, and upholding the rights of our people to live with dignity on their land. The demolition of projects, repeated stop-work orders, and systematic restrictions imposed on our communities—particularly in Area C—are part of a broader policy that seeks to erode Palestinian resilience and limit our developmental space.

Yet, despite these attempts to constrain our national development, our municipalities stood firm, and the MDLF, through its programs and partnerships, served as a critical pillar supporting their steadfastness. Through MDP Phase IV, municipalities demonstrated measurable progress in governance, transparency, service delivery, and citizen engagement—proving that Palestinians are capable of building strong, accountable, and modern local institutions even in an environment designed to prevent such progress.

Our emergency response mechanisms, activated amid severe fiscal and political pressure, ensured service continuity and generated much-needed employment for thousands of citizens during a period of widespread hardship. The emergency O&M interventions were not only technical accomplishments, they were acts of national protection, preventing the breakdown of essential services that communities depend on. Our work in Area C—despite demolitions, confiscations, and repeated obstruction—remains a fundamental political and developmental responsibility.

Through these actions, we continue to send a clear message: development in Area C is a national priority that reinforces our steadfastness and protects the future of our communities. At the same time, we advanced vital national priorities in climate resilience, renewable energy, solid waste management, and green public spaces—laying the foundations for a more sustainable future and demonstrating that even under occupation and instability, Palestine is committed to global standards of environmental responsibility and good governance.

This year, the MDLF also strengthened its role as a transparent, accountable national institution—one trusted by municipalities, citizens, the Palestinian Government, and our development partners alike. Our partnerships with the World Bank, AFD, GIZ, DRO, KfW, SDC, Enabel, the European Union, and many others reflect shared confidence in our ability to deliver results under the most difficult conditions.

As Minister of Local Government and Chairman of the Board, I extend my gratitude to every mayor, municipal employee, village council member, Joint Service Council, and MDLF staff members who worked with dedication, professionalism, and patriotism throughout 2025. Their efforts hold not only developmental value—but national value, rooted in resilience and the defense of our right to live, build, and flourish on our land.

H.E. Dr. Sami Hajjawi
Minister of Local Government
Chairman of the Board, MDLF



A Message from MDLF Director General

It is with great respect and deep responsibility that I present the Municipal Development and Lending Fund's Annual Report for 2025—a year that profoundly tested the resilience of our institutions, the dedication of municipal teams, and the strength of our partnerships. The war on Gaza halted all operations and destroyed critical services, while the West Bank faced heavy raids, movement restrictions, economic decline, and sharp drops in municipal revenue. These challenges compelled the MDLF to re-prioritize, safeguard essential services, and support municipalities under exceptionally difficult conditions.



Despite this environment, MDLF achieved significant milestones. In the West Bank, implementation progressed across flagship programs, most notably MDP Phase IV, where 86% of sub-projects were completed and municipalities continued advancing in governance, transparency, and service delivery. Through institutional development packages, 138 municipalities received targeted support in financial management, digital transformation, O&M systems, citizen services, climate resilience, and social inclusion.

A major achievement in 2025 was the launch of a dedicated MDP4 sub-window—supported by AFD and KfW—to assist North West Bank municipalities affected by repeated incursions. This intervention ensured continuity of essential public services and demonstrated MDLF's commitment to rapid, effective emergency response in an increasingly complex environment.

Our emergency operational framework also played a critical role, enabling remote supervision, continuous communication, and timely decision-making. Under the MDPIV emergency component, more than 713 emergency O&M interventions were delivered, ensuring service continuity, generating labor-intensive jobs, and providing urgent fiscal relief at a time of severe financial distress.

MDLF's commitment to vulnerable and marginalized communities remained unwavering. Despite demolitions, stop-work orders, and access restrictions, we continued implementing essential interventions in Area C, adapting designs and reallocating resources to protect donor investments. In alignment with our principle of "Leave No One Behind," the Village Council Support Project—financed by KfW—marked a strategic step toward strengthening rural governance, infrastructure, and institutional capacity across the West Bank.

Progress in climate action and green services was another highlight of 2025. MDLF introduced renewable energy solutions, energy-efficiency measures, green public spaces, and integrated solid waste management initiatives across multiple governorates. Phase I of the Integrated Solid Waste Management Projects established engineered sanitary landfills that reduce emissions, prevent environmental pollution, and ensure safer, more resilient waste services.

Our communication efforts also expanded significantly, enhancing transparency and public trust by documenting project milestones, donor missions, and national program launches in areas such as solid waste management, climate programming, and social recovery.

This report reflects not only achievements but also the courage, professionalism, and adaptability of municipalities, local councils, Joint Service Councils, consultants, and MDLF staff who served their communities in extraordinary circumstances. It also underscores the steadfast commitment of our development partners, whose trust and cooperation made it possible to advance local governance and municipal resilience during one of the most challenging years in our history.

As we look ahead, MDLF remains committed to strengthening municipal institutions, advancing climate-resilient development, supporting vulnerable communities, and safeguarding essential services—while laying the groundwork for recovery, reconstruction, and long-term sustainability.

Mohammad Ramahi
Director General
Municipal Development and Lending Fund (MDLF)



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Annex 1: ESHS Performance – Annual Report 2025



Executive Summary

In **2025**, the **Municipal Development and Lending Fund (MDLF)** operated in one of the most challenging contexts since its establishment. The ongoing war on Gaza led to the **complete suspension of all MDLF operations** in the Strip and the widespread destruction of municipal infrastructure, including facilities previously financed by the MDLF. This required MDLF to continuously reassess its engagement modalities and halt all planned activities in Gaza. Meanwhile, the West Bank experienced heightened instability due to intensified military operations, increased settler violence, severe movement restrictions, and recurring incursions. These conditions—combined with a deepening fiscal crisis marked by declining central transfers, reduced municipal revenues, and rising unemployment—significantly weakened LGUs’ capacity to sustain basic service delivery. Consequently, MDLF reprogrammed its interventions to safeguard essential services and prevent further fiscal and operational deterioration.

Access restrictions and security risks caused delays across several governorates and frequently disrupted field monitoring and supervision missions. To mitigate these challenges, MDLF activated emergency operational arrangements that enabled remote monitoring, coordination, and technical support to maintain minimum implementation continuity. In the northern West Bank, extensive damage to roads, water networks, and public facilities placed additional pressure on already resource-constrained municipalities. In **Area C**, repeated demolition orders and stop-work instructions halted critical community projects—such as schools and road infrastructure—impacting immediate service delivery and undermining long-term resilience.

Despite these challenges, MDLF reaffirmed its role as the leading national institution for municipal development, service continuity, and local governance resilience. Through its partnerships with the international donors, MDLF mobilized and efficiently deployed substantial resources across the West Bank, supporting a broad spectrum of needs—from infrastructure investments under **MDP IV**, emergency operational support under **Component 6/MDPIV**, climate-resilience measures under **Component 3/MDPIV**, and targeted development in **Area C**, to the nationwide employment efforts of the **Social Recovery and Job Creation Program (SRJCP)**. Despite extraordinary constraints, MDLF maintained one of the highest implementation and financial performance levels in the public sector, ensuring uninterrupted and high-quality services for millions of citizens.

In **December 2025**, MDLF hosted a multi-donor mission for the **Mid-Term Evaluation of MDP IV**, with international partners and national institutions reviewing program design, implementation progress, and safeguards. The findings—presented to the Minister of Local Government—highlighted the need for increased donor support in light of escalating pressures on local governments.

Evaluations under **MDP IV**—including the Municipal Ranking, Beneficiary Impact Assessment, Citizen Satisfaction Survey, and Client Satisfaction Survey—showed significant improvements in institutional performance, service delivery, and stakeholder engagement. The Beneficiary Satisfaction Assessment (sample: **408 respondents**) reported **92.6%** overall satisfaction and **93.4%** confidence in long-term benefits. Accessibility scored **84.1%**, meeting needs **81.9%**, while timeliness scored **45.1%**, reflecting delays linked to operational constraints. The GRM maintained strong performance, resolving **72.7%** of complaints with **93.8%** satisfaction among resolved cases, though participation was gender-skewed (**34.2%** male vs. **18.6%** female complainants). Year-over-year improvements from **2022–2025** were



significant: projects meeting needs increased by **+22.2%** and coverage by **+19.0%**, with the West Bank North consistently leading.

The Client Satisfaction Survey similarly showed strong results: in **2025**, **87%** rated communication positively, **97.4%** were satisfied with MDLF support methods, **94.8%** appreciated responsiveness, and **96.1%** affirmed transparency in project adoption. Technical consultants were well-received (**90.3%** noted improved implementation), while **77.9%** preferred working through consultants. Fairness in performance evaluation scored **82.5%**, and KPI support scored **98.1%**. These findings underscore MDLF's strong reputation for responsiveness and transparency while highlighting areas for improvement in communication, inclusivity, and evaluation fairness.

Across **MDP IV – Component 1 – the performance and services delivery component** - MDLF implemented or initiated **182 sub-projects** in **134 municipalities**, with **86%** completed, **11%** under implementation, and a cumulative **97%** of projects accounting for **99%** of the **EUR 22,281,562** allocation—one of the highest execution rates in the public sector. Roads accounted for **63%** of allocations, followed by water and service equipment (**8%** each). A technical audit of **25** sub-projects confirmed compliance with MDLF procedures and satisfactory quality.

With Gaza's allocations remaining frozen since **October 2023**, MDLF secured approval in **April 2025** from **AFD** and **KfW** to reallocate **EUR 7.61 million** to six northern municipalities heavily impacted by incursions. Of this, **EUR 5.6 million** was distributed across **30** reconstruction sub-projects: **16** are under implementation (**49%** of funding), **12** are in design stage, and **2** are under tendering.

Under **MDPIV-Component 2 – Institutional Development**, MDLF delivered capacity-building across all **138** municipalities, including climate resilience, social inclusion, financial management, O&M, digital transformation, and CSC development. MDLF advanced national reforms, including the **Intergovernmental Fiscal Transfer (IGFT)** system and the MoFP expanded property-tax mandates, with **46 municipalities** authorized to collect property tax out of **88** eligible.

Under **Component 3 – Climate Resilience**, five sub-projects in four municipalities—**Ramallah, Nablus, Jericho, and Dura**—were selected through a competitive process for adaptation and mitigation interventions. In parallel, the **Green West Bank Project (Enabel)** delivered major results: **1,000 kW** of solar PV installed, **3,232 LED streetlights**, high-efficiency pumps, and substantial SWM equipment for **five JSCs**, alongside climate-training for all **138** municipalities. These interventions generated **700,000 kWh/year**, avoided **1.58 million kg CO₂**, and saved **EUR 190,000** annually. Combined RE/EE measures now reduce **over 5,022 tons of CO₂** and save **more than EUR 1 million** yearly.

Under **Component 6 – Emergency O&M**, MDLF financed **713 sub-projects** valued at **EUR 36 million**, with **95%** allocated to essential recurrent expenditures and **5%** to labor-intensive O&M generating short-term jobs.

In **Area C**, MDLF continued implementing donor-funded development despite severe restrictions. Under **Package VI**, the **Haris Secondary Boys School** was completed, and funds from demolished projects were redirected to finalize the **Wadi Al-Nis Stadium** by **late 2026**. Under **SDC Phase II**, MDLF advanced sub-projects in **12 communities**, including completion of the Isla road and Qalandia playground, while the **Jit School** remains halted under a renewed **April 2025** order. Under **Package**



VII, MDLF progressed **14** infrastructure projects and completed institutional diagnostics identifying major capacity gaps.

Under the **Village Council Support Project (VCSP)**, financed by BMZ/KFW in a total **EUR 6 million**, **33 sub-projects** for **30 village councils** advanced through design and tendering. The portfolio includes **10 sub-projects (33%, EUR 1.66M) in appraisal**, **10 (33%, EUR 1.55M) pre-approved**, **5 (17%, EUR 711K) approved**, **3 (10%, EUR 341K) awarded**, **3 (10%, EUR 421K) in tendering**, and **2 (7%, EUR 287K) under evaluation**.

Nationally, the **Social Recovery and Job Creation Program (SRJCP)** allocated **USD 36.57 million** across **371 LGUs**, serving **2,930,533** people. MDLF received **460** applications (183 from municipalities, 277 from VCs) and approved **200** sub-projects (124 municipal, 76 VCs). The pipeline includes **255** sub-projects in appraisal or pre-approval, with **201** from village councils. Implementation began with **five** municipal projects. Employment demand was substantial—**19,977** applicants competed for **4,286** labor-intensive positions.

Under the **Integrated Solid Waste Management Project – Phase 1 (ISWMP-1)**, financed by the World Bank in a total **USD 25 million**, MDLF fulfilled all effectiveness conditions, launched procurement for essential equipment, initiated design consultancies for the **Zahrat Al-Finjan** and **Al-Minya** landfills, and began interim risk-mitigation measures. Sector assessments were launched to benchmark future phases.

Together, these achievements demonstrate MDLF's institutional resilience and operational agility during one of the most difficult years on record. Despite conflict, fiscal instability, and mobility restrictions, MDLF ensured continuity of essential services, protected municipal infrastructure, advanced systemic reforms, and laid the foundation for recovery, inclusive governance, climate resilience, and long-term modernization. The results of **2025** reaffirm MDLF as **the premier national institution for municipal development, crisis response, and local governance transformation** in Palestine.



Outreach and Communication

MDLF Communication and Outreach 2025

Throughout 2025, the Municipal Development and Lending Fund (MDLF) implemented a structured, results-oriented communication and visibility strategy aimed at strengthening institutional transparency, reinforcing stakeholder confidence, and showcasing the tangible development outcomes achieved through national and donor-funded municipal programs.

Communication and outreach activities were designed as an integral component of program implementation rather than a parallel function. They supported accountability, promoted informed public engagement, and highlighted MDLF's role as a national implementing partner who translates government policy priorities into effective on-the-ground interventions.

Through a comprehensive mix of digital communication, traditional media, publications, donor engagement, field documentation, and high-level visibility actions, MDLF ensured that development achievements across Palestine were clearly communicated, well contextualized, and publicly accessible.



Key Communication Results – 2025

- More than **15,000 public inquiries** were received and addressed through MDLF digital platforms.
- Continuous growth in social media reach, engagement, and content interaction throughout the year.
- A wide range of development activities, field visits, donor missions, and major project milestones were systematically documented and shared publicly through MDLF's official platforms.
- Strong engagement with municipalities, national institutions, donors, and local communities.
- MDLF's official social media platforms served as the primary sources of verified public information on municipal development initiatives.

Online Communication and Social Media

MDLF maintained a dynamic and consistent digital presence throughout the year, with social media serving as a core channel for outreach, transparency, and citizen engagement.

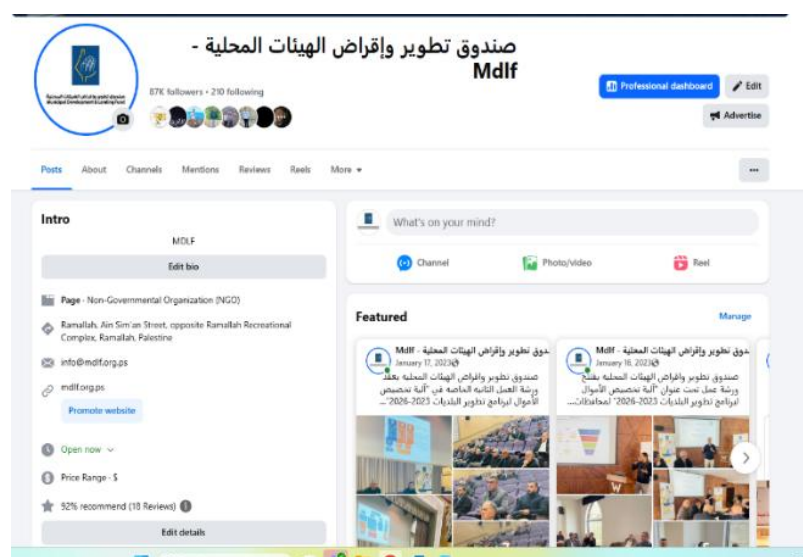
MDLF **official Facebook page** functioned as the primary public communication platform, publishing regular updates on project implementation, donor missions, inaugurations, training activities, and national program launches. Content emphasized visual storytelling through before-and-after photos, short videos, infographics, and field documentation.

Communication priorities focused on:

- Highlighting development impact at community level
- Demonstrating accountability and transparency
- Supporting citizen access to information
- Showcasing donor contributions and partnerships



This approach strengthened public trust and ensured wide dissemination of MDLF's development mandate across urban municipalities, rural councils, and Area C



communities.

Publications and Visibility Materials

In line with MDLF's branding and visibility guidelines, several communication materials were produced and disseminated throughout the year, including:

- Development and printing of new brochures and updated strategic publications aligned with MDLF's institutional identity.
- Production of honoring gifts and branded visibility materials used during donor missions, inaugurations, and official events.
- Preparation of project fact sheets summarizing objectives, scope, beneficiaries, and outcomes.
- Design and installation of branded banners and signage at project sites to enhance donor visibility and public awareness.

These materials reinforced MDLF's institutional image and ensured consistent visual representation across all programs



Media Engagement and Broadcast Coverage

MDLF continued to utilize television and radio platforms to communicate development priorities and project achievements. This approach strengthened public understanding of MDLF's role and reinforced transparency in program implementation.

Media engagement included:

- Television and radio interviews covering municipal development programs, recovery interventions, climate initiatives, and employment projects.
- Broadcast coverage of project inaugurations, donor visits, and national program launches.
- Dissemination of media content through MDLF digital platforms to expand outreach and public accessibility.



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



Donor Engagement and Strategic Visibility

Maintaining strong relationships with development partners remained a central pillar of MDLF's communication efforts. These engagements reinforced donor confidence, strengthened coordination, and ensured visibility of funded interventions. Throughout the year, MDLF hosted and participated in numerous donor missions, coordination meetings, and official visits, including:

- High-level MDP4 donor missions involving the World Bank, European Union, AFD, KfW, GIZ, Enabel, SDC, Denmark, and other partners.
- Field visits to municipalities across the West Bank to observe project implementation firsthand.
- Coordination meetings focusing on governance reform, climate change adaptation, solid waste management, and recovery programming.



Recognition ceremonies honoring key development partners for their continued support



Field Visits, Project Launches, and Inaugurations

MDLF supported extensive on-site communication through field visits and public events, including:

- Inauguration of infrastructure projects in northwest Jerusalem, Jericho, and rural municipalities.
- Launch of schools, municipal buildings, health centers, and internal road networks.
- Field visits under the Recovery and Job Creation Program across multiple governorates.
- Documentation of climate adaptation initiatives, solar energy installations, and environmental projects.



These activities emphasized community-level impact and demonstrated the tangible outcomes of development investments.



Capacity Building, Governance, and Social Inclusion Communication

Communication activities also supported institutional development and policy dialogue through coverage of:

- Emergency planning workshops under the Social Inclusion and Active Citizenship initiative targeting 138 municipalities.
- Training programs for village councils under Area C Development Package VI.
- Strategic planning sessions for newly established municipalities.
- National dialogue on disability inclusion in local government policies.
- Governance and institutional resilience forums in partnership with academic and governmental institutions.
- These efforts highlighted MDLF's role beyond infrastructure, emphasizing governance, inclusion, and institutional sustainability.



Climate Change and Environmental Communication

MDLF placed strong emphasis on environmental communication. These activities reinforced MDLF's commitment to climate resilience and sustainable municipal services among them:

- Climate change adaptation workshops focus on urban planning, green spaces, and sustainable mobility.
- Participation in regional Green Climate Fund (GCF) dialogue sessions addressing conflict-affected countries.
- Communication of integrated solid waste management programs and national sector strategies
- Field documentation of landfills, transfer stations, and environmental infrastructure upgrades.





High-Level Institutional Visibility and National Recognition

Throughout 2025, the Municipal Development and Lending Fund (MDLF) maintained a strong national presence through high-level institutional engagements, official launches, and signing ceremonies conducted under the patronage of the Palestinian leadership and in close coordination with relevant ministries and international partners. These events played a central role in reinforcing MDLF's institutional credibility, strengthening public accountability, and highlighting its role as a key national implementation partner for local development.

As part of these efforts, **the Prime Minister of Palestine received MDLF's Annual Report**, reflecting MDLF's commitment to transparency and its contribution to strengthening local governance, infrastructure development, and service delivery across Palestinian communities.



National Program Launches and Official Signing Ceremonies

Under the patronage and in the presence of **H.E. Dr. Mohammad Mustafa, Prime Minister of Palestine**, several strategic national initiatives were officially launched and signed during the year, reinforcing MDLF's leadership role in implementing large-scale development programs.

An agreement was signed in Ramallah for the implementation of the **Sebastia Integrated Regional Development Project**, funded by the **Government of the Republic of Korea through the Korea International Cooperation Agency (KOICA)**, with a total budget of **USD 9 million**, in cooperation with the Ministry of Local Government and the Municipality of Sebastia, and implemented by MDLF.

The project aims to preserve the cultural heritage of Sebastia while promoting sustainable local development through the rehabilitation of tourism infrastructure, improvement of public pathways and open spaces, establishment of a multipurpose community center, and creation of a women's handicraft center. Implemented over a five-year period, the project contributes to revitalizing the local economy, creating sustainable employment opportunities—particularly for women—and strengthening community resilience.



In the same context, and under the patronage of the Prime Minister, MDLF officially launched the **first component of the Social Recovery and Job Creation Program**, funded by the **World Bank with a total value of USD 40 million**, and implemented in partnership with the Ministry of Local Government, the Ministry of Labor, and the Ministry of Planning and International Cooperation.

The program aims to generate **more than 6,750 temporary job opportunities** for unemployed skilled and unskilled workers through small-scale, labor-intensive infrastructure projects, benefiting **371 local government units** across the West Bank and supporting economic recovery and municipal service continuity.

Strategic Agreements and National Policy Frameworks

MDLF also played a leading role in advancing national environmental and infrastructure frameworks through the signing of a **USD 36 million Solid Waste Management Agreement**, in partnership with the Ministry of Local Government, the Ministry of Planning and International Cooperation, and the World Bank. The agreement includes **USD 20 million in World Bank financing**, with an additional **€11 million anticipated from the Agence Française de Développement (AFD)**, covering the period **2025–2031** and focusing on modern, sustainable waste management solutions in the West Bank and Gaza.



Geographic Coverage

Communication and visibility activities covered projects implemented across the West Bank, including municipalities, village councils, marginalized communities, and Area C localities, ensuring balanced representation of urban, rural, and high-vulnerability contexts.

Through its comprehensive communication and outreach efforts in 2025, MDLF strengthened transparency, enhanced stakeholder engagement, and ensured clear visibility of development investments across Palestine.

These efforts positioned communication not only as a reporting mechanism, but as a **strategic instrument supporting institutional reform, public accountability, donor confidence, and sustainable local development**, reinforcing MDLF's role as a trusted national partner in advancing resilient and inclusive municipal services.





MDLF – Key Financial Allocations & Strategic Interventions

I) 2023-2027 Allocation Portfolio to LGUs: Direct Funding to Local Governments - Sub-grants to LGUs with a total **EUR 136,109,120**

Sub-grants to Municipalities (West Bank)

€118,742,510 distributed to 138 municipalities through:

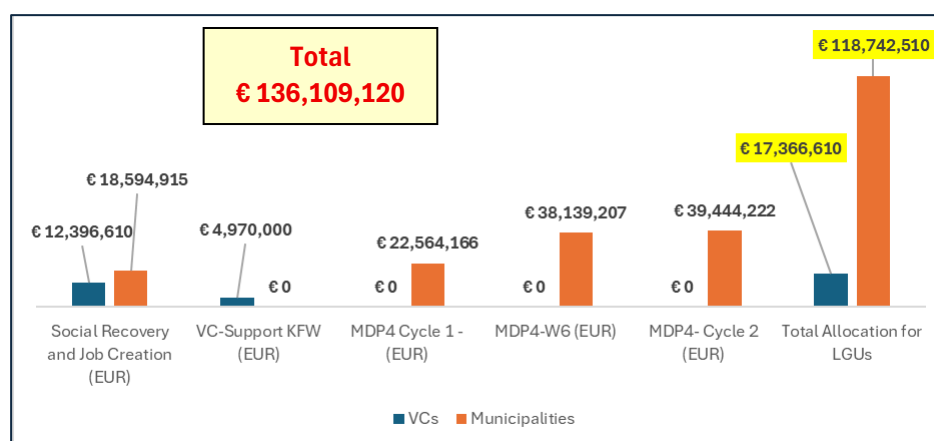
- MDP4 Cycle 1 & Cycle 2
- Emergency Window
- Cash-for-Work (C4W)
- Social Recovery Project

Sub-grants to Village Councils (West Bank)

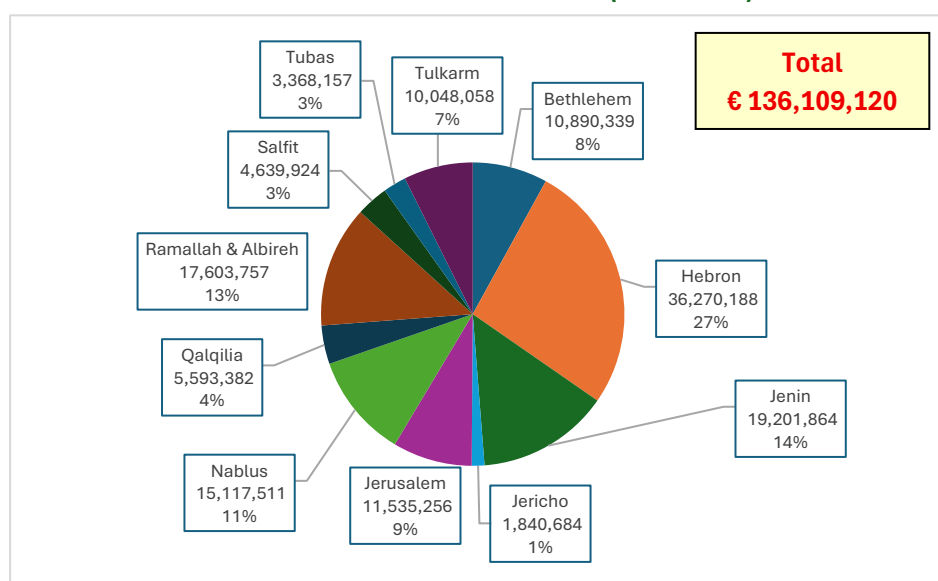
€17,366,610 distributed among 235 village councils through:

- Social Recovery and Jobs Creation Program (SRJCP)
- Village Councils Support Program

LGUs Allocations (2023-2027)



LGUs Allocations Per Governorate (2023-2027)





II) Institutional and Climate-Focused Support

-  **Capacity-Building Support for Municipalities:**
€9,230,093 have been invested in strengthening institutional performance, systems, and governance capacities.
-  **Climate-Change and Resilience Interventions:**
Competitively selected projects totaling **€10,762,444**, addressing:
 - Renewable energy systems
 - Energy efficiency
 - Climate adaptation and resilience
 - Environmental sustainability solutions

III) Strategic, Sector-Wide, and Area-Based Programs

Area “C” Development: MDLF continued implementation of Area C interventions with a combined investment of **€33 million**, covering:

- **81 localities**
- **107 development projects**
These interventions remain among the most complex and high-impact programs implemented under restrictive conditions.

Integrated Solid Waste Management Program

 MDLF launched the **Integrated Solid Waste Management Program (ISWMP-1)** with a total value of

\$25 million, focusing on:

- Landfill upgrades
- Heavy equipment procurement
- Waste container distribution
- National hazardous waste strategy development

Reconstruction of Northern West Bank Municipalities

 **€7.2 million** have been invested in reconstructing critical infrastructure and municipal assets damaged during incursions, targeting the most affected northern cities.

Overall Impact

These allocations and interventions demonstrate MDLF’s strategic leadership, effective donor coordination, and strong implementation capacity, enabling it to sustain essential services, strengthen local government resilience, and support recovery and reconstruction efforts across the West Bank under exceptionally challenging conditions.





MDLF Programmatic Focus & SDGs

SERVICE CONTINUITY & EMERGENCY RESPONSE

SDGs: SDG 11 – Sustainable Cities and Communities | SDG 1 – No Poverty

Related Program: Social Recovery and Job Creation Program, Emergency Support Components.

Ensuring uninterrupted municipal services in times of crisis

MDLF prioritizes the continuity of essential municipal services during political, economic, and security shocks. Through emergency financing, recurrent expenditure support, and rapid reprogramming, MDLF enables municipalities to maintain waste collection, water supply, electricity, road maintenance, and basic public services when local revenues are severely constrained.

Key focus areas/PROGRAMS

- Emergency operational and maintenance (O&M) support
- Labour-intensive municipal services
- Rapid response to infrastructure damage

ACCESS TO BASIC MUNICIPAL SERVICES

SDGs: SDG 6 – Clean Water and Sanitation | SDG 9 – Industry, Innovation and Infrastructure | SDG 11 – Sustainable Cities and Communities

Related programs: Municipal Development Program “Infrastructure and Services Delivery Components”

Equitable, safe, and reliable services for all LGUs

MDLF works to ensure that residents across urban, rural, and marginalized areas have equitable access to quality municipal services. Investments target historically underserved localities, with a focus on infrastructure rehabilitation, service equipment, and inclusive public facilities.

Key focus areas

- Roads and internal street networks
- Water and wastewater infrastructure
- Public facilities and service equipment
- Solid waste management systems

CLIMATE RESILIENCE & GREEN MUNICIPAL SERVICES

SDGs: SDG 7 – Affordable and Clean Energy | SDG 13 – Climate Action | SDG 11 – Sustainable Cities and Communities

Related program: Promotion of Green Services and Climate Change Initiatives in Local Governance- Green West Bank; Solid Waste Management Program

Reducing emissions while strengthening local resilience

MDLF integrates climate action into municipal development by promoting renewable energy, energy efficiency, and environmentally sustainable service delivery. These interventions reduce operational costs, lower emissions, and enhance resilience to climate-related risks.

Key focus areas

- Solar energy systems on public facilities
- Energy-efficient interventions
- Green public spaces and urban resilience measures
- Climate-responsive planning and investments

SOCIAL INCLUSION & EQUITY

SDGs: SDG 5 – Gender Equality | SDG 10 – Reduced Inequalities | SDG 11 – Sustainable Cities and Communities

Related programs: Area C Developmental Program, Village Council Support Program.

Leaving no community behind

MDLF ensures that vulnerable and marginalized groups benefit from municipal investments through inclusive planning, targeted interventions, and citizen engagement mechanisms. Special focus is placed on women, youth, people with disabilities, and communities in Area C.

Key focus areas

- Inclusive infrastructure design
- Citizen participation and consultation
- Gender-responsive and disability-inclusive services
- Area C development and protection of basic rights



Key Achievements FY 2025 (Outputs)

1. Water & Wastewater Sector

Water Infrastructure

-  Rehabilitation of 8 km of water networks
-  Construction of water reservoirs with a capacity of 400 m³
-  Installation of 2,000 prepaid water meters
-  Installation of 12 water and wastewater pumps

Wastewater Infrastructure

-  Rehabilitation / construction of 7 km of wastewater networks

2. Roads & Transportation Sector

-  Rehabilitation and paving of 60 km of roads

3. Energy & Electricity Sector

-  Rehabilitation / construction of 1 km of electricity networks
-  Installation of solar energy systems with a capacity of 2,300 kW
-  Installation of 4,702 energy-efficient or solar-powered lighting units

4. Public Facilities & Community Infrastructure

-  Construction of public facilities (halls, public buildings, schools) Total area: 4,149 m²
-  Rehabilitation / construction of 14,279 m² of:
 - Public parks
 - Playgrounds
 - Youth centers

5. Solid Waste Management Sector

-  Provision of 6,062 waste containers for local governments
-  Provision of 13 waste collection trucks
-  Provision of 5 mobile maintenance vehicles for solid waste equipment & containers
-  Supply of 13 equipment units including:
 - Bobcats
 - Cranes
 - Excavator
 - Maintenance tools

MDLF PROGRAMS AND PROJECTS





1. Municipal Development Program Phase IV

1.1 MDP IV Description

A. PDO

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

B. PDO Level Indicators

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

Table 1: MDP4 – PDO Results Area

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

C. Project Beneficiaries

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

D. Project Components

Component 1: Performance Based Service Delivery Grant

Component 2: Sector Policy and Institutional Development.

- **Sub-component 2.a: On-demand Capacity Development Support for Municipalities.**
- **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. This component consist of the following sub-components:

- **Sub-component 3.a: Natural hazard and climate change risk assessments.**
- **Sub-component 3.b Natural hazard and climate change adaptation investments.**
- **Sub-component 3.c: 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.

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



Component 5: Contingency Emergency Response

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

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

This component comprises of the two sub-components:

- **Sub-component (6.a)- Recurrent Expenditures:** Given the severe funding constraints facing municipalities resulting from the bad economic crisis, this sub-component will provide support to municipalities to cover part of their non-wages recurrent expenditures.
- **Sub-component (6.b)- Emergency labor-intensive Municipal Services:** this sub-component will provide financial support to municipalities to maintain local services provision through labor-intensive O&M and local infrastructure development activities. In addition to supporting the maintenance and continuity of service provision, this component will facilitate temporary job creation through a cash-for-work (C4W) element, partially addressing the wide-scale unemployment challenge expected to result from the current economic shut-down.

1.2 Financing Partners Contributions

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

Table 2: MDP4 Financing

Financing Partner	Cycle 1 Agreement (EUR)	Cycle 2 Agreement (EUR)	Additional Financing – Emergency Support (EUR)	Total Financing (EUR)	Percentage
German cooperation (via KfW)	28,000,000	12,000,000	9,595,588	49,595,588	32.77%
Enabel		8,442,383	0	8,442,383	5.58%
German cooperation (via GIZ)		799,999	0	799,999	0.53%
SDC		4,958,000	2,454,545	7,412,545	4.90%
AFD		8,000,000	10,000,000	18,000,000	11.89%
DRO		17,691,135	0	17,691,135	11.69%
PA		9,566,000	0	9,566,000	6.32%
WB		13,423,693	13,636,364	27,060,057	17.88%
MDTF		6,362,296	6,427,136	12,789,433	8.45%
Total				151,357,140	100%



Chart 1: Distribution of MDPIV Financing Per Doner

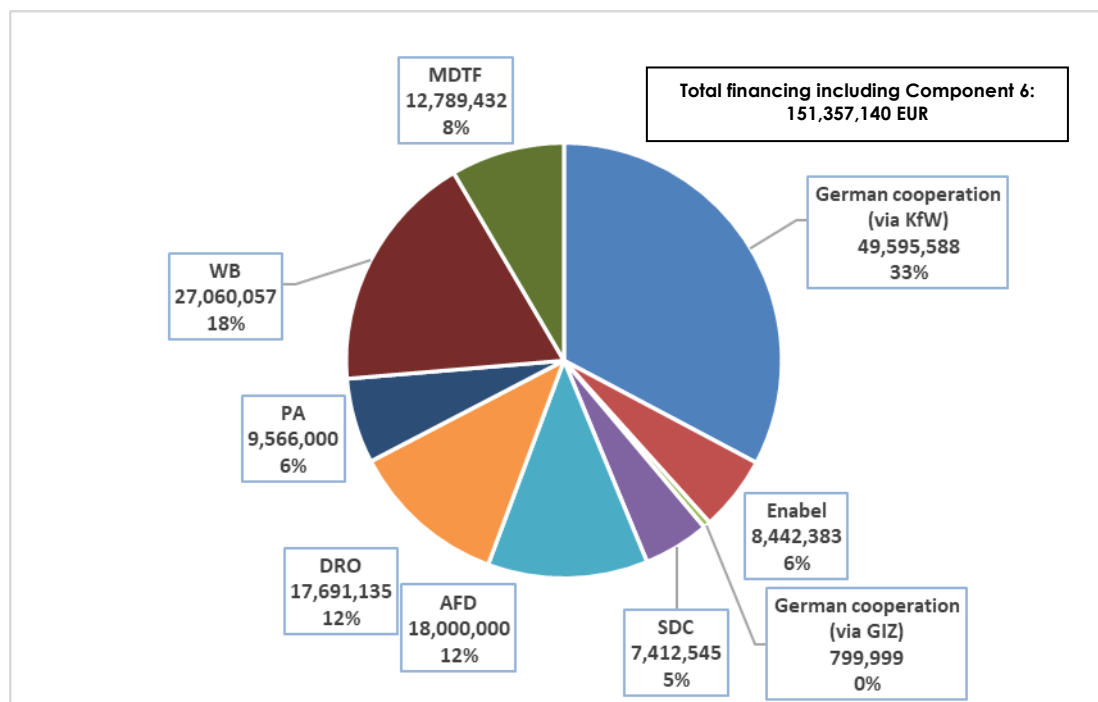
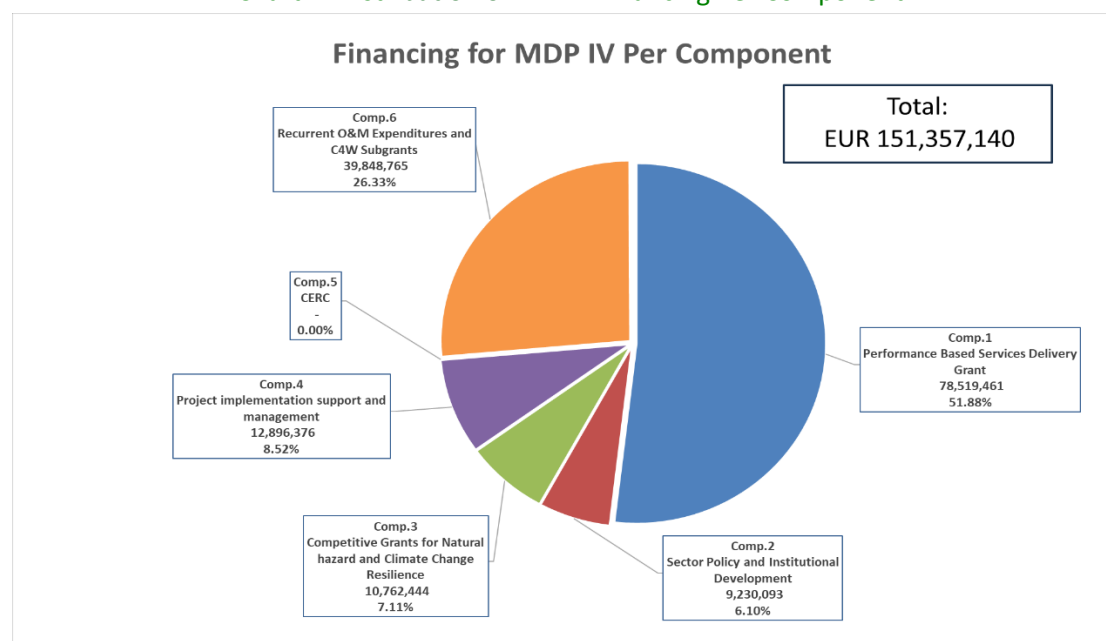


Chart 2: Distribution of MDP4 Financing Per Component





1.3 The Grant Allocation Mechanism “GAM”

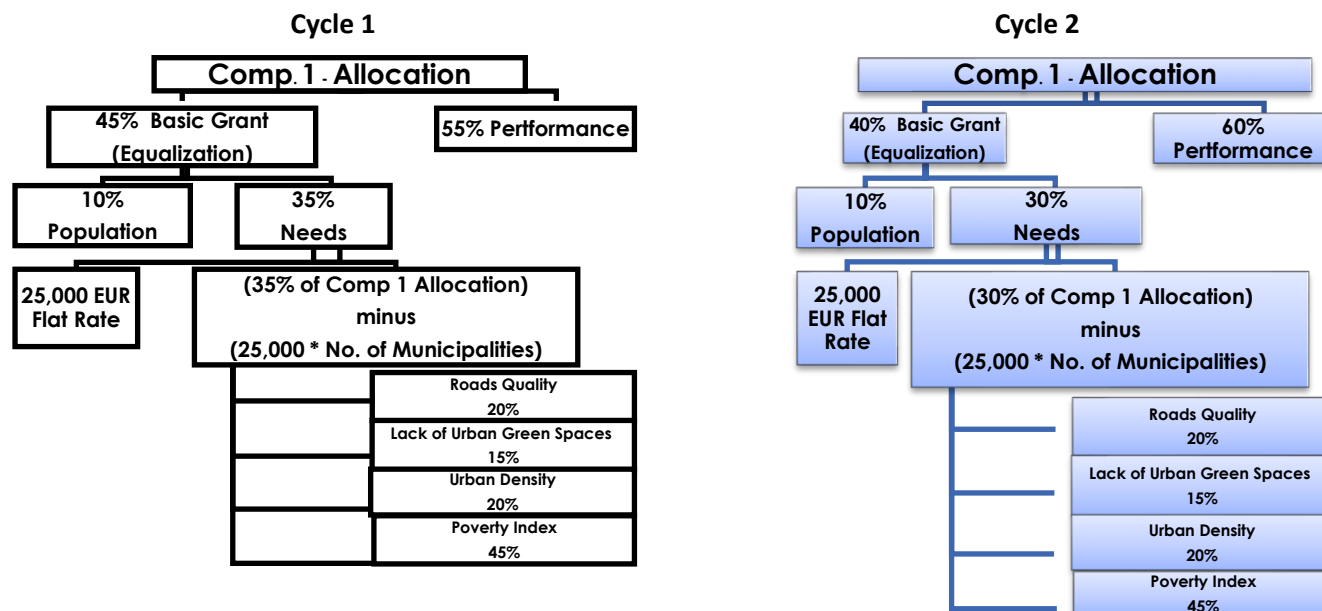
The following Grant Allocation Mechanism (GAM) concept for MDP 4 is based on the revised and updated GAM of MDP 3. The MDLF and the DPs agreed that the allocation formula for MDP 4 will be as follows: The allocated fund under component 1 will be distributed among eligible municipalities based on this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

Cycle 1:

- **45% of the total component 1 financing would be allocated for the block grant (less than MDP 3 by 5%):** The block grant will be allocated based on population (10%) and needs (35%). All municipalities will receive block grants, subject to eligibility criteria (minimum conditions). Regarding the needs, it consists of a flat rate of 25.000 EUR (no change compared to MDP 3), and the remaining needs allocation will be distributed based on existing infrastructure and access to services and based on the poverty index as calculated by the PCBS).
- **55% for performance (exceeds MDP 3 by 5%):** but with modified key performance indicators (19 KPIs for MDP4 vs. 21 KPIs for MDP3) and with modification on the graduation ladder.

Cycle 2:

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



Eligibility Criteria – Minimum Conditions:

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

Figure 1: Allocation Formula for MDPIV



Ranking

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

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

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

Table 3: Performance Graduation

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

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

Table 4: Fund allocation factors for different performance ranks

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

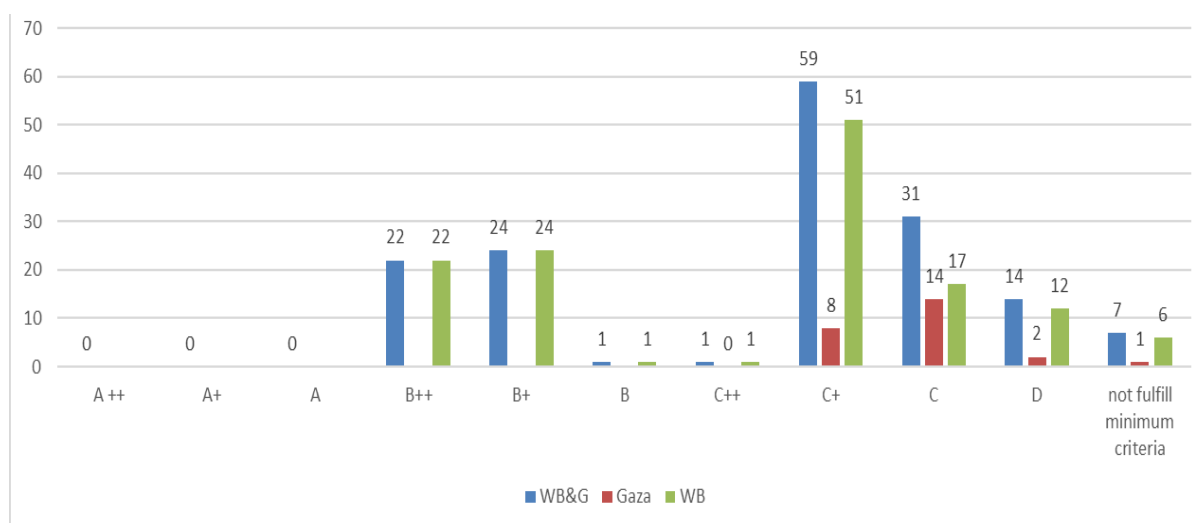
MDP4-Baseline - Ranking KPI 19

The results analyzed below are based on data available for the ranking of municipalities under MDP4 baseline ranking assessment, and the PCBS study on municipal infrastructure of 2023.

For the simulation, it was assumed that all 159 municipalities fulfilled the basic eligibility criteria and thus they are eligible for financing. Of those who are eligible, 152 municipalities will receive both basic grants and performance grants as they fulfilled the minimum conditions for performance ranking. However, 7 municipalities will receive only (basic grants) as they didn't fulfill the minimum KPIs for performance ranking. Chart 3 below shows municipalities ranking based on their compliance with the MDP 4 key performance indicators.



Chart 3: MDP4-Baseline - Ranking KPI 19 (West Bank and Gaza)

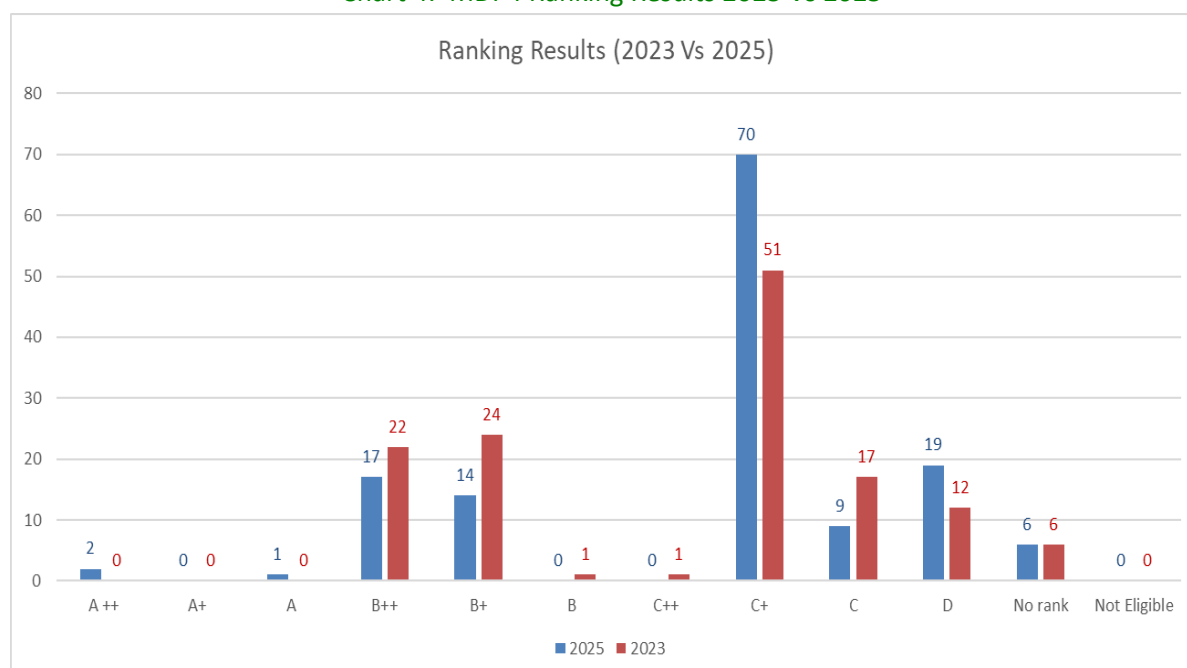


Midterm Assessment of Ranking - West Bank municipalities (Only)

The municipal ranking assessment was conducted again in 2025 after the completion of MDP4 cycle 1, Chart below shows the municipal ranking and the compliance of municipalities with the KPI's before launching MDP4 (2023) and after the completion of MDP4 cycle 1 (2025). The ranking results were concluded based on the compliance of municipalities in the West Bank (138) with 19 KPIs in addition to the 3 eligibility Conditions: i) Budget Approval, ii)SDIP update and ii) Use of net lending portal.

The ranking assessment FY 2025 was conducted for West Bank municipalities due to the fact that the performance assessment is no more valid for municipalities in Gaza Strip where the institutional set up was severely affected by the war after the escalation of Israeli war on Gaza after the 7th October 2023.

Chart 4: MDP4 Ranking Results 2023 Vs 2025

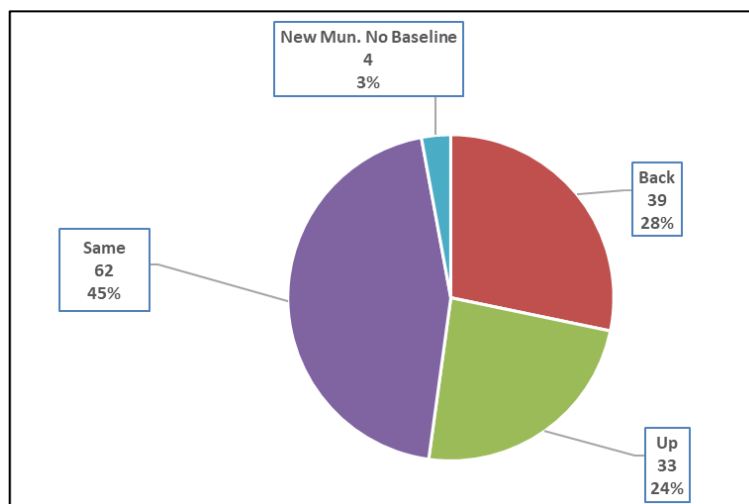




Ranking Assessment 2025 – Conclusions

- All **municipalities** have met the eligibility conditions, and the ranking process included an appeal phase where **84 appeals** were submitted, **24 dismissed**, **30 with no change**, and **30 resulting in rank adjustments**.
- KPI performance shows notable improvements: **Rank B municipalities improved from 66% in 2023 to 74% in 2025**, while Rank A rose from 35% to 39%, indicating gradual progress in higher performance tiers.
- Graduation analysis reveals that:
 - **33 municipalities moved up**, with **16 improving by one step**, **6 by two steps**, **6 by three steps**, and **5 by four steps**.
 - **39 municipalities were downgraded** due to non-compliance with critical KPIs such as fiscal autonomy, grievance mechanisms, and climate adaptation measures.
 - **62 municipalities maintained their baseline ranks**, primarily due to persistent gaps in financial management and social accountability practices.
 - **4 municipalities are newly established with 2025 ranks and no baseline FY 2023**.

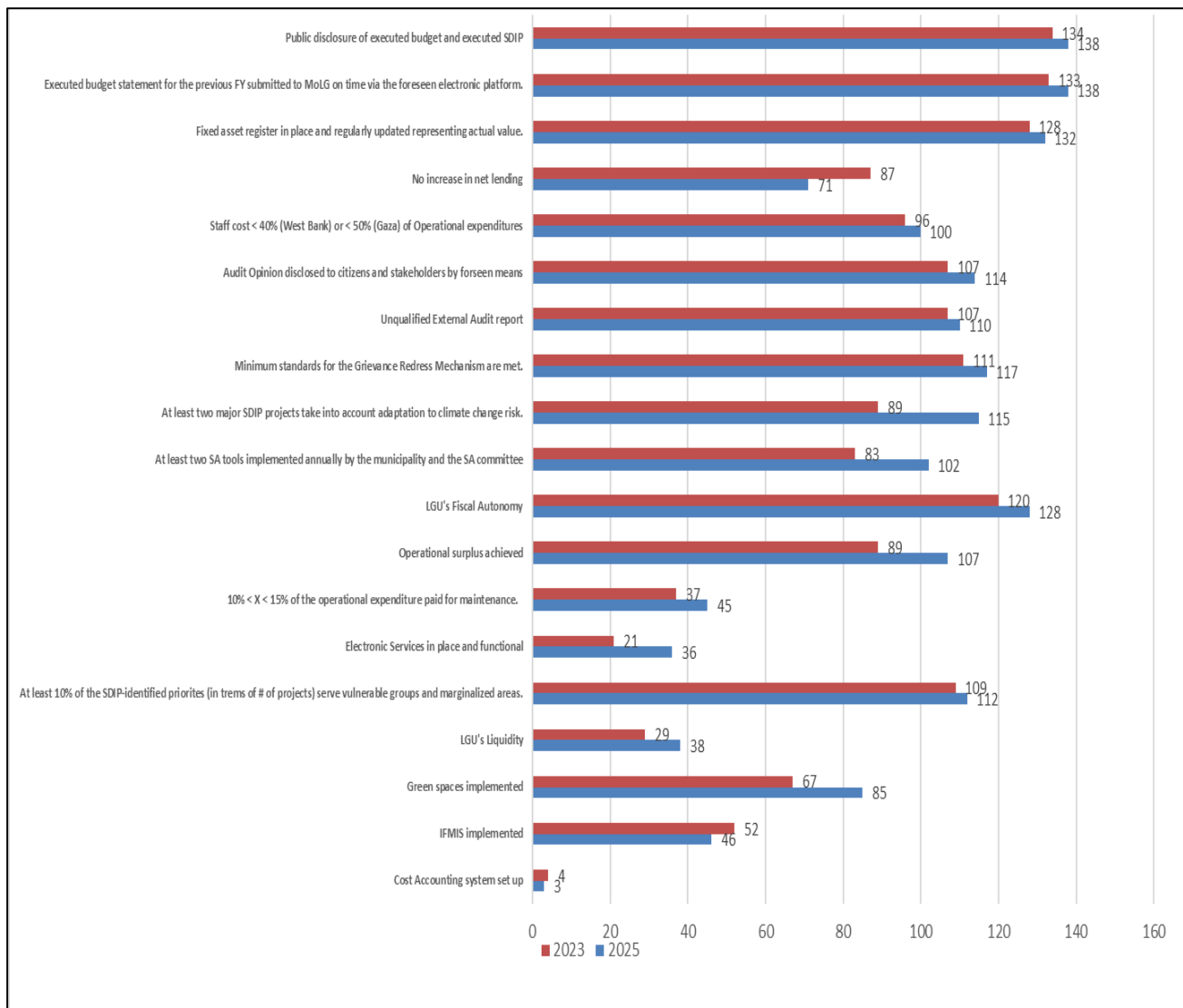
Chart 5: Graduation Status over the Period (2023-2025)



- The KPI analysis shows that municipalities continue to face major challenges in several areas, particularly the cost accounting system, IFMIS implementation, LGU liquidity, functional electronic services, and the share of operational expenditure allocated to maintenance, the staff cost and the increase in net lending. These persistent gaps highlight the need for MDLF to further strengthen capacity-building support.
- Compared with the 2023 baseline, the same indicators remain the main obstacles preventing LGUs from reaching higher performance ranks.
- Despite these challenges, most LGUs have the potential to move beyond Rank D once they meet the required eligibility criteria. Only six LGUs have not updated their fixed assets, which has prevented them from obtaining a rank under MDP IV.
- On the other hand, full compliance was achieved for two indicators: timely submission of the executed budget through the electronic platform and public disclosure of executed budgets and the SDIP.
- High compliance was also recorded for maintaining an updated fixed asset register (96%) and fiscal autonomy (93%).



Chart 6: Municipalities Compliance with KPIs (2023 Vs 2025)



- Municipalities Allocation (1st cycle)**

A total of **EUR 40 million** out of the total allocated fund for component 1 (**78,422,797 EUR**) was allocated to 159 municipalities in WB&G (134 in WB and 25 in Gaza). The allocation was calculated based on the agreed Grant Allocation Mechanism (10% pop, 35% for needs, 55% for Performance). Table 5 below illustrates the total allocation by doner and per WB&G.



Table 5: Allocation for MDP4 Cycle 1 by Donor

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



Special Note:

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

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

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

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

1.4. MDP4 - Implementation Status and Activities

Component (1): Performance Based Service Delivery Grant

Preparatory Activities for MDP4

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





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



Technical progress

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



Figure 2: Sample of Photos from the Engineers' sites visits to the proposed projects



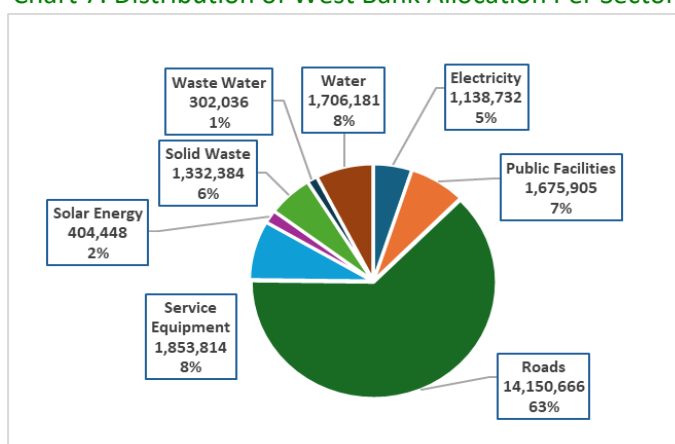
Analysis of Sub-projects per Sector

A total of 186 sub-project proposals were submitted by 134 municipalities in the West Bank. Analysis of these proposals reveals that 63% of the West Bank allocation will be invested in the roads sector, making it the highest priority. The second priority is the service equipment and water with 8% of the total allocation respectively. Public facilities constitute 7% of the budget, solid waste constitutes 6% of the total budget, and electricity 5%. On the other hand, solar energy and wastewater sub-projects have the smallest allocation shares, of 2% and 1% respectively.

Table 6: Distribution of West Bank Allocation Per Sector

Sector	Allocations (EUR)	% in terms of No Allocations	No of sub-projects	% in terms of No of sub-projects
Electricity	1,138,732	5%	15	8%
Public Facilities	1,675,905	7%	13	7%
Roads	14,150,666	63%	93	50%
Service Equipment	1,853,814	8%	17	9%
Solar Energy	404,448	2%	7	4%
Solid Waste	1,332,384	6%	12	6%
Waste Water	302,036	1%	4	2%
Water	1,706,181	8%	25	13%
Total (EUR)	22,564,166	100%	186	100%

Chart 7: Distribution of West Bank Allocation Per Sector



Projects Status:

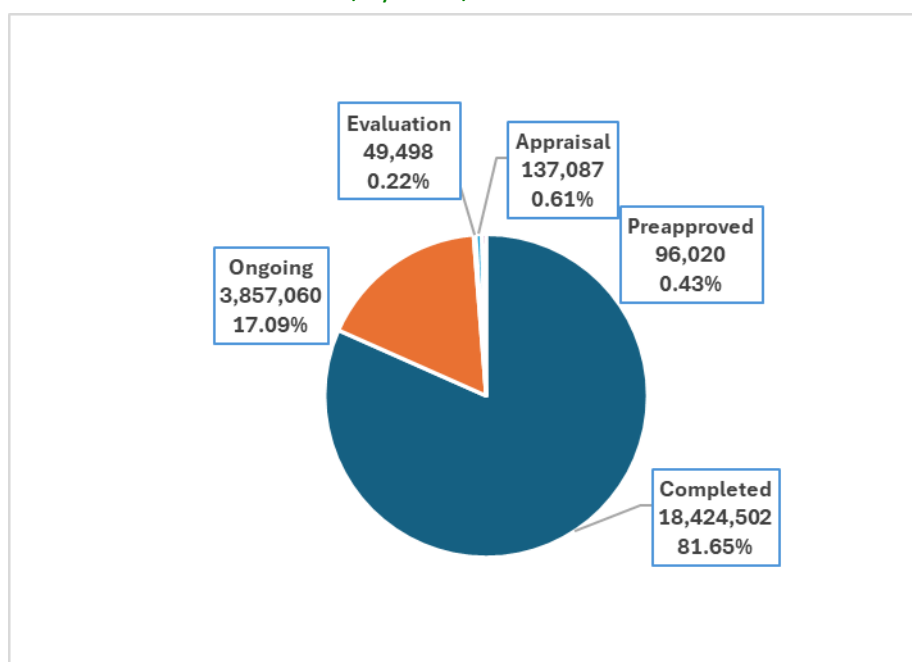
Regarding the status of the sub-projects, Table 7 and Chart 8 below illustrate the status of the sub-projects.

Table 7: Status of Component 1

Status	Allocations (EUR)	% in terms of No of Allocations	No. of projects	% in terms of No. of sub-projects
Completed	18,424,502	81.65%	159	85.5%
Ongoing	3,857,060	17.09%	21	11.3%
Evaluation	49,498	0.22%	2	1.1%
Appraisal	137,087	0.61%	3	1.6%
Preapproved	96,020	0.43%	1	0.5%
Total (EUR)	22,564,167	100%	186	100%



Chart 8: Status of MDP4/Cycle 01/West Bank in terms of Allocations



Status Analysis:

Regarding the implementation progress: In terms of No. of sub-projects, 85.5% of the total sub-projects are completed and 11.3% are ongoing. Together they constitute 96.8% of the total number of projects (**compared to 68% in end of 2024**). They also represent 99% of the total allocated budget EUR 22,281,562 (**compared to 67% end of 2024**). The remaining 6 sub-projects allocation represents only 1% of the total allocation and 3% of the total number of projects.

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

- **159 sub-projects** out of 186 were completed with a total allocation of **EUR 18,424,502**
- **21 sub-projects** out of 186 are undergoing with a total allocation of **EUR 3,875,060**
- **6 sub-projects** out of 186 are in the tendering/bid evaluation/awarding phase with a total allocation of **EUR 282,605**.

Environmental, Social, Health and Safety Performance:

Assessment and Management of Environmental and Social Risks and Impacts:

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

E&S Management Framework: MDLF has developed key instruments to manage E&S risks: including Environmental and Social Management Framework (ESMF), Labor Management Procedures (LMP), Land Acquisition and Livelihood Framework (LALF), Stakeholder Engagement Plan (SEP) and Environmental and Social Commitment Plan (ESCP)

MDLF has appointed a qualified team in the West Bank to manage the program's Environmental, Social, Health, and Safety (ESHS) risks and impacts. This team includes three Environmental Specialists,



three Social Specialists, and one E&S Liaison Consultant. The E&S consultants have conducted site visits to the sub-projects across 134 municipalities in the West Bank to assess the environmental and social conditions in the proposed project areas.

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

- 186 sub-projects under Component W1 were assessed.
- Projects were screened using 5 risk criteria and categorized accordingly.

Risk Level	W01 Projects
Low	26
Low-Moderate	37
Moderate	119
Substantial	0
Under Appraisal	4

Key Findings:

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

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

Labor and Working Conditions:

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

Resource Efficiency and Pollution Prevention and Management:

The E&S Consultants assisted municipalities in assessing potential pollution sources and waste production resulting from project activities. To date, most submitted projects are categorized as having low to moderate pollution risks. The municipalities have incorporated mitigation measures into the Environmental and Social Management Plans (ESMPs) prepared for these sub-projects to address



and minimize these impacts. The E&S assessments indicate that the anticipated risks associated with waste production range from low to moderate. The ESMPs and E&S checklists for the sub-projects include appropriate measures to mitigate these risks effectively.

Community Health and Safety:

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

Land Acquisition, Restrictions on Land Use and Involuntary Resettlement:

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

Biodiversity Conservation and Sustainable Management of Living Natural Resources

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

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

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

Cultural Heritage:

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



Stakeholder Engagement and Information Disclosure

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

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

Capacity Building:

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

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

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

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

Status of new reconstruction sub-component under component (1) with financing from the KfW and the AFD.

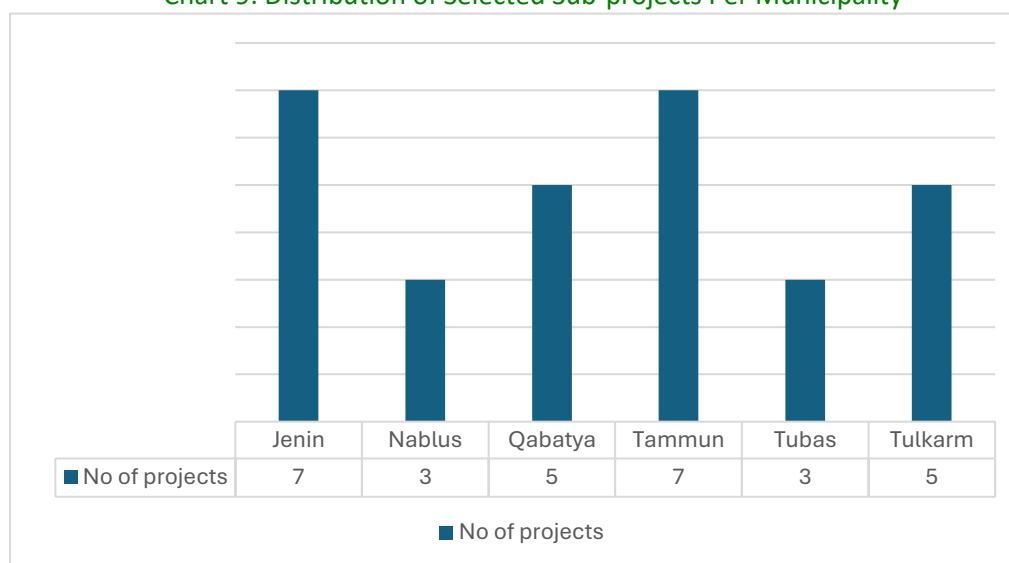
- Since **7 October 2023**, allocations for Gaza Strip municipalities have been **frozen** due to the inability to operate amid the ongoing Israeli war.
- During the **MDP4 – April 2025 mission**, the **Municipal Development and Lending Fund (MDLF)** decided to **reallocate Gaza-designated funds under Window 1, Cycle 1** to support **reconstruction of municipal infrastructure in Northern West Bank municipalities** affected by repeated Israeli military invasions over the past two years.
- **KfW and AFD** endorsed the reallocation of Gaza funds to the West Bank, amounting to: EUR 7,614,701 of which EUR 2,645,488 from AFD and EUR 4,969,213 from KfW. Both donors requested the preparation of a **dedicated Grant Allocation Mechanism** specifically tailored for this new sub-component. Accordingly, MDLF communicated the donor positions to the **Palestinian Authority Prime Minister** through the **Minister of Local Government**. The **Prime Minister**



approved the reallocation approach, acknowledging it as an urgent and essential measure to address the significant reconstruction needs in Northern West Bank municipalities.

- MDLF prepared a **Concept Note** detailing:
 - The damage assessment methodology
 - The criteria used to prioritize projects
 - The allocation strategy for available funds
 - A **phased implementation approach**, starting with first-priority projects, with flexibility for second and third phases based on access conditions and future funding.
- 30 infrastructure sub-projects** were selected across the following municipalities: (**Jenin, Nablus, Qabatia, Tammun, Tubas, Tulkarm**) as illustrated in chart 9 below.
- The selected sub-projects total **EUR 5,504,127**, drawn from the **EUR 7,614,701** allocated to this specific reconstruction sub-component.

Chart 9: Distribution of Selected Sub-projects Per Municipality



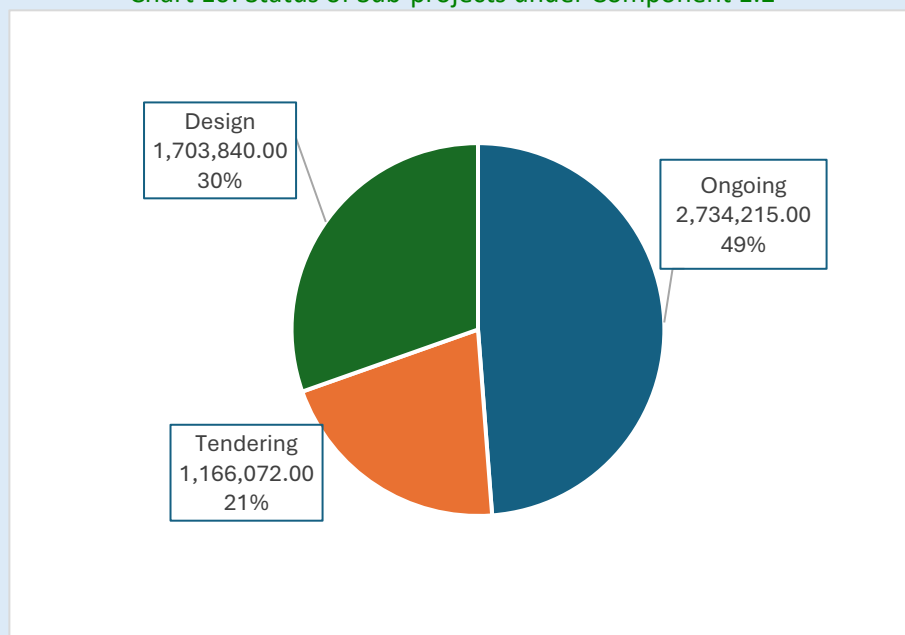
Internal Road Rehabilitation Works – Qabatia Municipality



Insights on Implementation Status for Component 1.2

The implementation status of the 30 selected sub-projects demonstrates steady progress across stages, with **16 sub-projects** currently under implementation, representing the largest share of both the portfolio—**"EUR 2,734,215 (49%) of the total allocation"**. Another **12 sub-projects** are in the design phase, forming an active pipeline and accounting for **"EUR 1,703,840 (30%) of the funds"**. The remaining **2 sub-projects** have reached the tendering stage, marking the transition from design to procurement and representing **"EUR 1,166,072 (21%) of the allocation"**.

Chart 10: Status of Sub-projects under Component 1.2



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. It comprises of two sub-components:





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

Sub-Component 2.a) On-demand Capacity Development Support for Municipality: This sub-component supports municipalities in improving their performance to graduate to a higher performance category in which they are currently classified; it supports consultant's services, training, and equipment for municipalities in both West Bank and Gaza Strip.

Capacity Building packages.

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

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

Standard packages: Financial packages, Operation & Maintenance, Citizens Service Centers, E-Municipality, and Social Inclusion.	New packages: Resilience, climate change, institutional package, advanced package.
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Newly formed packages can be defined in table 9 as follows:

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



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

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

- The capacity-building manual was updated to include new elements of MDP 4, such as the social and environmental aspects.
- Four orientation sessions (3 in WB and 1 in Gaza) were conducted for all municipalities to introduce the MDP 4 capacity building interventions.
- Application forms were updated and launched electronically on the MDLF website.
- The Grant Implementation Agreement - GIA's were updated.
- The Capacity Development plan was prepared for projects activities consistently with costing and procurement plan.
- The application forms were evaluated by the CB technical committee according to identified criteria.
- Municipalities were informed about the packages they were qualified for.
- ToRs were prepared for each package.
- A focal point for each municipality was nominated and selected for each package to facilitate the processes.
- New capacity development packages were identified and agreed upon, including the institutional package and the advanced package.



Upon completion of these preparatory activities, the total number of municipalities per package was finalized, and the status is detailed in Table 8 below:

Table 8: Number of municipalities per package and the status of each package

Package Name	Number of Municipalities (WB)	Updated Implementation Status	Planned actions for 2026
Financial Package (IFMIS)	22	- Strategic concept note was prepared; - Institutional & IT assessments were completed; - Hardware supply completed; - IFMIS software was contracted and the implementation in is progressing. - Coaching support company was contracted and the assignment is ongoing.	- Continuing implementing of IFMIS; with the support of the coaching team. - Completion target: Q3 2027.
Operation & Maintenance (O&M)	23	- IT assessment was completed; - Physical inspection and FARV updates were completed; - Hardware supply was completed; - O&M software deployment was completed; - Training is underway; with a Completion expected by Feb 2026.	- Complete training sessions; - Finalize implementation by Feb 2026.



Package Name	Number of Municipalities (WB)	Updated Implementation Status	Planned actions for 2026
Fixed Assets Registration & Valuation (FARV)	4 newly established municipalities: - Deir abu Dief, - Al Kom, - Dar Salah, and - Rafat.	- Field work was completed; - Forms were updated with a documentation accomplished; - GIS mapping was completed; - Final valuation is progressing .	- Submit updated forms and documentation; - Complete final valuation by Jan 2026.
Citizen Service Centers (CSC)	19	- Business process re-engineering was completed; - IT assessment was finalized; - Design & civil works were completed; - Furniture & hardware supply were awarded with a delivery time frame (Jan-Feb 2026); - The software TOR ready, pending for hardware installation.	- Deliver furniture and hardware Jan-Feb 2026; - Install software and print citizen charters after hardware setup.
E-Municipality (EMS)	14	- Readiness & IT assessments were completed; - Hardware supply was completed; - Software development TOR is under preparation; - Promotional materials are pending for software delivery.	- Finalize TOR for software development; - Develop promotional materials post software delivery.
Advanced Financial Package	15	- Cost accounting framework was developed; - IFMIS enhancement modules were integrated; - Advanced finance training are planned for 100 LGUs; - MFAT and STCAT tools are under implementation; with a completion scheduled Jan 2026.	Complete advanced finance training for 100 LGUs; Deploy MFAT and STCAT tools; Strengthen creditworthiness and revenue improvement initiatives.
Social Inclusion (SI)	138	- Comprehensive diagnostic was completed across 138 LGUs; - Municipal Inclusion Protocol and customized SOP packages were developed; - Capacity building initiatives are underway (Gender & Social Transformation, Public Consultation, Social Accountability); - Complaint responsiveness study was completed.	- Roll out customized SOP packages; - Continue capacity-building programs; - Implement inclusion protocols across all departments.
Climate Change (CC)	138	- 138 municipalities were engaged in climate resilience training; - Multi-stakeholder training was completed; - Three-module curriculum were delivered; - SOPs and KPIs were development.	- Continue integration strategies for climate resilience; - Monitor implementation progress.

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

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



Intergovernmental Fiscal Transfer (IGFT) System

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

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

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

Progress to Date

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

Transportation Fees

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

Recent measures introduced by the Minister of Local Government aim to enhance transparency and fairness in the allocation process. A dedicated committee has been established to review allocation criteria and oversee disbursement. The MoLG has provided the Ministry of Finance with detailed allocation lists and agreed on monthly transfers of NIS 10–12 million, which the Ministry of Finance has committed to maintain. Distribution criteria for 2024 is illustrated as follows:

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



Property Tax

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

- **88 municipalities are now eligible to collect property tax** based on completed valuation processes.
- **46 municipalities have already been granted the official collection mandate**, enabling them to begin or continue collection. Of those 46 municipalities, **39 municipalities are actively collecting property tax**, while **7 more are approved but awaiting final administrative clearance** to start.
- An additional **5 municipalities are still pending Council of Ministers' approval** to receive the mandate.
- The overall plan is to **transfer the property-tax collection mandate to all 88 eligible municipalities by the end of 2025**, while valuation work is underway for **another municipalities** to further expand the system.
- The Ministerial Committee for Reform has endorsed MoLG's proposal to allocate 100% of collected revenues to municipalities (up from the current 84%), and the Council of Ministers has referred the matter to the Minister of Finance and Planning and the Minister of Local Government for a final decision. The Ministry of Finance has expressed concerns over the fiscal and legal implications of this change.
- Further evaluation will be required to assess revenue collection efficiency and the actual fiscal impact of the reform.
- MOLG and DG for properties are working to develop an action plan for 2026 to accelerate the process of transferring the collection to LGUs as well as to promote the valuation of the remaining municipalities.

Profession Fees

Progress has also been achieved regarding profession fees:

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

Net lending and settlements:

- More than 154 LGUs settled their debt with the ministry of finance by the end of 2025.
- The payment of electricity bill from LGUs reached 71% of total amount comparing with 54% at the end of 2024.





Capacity Building for MOLG

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

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

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

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

Implementation progress for each component can be summarized as follows:

3.1: Natural hazard and climate change adaptation investments

3.2: Promotion of Green Services and Climate Change Initiatives in Local Governance

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

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

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

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

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



The following sections outline the methodology and actions undertaken during each phase of the evaluation, from the initial review of applications to the final selection of projects.

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



Figure 3: Site Visit to Salfit Projects



Figure 4: Dura Project Site Visit



Figure 5: Site visit to Jericho Projects

- **Assignment of Grades:** using the comprehensive information gathered from the application review and field visits, the MDLF evaluation team completed the evaluation sheets for each project. Drawing on both the submitted documentation and field observations, the team assigned scores based on a range of evaluation criteria, including:

- Technical feasibility
- Relevance to local needs
- Potential impact
- Financial sustainability
- Institutional capacity
- Alignment with Window 3 objectives

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

- **Selection of Winning Projects:** projects were ranked in descending order based on their overall evaluation scores, reflecting their performance across all criteria. The top five projects were then selected for funding, representing the most compelling and well-prepared proposals with the highest potential to contribute to Window 3's strategic objectives.

These winning projects demonstrated strong technical soundness, financial and institutional feasibility, and the capacity to generate sustainable, tangible benefits for their target communities. As illustrated in the table below, the selected projects have a combined total cost of €2.66 million and span various sectors, including stormwater drainage, wastewater treatment and reuse, solar energy, water network improvement, and solid waste management as listed in the below table.

Table 9: Selected Project under the Competitive Window 3

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

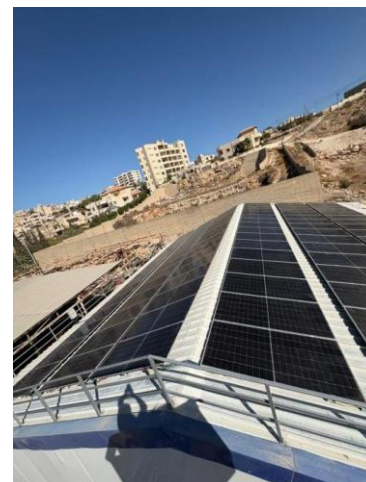


- The consultancy firm for supporting municipalities in the design and implementation of the projects was contracted and the projects are currently under design.

✓ **Sub-component 3.2: Promotion of Green Services and Climate Change Initiatives in Local Governance (Enabel Contribution to MDP4)**

The component under Sub-Component 3.2 aims to enhance environmental sustainability and community well-being by reducing emissions, promoting a circular economy, improving energy efficiency, and advancing innovative waste management solutions. It targets eight beneficiary areas, including Hebron, Nablus, Tubas, Bethlehem, North and South-East Jerusalem, Jenin, Tulkarem, and Qalqilya.

- Under the renewable energy portfolio, assessments were completed and ten sub-projects were identified across multiple municipalities and JSCs. Seven of these sub-projects have already been completed, one is under implementation, and two are in the tendering and design stages. To date, the project has installed a total of 1,000 kW of solar PV systems across the targeted clusters, contributing to an expected 95% reduction in electricity consumption for the facilities benefiting from these interventions. Similarly, energy efficiency interventions have progressed over the past two years.
- Fourteen EE sub-projects were identified under the original scope, seven of which were completed while the remaining seven are under implementation. A second amendment expanded support to additional municipalities in the northern West Bank, resulting in seven more EE projects—two completed and four ongoing, and one is still under design/tendering stage. Installed interventions include high-efficiency water and wastewater pumps, as well as 3,232 LED street-lighting units. Estimated savings are significant, with expected reductions of 65% for pumping systems and 50% for street-lighting.
- Solid waste management interventions for five JSCs also advanced considerably. Procurement was completed for key equipment, including five solid-waste compacting trucks, five mobile maintenance workshop vehicles, 2,580 waste bins, and 693 cardboard cages. Most SWM equipment has been delivered, while some items such as composters and small trailers are still in progress. These investments directly support the operational capacity of the JSCs and contribute to improved waste collection and separation services.
- The project's capacity-building component exceeded expectations. Climate-change training was delivered to all 138 municipalities across the West Bank, reaching an average of 171 participants through 56 training sessions on climate-responsive urban planning, green spaces, mobility, and SOP development. Post-training assessments showed that approximately 82% of participants reported enhanced knowledge—surpassing the 80% target.
- Development of green public spaces progressed through a competitive conceptual-design process managed jointly with Birzeit University, the MoLG, and the Engineers Association. Undergraduate students produced conceptual designs for four sites, which will be further developed once the





design and supervision consultancy is contracted. This approach strengthened civic participation and aligned with the revised project strategy.



Figure 6: Supply of 5 five mobile maintenance vehicle for 5 JSCs & 5 waste

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

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

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

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

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

Additional Financing Sub-Components

1. Subcomponent-6.a Recurrent Operating Expenditures

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



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

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

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

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

- 65% for equalization (EUR 30,000) per municipality) and the remaining will be distributed per capita.
- 30% based on the Poverty Index at the municipal level of PCBS.
- 5% based on verified recent damages sustained on municipal infrastructures and assets.

Component 6 Financing

The financing includes confirmed commitment of 15 million dollars from the World Bank, 7 million dollars from the multi-donors trust fund “MDTF”, EUR 10 million from the French Development Agency (*Agence Française de Développement*), EUR 9.56 million from the German FFO via KFW, and 2.7 million dollars from the SDC.

Table 10: MDP4 - Additional Financing Per Donor

Budget for Additional Emergency Financing - MDP4 (EUR) - Updated Sep 2025										
Component		WB - Reallocation from original Agreement	WB - New Agreement	MDTF	FFO vis KFW - 1st Agreement	FFO via KFW - 2nd Agreement	AFD	SDC	Total (EUR)	%
Copoent 6	Recurrent O&M Expenditures and C4W Subgrants - West Bank	815,005	12,681,818	5,845,318	4,650,000	2,564,338	9,300,000	2,282,727	38,139,207	88.7%
	Recurrent O&M Expenditures and C4W Subgrants - West Bank - Gaza	0	-	-	-	1,709,559	-	-	1,709,559	4.0%
	Rebuilding MDLF-Gaza Office	0	-	-	-	-	-	-	-	0.0%
Component 4	Project implementation support and management	66,124	954,545	581,818	350,000	321,691	700,000	171,818	3,145,997	7.3%
	4.a M. fees	66,124	954,545	445,455	350,000	321,691	700,000	171,818	3,009,633	7.0%
	4.b LTCs			136,364					136,364	0.3%
Total (EUR)		881,129	13,636,364	6,427,136	5,000,000	4,595,588	10,000,000	2,454,545	42,994,763	100%
		944,629							944,629	
	%	2.0%	31.7%	14.9%	11.6%	10.7%	23.3%	5.7%	100%	



The fund was distributed among municipalities on tranches as follows:

- **The 1st tranche with a total financing EUR 29,189,869** was distributed among 138 municipalities in the West Bank.
- **The 2nd tranche with a total financing EUR 6,385,000**, the allocation **which was originally allocated for Gaza, particularly from the AFD and FFO-KfW 1st agreement**. It was decided to be utilized as a top up for West Bank municipalities. This decision was undertaken by the “AFD and German via KfW” following the discussion during the MDP4-April-2025 mission. The fund was utilized primarily for recurrent expenditure.
- **The 3rd tranche with a total financing EUR 2,564,338 from the FFO-KfW (2nd agreement) with was distributed among 138 municipalities in the West Bank, leaving EUR 1,709,559** allocated for Gaza municipalities and remains on hold until conditions allow for implementation. If the situation continues to prevent intervention in Gaza, the funds may be reallocated to West Bank municipalities, with a final decision expected by the end of Quarter 1, 2026.

Typology of Sub-project under Component 6.

- A total of **713 sub-project proposals** were submitted by 138 municipalities in the West Bank with a total allocation of **38,139,207**. The typology of the sub-projects is categorized as follows:

Table 11: Description and Analysis of sub-projects under Comp.6					
	Recurrent Exp. Sub-projects	Emergency labor-intensive O&M of municipal services	Total		
No. of Sub-projects	665	48	713		
Allocation (EUR)	EUR 36,097,946 representing 95% of the total allocation	EUR 2,041,261 representing 5% of the total allocation.	EUR 38,139,207		
Description of Sub-projects	Projects covering the municipal recurrent expenditure include municipal electricity bills, fuel and oil fees, insurance fees, water bills, wastewater and solid waste fees. Covering the solid waste fees constitute the biggest bulk, with electricity fees and fuel fees coming next.	O&M include projects such as the employment of workers in various municipal affairs, mostly maintenance of roads.			
Quick analysis of the above reveals that municipalities prioritize covering their recurrent expenditure to sustain basic operating services and to partially compensate for potential decline of revenues given the severe funding constraints facing municipalities resulting from the bad economic crisis.					
Type	Total Allocation (EUR)	Total No. of Sub-projects All Tranches	No. of Projects under Tranche 1	No. of Projects under Tranche 2	No. of Projects under Tranche 3
Recurrent expenditures	36,097,946	665	337	178	150
Operating and maintenance	2,041,261	48	44	4	0
Grand Total	38,139,207	713	381	182	150



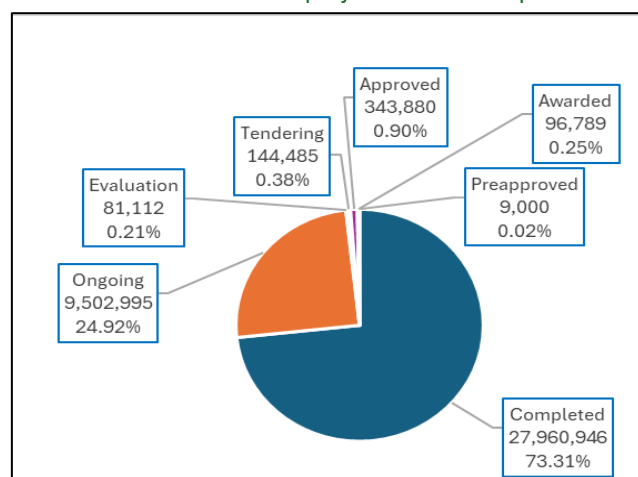
Implementation Status of Component 6.

The implementation of this component is progressing with **424 sub-projects are completed** and **263 are undergoing**, both constitute around **96.3% of the total no. of sub-projects** with total allocation **EUR 37,463,941 amounting around 98.2 % of the total entire allocation for West Bank municipalities.**

Table 12: Status of Sub-projects under Component 6

Status	1st Tranche			2nd Tranche (through shifting Gaza allocation to West Bank)		3rd Tranche - Additional Financing from FFO2-KFW		Total (All Tranches)	
	Allocations (EUR)	No. of Projects (1st Tranche)		Allocations for (2nd Tranche - through shifting Gaza	No. of Projects	Allocations (EUR)	No. of Projects	Allocations (EUR)	No. of Projects
Completed	22,406,761	259		3,875,680	86	1,678,505	79	27,960,946	424
Ongoing	6,409,623	111		2,211,909	82	881,463	70	9,502,995	263
Evaluation	33,576	2		47,536	3			81,112	5
Tendering	144,485	2		0	0			144,485	2
Approved	129,423	3		210,087	8	4,370	1	343,880	12
Awarded	57,001	2		39,788	3			96,789	5
Preapproved	9,000	2		0	0			9,000	2
Total	29,189,869	381		6,385,000	182	2,564,338	150	38,139,207	713

Chart 11: Status of Sub-projects under Component 6





Management of Environmental and Social Safeguards for Component 6

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

Risk Level	W6 Projects
Low	343
Low-Moderate	336
Moderate	27
Substantial	0
Under Appraisal	7



Internal Road Maintenance and Beautification Works – Beita Municipality
Operation & Maintenance Project – Additional (Emergency) Financing
(MDP IV) – Window 6



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

Table 13: MDP4 Results Framework

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

Project Development Objective Indicators

Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
Greater municipal capacity				
Municipalities that graduate up the performance category in which they are currently classified (Number)	0.00	80.00	50	33 municipalities representing 24% of the total number of WB municipalities 66% of the endline target. 2 municipalities graduated to: A++ 1 municipality graduated to: A 10 municipalities graduated to: B++ 4 municipalities graduated to: B+ 9 municipalities graduated to: C+ 3 municipalities graduated to: C 4 municipalities graduated to: D as they didn't met the minimum conditions for ranking in the baseline ranking assessment 2023.
Greater municipal accountability				
Beneficiaries satisfied with the services provided under the project (Percentage)	0.00	75.00	75	Based on responses from 408 beneficiaries across West Bank regions from 27 sub-projects under Component 1, selected from the official MDLF sub-project list shows very high satisfaction with project outcomes, relevance, and sustainability. Overall Satisfaction Level: 92–93% Key interpretations: - 92–93% of surveyed residents are satisfied or very satisfied with MDP IV projects. - 70% rated implementation quality at the highest possible level. - 80% report that assets remain in good condition. - 95%+ consider the projects relevant to community priorities. - 93% expect benefits to continue long-term. This extremely high overall satisfaction highlights that MDP IV investments are effective, visible, valued, and sustainable. • 72% of surveyed HH's have people under 18. Their % of satisfaction is : 93% • 6.4% of HH's have disabled person within the family members. Their percentage of satisfaction is 88%
People under 18 years of age (Percentage)	0.00	50.00	50	
Percentage of which are people with disabilities (Percentage)	0.00	10.00	10	



Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
Greater Municipal service sustainability				
Direct beneficiaries of Component 1 and 3 activities (Number)	0.00	1,000,000.00	600,000	The completed project so far under component (1) and (3) benefit more than 600,000 beneficiaries.
Percentage of which are women (Percentage)	0.00	50.00	50	Achieved 50% (270,000)
Percentage of which are people with disabilities (Percentage)	0.00	10.00	10	5% based on PCBS figures (27,000)
Percentage of which are people under 18 years of age (Percentage)	0.00	44.00	44	44% (237,600)
Operations Manual for the IGFT prepared and adopted (Yes/No)	No	Yes	Yes	A draft framework was prepared and shared with stakeholders.
Greater resilience to disasters				
Number of subprojects completed that address natural hazard and climate change risks (Number)	0.00	25.00	15	<u>22 Projects under component 3 and 1 as follows:</u> - 5 sub-projects were identified under component 3 that address climate change, specifically in the sectors of Solid Waste Management (Separation), Drainage Systems to enhance the infrastructure resilience for flash flooding, Water Harvesting and Irrigation, Sludge management, reuse of treated wastewater). Adding to that, 17 sub- projects under component 1 are marked as CC interventions.
Intermediate Results Indicators by Components				
Component 1: Performance Based Service Delivery Grant Transfer				
Percentage of projects implemented by the program for the benefit of vulnerable communities. (Percentage)	0.00	10.00	10	-20 projects serve vulnerable groups representing 10% of the total number of projects in component (1). In addition to 47 road projects that include Curb ramps that provide an accessible route for people with disabilities Together they constitute 36% of the total number of projects in component 1. One of the projects is the construction and finishing a rehabilitation center for people with special needs in Beit Foreek. -79% of municipalities have prioritized at least 10% of the SDIP-identified priorities (in terms of # of projects) to serve vulnerable groups and marginalized areas.
Number of municipalities that have completed the entry of data in the net lending portal (Percentage)	0.00	20.00	20	All municipalities that meet this requirement have successfully entered their financial data into the newly developed Net Lending Portal.(88 municipalities) This marks a significant achievement under the MDP4 program, ensuring that every municipality in the West Bank is now integrated into the Net Lending System managed by the Ministry of Finance. This milestone enhances



Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
				transparency, improves financial reporting, and strengthens coordination between local governments and the central government.
Square meters of public spaces constructed/rehabilitated (Square Meter(m2))	0.00	20,000.00	15,000	5779 Sqm completed (39% of the end target); in addition to 8500 Sqm of public spaces under construction/rehabilitation making the overall progress by end of cycle 1 (95% of the end target). It is anticipated that the end target to be achieved by end of cycle 2.
Percentage of investments with adequate and soundness state and used as intended (Percentage)	0.00	90.00	90	100% of the sample (25 projects under component 1) selected by the technical audit and usability assessment assignment are technically sound and used as intended.
Number of municipalities having responsive GRM for implemented projects (Number)	0.00	80.00	60	All municipalities have the tools for responsive GRM including the complaint procedures, manuals, accessible information per project, trained frontline staff. So far, the GRM has been implemented/adopted across all municipalities with successful resolution of complaints for 37 cases recorded under MDP4-Component 1 sub-projects.
Component 2. Sector Policy and Institutional Development				
Adoption and publication of annual IGFT report carried out in each year of project implementation (Text)	No	Yes	Yes	- A national team has been formed including representatives from (Ministry of Local Government, Ministry of Finance, Ministry of Planning, MDLF and APLA) to oversee the implementation of the IGFT plan. The team according to its mandate is going to work closely with international partners (World bank and GIZ) to develop interventions for financial reform and other related tasks. The main progress in this topic is the consensus among all parties on prioritizing the development of IGFT with a plan to start as soon as logistic arrangements are finalized. - An international consultant has been contracted to prepare such manual/system with a forward looking to be endorsed by the PA. - A draft framework was prepared and shared with stakeholders.
Municipalities that adopted revenue enhancement plans (Number)	0.00	22.00	15	This target has not yet been achieved because it is dependent on municipalities attaining creditworthiness, which requires two consecutive years of audited financial reports generated through the IFMIS. By the end of this year, we expect to meet the creditworthiness target, which will in turn enable municipalities to adopt revenue enhancement plans, as this indicator is a direct outcome of the creditworthiness process. Currently, the creditworthiness assessment is under review and is being prepared for submission for a no-objection.
Number of municipalities with responsive complaint system (Number)	0.00	40.00	30	117 municipalities based on the ranking assessment.
National LGU classification/ranking system enhanced (Text)	No	Yes	Yes	Not yet started- planned Fy 2026
Number of municipalities implementing at least 2 social accountability tools annually (Number)	0.00	80.00	60	102 municipalities based on the ranking assessment.

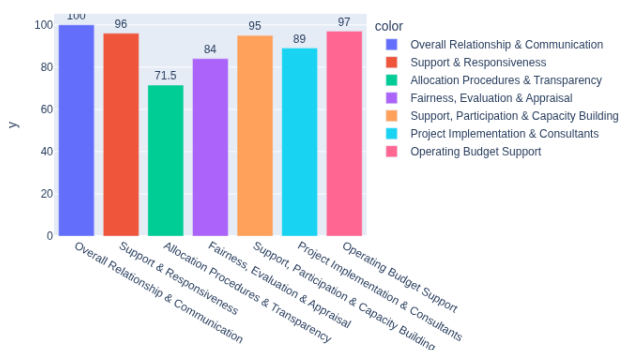


Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
Number of municipalities with functional IFMIS (Number)	80.00	120.00	85	46 municipalities based on the ranking assessment. (This number is accumulated and does not include municipalities that benefited from MDP4 cycle 1). By end of cycle 2 it is anticipated to surpass the target considering the ongoing implementation of this package targeting 38 municipalities.
Annual reports from the net lending portal are published yearly (Text)	No	Yes	Yes	The portal was developed and has been used by all municipalities having net lending or managed to have reconciliation with MoF.
Number of municipalities with functional O&M system (Number)	76.00	140.00	118	85 municipalities (This number is accumulated and does not include municipalities that benefited from MDP4 cycle 1, totaling 23 municipalities). By end of cycle 2 it is anticipated to surpass the target considering the ongoing implementation of this package and the anticipated beneficiary municipalities under cycle 2.
Number of municipalities having electronic services (Number)	12	25.00	20	36 municipalities based on the municipal ranking assessment.
Component 3: Competitive Grants for Natural hazard and Climate Change Resilience				
Number of municipalities capacity building support on climate change (Percentage)	20.00	60.00	60	Undergoing All 138 municipalities will be targeted by the CC training supported by Enabel and GIZ. By end of January, 2026, all municipalities will have received the training.
Share of subprojects that address natural hazard and climate with female engineers employed in delivery of solutions (Percentage)	0.00	25.00	20	Achieved where the LTCs have female engineers that contributed in delivery of solutions to tackle CC, precisely under component 1 (water, sanitation, and drainage projects).
Component 4: Project implementation support and management				



Indicator Name	Baseline	End Target	Revised Target	Progress Achieved
Percentage of municipalities satisfied with MDLF performance (Percentage)	0.00	90.00		The overall LGUs' satisfaction percentage across all categories is: 90.36% ² Responses were collected from 154 municipal staff representing different regions (North, Central, and South West Bank) and diverse professional roles—ranging from mayors and executive directors to engineers, accountants, and project managers. The results highlight a consistently positive relationship between municipalities and the MDLF, while also identifying areas where improved flexibility, funding sufficiency, and procedural simplification are needed.
Component 6: Emergency O&M support to participating municipalities				
Number of paid working days created through the C4W (Number)	0	50,000		A total of 380 sub-project proposals were identified. 64% of the projects are completed Analysis of the projects type reveals that municipalities prioritize covering their recurrent expenditure to sustain basic operating services and to partially compensate for potential decline of revenues given the severe funding constraints facing municipalities resulted from the bad economic crisis. 48 projects are classified as Emergency labor-intensive O&M of municipal services. Target: 25,600 working days are expected. Actual: 22 projects are completed creating 10,014 paid working days.
Percentage of O&M, out of municipal operational budgets (excluding wages and salaries) financed by the project (Percentage)	0	4		The emergency support under “W6 - Recurrent Expenditure” contributed 12% of the annual operating budget FY 2024 excluding salaries.

LGUs' Satisfaction Index by Category



1.6 Challenges and Obstacles:

- The forced closure of the territories during the implementation of the MDP4.
- Road closures between cities from occupation have impacted project implementation and the transferring of construction materials and equipment .
- Delays in the import of materials and equipment from outside.
- The difficult economic situation of Municipalities and Contractors has affected the speed of project implementation.

1.7 Lessons learned and recommendations

- Continue strengthening the municipalities' institutions and improving their staff capacities through on-job training and transfer of know-how. This will enable the municipalities to be efficient and sustained institutions.
- Continue strengthening the capacity of the municipal engineers by conducting more training and orientation sessions.





2. Promotion of Green Services and Climate Change Initiatives

2.1 Description

2.1.1 General information

Title of the action:	Promotion of Green Services and Climate Change Initiatives in Local Governance																																		
Location(s) of the action:	The project will target 5 clusters across the West Bank In addition to other new Local Government Units (LGUs) in areas such as Jenin, Qalqilya, and Tulkarem in the Northern West Bank which were subject to invasions by the Israeli Authorities after the escalation of war on Gaza.																																		
Total duration of the action (months):	3 years																																		
Requested Enabel contribution (amount)	EUR 5,377,383																																		
Requested Enabel contribution as a percentage of total eligible costs of the action (indicative) ³	100%																																		
Objectives of the action	Impact: To <u>contribute to</u> improving the conditions of the Palestinian ecosystems and their population by reducing ecological footprint and GHGs emissions through the promotion of green circular economy (GCE) and green urban areas, focusing on energy efficiency, renewable energy, and sustainable waste management. Outcome: Adaptation of green inclusive services in the targeted LGUs through the implementation of (renewable energy and energy efficiency, green public spaces, and solid waste management - 3Rs projects). Intermediate Outcomes: (i) Promoted Green practices in public services among the targeted LGUs (green public spaces, EE, RE, and SWM 3Rs). (ii) Increased citizens accessibility to green public spaces in the urban areas among the targeted clusters. (iii) Enhanced knowledge of the targeted LGUs’ staff in green services and CC. (iv) Enhanced Solid waste management through providing needed equipment and tools to JSCs in the selected governorates. (v) Reduced energy consumption through implementing green initiatives, particularly, (EE, RE).																																		
Target group(s) ⁴	<table><tr><th>Governorate</th><th>LGU⁵</th><th>Governorate</th><th>LGU</th></tr><tr><td rowspan="11">Nablus</td><td>City of Nablus</td><td rowspan="11">Hebron</td><td>City of Hebron</td></tr><tr><td>Al Badhan</td><td>Ash Shuyukh</td></tr><tr><td>Alfar’a Camp</td><td>Sa’irr</td></tr><tr><td>Asira ash</td><td>Al 'Arrub Camp</td></tr><tr><td>Shamaliya</td><td>Bani Na'im</td></tr><tr><td>Talluza</td><td>Masafer Bani Nai'm</td></tr><tr><td>Yasid</td><td>Al-Karmel*</td></tr><tr><td>Beita*</td><td>Khalat El- Maya*</td></tr><tr><td>Ousareen*</td><td>Yatta*</td></tr><tr><td>Audala*</td><td></td></tr><tr><td>Zaatara*</td><td></td></tr><tr><td rowspan="2">Tubas</td><td>City of Tubas</td><td rowspan="2">Bethlehem</td><td>Bethlehem city</td></tr><tr><td>El Far’a Camp</td><td>Beit Fajjar</td></tr></table>	Governorate	LGU ⁵	Governorate	LGU	Nablus	City of Nablus	Hebron	City of Hebron	Al Badhan	Ash Shuyukh	Alfar’a Camp	Sa’irr	Asira ash	Al 'Arrub Camp	Shamaliya	Bani Na'im	Talluza	Masafer Bani Nai'm	Yasid	Al-Karmel*	Beita*	Khalat El- Maya*	Ousareen*	Yatta*	Audala*		Zaatara*		Tubas	City of Tubas	Bethlehem	Bethlehem city	El Far’a Camp	Beit Fajjar
Governorate	LGU ⁵	Governorate	LGU																																
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	Ousareen*		Yatta*																																
	Audala*																																		
	Zaatara*																																		
Tubas	City of Tubas	Bethlehem	Bethlehem city																																
	El Far’a Camp		Beit Fajjar																																

³ If applicable, insert an additional % of the total accepted costs.

⁴ 'Target groups' are the groups/entities who will directly benefit from the action at the action purpose level.

⁵ LGUs marks with a * were supported by LGRDP program



	Jerusalem	AL-Azaria	AL-Azaria		
		AL-Ram			
		Al-Sawahrah			
		Shikh Saad			
		Jahalin			
		Al-Zayem	This cluster was added to the targeted groups in accordance to the 1 st amendment of the grant agreement.		
		Kufer Aqab			
		Jaba			
		Mukhmass			
		Hizma			
		Abu-Deas			
		Anata			
		In addition to other new Local Government Units (LGUs) in areas such as Jenin, Qalqilya, and Tulkarem, which have been adversely affected by recent invasions following the outbreak of war in Gaza, with a total population 192,703 inhabitants (PCBS 2025 projection). The Estimated No. of Beneficiaries for all clusters in addition to the new areas: 1,018,605 inhabitants.			
		Initiatives	Thematic interventions were identified and then approved by the programme steering committee. Those initiatives will focus on green investments including: - Green Public Spaces: Facilitate the development of public spaces in four urban areas of the selected Governorates through integrating the green concepts. The original target was two public spaces and then amended by adding another two green public spaces according to the Steering Committee decision taken on 11th December 2024. Other Green Services: - RE and EE: Promote rooftops on the public Buildings across the selected clusters, and/or potential Mid-Size solar panels on a territorial Level as well as the install of solar panels on the rooftop of MDLF headquarters to enhance its green elements, noting that the MDLF building is recognized as a green building. - SWM: provide Solid waste equipment’s, tools, and vehicles for the benefit of the JSCs across the selected clusters. The projects per cluster LGUs -under the above thematic interventions- will pass through a screening/appraisal process and will be endorsed by the steering committee.		
Main Activities	Mobilization (Preparatory Activities) - Coordination with the Palestinian Energy and Natural Resources Authority “PENRA”, Environmental Quality Authority “EQA” and MOLG to ensure smooth implementation of the initiatives. - Studies and assessment that allow for better identification of potential interventions per cluster. This will be conducted through consultancy services under the full management of MDLF (as needed). Preparation for the implementation (Final Projects Selection and Design Preparation) - Endorsement of projects by the programme Steering Committee. - Effective coordination between MDLF, Enabel and Programme partners (MOLG, Enabel and PENRA) with the clusters’ LGUs encouraging them to be well prepared for the implementation. - Signing Grant Implementation Agreements (GIAs) between MDLF and the clusters’ LGUs describing the roles and the responsibilities for MDLF and the LGUs. - Preparation of the local technical consultant/s terms of reference, concerning EE/RE/Green Public Spaces and SWM. - Preparation of detailed implementation plan including (procurement plan and disbursement plan).				



	- Contracting the local technical consultants (LTC/s) for projects design, supervision and quality control. - Preparation of design and bidding documents for the projects including the Environmental and Social Management Plan (ESMP) by the LGU and LTCs under the supervision of MDLF. Sub-projects Implementation - Contracting local contractors and suppliers by the LGUs for implementing the initiatives following the no objection from MDLF. - Assisting LGUs in the projects supervision. - Monitoring the Social and Environmental Safeguards. - Handing over and Closure of the projects. Capacity Building Activities - Identify the potential capacity building activities in the framework of Capacity Development packages under the Municipal Development Programme – phase 4. - Contracting consultancy firms/individuals to implement the CB activities. - Implementing the CB activities in relation to CC and public awareness on green services. Communication and visibility - Awareness raising events with clear messages related to CC aiming to raise the awareness on the need to boost green solutions, such as RE and EE as well as other innovative solutions, such as recycling, or waste management. The activities will be coordinated with Enabel to ensure better visibility of the interventions.
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2.2 Executive summary:

The project has demonstrated strong and consistent progress across all components/outputs despite the exceptionally challenging political and operational environment since late 2023. The implementation began in December 2023 and continued steadily throughout 2024–2025, with notable achievements in renewable energy, energy efficiency, solid waste management, and climate-change capacity building for municipalities.

Under the renewable energy portfolio, assessments were completed and ten sub-projects were identified across multiple municipalities and JSCs. Seven of these sub-projects have already been completed, one is under implementation, and two are in the tendering and design stages. To date, the project has installed a total of 1,000 kW of solar PV systems across the targeted clusters, contributing to an expected 95% reduction in electricity consumption for the facilities benefiting from these interventions.

Similarly, energy efficiency interventions have progressed over the past two years. Fourteen EE sub-projects were identified under the original scope, seven of which were completed while the remaining seven are under implementation. A second amendment expanded support to additional municipalities in the northern West Bank, resulting in seven more EE projects—two completed and four ongoing, and one is still under design/tendering stage. Installed interventions include high-efficiency water and wastewater pumps, as well as 3,232 LED street-lighting units. Estimated savings are significant, with expected reductions of 65% for pumping systems and 50% for street-lighting.

Solid waste management interventions for five JSCs also advanced considerably. Procurement was completed for key equipment, including five solid-waste compacting trucks, five mobile maintenance workshop vehicles, 2,580 waste bins, and 693 cardboard cages. Most SWM equipment has been delivered, while some items such as composters and small trailers are still in progress. These investments directly support the operational capacity of the JSCs and contribute to improved waste collection and separation services.

The project's capacity-building component exceeded expectations. Climate-change training was delivered to all 138 municipalities across the West Bank, reaching an average of 171 participants through 56 training sessions on climate-responsive urban planning, green spaces,



mobility, and SOP development. Post-training assessments showed that approximately 82% of participants reported enhanced knowledge—surpassing the 80% target.

Development of green public spaces progressed through a competitive conceptual-design process managed jointly with Birzeit University, the MoLG, and the Engineers Association. Undergraduate students produced conceptual designs for four sites, which will be further developed once the design and supervision consultancy is contracted. This approach strengthened civic participation and aligned with the revised project strategy.

Project performance indicators show strong achievement in several areas. Eighty-three percent of municipalities have integrated green initiatives into their SDIPs, surpassing the target of 80%. Installation of 1,000 kW of solar energy capacity exceeded the initial target of 800 kW. Energy-efficient equipment installations are underway, including four high-efficiency pumps and thousands of LED fixtures. Other indicators, such as CO₂ avoidance, increased solid-waste collection, and citizen satisfaction, will be measured once implementation is completed.

Implementation was hindered at times by severe mobility restrictions, delays in the movement of goods, and instability in LGU working hours due to the ongoing conflict. These constraints required continuous adaptation of the project timeline, budget reallocations to prioritize more urgent interventions, and adjustments to engagement modalities, especially regarding civic participation in green-public-space design.

A major revision to the project was completed in 2024 in coordination with Enabel and MoLG. The geographical scope was expanded to respond to urgent needs in the northern West Bank, supported by an additional EUR 500,000. The fund which was originally allocated to green public-building retrofitting was reallocated toward two additional green public spaces. MDLF was also added as a beneficiary under the RE component.

The project continues to operate in full alignment with MDP4, creating strong institutional synergies. Training materials and SOP development complement MDP4's capacity-building agenda, while the results achieved through RE, EE, and SWM components feed into the programme's broader climate-resilience objectives. These efforts also position the project as a scalable model for future climate-change programming in the local-governance sector.

Overall, despite a highly volatile context, the project is progressing well toward its intended outcomes. It has already delivered tangible improvements in energy savings, renewable energy generation, solid-waste services, and municipal awareness of climate-change adaptation. Remaining activities are on track for completion, and final impact assessments will be conducted toward the end of the project period.



Renewable Energy Projects – Nablus Governorate
Municipal Development Program (MDP IV) – Climate Change Window III



2.3 Updated action plan

Please provide an updated action plan using the below table.

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



Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
														ceremonies, proportional activities, and fun day events,...etc.	
	- Implementation of the communication and visibility activities													- Undergoing	PR company under full supervision of MDLF
I.O 2: Increased citizens accessibility to green public spaces in the urban areas among the targeted clusters.															
Output 2.1: Green public spaces in four urban areas were constructed/developed.	2.1.1 Consultancies for projects selection, design, and supervision														
	- Contracting a consultant													- Not yet contracted. - The TOR was agreed upon considering the feedback from Enabel and MOLG. - The LTC technical proposal is under evaluation and will be contracted by Mid March 2026.	MDLF
	- Projects final selection and endorsement by the SC													- The projects were initially selected. - A conceptual design was prepared throughout a	MDLF, LTC, Enabel

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Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
	- Signing MOU with targeted LGUs													- Not yet started awaiting for the LTC to be contracted.	MDLF
	- Tendering and procurement for the projects													- Not yet started awaiting for the LTC to be contracted.	MDLF, LGUs
	- Implementation													- Not yet started awaiting for the LTC to be contracted.	Contractors under the supervision of MDLF, LGUs and LTC



Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
I.O 3: Enhanced knowledge of the targeted LGUs' staff in green services and CC															
Output 3.1: Capacity building activities and training are delivered to the targeted LGUs staff	3.1.1 Consultancies (all the costs related to training activities will be included)														
	- Identify the potential capacity building activities in the framework of CD packages under the Municipal Development Programme – phase 4.													- This activity was co-financed with GIZ using the training material/modules which were piloted in Amman.	MDLF
	- Contracting a consultancy firm/individuals to conduct training													- All 138 municipalities have been targeted by the CC training.	MDLF
	- Implementation of CB activities in relation to CC, RE, public awareness on green building and other green services.													- Additional task was added to the TOR focussing on developing SOPs for CC as part of the long-term vision to be institutionalized at LGUs and potentially to be integrated into MDP KPIs. - The training activities were completed as planned.	Contracted consultants under the supervision of MDLF technical staff



Intermediate Outcomes with related outputs	Activities	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Actual Implementation Status	Responsibility
I.O 4: Enhanced Solid waste management through providing needed equipment and tools to JSCs in the selected governorates is enhanced.															
Output 4.1: Solid waste equipment/tools were supplied for selected JSCs	4.1.1 Consultancies														
	4.1.1.1 Upon demand Consultancy for design and handing over													Done	Contract ed consultants under the supervision of MDLF technical staff
	4.1.1.2 Conduct BIA													- Not yet started awaiting for the completion of SW interventions	Contract ed consultants under the supervision of MDLF technical staff (M&E unit)
	4.1.2 Material & equipment purchases														
	- Signing MOU with targeted JSCs upon final endorsement of the projects by the SC													Done	MDLF
	- Tendering and procurement for the projects													Done	MDLF, LGUs
	- Implementation													- The supply of SW vehicles was accomplished.	Contract ors under the supervision of



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



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



2.4 Performance indicators

Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
Impact (Overall objective)	To contribute improving the conditions of the Palestinian ecosystems by reducing ecological footprint and GHGs emissions through the promotion of green circular economy (GCE) and green urban areas, focusing on energy efficiency, renewable energy, and sustainable waste management.	- Tons of CO2 avoided or sequestered through the applied green services	0	TBD based on the final list of projects and the final design as well.	Aggregated figures on CO2 avoided to be calculated based on LTCs' and municipalities' reports.		Not yet assessed. The achievement will be captured by end of the project.
Outcome (s) (Specific objective(s))	Adaptation of green services in the targeted LGUs through the implementation of (renewable energy and energy efficiency, green public spaces, and solid waste management - 3Rs projects).	- % of the targeted municipalities that incorporated green services within their Strategic Development and Investment Plans (SDIPs).	0	80%	MDLF will review the municipalities' SDIPs and calculate the % of identified green initiatives.	Willingness of LGUs decision makers to include green initiatives in the SDIPs and to implement accordingly	83 % Green services include Solid waste, renewable energy, energy efficiency, green spaces. This indicator was assessed as part of a comprehensive municipal performance assessment.
		- % of green initiatives implemented by the targeted municipalities through other parallel financing. (in terms of # and budget).	0	10%	MDLF will review the list implemented projects by the targeted municipalities during the project lifecycle, and the % of implemented green initiatives will be calculated accordingly.		Not yet assessed. The achievement will be captured by end of the project.



Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
Intermediate outcomes	1) Promoted Green practices in public services among the targeted LGUs (green public spaces, EE, RE, and SWM 3Rs).	- # of views for the project activities in the MDLF Facebook, municipalities Facebook and municipalities web-pages.	0	30,000	Municipalities Facebook pages and websites. MDLF Facebook page	Interest of LGUs staff in training. Political stability allows for smooth implementation.	14,000 views on project posts on MDLF Facebook.
	2) Increased citizens accessibility to green public spaces in the urban areas among the targeted clusters.	- # of visitors of the green public spaces (disaggregated by gender, youth and PWD).	0	2000* This target value will be reviewed and validated by the LTC	Municipalities' reports		In progress. It has been agreed that the conceptual design of the green spaces will be developed through a competition among Palestinian university students, under the supervision of Birzeit University, based on the agreement between the University and Enabel. The competition has been launched, site visits have been conducted by the students, and the project is currently in the design phase. In parallel, work is underway to contract a consulting firm to prepare the detailed designs and to supervise the implementation of the projects.
	3) Enhanced knowledge of the targeted LGUs' staff in green services and CC.	- % of the participated staff reported enhanced	TBD based on the pretest that will be	80%	Evaluation of training – through consultants' reports (pretest Vs. post test)		Achieved Overall post-training percent positive (Agree/Strongly Agree):



Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
		knowledge on CC and green services.	done for the participants.				~82%, averaged across all modules and clusters.
	4) Enhanced Solid waste management through providing needed equipment and tools to JSCs in the selected governorates is enhanced.	- % increase of SW collected	0	10%	JSCs reports where the quantities of SW collected will be obtained (before and after) and the percentage of increased quantities will be calculated accordingly.		Not yet assessed.
		- % of satisfaction of citizens on SW services in the targeted communities.	TBD based on available reports at the JSC level	80%	Beneficiaries satisfaction survey that will be done by an outsourced consultancy firm under the full supervision of MDLF-M&E.		Not assessed yet. The assessment is planned to be conducted in 2026.
	5) Reduced energy consumption through implementing green initiatives, particularly, (EE, RE)	- % of energy savings resulted from green initiatives implemented in the targeted LGUs.	0	20%	Municipalities' reports to assess the energy consumption before and after and the % of energy savings will be calculated accordingly.		RE: Expected saving = 95% 1,580,000 Kwh/hour savings EE: 5,600,000 Kwh/hour savings Pumps expected saving 65% Street lamps expected savings: 50%
Outputs							In progress



Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
	- Green public spaces in four urban areas were constructed/developed	- # of the green public spaces constructed. - Square meters of green public spaces constructed	0 0	4 public spaces 1600 SQM	Municipalities' reports, LTCs reports	Willingness of the targeted LGUs to cooperate. Political stability allows for smooth implementation. Willingness of women and vulnerable groups to engage in workshops and consultation sessions	It has been agreed that the conceptual design of the green spaces will be developed through a competition among Palestinian university students, under the supervision of Birzeit University, based on the agreement between the University and Enabel. The competition has been launched, site visits have been conducted by the students, and the project is currently in the design phase. In parallel, work is underway to contract a consulting firm to prepare the detailed designs and to supervise the implementation of the projects.
	- RE and EE investments in the public sectors were installed	- # of KWH generated from solar energy.	0 0	800 KWH TBD after having the final design of the buildings	Municipalities' reports, LTCs reports		Total solar PV systems installed in clusters so far = 1000 kW



Update on Logical Framework – June 2025

Results chain		Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
		- # and type of EE equipment installed					A) Replace the old pumps with high high-efficiency pump Status: 4 out of 10 efficient water and WW pumps and its related facilities installed. B) Replace the old low-efficiency lamps with LED lamps Status: 3232 efficient street lighting units installed.
	- Capacity building activities and training are delivered to the targeted LGUs staff.	- # of LGUs staff participated in CB and training activities.	0	100	Municipalities' reports, LTCs reports		- Average 171 participants representing 138 municipalities have participated in the CC training across 11 governorates.
		- # of training sessions conducted	0	30	Municipalities' reports, LTCs reports		56 training sessions on the following topics: - Climate Change and Urban Planning - Climate Change and Urban Green Spaces - Climate Change and Mobility. - Development of SOPs for CC.



Update on Logical Framework – June 2025

Results chain	Indicator	Baseline	Target	SoVs	Assumptions	Achievement so far
- Solid waste equipment/tools were supplied for selected JSCs	- Mobile maintenance workshop “Vehicle”	0	5	JSCs reports		Successfully achieved. 5 maintenance vehicles were successfully handed over to the JSC’s.
	- Solid waste separation Bins for (organic and inorganic) waste and spare parts	0	2740	JSCs reports		- 1887 SW separation bins delivered - 50 composters - 693 cardboard cages
	- Garbage collector vehicle for the separated waste for each JSCs	0	5	JSCs reports		Successfully achieved. 5 garbage collector vehicles will soon be handed over to the JSC’s.
- The Results and deliverables of the projects are disseminated.	- # of video spots used for promotion of green initiatives.	0	6	Reports from the PR company that will be contracted by MDLF.		Not yet achieved. In progress
	- # of copies for brochures, posters, and infographics distributed for results dissemination.	0 brochures 0 infographics	2000 brochures 1000 infographics			
	- # of inaugurations and funday activities conducted for promotion of results.	0 inaugurations 0 outreach and funday activities:	8 inaugurations 4 outreach and funday activities:	(recycling, kids funday, planting, environmental art and craft)		



2.5 Revision & Modifications

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

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

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

A) Amendment of Geographical Scope:

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

B) Budget Reallocation and Scope Adjustments

- a) **Green Buildings Vs. Green Public Spaces:** According to the grant agreement, the initial plan was to support the retrofitting of at least two public buildings by incorporating green building models and practices. However, following the shift in priorities identified during the revision workshop held in April 2024, it was agreed to reallocated the fund earmarked for green buildings/retrofitting towards the development of additional two Green Public Spaces. It was also agreed to engage BZU-undergraduate students in conceptualizing the design of green public spaces to be the basis that will be further developed through the local technical consultants.
- b) **Integration of Social Component:** it was agreed to modify the approach for women's engagement in Green Public Spaces to a broader focus on social integration in the design process. This was further strengthened within the Terms of Reference (TOR) for design and supervision consultancy.
- c) **It was agreed to include MDLF** as a beneficiary under the Renewable Energy thematic intervention by facilitating the installation of solar panels (50 KWH) at the MDLF headquarters with an estimated cost EUR 50,000. This initiative will enhance the green features of the MDLF headquarters, which is recognized as a green building.

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

2.6 Networking and partnerships

This action is integrated into the design of Municipal Development Programme – Phase 4. A specific sub-component was added to component 3 of the programme, namely, Competitive Grants for Natural hazard and Climate Change Resilience aiming at promoting the climate change and resilience



across the municipalities. The synergy with MDP4 and the local governance programs (in general) can be summarized as follows:

- This action will utilize the MDP4 results for better leverage of projects outcome, particularly the adaptation of green practices for municipal services within the strategic development and investment planning.
- The capacity building activities related to climate change under MDP4 will feed the content of training packages that will be implemented under this action. Noting that the CB activity on CC training package will be cofinanced with GIZ to ensure the harmony and maximize the benefits.
- The potential SOPs for CC that will be resulted from the CB package will be used as an initiative to be institutionalized at municipalities with a forward looking to be integrated in future MDP-KPIs.
- The successful implementation of this action will be used as a pioneering initiative that could be scaled up as a specific programme for climate change initiatives at local governance.

2.7 General Challenges

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



3. Village Council Support Project (VCSP)

3.1 Introduction

The Village Councils Support Project was designed provide targeted assistance to selected VCs to enhance basic service delivery, strengthen local governance capacity, and foster inclusive participation in local planning processes, with special attention to vulnerable groups such as women, youth, and persons with disabilities. It builds on the planning frameworks and service improvement approaches developed under the Local Governance and Services Improvement Program (LGSIP), and aligns with the Ministry of Local Government's strategic objectives to empower localities toward financial sustainability, promote local economic development, and improve service delivery. The project is financed by German Government via KfW will contribute to enhancing resilience, reducing rural–urban disparities, and improving the quality of life for marginalized Palestinian communities. This project comes at a critical time to support Local Government Units (LGUs), especially Village Councils (VCs), which were already struggling to provide basic services due to ongoing economic and political challenges. The current crisis has made the situation much worse because of: (i) cuts in funds transferred from the Israeli Government to the Palestinian Authority, (ii) a sharp drop in external aid, (iii) an economic slowdown caused by movement restrictions and blockades, and (iv) a big increase in unemployment since October 7th . These factors have caused a serious fall in local revenues, putting the delivery of essential services at high risk.

3.2 Description

PDO: The development objective of the project is to improve the delivery of inclusive local services in large⁶ Village Councils across the West Bank.

Key Results of the PDO:

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

The Project encompasses two primary components:

- **Component (i):** Support the preparation of Annual Capital Investment Plans (ACIPs) for the selected Village Councils in a participatory manner to enhance voice and accountability in local planning and investment processes. Strengthening citizen engagement in Village Councils and ensuring their active participation in local development are central objectives of the project. The development of ACIPs will be carried out through GIZ and will serve as the foundation for Component 2
- **Component (ii)** Support for infrastructure services at the village level will be provided through infrastructure projects by allocating funds based on the population of each eligible Village Council. These Village Councils will receive support through infrastructure service projects to help implement their developed ACIPs Investments financed under the ACIPs will follow an open-menu approach, including small-scale local infrastructure projects identified based on community priorities. The sub-grants for infrastructure support services will be allocated to the Village Councils on a straightforward per-capita basis.



Adding to the above components, the project will provide technical support to the targeted VCs in terms of soft capacity building activities/packages based on diagnostic study to explore the institutional/capacity gaps with a capacity building plan for the targeted VCs. The project will develop a performance-based criteria with KPIs to be adopted for future funding across VCs. The assignment will conduct diagnostic assessments of institutional, operational, and financial performance; assess beneficiary satisfaction through participatory surveys; and establish a tailored set of key performance indicators to guide eligibility and incentive-based funding. Building on these findings, MDLF will design an equitable, results-based grant allocation mechanism and a targeted capacity-building action plan aligned with the local governance reform agenda. The baseline will serve as a benchmark for monitoring progress and informing future investments, supporting more efficient, transparent, and sustainable local service delivery at the village level.

3.3 Geographical Scope

The project will support up to 30 Village Councils located across eight governorates, including Ramallah & Al-Bireh, Nablus, Hebron, Jenin, Tulkarm, Tubas, Salfit, and Bethlehem. Eligibility is limited to large Village Councils with a population exceeding 4,000 inhabitant⁷.

The project will ensure the implementation of infrastructure projects to enhance service delivery in the 30 selected Village Councils listed in Table 13, assuming all of them meet the eligibility criteria for financing.

Table 13: The Eligible Village Councils

No.	Governorate	Village Council	Population in 2022
1	Jenin	Siris	6,480
2		Al-Judeida	6,450
3		Sanur	5,489
4		Anin	4,538
5		Alfundqumiya	4,406
6		Faqqua	4,747
7		Raba	4,214
8	Tubas	Wadi Al-Far'a	4,325
9	Tulkarm	Far'un	4,244
10	Nablus	Salem	6,706
11		Tell	5,525
12		Rujeib	6,383
13		Burqa	4,444
14		Bayt Dajan	4,473
15		Beit Iba	4,366
16		Awarta	7,550
17	Salfit	Haris	4,298
18	Ramallah & Al-Bireh	Shuqba	5,896
19		Abu Falah	4,746
20		Deir Jrieir	4,827
21		Saffa	4,724
22		Kifor Ni'meh	5,032
23		Deir Abu Mash'al	4,572
24		Qibya	6,578
25		Kharbatha Al-Musbah	6,591

⁷ The VCs with population more than 4000 inhabitants is considered large VCs in accordance to the agreed upon definition with the WB and KFW while appraising the LGSIP.



No.	Governorate	Village Council	Population in 2022
26	Bethlehem	Husan	7,612
27		Al Shawarweh	4,494
28		Irtas	6,205
29	Hebron	Al-Rayhiyya	6,328
30		Assura	4,716
Total			160,959

3.4 Agreement Signature and Budget breakdown:

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

Table 14: Budget Breakdown

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

3.5 Implementation Status (for Social and Public Infrastructure Projects)

Table 15: Overall Implementation Status

Stage	Key Activities	Status
A) Contract Stage	The agreement was signed in December, 2024.	Completed
B) Mobilization Stage "Projects Identification & Selection"	This phase is a preparatory phase for project cycle to start; in this phase MDLF has implemented the following: • Development of the eligibility criteria; and • Identification of 30 village councils based on the eligibility criteria; and • Identifying allocations for each Village Council; and • Preparation of necessary documents to be distributed to VC; and • Implementation of orientation workshops for VC's • Preparation of all the necessary documentation of the project including: - the Environmental and Social Management Framework (ESMF) to support the planning and implementation of the Village Council Support Project (VCSP).	Completed



Stage	Key Activities	Status
	- The Labor Management Procedures (LMP) to help Village Councils manage the risks associated with the project - Land Acquisition and Livelihood Framework - Stakeholder Engagement Plan - Environmental and Social Commitment Plan - Grievance Redress Manual - Project Application Form - Operation and Maintenance (O&M) plan form - Procurement Plan Form (PPF) Form - Grant Implementation Agreement (GIA) form - Cost benefit analysis Guidelines	
C) Identification stage	• MDLF issued a Request for Application (RFA) and invited eligible Village councils to propose projects and seek financial support. Applications include a detailed project description, preliminary design (if available), required professional certificates, cost-benefit analysis, priced Bill of Quantities (BOQ), and any other supporting documents, etc. • MDLF assigned engineers from the technical department to follow up and work closely with the Village Councils. The engineers are divided geographically among the governorates to ensure full coverage of MDLF's operations • The area engineer will provide the Village Council with information, guidelines, and explanations to help complete their applications. This assistance may be offered in one of two ways, subject to MDLF's budget limitations and the approval. • The Village councils selected their projects from the Annual Capital Investment Plan (ACIP) which was developed with assistance from the GIZ. • All proposed sub-projects will be subjected to a screening process to be carried out by MDLF supported by E&S consultants at MDLF.	Completed
D) Design Preparation, Tendering, Awarding	Analysis of Approved Projects per sector • A total of 33 sub-project proposals were submitted by 30 village councils from 8 governorates. Analysis of these proposals reveals that: - Sector Distribution by Number of Projects: Roads: 21 projects (63% of total projects) → clearly the majority focus. Public facilities: 7 projects (21%) → second priority. Water: 2 projects, Solid waste: 3 projects → together 5 projects (15%). - Sector Allocation by Funding: Roads dominate the budget with 3,474,014 (~70% of total funds). Public facilities receive 878,499 (~17.6%), consistent with their second-priority status. Water: 272,308 (~5.5%), Solid waste: 345,179 (~7%), showing lower financial allocation relative to roads and public facilities. • The Local Technical Consultant (LTC) is contracted to provide design and supervision for the project as well as to provide technical support to the targeted LGUs. • The design documents, bidding packages, and Environmental and Social Management Plans (ESMPs) were initiated by the LTCs, with an advanced stage of design completion and tenders preparations.	Completed



Stage	Key Activities	Status
	- Procurement processes, including advertising, bid opening, evaluation, and contract awards, will be implemented with MDLF oversight. - Contracts for infrastructure works will be awarded for the LGUs following MDLF's no-objection.	
E) Implementation	- The Project implementation will be supervised by LTC in coordination with the LGUs. - Environmental and social safeguards will be monitored as per the ESMPs. - Monitoring and evaluation activities will be conducted by MDLF and LTCs to ensure compliance, resolve issues, and track progress. - The Village councils and the LTC throughout the implementation phase shall ensure the following are done: - Supervision of all quality control, technical, and financial provisions in accordance with the contract agreement, the technical specification and VCSP guidelines - Ensuring the implementation of environmental and social mitigation measures that was determined from the stakeholder engagement tool such as focus group discussion during the identification stage in addition to occupational health and safety. Supervise the contractor's compliance and implementation of the environmental management plan satisfactorily. The LTC and Village council shall follow contractor compliance to environmental considerations according to the ESMP, E&S checklist, ESMF and LALF and will gain support from MDLF area engineers and officers to ensure compliance of the municipalities with the ESMF8. - Furthermore, the bidding documents will depict in detail the procedure of environmental noncompliance penalties following to ESMF guidelines. - Complaint mechanism must be available at the Village council as referred to in section 9.3 of the ESMF. Considering that prior to the implementation of the project, the Village council will announce its willingness to accept the local community complaints through different ways, such as: - Distribution of leaflets to the public places - Notice Boards - The Village council Website - Telecommunication tools (SMS and phone line) - Public Meetings - The status of the 33 projects can be summarized as follows: - Appraisal: 10 projects (33%) with EUR 1,660,428 representing (33%) of allocated budget. - Pre-approved: 10 projects (33%) with EUR 1,548,987 representing (31%) of allocated budget. - Approved: 5 projects (17%) with EUR 711,823 representing (14%) of allocated budget. - Tendering: 3 projects (10%) with EUR 420,993 representing (8%) of allocated budget. - Evaluation: 2 projects (7%) with EUR 287,160 representing (6%) of allocated budget.	In Progress

⁸ Contractor Compliance is depicted in ESMF and reflected in the procurement documents.



Stage	Key Activities	Status																					
	- Awarded: 3 projects (10%) with EUR 340,609 representing (7%) of allocated budget. Chart 12: Status of Sub-projects under VCSP <table border="1"> <caption>Data for Chart 12: Status of Sub-projects under VCSP</caption> <thead> <tr> <th>Activity</th> <th>Value (EUR)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td>1,660,428</td> <td>33%</td> </tr> <tr> <td>Pre-approved</td> <td>1,548,987</td> <td>31%</td> </tr> <tr> <td>Approved</td> <td>711,823</td> <td>14%</td> </tr> <tr> <td>Tendering</td> <td>420,993</td> <td>9%</td> </tr> <tr> <td>Evaluation</td> <td>287,160</td> <td>6%</td> </tr> <tr> <td>Awarded</td> <td>340,609</td> <td>7%</td> </tr> </tbody> </table>	Activity	Value (EUR)	Percentage	Appraisal	1,660,428	33%	Pre-approved	1,548,987	31%	Approved	711,823	14%	Tendering	420,993	9%	Evaluation	287,160	6%	Awarded	340,609	7%	
Activity	Value (EUR)	Percentage																					
Appraisal	1,660,428	33%																					
Pre-approved	1,548,987	31%																					
Approved	711,823	14%																					
Tendering	420,993	9%																					
Evaluation	287,160	6%																					
Awarded	340,609	7%																					

3.6 Communication and Outreach

As part of its communication and outreach efforts, MDLF ensures that its development programs are clearly presented to stakeholders and the wider public. In this context, a series of visibility activities were implemented to introduce the Village Councils Support Program prior to the commencement of project implementation. These efforts aimed to present the program's objectives, funding, target councils, and expected impact, while promoting transparency and public awareness.

Visibility Activities

- **Signing Ceremony and Media Coverage**

The Palestinian Authority and the Federal Republic of Germany signed three development agreements valued at €23 million, including **€6 million allocated to the Village Councils Support Project**. The agreements are implemented through MDLF and reflect the continued partnership between Palestine and Germany in strengthening local governance and service delivery.

The signing ceremony received media coverage and was disseminated through official press releases and social media platforms to enhance public awareness.





• Orientation Workshop for Village Councils Support Program

MDLF held an orientation workshop in Ramallah for selected village councils under the Village Councils Support Program, funded by Germany through the German Development Bank (KfW). The workshop was documented and shared through MDLF's communication channels to ensure transparency and stakeholder engagement.

• Social Media Promotion

MDLF published a series of posts across its official social media platforms to introduce the Village Councils Support Project. The posts highlighted the program's objectives, funding allocation, target councils, and expected development impact.

These outreach efforts aim to inform citizens and local stakeholders about the project and reinforce the partnership between MDLF and Germany in supporting sustainable local development.

صندوق تطوير وإقراض الهيئات المحلية - Mdif
February 12, 2025 - 📍
صندوق تطوير وإقراض الهيئات المحلية يعقد ورشة توجيهية لبرنامج دعم المجالس القروية رام الله - عقد صندوق تطوير وإقراض الهيئات المحلية ورشة عمل توجيهية لعدد من المجالس القروية، وذلك في إطار برنامج دعم المجالس القروية، الممول من جمهورية ألمانيا الاتحادية من خلال بنك التنمية الألماني German Representative Office Ramallah، بقيمة 6 ملايين يورو. يستهدف البرنامج 30 مجلساً قروياً يزيد عدد سكانها عن 4000 نسمة، بهدف تحسين جودة الخدمات وتطوير البنية التحتية في هذه المناطق. وخلال الورشة، استعرض طاقم الصندوق آليات العمل في البرنامج، مكوناته، ومعايير اختيار المشاريع، إضافة إلى إجراءات تقديم طلبات التمويل، كما تم الإجابة عن استفسارات الحضور. يُعد هذا البرنامج خطوة هامة نحو تعزيز قدرات المجالس القروية، حيث يساهم في رفع مستوى الخدمات المقدمة للمواطنين، وتحسين البنية التحتية الأساسية في المجالس المستفيدة، وتعزيز التنمية المحلية. يأتي هذا البرنامج في إطار التعاون المشترك بين صندوق تطوير وإقراض الهيئات المحلية وجمهورية ألمانيا الاتحادية، بهدف دعم الحكم المحلي وتعزيز التنمية المستدامة في المناطق القروية.

Orientation Workshop for Village Councils Support Program

Ramallah – The Municipal Development and Lending Fund (MDLF) held an orientation workshop for several village councils as part of the Village Councils Support Program, funded by Germany through the German Development Bank (KfW) German Representative Office Ramallah, with a total value of 6 million euros. The program targets 30 village councils with populations over 4,000 people, aiming to improve service quality and develop infrastructure in these areas.

During the workshop, the MDLF team presented the program's mechanisms, components, project selection criteria, and the process for submitting funding applications.

This program is a significant step toward strengthening the capabilities of village councils, enhancing services, and improving basic infrastructure, contributing to local development. It reflects the ongoing cooperation between #MDLF and #Germany, aimed at supporting local governance and sustainable development in rural areas.

صندوق تطوير وإقراض الهيئات المحلية - Mdif
October 16, 2025 - 📍
في إطار دعم المجالس القروية، ينفذ صندوق تطوير وإقراض الهيئات المحلية برنامج دعم المجالس القروية بتمويل من الحكومة الألمانية عبر بنك التنمية الألماني KfW. لتحسين الخدمات الأساسية في 30 مجلساً قروياً، يستفيد منها أكثر من 160 ألف مواطن في المناطق الريفية بالضفة الغربية.

In the framework of supporting village councils, the Municipal Development and Lending Fund (MDLF) is implementing the Village Councils Support Program, funded by the German Government through the German Development Bank (KfW), to improve basic services in 30 village councils, benefiting more than 160,000 citizens in village areas of the West Bank.

German Information Centre Arab World - المركز الألماني للإعلام - Auswärtiges Amt German Representative Office Ramallah

ضمن برنامج دعم المجالس القروية

6 مليون يورو

عدد المستفيدين
160,959
مواطن في المناطق
الريفية بالضفة الغربية

الممول
الحكومة الألمانية عبر
بنك التنمية الألماني
KfW

الهدف
تعزيز تقديم الخدمات

المستهدف
30 مجلساً قروياً

Within the framework of the Village Councils Support Program

6 Million Euros

Number of Beneficiaries
160,959
Citizen in the Village
areas of the West Bank

The Financier
The German
Government through
the German
Development Bank
KfW

The Goal
Enhancing the Provision
of Basic Services

The Target
30 A Citizen Council

صندوق تطوير وإقراض الهيئات المحلية - Mdif
Non-Governmental Organization (NGO) Send message





4. West Bank & Gaza Integrated Solid Waste Management Program, Phase 1

4.1 Project Description

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

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

Project Development Objective (PDO):

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

PDO Indicator 1	Increase in the overall waste disposal capacity at Zahrat Al-Finjan and Al-Minya sanitary landfills
PDO Indicator 2	Financial management model prepared and utilized by at least 60% of targeted Joint Service Councils and local SWM service providers.
PDO Indicator 3	People benefiting from climate resilient infrastructure.
PDO Indicator 4	Landfills and transfer stations supported under the project operate and managed per defined operational standards in the project operational manual (POM).



4.2 Project Components

Component 1: Priority Infrastructure⁹

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

Component 2: Strengthening Sector Policy and Institutional Capacity

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

⁹ Refer to the description of existing infrastructure (ZF and AM SLFs) in the Project Appraisal Document, paragraphs 46 and 47.



- Financial improvement: improvement in fee collection, cost recovery, financial monitoring system, billing system and the implementation of waste information management systems.
- Adoption of waste minimization initiatives.
- b. Technical Assistance (TA) to local SWM service providers.
- 3. Waste Shed Optimization Studies:
 - a. Primary & Secondary collection optimization studies with a focus on reducing the operating costs of local SWM service providers
 - b. Feasibility studies and detailed designs to upgrade and extend existing landfills in the West Bank.
 - c. Feasibility studies and detailed design for the construction and rehabilitation of transfer station.
 - d. Support the preparation of the National Hazardous Waste Management Plan (HWMP).

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

Component 4: Project Management

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

4.3 Allocated Budget and Financing Partners

The current allocated budget for ISWMP-1 is USD 25 million, table (16) provides the budget breakdown over project components, financed by the World Bank Group under the Partnership for Infrastructure Development – Multi-Donor Trust Fund (PID-MDTF) and the Trust Fund for Gaza and the West Bank (TFGWB), table (17).

Table 16: Allocation of Funds per Project Component – ISWMP-1

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



Table 17: ISWMP-1 Project Funding Data

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

4.4 Project stakeholders

The strategic nature of the ISWMP-1 requires coordination and consensus building among all stakeholders in accordance with national policies and plans. Figure (4) lists project stakeholders.

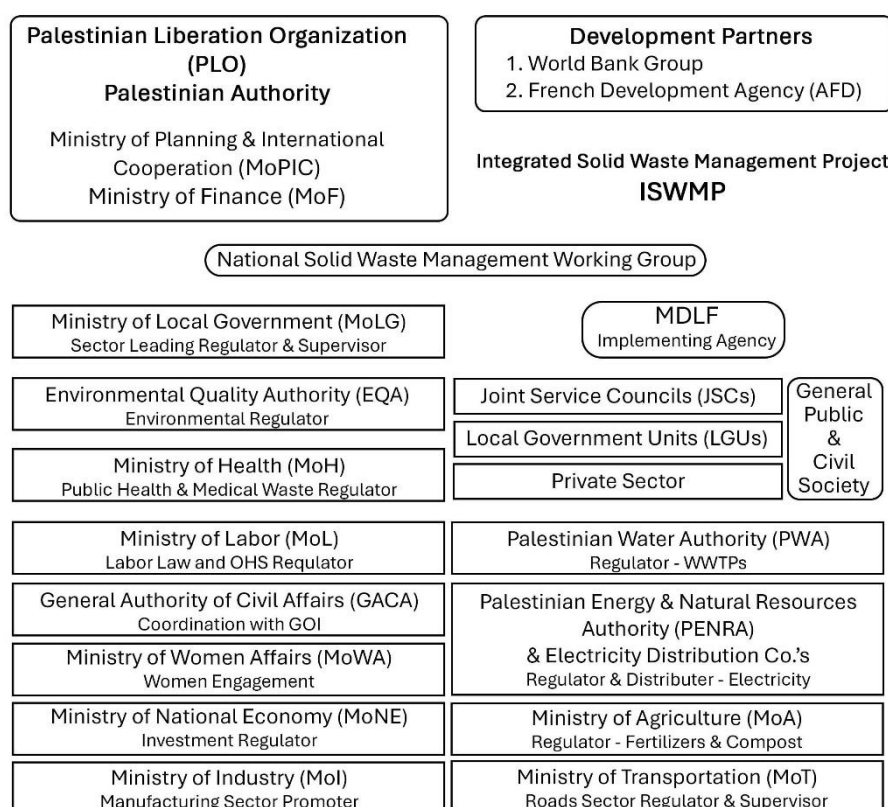


Figure 7: Key Stakeholders

4.5 Implementation Status

The ISWMP-1 was declared effective on 2nd June 2025, therefore this semi-annual report is issued at about the time of project preparation activities. During the first semester of 2025 and as part of the preparation for project effectiveness, MDLF signed at the end of 2024 the environmental and social commitment plan (ESCP) which responds to the World Bank requirements per the Environment and Social Standards (ESS). The Project Operational Manual (POM) was prepared during the reporting period and was cleared as a condition for project effectiveness. MDLF maintained open dialogue with the Ministry of Local Government (MoLG) Directorate of Joint Service Councils, and with the Joint Service Councils operating the Zahrat Al-Finjan and Al-Menya Sanitary Landfill since the response to the challenges facing the sanitary landfills in the West Bank represents high priority in the project,



with 67% of the project budget is allocated to those two major sites serving the majority of the population of the West Bank.

Since project effectiveness, preparation were under way to launch number of activities starting with project implementation management structure in terms of contracting with number of individual consultants to assist in project implementation in line with the environment and social commitment plan (ESCP); with the role to monitor and evaluate the implementation of environment, social and health and safety requirements of the project in accordance with the corrective action plans (CAP) recommended by the environment and social (E&S) audits performed for the two sanitary landfills prior to project effectiveness. The first major study aiming to design the different interventions at Zahrat Al-Finjan and Al-Minya Landfills was launched in the reporting period. This critical international consultancy will design the different components to rehabilitate and expand both sanitary landfill sites, that includes the increase of the capacity of landfills by constructing new cells, the rehabilitation of existing full cells, and to upgrade the existing leachate collection and introduce solutions for leachate management and treatment, in addition to the installation of gas collection system and flaring unit. Technical and financial proposals are expected at end of January 2026. Meanwhile, the dire status of Zahrat Al-Finjan Sanitary landfill which had substantially exceeded its design capacity with the associated implications as stated in the environment and social audit report necessitated an urgent intervention to assist the operator better utilize the existing site in a safe and environmentally and socially responsible manner until the realization of the major rehabilitation and expansion work, that will be subject to detailed design to be undertaken by the international assignment currently in the procurement stage. Therefore, a small consultancy assignment was launched during the reporting period in order to explore the current status of the landfill in an engineering manner, that is by conducting a detailed topographic survey and analysis to assist taking informed decision by the landfill operator to optimize the capacity of the landfill during the period of detailed design, that will likely last until the end of summer 2026, and to safeguard the daily operations against the harsh winter season which often exacerbate potential slope failures or landslides.



The preparation and the launching of the first goods procurement package took place in the reporting period to acquire heavy equipment to support the operations of both JSCs in northern and southern West Bank (JSC-Jenin and HJSC-Hebron and Bethlehem); the equipment included landfill machinery for both landfill sites in addition to medical waste treatment unit for Al-Minya Sanitary Landfill.

The first study to support sector policy, comp.2a, was launched during the reporting period in cooperation with the Environment Quality Authority (EQA) to prepare a comprehensive national plan for Hazardous Waste Management. During the reporting period MDLF also launched the beneficiary impact assessment during the reporting period to lay the grounds for the baseline and support the formulation of the incentive package and the independent verification.

The upcoming period, first semester 2026, will witness the implementation of number of activities currently in the procurement process as provided above, in addition to launching the procurement of number of other activities including the ESMP/ESIA for both sanitary landfills validating and supporting the design work for both sites in line with the E&S audit and the CAP. Other major activities include



the launching of the major study on waste collection that will cover JSCs across the entire West Bank that is anticipated to present an insight into the systems of waste collection and recommend vision and measures to improve the different processes including the proper use and siting of intermediate points (transfer stations) that can positively the entire cycle of waste management in terms of efficiency and effectiveness, supporting the JSCs along with sector policy and incentives (comp. 2b) towards effective use of resources and ultimately towards an integrated and circular economy. Also, number of activities are planned or will be launched including the sector's legal framework (comp. 2a), and the management information system, all in line with the implementation strategy presented in the ISWMP operations manual.

In addition, the institutional baseline assessment, citizen satisfaction survey, and performance-based criteria—together with the development of the grant allocation mechanism for the JSCs—have been contracted and are currently under implementation. This comprehensive assessment package is designed to strengthen institutional performance, enhance service delivery monitoring, and ensure transparent and equitable fund allocation across the targeted JSCs. All activities are progressing as planned, with completion expected by the end of April 2026.



5. Social Recovery and Job Creation

5.1 Introduction

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

The project aims to:

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

The project comprises of 3 main components as follows:

- **Component 1: Labor-Intensive Infrastructure** will finance small-scale, labor-intensive public works in West Bank Local Government Units (LGUs) to create short-term jobs for unemployed Palestinians, both skilled and unskilled. Targeting will prioritize LGUs most affected by destruction or with the highest unemployment, identified by the Ministry of Local Government and MDLF in coordination with the Ministry of Labor and local communities. Activities will focus on maintaining local services and LGU facilities, with designs that are conflict- and climate-resilient where possible, and will include construction supervision.
- **Component 2: Support to Women and Persons with Disabilities** will assist those unable to participate in labor-intensive works under Component 1 by helping them sustain and expand existing businesses or create new ones across sectors such as agriculture, handicrafts, services, and processing. The component will enhance business management skills, financial literacy, operational processes, and access to markets through training, mentoring, and coaching. To address the critical barrier of limited finance, performance-based grants—ranging from US\$1,000 to US\$30,000 for individuals and up to US\$50,000 for groups or cooperatives—will be provided, with criteria defined in the Project Operations Manual. Grants may cover inputs, equipment, materials, utilities, marketing,



and certification, enabling women and persons with disabilities to grow their enterprises and strengthen their economic resilience.

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

MDLF is the implementing agency for component 1 in coordination with MOLG and MOL. The implementation arrangements and the coordination mechanism were defined in the Project Operation Manual "POM".

The following sections focusses on Component 1, outlining the description, allocation criteria, beneficiaries and the implementation status.

5.2 Description of Component 1

Component 1 of the SRJCP was designed to enhance local resilience and employment by implementing sub-projects that combine infrastructure development/rehabilitation with job creation in the targeted Local Government Units (LGUs) across the West Bank. These sub-projects focus on small-scale interventions that are labor-intensive, ensuring that local communities benefit both from improved services and income generation.

Focus Areas

- **Infrastructure Improvement:** Rehabilitation and upgrading of critical local infrastructure such as **retaining walls, concrete shoulders, and Communications Communications Communications includes includes includes , includes Communications Communications public service facilities**. These improvements aim to strengthen physical assets and ensure safer, and more functional environment for residents.
- **Job Creation:** Generating **short-term employment opportunities** for unemployed individuals, including both skilled and unskilled labors. This approach helps reduce unemployment rates and provides immediate income support to vulnerable households.
- **Local Economic Recovery:** Channeling wages into local economies to **restore household purchasing power** and stimulate economic activity. This infusion of income is expected to enhance community resilience and support recovery from economic shocks.

Component 1 is not only about building infrastructure—it is a **dual-impact intervention** that combines physical improvements with socio-economic benefits. By focusing on labor-intensive methods, the program ensures that development efforts translate into **direct employment**, income generation, and improved living conditions for communities across the West Bank.

Expected Results

- **Beneficiaries of labor-intensive work:** it is anticipated that **6,753 individuals** will be temporarily employed through these sub-projects.
- **Beneficiary satisfaction:** At least **75% of beneficiaries** are expected to report satisfaction with the services provided under the project.



- **Infrastructure improvements:** Tangible upgrades in targeted areas, for instance, the construction of retaining walls and concrete shoulders, will be delivered as part of the project's outputs.

Features of Component 1:

- **Demand-Driven:** LGUs identify priority needs with community inputs.
- **Temporary Job Creation:**
 - Jobs target unemployed individuals and verified through government databases, particularly the Ministry of Labor database.
 - Preference will be given to: unemployed ≥ 12 months, heads of households, married with dependents, not targeted by other programs.
 - Transparent selection mechanism coordinated with Ministry of Labor "MOL" and LGUs.
- **Selection Criteria:**
 - Joblessness/no income.
 - Household role (head).
 - Having required skills.
 - Age limits (≥ 18).
- **Labor Intensity for selected sub-projects:**
 - **Labor cost:** ~50% of Component 1.
 - **Daily rates:** Unskilled 120 shekels (US\$34), skilled 180 shekels (US\$50)
 - **Duration:** ~2-3 months; 80% unskilled, 20% skilled/back-office.

Eligible sub-projects and interventions

This component will provide financial support to selected local government units in the West bank to maintain the provision of local services (covering all sectors mandated to LGUs including solid waste management and public health activities, Water, Waste Water, Transport including storm water drainage and streets lighting, gardens and public spaces, public facilities owned and operated by LGU) through labor-intensive small scale infrastructure works including: O&M of services and infrastructure, rehabilitation of existing infrastructure and facilities and small scale infrastructure new/development activities. It will cover financing for labor, Equipment and supplies necessary to undertake the approved activities/sub-projects of the LGUs. Among others these activities/sub-projects can include:

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



- Stone walls/retaining Wall constructions.
- Financing of public awareness campaigns.

LGUs will identify their priorities from either one of the following:

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

5.3 Financing of Component 1

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

Table 18 : Costing of Component 1

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

5.4 Grant Allocation Mechanism

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

✓ *Municipalities Sub-grants representing 60% of the funds allocated for C4W and will be distributed according to the following criteria:*

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

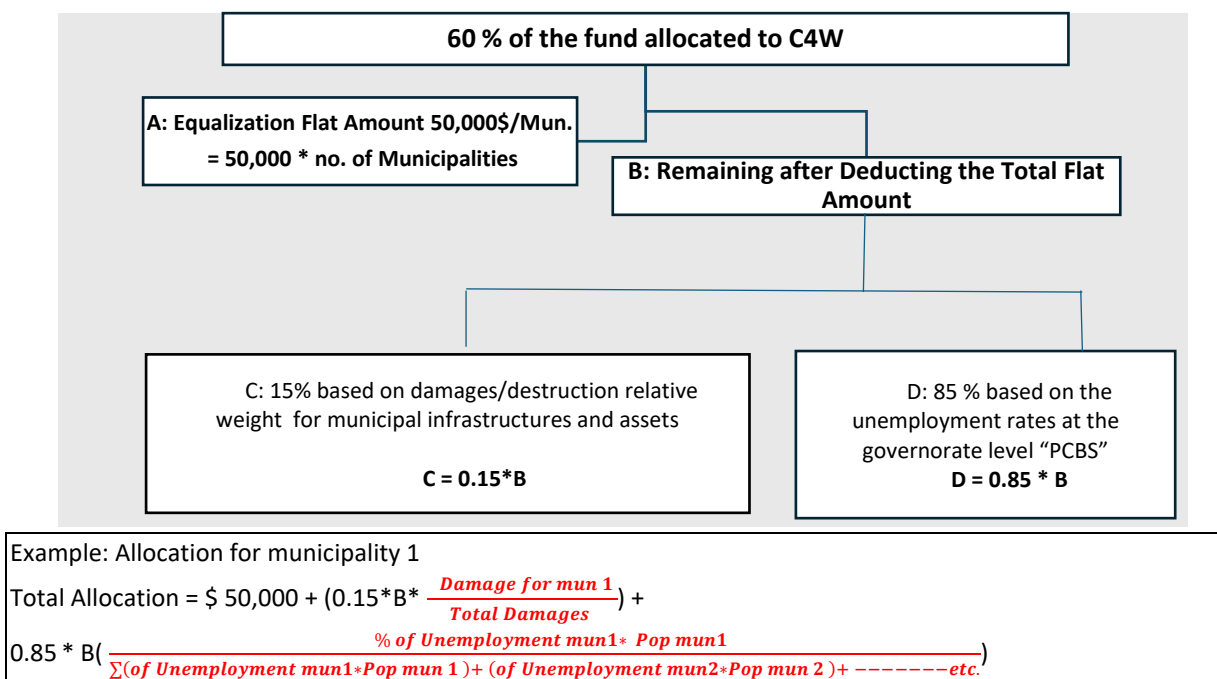


Figure 8: Allocation Formula for Municipalities

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



Internal Road Rehabilitation & Beautification – Jaba'
Community Recovery & Job Creation Project (Component1)

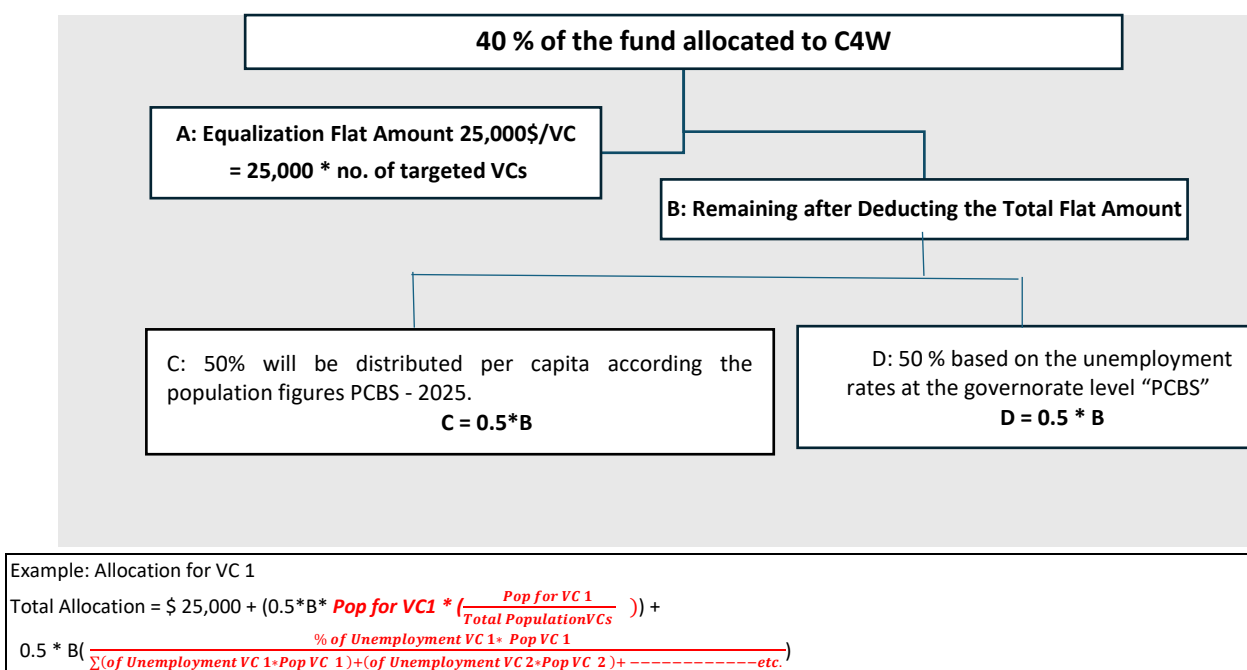


Figure 9: Allocation Formula for Village Councils

5.5 Allocations for LGUs

Under Component 1, **US\$36.57 million** was allocated across **371 LGUs**, comprising **136 municipalities** and **235 Village Councils (VCs)**. This allocation is based on a formula that considers population size unemployment rates, and the level of municipal infrastructure damages resulted from invasions of Israeli Army in affected municipalities. The combined population of these LGUs is **2,930,533**, with municipalities serving **2,316,218 people** and VCs serving **614,315 people**. The overall per capita allocation is approximately **US\$12.48**, but the distribution varies significantly between municipalities and VCs.

5.5.1 Village Councils (VCs) Allocations

- **Total Allocation:** US\$ 14,628,000
- **Population:** 614,315
- **Average Per Capita:** US\$23.8
- **Allocation Range:**
 - **Maximum:** US\$158,329
 - **Minimum:** US\$26,017
- **Distribution Pattern:** The histogram (chart 1) shows that **92% of VCs received less than US\$100,000**, while only **8% exceeded this threshold**. This indicates that allocations for VCs are highly concentrated in the lower range, reflecting their smaller populations and the formula's intent to ensure minimum funding for the targeted VCs. The relatively high per capita figure for VCs compared to municipalities reflects that smaller communities benefit proportionally more from the allocation formula.



5.5.2 Municipalities

- **Total Allocation:** US\$ 21,942,000 million
- **Population:** 2,316,218
- **Average Per Capita:** US\$9.47
- **Allocation Range:**
 - **Maximum:** US\$2,299,115
 - **Minimum:** US\$52,190
- **Distribution Pattern:** The histogram (chart 2) reveals a more diverse allocation pattern among municipalities:
 - **49% received less than US\$100,000,**
 - **37% fall between US\$100,000–200,000,**
 - **14% received allocations ranging from US\$200,000 up to US\$3 million.**

This variation reflects differences in population size and service responsibilities. Larger municipalities receive significantly higher allocations, which is evident from the tail of the distribution where a few municipalities exceed US\$1 million.

Comparative Insights

- **Equity vs. Scale:** VCs received a higher per capita allocation (US\$23.8) compared to municipalities (US\$9.47), ensuring that smaller communities are not disadvantaged by their size.
- **Concentration vs. Diversity:** VC allocations are highly uniform and concentrated in the lower range, while municipalities show a broader spread, with some receiving very large allocations due to their population, and infrastructure damages.
- **Policy Implication:** The allocation formula appears to balance equity and efficiency—providing a baseline/minimum allocation for all LGUs while scaling up resources for larger urban centers.

Chart 13: Distribution Pattern of VCs Allocation

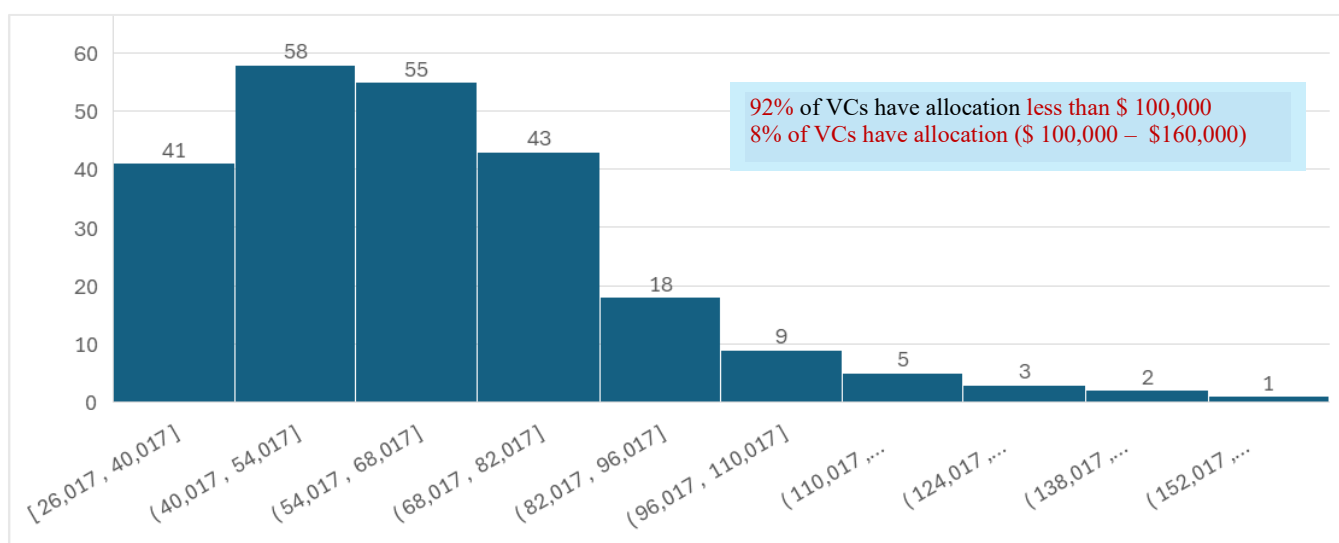
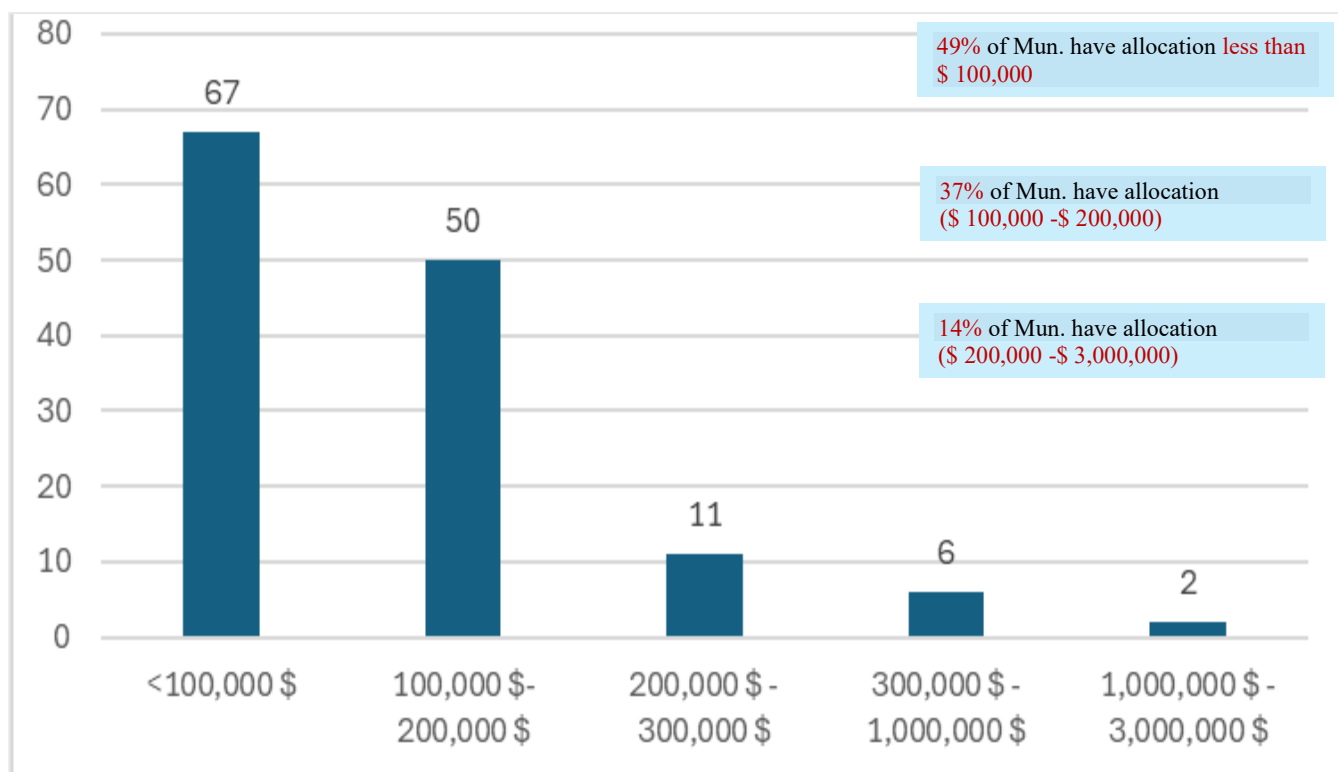




Chart 14: Distribution Pattern of Municipalities Allocation



5.6 Implementation Status

5.6.1 Overall

The financing agreement for the project was signed in late April 2025 and became effective by late May 2025. Following this, allocations were distributed to Local Government Units (LGUs) in July 2025. During the same month, two orientation workshops were conducted for all LGUs to ensure clarity on the implementation process.

To strengthen coordination, a Memorandum of Understanding (MOU) was prepared between MOFP, MDLF, and the Ministry of Labor, and an Operational and Coordination Protocol was signed between MDLF and MOL.

The Memorandum of Understanding (Annex 1) establishes a clear framework for cooperation among MoPIC, MDLF, and MoL to ensure the coordinated, efficient, and transparent implementation of Component 1 of the Social Recovery and Job Creation Project. It clarifies the overarching goal of aligning labour-intensive public works with the Project's governing documents—PAD, POM, and Grant Agreement—and with national development priorities. The MoU formalizes how the three Parties jointly contribute to achieving the Project Development Objective by defining how they will oversee, implement, and support the processes of registration, verification, selection, and engagement of beneficiaries.

Under the MoU, MoPIC is responsible for overall government coordination and oversight, ensuring compliance with the PAD and POM, chairing the Steering Committee, and consolidating performance reporting to the World Bank. MDLF serves as the implementing agency for



Component 1, responsible for preparing subprojects, managing procurement and payments, ensuring E&S compliance, approving final beneficiary selections, and managing reporting and monitoring systems. MoL operates the Employment Platform, leads registration, screening, and verification based on the Verification Protocol, announces subprojects, supports applicants, and transmits verified beneficiary lists to MDLF while safeguarding data confidentiality

The Operational and Coordination Protocol defines the detailed workflow ensuring synchronized actions between the Parties. It outlines the six implementation steps: subproject announcement by MoL based on MDLF submissions; registration through the Employment Platform; eligibility verification through official databases; transmission of verified lists to MDLF; final selection and notification; and field-level implementation supported by joint spot checks. It also specifies verification requirements—including cross-checks with Civil Registry, MoL databases, relevant ministries, and UNRWA—and emphasizes adherence to POM timelines and strict data protection rules

To ensure seamless coordination, a Joint Technical Team is established within five working days of MoU signing, consisting of representatives from all three Parties, tasked with resolving operational issues, managing registration challenges, and addressing verification disputes. The protocol defines official communication channels, including dedicated email addresses and a WhatsApp group for urgent matters, and requires all Parties to use standardized templates such as the Project Announcement Form. These administrative arrangements ensure consistent information flow, coordinated decision-making, and timely issue resolution throughout the implementation of Component 1.



Figure 10: Launching of SRJC Project at the Prime Minister Office



In August 2025, six Local Technical Consultancy firms “LTCs” were contracted to support the project’s activities as the table below reflects:

1. Local Technical Consultant - Tulkarm, Qalqilya, and Salfit Governorates
2. Local Technical Consultant - Ramallah, Albireh Governorates
3. Local Technical Consultant - Nablus, Tubas Governorates
4. Local Technical Consultant - Jericho, Jerusalem, and Bethlehem Governorate
5. Local Technical Consultant - Jenin Governorate
6. Local Technical Consultant - Hebron Governorate

All necessary documents and forms required to initiate the implementation phase—such as the Grant Implementation Agreement (GIA) and employee contract forms—were finalized. A total of 277 online applications for ‘Sub-Projects’ were submitted by village councils, while municipalities submitted 183 applications, reflecting strong engagement from LGUs in the sub-project application process.



Figure 11: Launching of Component 1 of SRJC by MDLF, MoLG and MoL

5.6.2 Virtual Stakeholder Consultation on ESMF with 110 Participants:

A public stakeholder consultation session through a virtual session via Zoom was held on June 25th, 2025, hosted by the Ministry of Planning and International Cooperation (MoPIC). The consultation session had approximately 110 participants, representing a broad spectrum of



stakeholders, including ministries and government institutions, NGOs and CBOs working with women and persons with disabilities, representatives of the private sector, local governments, municipalities, consultants, as well as academics and other interested parties.

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

- Overview of project objectives, components, and expected outcomes.
- Potential environmental and social risks and impacts associated with project activities under each component.
- Proposed mitigation measures and management arrangements to effectively manage and mitigate these identified risks.
- Project-level Grievance Mechanism (GM), including specific channels for grievances related to Gender-Based Violence (GBV) and Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH).
- Implementation, supervision, monitoring, and reporting arrangements for ESMF compliance.

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

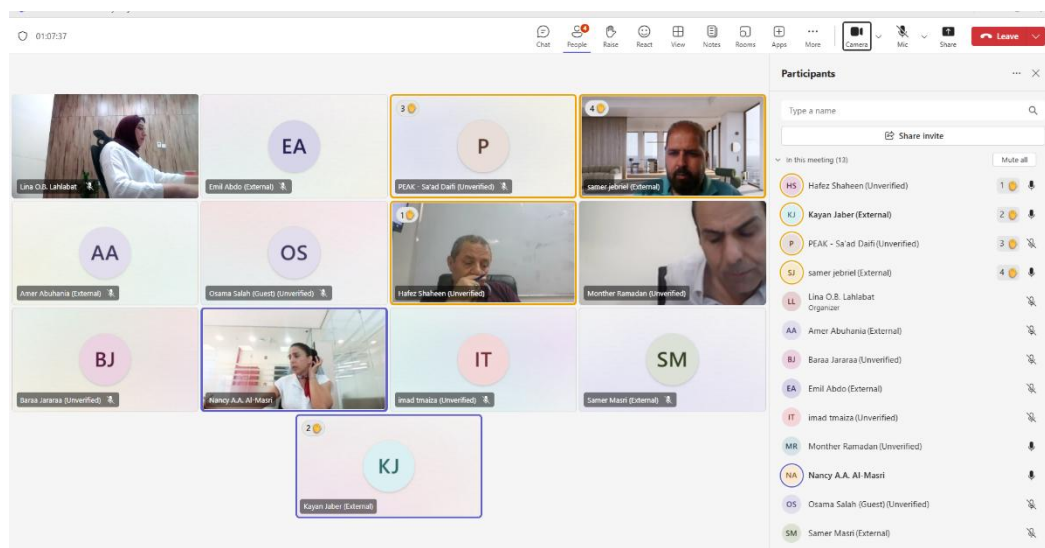


Figure 12: E&S Workshop to the E&S Consultants

5.6.3 Orientation Workshops for LGUs

Within the first months following the dissemination of LGUs allocations, MDLF conducted two **orientation workshops** for participating LGUs. The first workshop was conducted on July 7th, 2025, and was attended by all participating municipalities and representatives from MoL, MoPIC, MoLG and MDLF. The second workshop targeted VC's and was conducted on July 16th, 2025. The



workshops were designed to ensure LGUs understand project requirements and build their capacity for effective implementation. Key topics covered include:

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

5.6.4 Program Mission

In October, the Municipal Development and Lending Fund (MDLF) welcomed a World Bank mission as part of ongoing follow-up on the implementation of Component 1 of the Social Recovery and Job Creation Program. The MDLF's Director General, along with technical teams met with the mission to review financial aspects, discuss the program's environmental and social management plan, and assess progress made to date. The meeting reflected the continued collaboration between MDLF and the World Bank to strengthen local development efforts and support economic recovery in Palestine.



5.6.5 Request for Applications

After conducting the orientation workshops, MDLF has issued the Request for Application (RFA) and invited eligible LGUs to propose sub-projects. The identification/selection of the sub-projects under component 1 “Labor-Intensive Infrastructure” passed through 1st eligibility criteria:

- The LGUs shall identify a list of priority sub-projects (list of small-scale public infrastructure projects) from their SDIPs or emergency operation and maintenance plan aligned with their budget.
- The selected sub-projects must achieve the number of job opportunities required by the LGUs, and the percentage of labor content for each LGU must not be less than 50%.
- The current daily rate for unskilled workers is around 34 USD and 50 USD for skilled workers.
- A job opportunity is defined as a job opportunity for an unemployed person that does not repeat itself within one year.
- Each LGU must achieve a certain number of job opportunities according to the LGU’s allocation.
- Workers can access the platform for available working opportunities through the following link: <https://shorturl.at/Gm8LQ>



Figure 13: Technical Follow Up Meeting – MoPIC, MDLF, MoLG, and MoL



GRANT APPLICATION APPRAISAL RESULTS ATTACHMENTS PROJECT DETAILS RESPONSES HISTORY SELECTED KPIS

RFA Municipality Basic Information

Call for Application Application Form for Cash for Work program -Municipalities	Program West Bank and Gaza Social Recovery and Job Creation Project	Cycle -
Component Cash For Work (C4W) - Municipalities	Allocated Amount 116,084,000	Allocated Currency US Dollar (USD)
Submitted Application Amount 116,084,000	Approved Application Amount 0.000	
Remaining Submitted Application 0.000	Remaining Approved Application 116,084,000	Download Book

Update Grant Application Form

LGU Administrative Information Section

LGU Deir Samit	Website -	Email Eng.firas282015@gmail.com
	phone 2202222	
LGU Head رئيس المجلس	phone 0562887100	Email rshakhsheer@mdlf.org.ps

Figure 14: Online Application for Sub-projects Submission by LGUs

5.6.6 Social and Environmental Assessment

Following the adoption of 1st eligibility criteria, MDLF implemented a comprehensive framework and measures to assess, manage, and monitor environmental, social, health, and safety (ESHS) risks under Component 1 of the Social Recovery and Jobs Creation Project (SRJCP). MDLF established a dedicated Environmental and Social (E&S) team in the West Bank and engaged **six Local Technical Consultants (LTCs)** to support Local Government Units (LGUs) through sub-project implementation.

A total of **428 sub-projects across 371 LGUs were screened** and assessed in line with the Environmental and Social Management Framework (ESMF) and World Bank Environmental and Social Standards (ESSs), with the majority classified as low to low-moderate risk and no projects rated as substantial risk.

- 4% were classified as moderate risk,
- **91% as low-moderate risk, and**
- 5 % as low risk,
- No sub-projects falling under the “substantial” risk category.

The sub-projects are predominantly small-scale, labor-intensive rehabilitation and maintenance activities in the roads, public facilities, water/wastewater, and solid waste sectors. Anticipated environmental and social impacts—such as dust, noise, occupational health and safety risks, traffic disruptions, temporary access limitations, and minor land use impacts—are generally localized, temporary, and reversible.

Appropriate E&S instruments were applied based on risk levels, including integrated mitigation measures, E&S checklists, and ESMPs, all embedded within **Grant Implementation Agreements**. Strong emphasis was placed on labor management, worker safety, fair recruitment, community health and safety, stakeholder engagement, and grievance redress mechanisms, including provisions addressing SEA/SH risks.



MDLF implemented extensive capacity-building efforts targeting LGUs, village councils, and E&S consultants through workshops, on-the-job training, and continuous technical support. Monitoring and supervision arrangements were clearly defined, with MDLF retaining overall oversight and LGUs responsible for on-site compliance. Regular site inspections and reporting confirmed that identified E&S risks—mainly related to OHS, traffic safety, waste management, and minor land disturbances—remain manageable under existing mitigation measures.



Figure 15: Stakeholders Engagement and Disclosure of Project Information

5.6.7 Analysis of Sub-projects by sector per Governorate

5.6.7.1 Village Councils (VCs)

- The VC portfolio spans over **235 village councils** and **277 sub-projects**. Like municipalities, **Roads** are the dominant sector (**186 projects**), followed by **Public buildings/facilities (87)**; **Water (4)** is modest, and there are **no Electricity or Solid waste** sub-projects for VCs.
- Sub-projects are focused in **Nablus (63)** and **Ramallah & Al-Bireh (62)**—together accounting for nearly half of all VC projects—followed by **Jenin (49)**. **Hebron (22)**, **Qalqilya (20)**, **Tulkarem (18)**, and **Bethlehem (17)** host mid-range portfolios, while **Jerusalem (6)**, **Tubas (8)**, **Salfit (9)**, and **Jericho (3)** show lighter share.
- Within VCs, **Roads** are particularly prominent in **Ramallah & Al-Bireh (40)** and in both **Jenin (36)** and **Nablus (36)**, highlighting a strong emphasis on this critical sector.
- **Public buildings/facilities** are a significant secondary focus, with concentrations in **Nablus (24)**, **Ramallah & Al-Bireh (22)**, and **Jenin (13)**—suggesting continuous investment in local service provision and community infrastructure.



- **Water** sub-projects in the VC portfolio are limited to **Nablus (3)** and **Tulkarem (1)**, with all other governorates showing zero requested water sub-projects. Chart 15 and Chart 16 below illustrates the distribution of VCs sub-projects per sector.

Chart 15: Distribution of VCs Sub-projects Per Sector

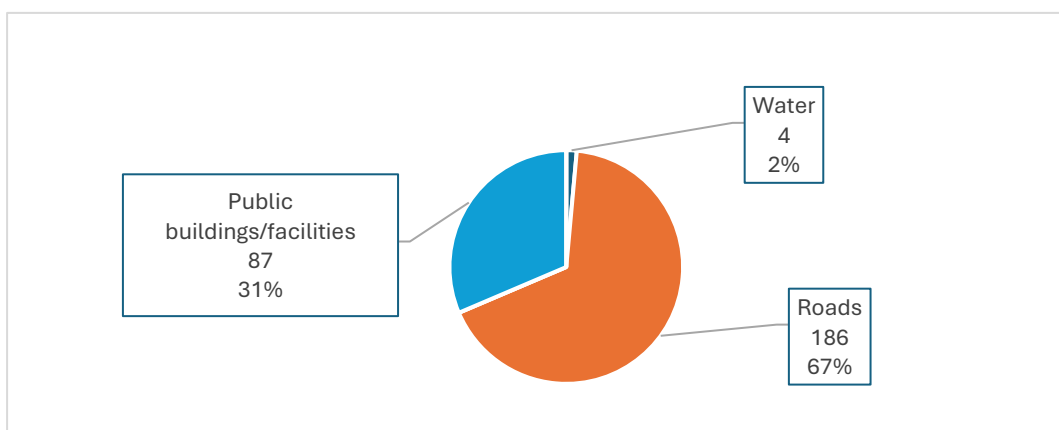
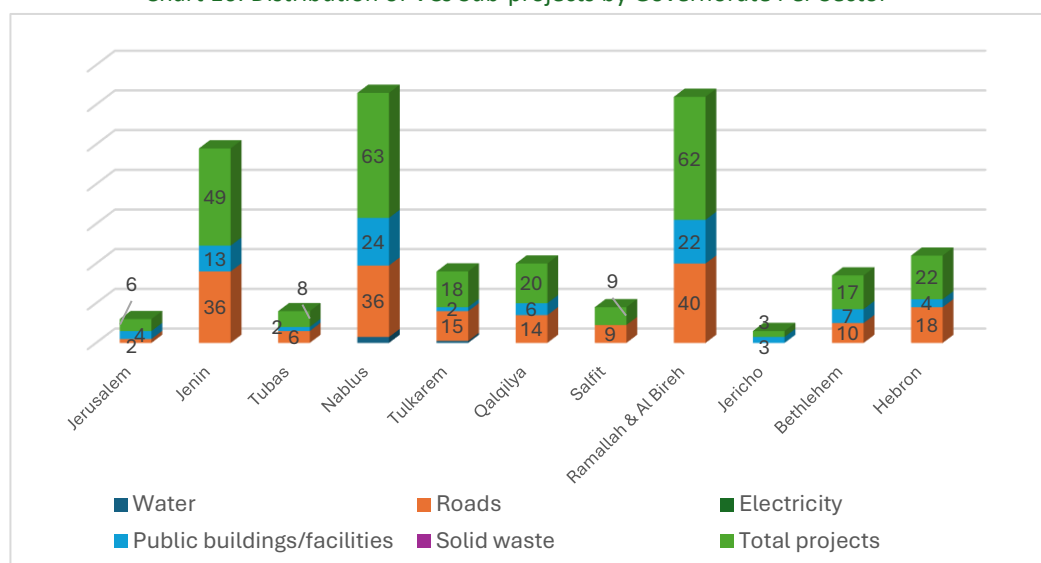


Chart 16: Distribution of VCs Sub-projects by Governorate Per Sector



5.6.7.2 Municipalities Sub-projects

- Across **136** municipalities, **183 sub-projects** were submitted with a highest share of **Roads (118 projects)**, followed by **Public buildings/facilities (52)**, **Water (9)** and **Solid waste (4)** representing smaller shares.
- Geographically, **Hebron** leads with **36** municipal sub-projects, reflecting the largest concentration of activities. **Jenin (30)**, **Ramallah & Al-Bireh (22)**, **Jerusalem (20)**, and **Nablus (19)**. In contrast, **Tubas (3)**, **Qalqilya (5)**, and **Jericho (5)** show lighter footprints.



- Sectorally, **Roads** are broadly distributed—**Hebron (25)**, **Jenin (19)**, **Jerusalem (11)**, **Ramallah & Al-Bireh (11)**, and **Bethlehem (14)** each carry substantial road portfolios—underlining the roads as principal municipal priority.
- **Public buildings/facilities** present strong clusters in **Jerusalem (9)**, **Hebron (9)**, **Ramallah & Al-Bireh (10)**, and **Nablus (7)**, reflecting steady investment in civic infrastructure (e.g., municipal offices, service centers, or community facilities).
- **Water** sub-projects are comparatively limited and concentrated: **Jenin (5)**, **Nablus (2)**, **Jericho (1)**, and **Hebron (1)**; several governorates show no municipal water entries.
- **Solid waste** interventions are minimal and dispersed—appearing in **Tulkarem (1)**, **Salfit (1)**, **Ramallah & Al-Bireh (1)**, and **Hebron (1)** only—indicating much smaller activity in this domain relative to roads and public facilities.

Chart 17 and Chart 18 below illustrates the distribution of municipalities sub-projects per sector.

Chart 17: Distribution of Municipalities Sub-projects Per Sector

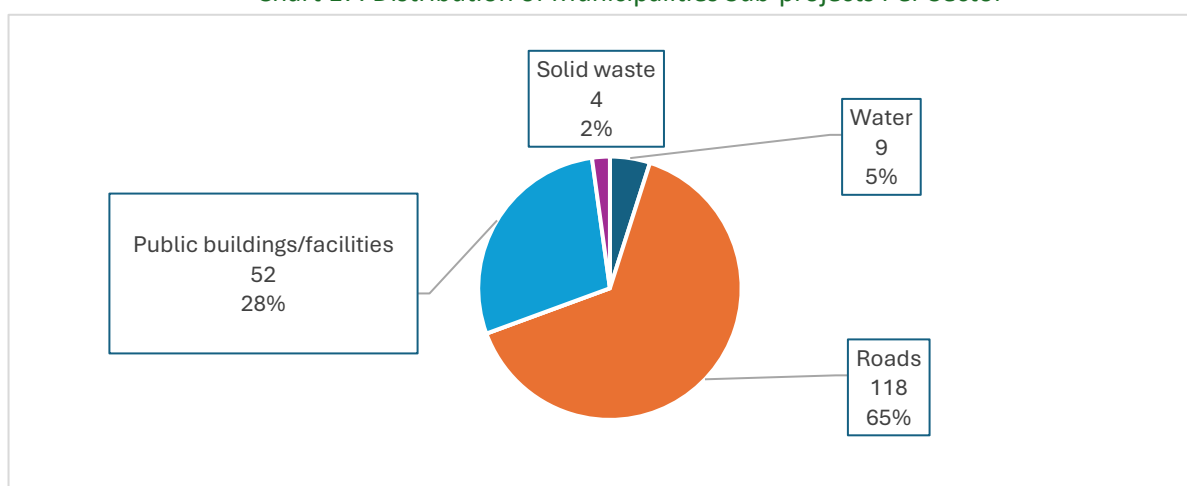
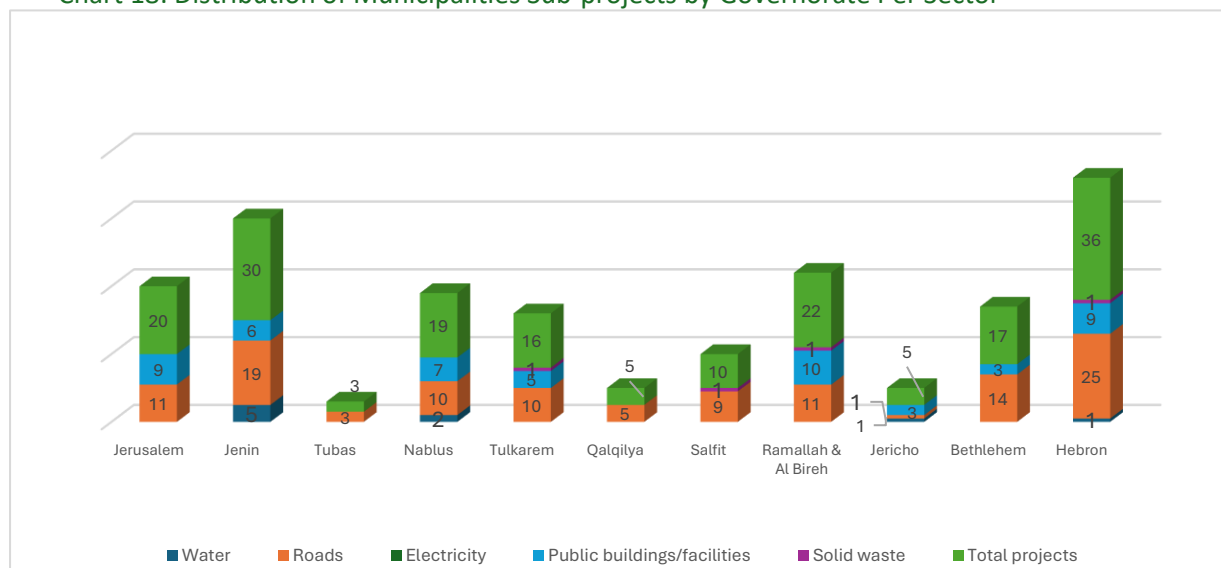


Chart 18: Distribution of Municipalities Sub-projects by Governorate Per Sector





Quick takeaways (across both portfolios)

- **Roads dominate** in both municipalities and VCs, indicating a system-wide emphasis on mobility, and local access, with particular focus on concrete shoulders and sidewalk rehabilitation/construction.
- **Public buildings/facilities** are the clear **second pillar**, especially in urban centers (e.g., Jerusalem, Ramallah & Al-Bireh, Nablus, Hebron).
- **Water** sub-projects are **limited and concentrated**; **Electricity** is **absent** across both portfolios; **Solid waste** appears only in the municipal portfolio and at low levels.

5.6.8 Status of Sub-projects

The program has reached a wide coverage, benefiting 371 Local Government Units (LGUs), including 136 municipalities and 235 village councils. **A total of 460 sub-project applications have been received—183 from municipalities and 277 from village councils—reflecting strong engagement across both categories.** Currently, 255 sub-projects out of 277 are under appraisal or pre-approval, with village councils accounting for the majority (201), while 200 projects have already been approved and announced, showing faster progress among municipalities (124 approved) compared to village councils (76).

Implementation is still in its early stages, with only five projects ongoing, all within municipalities. Workforce demand stands at 4,286 positions (3,586 for municipalities and 700 for village councils), yet interest far exceeds availability, with **19,977 applicants**—15,673 from municipalities and 4,304 from village councils—indicating a highly competitive labor market and strong community interest in participation.

In depth of the status indicates that VCs exhibit particularly high interest relative to need (4,304 applicants for 700 roles; $\approx 6.1\times$), exceeding municipalities' ratio (15,673 for 3,586; $\approx 4.4\times$).

The pipeline looks strong, but most projects are still in the appraisal stage, which requires speed up approvals—especially for village councils— and to move quickly from announcement to implementation.

Table 19: Status of Sub-projects Across Municipalities and VCs

Status	Municipalities	Village Councils	Total LGUs
Benefited LGUs	136	235	371
Number of sub-projects - Received	183	277	460
Number of sub-projects Under Appraisal / Pre-Approved	54	201	255
Number of sub-projects - Approved /Announced	124	76	200
Number of sub-projects - Ongoing	5	0	5
Number of workers required	3,586	700	4,286
Number of workers applying	15,673	4,304	19,977



The ongoing sub-projects according to the geographical distribution and the classification of workers based on skills is reflected in the table below:

Governorate	Project description	Total number of workers	# of skilled workers
Bedu	Road rehabilitation	13	6
Qarawa Bani Hassan	Repair, maintenance, and beautification of internal roads	18	8
Qalqilia	Rehabilitation and maintenance of sidewalks and infrastructure at the eastern entrance of the city	37	9
Habla	Maintenance and beautification of internal roads (construction of retaining walls, concrete shoulders, construction of sidewalks, cleaning, painting)	20	7
Al-Jeeb	Completion of the rehabilitation of Al-Jib Sports Field."	16	9

5.6.9 Monitoring Observations

- **Full LGU Coverage:** All 371 LGUs are engaged, ensuring equitable distribution of benefits across municipalities and village councils.
- **High Labor Interest:** Applications for work exceed available positions by more than four times, showing strong demand for jobs and the program's attractiveness.
- **Village Councils Show Higher Interest:** VCs have a much higher applicant-to-position ratio ($\approx 6.1\times$) compared to municipalities ($\approx 4.4\times$), indicating significant employment needs in rural areas.
- **Pipeline Bottleneck:** Most projects remain under appraisal, highlighting the need to accelerate approvals—especially for village councils—and move quickly from announcement to implementation.
- **Municipal Advantage in Announcements:** Municipalities have a higher share of approved and announced projects, reflecting stronger capacity or readiness compared to VCs.
- **VCs Lag in Transition:** Although VCs submitted more projects, their conversion to announced status is slower, pointing to potential capacity gaps that may require targeted support.



5.7 Challenges Encountered During the Implementation

The SRJCP encountered several challenges, including:

- Movement restrictions due to military checkpoints and current political conditions. The movement restrictions was tackled through the activation of Grants Management System allowing the LGUs to interact/communicate via the system.
- Limited staffing and institutional weakness of village councils. the institutional weaknesses of the VCs, this was tackled by more engagement of the LTCs to fill the capacity gaps at the VC level.
- Several village councils have outdated master plans, resulting in discrepancies such as roads that are physically constructed but not reflected or properly organized in the current plans, despite being in use by citizens for many years. These inconsistencies were a major factor in prolonging the appraisal process. When such cases arise within the project's scope, the MDLF will proceed with implementation based on actual on-ground conditions, subject to obtaining prior official approvals from the Ministry of Local Government and the relevant LGU.



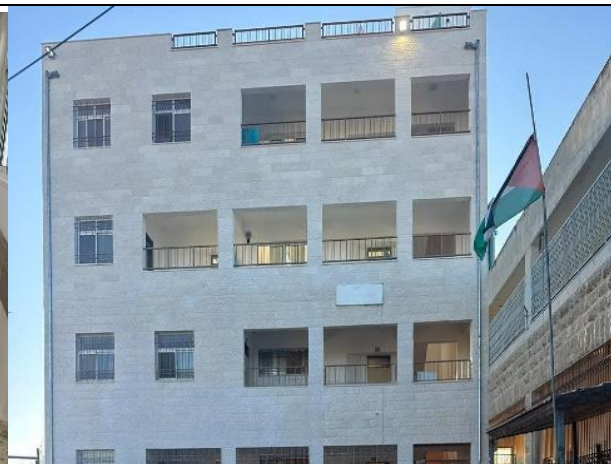
6. Development of Marginalized Communities in the West Bank (Area “C” Development Programme-Phase II) - SDC Portfolio

6.1 Summary Sheet

Doner	Swiss Agency for Development and Cooperation “SDC”
Implementing Agency	Municipal Development and Lending Fund
Budget	US\$ 4,000,000 to be utilized for supporting several villages in Area C.
Duration	The grant agreement was signed on May 1 st , 2022 and was supposed to be accomplished on December 31 st , 2024. Due to the political challenges especially after the escalation of Israeli War since October 7 th 2023, the agreement was extended until June 30 th , 2026.
Context and Background for Area C Support Programme	- The SDC and Palestinian Authority (PA) agreed on an approach for implementing social and public infrastructure sub-projects in Area C. Sub-projects can begin once a statutory outline plan is either formally approved by Israeli authorities or tacitly approved if no objections are raised within 18 months of submission by local government units (LGUs) to the Israeli Civil Administration (ICA). - The outline plans are created with support from NGOs and private firms, considering long-term demographic and socio-economic needs. After being submitted to the ICA, the plans go through a complex approval process. Along with the outline plans, a participatory action plans are prepared including a list of priorities aiming at improving quality of life through improving the quality of services provided by the Local Government Units in Area C. - The Municipal Development and Lending Fund (MDLF) was designated by the PA to implement basic social and public infrastructure sub-projects in Area C, with a Steering Committee (SC) formed to oversee the program, composed of the SDC, PA, MDLF, and other donors. The SC is responsible for endorsing the target localities and selected projects. - The PA and MDLF developed eligibility and competitive criteria for selecting eligible localities and infrastructure sub-projects. The criteria covers basic elements such as the population size, the vulnerability scoring prepared by OCHA, and many other elements related to the sub-projects screening and appraisal. - The Area C development programme under which this project is located has been financed by different doners including the EU, AFD, Denmark, DFID, KFW and the SDC with a total portfolio reaches around 33 million EUR since 2015 of which (EUR 20 M were completed, and EUR 13.2 M are undergoing). The SDC support to Area C reaches around 25% of Area C total portfolio. - The programme has been implemented by MDLF in a series of packages with a coordinated and harmonized approach among donors to avoid duplication, and to ensure the impactful of interventions towards the resilience of residents in Area C.
Objectives (Outcomes)	- The main objective of the project is to support the marginalized communities in Area C of the West Bank with basic services including “Community development projects, small scale infrastructure & social infrastructure projects”. - Basic services include: the “access to roads, the access to water networks, the construction or rehabilitation of schools buildings, public space facilities, among others, as prioritized in the development action plans for the LGUs”.
Expected Outputs	- The expected number of beneficiaries for the selected 12 localities is estimated 9611 inhabitants. - The implementation of those sub-projects will affect positively on the living conditions of marginalized people in Area C in the West Bank who are denied from access to land and natural resources. - Expected outputs for Infrastructure sub-projects : - o Construction of 150 cubic meter water tank with transmission line. - o Adding and construction of around 2,000 square meter of schools. - o Construction of 1,200 square meter grass Playground. - o Construction/rehabilitation of around 2.0 Km of roads with 5.2-meter asphalt width.



	- Complementary works for previous projects: - o Supply of solar system for electricity production (40 KW), - o Construction/rehabilitation of 1.0 km of roads. - o Complementary works for schools (Fence, boundary walls, water tank, etc...), and supply/install Solar Led Street Lights, seats and toys,.... etc.).
Components	- Component 1 (budget: 3,475,000 \$): Improving accountable Service Delivery for Vulnerable communities through small infrastructure sub-projects. This component includes the recruitment of a local technical consultancy firm "LTC" for design and supervision of the sub-projects as well as the project engineer/coordinator. - Component 2 (budget: 190,000 \$): Community mobilization and civic engagement of vulnerable communities in local decision-making and community development. This component includes: - o contracting a local NGO and relevant consultancies, - o implementing civic engagement and initiatives, and - o conducting trainings for village councils and SA committees. - Programme Management (budget: 335,000 \$): which covers the cost for management fees and the external audit.
Geographical Scope	- The program covers 12 LGU's. More specifically, (8 new localities and 4 previously targeted localities under phase I).
Implementing Partners/ Supporting Consultancies	A) The Selected LGU's who are the owners of sub-projects and are the key stakeholders engaged in the implementation of project components and activities. B) The Contracted NGO under component 2 C) The contracted Local Technical Consultant "LTC": A local consulting firm was contracted by MDLF to design and supervise the component 1 – (sub-projects). D) Project Engineer/coordinator.



Expansion of the Fuqeiqs & Khirbet Salama elementary School



6.2 Assessment for Results Achieved

	Key performance indicators	Target	Progress So far (Accumulative)	Results (with justification for deviation, if any)
Outcome 1 Improved Access to public services (small-scale infrastructure) are delivered in rural areas of the West Bank with a focus on Area C	- # of direct Beneficiaries (inhabitants, students, kids, etc), of whom % are women/girls.	10,000 inhabitants	- 5,698 beneficiaries have benefited from (completed/partially completed 11 sub-projects out of 13 sub-projects).	- In general the project can be assessed satisfactorily in terms of progressing towards achieving its intended outcomes. However, it was subject to substantial delays that hindered the achievement of outcomes within the timeframe of the agreement. Those challenges are further elaborated in specific section of this report. - The status can be summarized as follows: ○ 9 sub-projects have been completed (6 new localities and 3 top up sub-projects”. ○ 2 top up sub-projects are partially completed especially “Um al-Kheir and Khallet Iskariya sub-projects”. ○ One sub-project, specifically the Jit School has been suspended due to Stop Work Order issued by the Israeli Authorities. ○ One sub-project in Haja is under design and will be tendered by late October 2025. - Given the high demand of the citizens in the targeted localities, the projects are perceived positively by the beneficiaries. Thus the % of beneficiaries satisfaction is expected to be achieved. This will be assessed through the BIA “planned in 2026”.
	- % of Households connected to the constructed/expanded water.	100%	- Achieved	
	- % of Households connected to rehabilitated roads	100% in two localities	- Direct Beneficiaries: Isla (5% coverage) and Kafa (80%) - Indirect Beneficiaries: (100%) of the households in both localities are served with the rehabilitated/constructed roads.	
	- Proportion of beneficiaries satisfied with public service delivered by supported state authorities according to key human rights criteria and principles.	85% The results to be disaggregated by gender	- Not yet assessed waiting for completing all the projects and conducting the Beneficiaries Impact Assessment. - The assessment is planned to be conducted in 2026.	



6.2 Assessment for Results Achieved

	Key performance indicators	Target	Progress So far (Accumulative)	Results (with justification for deviation, if any)
Outcome 2 Strengthened social accountability of targeted LGUs towards citizens and civic groups (youth, women)	- BA (T0) indicator of satisfaction with LGUs-citizen relations (quantitative).	- NA The results to be disaggregated by gender	- Not yet assessed waiting for the BIA that will be conducted by end of the projects, planned in 2026.	- It is anticipated that the SA environment has been enhanced in light of the completed activities targeting the LGUs, SA committees and citizens. The training sessions which were accompanied with the promotion and usage of the mobile application for SA give positive indication on SA strengthening across the targeted LGUs. - The level of interaction and engagement has been enhanced with the improved satisfaction level of the training and improved knowledge of SA. - The % of citizens who believe that the LGU operates transparently rose from 57% to 62%. - There a significant improvement (30% increase) in the understanding of the role of citizens in SA, which was comparatively assessed (pre-post) SA trainings.
Output (1): Infrastructure projects in new areas are implemented catering the needs of vulnerable communities	# and Type of projects implemented	8 sub-projects	6 sub-projects were completed in 6 new localities, whereas the other remaining sub-projects are either suspended due to SWO (Jit School), and under design (Hajja Wastewater Network)	6 sub-projects were completed in 6 new areas. The sub-projects are: - Rehabilitation of Isla internal road. - Rehabilitation of Kafa internal road. - Expansion of elementary school in Khirbet Al Nahla - Expansion of elementary school in Fuqeqis & Khirbet Salama
	Number of supported local authorities which have benefitted from increased budget resources	8 localities	(6) local authorities have benefited from increased budget resources so far.	- Construction of 150 m3 Water tank and transmission pipeline in Al-Mansoura - Construction of 1200 m2 grass playground in Qalandia
	150 cubic meter water tank with transmission line constructed.	150 CM	Achieved	The sub-project was completed for the benefit of Al-Mansoura village council in Jenin.



6.2 Assessment for Results Achieved

	Key performance indicators	Target	Progress So far (Accumulative)	Results (with justification for deviation, if any)
	2000 square meter of schools constructed/rehabilitated.	2000 SQM	1000 SQM Partially Achieved	This indicator reflects the construction/rehabilitation of a total of 1000 m2 of schools, distributed among (2) different schools as follows: 1. Expansion of Khirbet Nahla elementary school (500 m2) – Completed 2. Expansion of Fuqeiqas elementary school (500m2)- Completed. However, the Rehabilitation of an elementary school at Al-Jit VC with a total of 1000m2 has been suspended due to Stop Working Order issued by the Israeli Authorities. It was agreed collectively between MDLF, SDC and MOLG to shift the budget for complementary small works and supplies targeting the LGUs.
	1200 square meter grass Playground constructed.	3200 SQM	Achieved	The construction of the playground was completed in Qalandia.
	2.0 Km of roads rehabilitated/reconstructed	2.0 Km	Partially Achieved	(2) road rehabilitation and construction sub-projects were successfully implemented with a total length of 1.6 KM as follows: - Rehabilitation of Isla internal road with a total length of 0.7 Km - Rehabilitation of Kafa internal road with a total length of 0.9 Km.
Output (2): top up infrastructure projects for municipalities from phase 1	# and Type of projects implemented	5 sub-projects	Partially Achieved 3 sub-projects were completed 2 sub-projects are partially completed	(3) top-up sub-projects were completed as follows: - (2) sub-project in Al-Aqaba which are the supply of 30 KW solar system and complementary works at Al-Aqaba public garden - Supply and install 10 KW solar system at Yanoun VC. The other two top-up sub-projects were partially completed, precisely, "Iskaria roads and Um Al-Kheir street lighting".



6.2 Assessment for Results Achieved

	Key performance indicators	Target	Progress So far (Accumulative)	Results (with justification for deviation, if any)
	Number of supported local authorities which have benefitted from increased budget resources	4 localities	Partially Achieved	4 localities have benefited from the top up complementary sub-projects.
	40 KW of solar system for electricity production installed.	40 KW	Achieved	40 kw of solar system for electricity production was installed for the benefit of Al-Aqaba VC.
	1.0 km of roads rehabilitated	1.0 km	Not Achieved	The top-up road project in Iskaria was contracted and then terminated due to access restrictions.
	Complementary works for schools		Achieved	This indicator includes the following complementary works at 2 sub-projects as follows: - Rehabilitation works for school in Iskaria - completed - Supply seats and Toys for the Public Garden - Al Aqaba - Completed
Output (3) A pool of local CSOs, LGUs' staff, civil groups and citizens are trained on Civic Participation and Social Accountability Guidelines.	# of trainings held and number of trainers/CSOs trained (disaggregated by gender).	25 training sessions)	Achieved	The following results reflect what has been achieved so far: - 53 training hours for VC's and SA committees were conducted as 1st round of training sessions including on-job training for preparing 10 emergency plans. - 140 people from SA committees (63 of which are women (45%)) have participated in the training sessions and SA workshops. - 36 LGUs staff have participated in the training sessions on CE and CP as well as the development of emergency plans. -
	# of SA workshops conducted	50 SA sessions)	Achieved	The SA initiatives were identified and the implementation of SA tools was completed throughout workshops conducted in the targeted localities.



6.2 Assessment for Results Achieved

	Key performance indicators	Target	Progress So far (Accumulative)	Results (with justification for deviation, if any)
Output (4) Enhanced public participation in influencing projects prioritization	# Dialogue sessions between citizens and LGUs in new areas	50 sessions	Achieved	
	Proportion of women with a positive perception on their influence in exercising their political functions		To be assessed	To be assessed as part of the BIA and throughout the mobile application for SA, however, this indicator can be assessed progressive as follows: - Out of the 140 documented committee members, 63 were women, representing ≈45%. - Key Insight: Women held nearly half of all committee seats — a high level of representation in the traditionally male-dominated governance structures of Area C.
	Number of people (M/F) participating in and influencing public services provision, decision-making and budgets in their localities out of which are women.		Achieved	- Across village councils in the West Bank, 140 individuals serve on various community committees, reflecting the determination of Palestinian citizens to shape their own circumstances. These committees highlight an important effort to engage diverse segments of society in decision-making. - 417 users of the electronic platform “mobile application” which was developed by the local NGO to enhance the SA/CE with 56% male and 44% female who uses the mobile app for SA, "It's Our Right to Ask." This application aims to enable citizens to practice social accountability digitally, enhancing interaction between local authorities and citizens in a direct and user-friendly manner. The application was officially launched during March and April 2025 across the targeted villages. - Over the course of the project, more than 520 submissions (complaints, requests, and inquiries) were made through the platform - All monitoring reports highlight that the shift from paper-based complaint boxes to a traceable digital system significantly reduced barriers for women to report issues.



6.3 Progress at the Activity Level

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

6.3.1 Sub- Projects Identification and Selection which also includes the preparatory activities conducted before signing the agreement with the SDC.

- As part of the preparatory activities prior signing the agreement with the SDC, the list of **sub-projects were selected based on the outline plans and the action** plans developed by the consultancy firms under the direct supervision from MOLG. The outline plans were validated by the communities through community participation workshops, involving a broad spectrum of the affected communities, including the women, boys and girls and the elderly in the community, after which it was endorsed by the Ministry of Local Government.
- The **selected sub-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 sub-projects to their localities.
- **The list of sub-projects were then approved by the SDC in September, 2022. The only sub-project which was put in the waiting list is the expansion of wastewater network in Hajja.**

6.3.2 Sub- Projects Design, Tendering and Implementation

- **MDLF Coordination with Key Stakeholders:** Following the agreement signature between MDLF and SDC, MDLF has successfully coordinated with key stakeholders—including SDC, MOLG, and the targeted LGUs—through regular meetings to ensure that all preparatory activities were completed. This included securing the necessary permits and approvals from the relevant ministries to facilitate the smooth implementation of infrastructure projects.
- 
- **Kick Off Meeting:** A kick-off meeting held in July 2022 between MOLG, SDC, UN-Habitat, and MDLF provided an opportunity for each party to present and align their planned interventions in Area C. All stakeholders committed to maintaining close coordination throughout the implementation phase to ensure synergy and effective execution.
 - **Contracting Local Technical Consultant for Design and supervision:**
 - o The Terms of Reference (TOR) for the local technical consultant (LTC) was prepared, focusing on quality control, supervision, personnel qualifications, and technical assistance to local government units (LGUs).
 - o The LTC was contracted in August 2022 to plan, design, and supervise projects, as well as to assist LGUs in defining scope of work, pricing, and identifying challenges, including technical, social, and environmental issues.



- MDLF assigned a project engineer in early 2023 to oversee day-to-day project activities and supervise the LTC in preparing design schemes, implementation plans, and supervision.
- **Design, Tendering, and Implementation Stage:**
 - Field visits and surveys were carried out by MDLF engineers and the Local Technical Consultant (LTC) to gather data and assess the proposed project areas.
 - The LTC coordinated with MOLG to verify that the project sites are located within master plan boundaries.
 - The data collection and site investigations were completed, including all necessary testing and structural assessments.
 - The final design of the projects was completed as well as the bidding documents, and 85% of the sub-projects were completed/partially completed. The below table illustrates the status of the sub-projects under output 1 and output 2.



Construction of 3200 m2 playground for Qalandia village council.



Table 20: Status of Sub-projects Across Municipalities and VCs

No.	Locality	LGU	Governorate	Sub-Project	Related Output	Status
1	Jit Pop = 974	Jit VC	Qalqilia	Construction of new Elementary School – 1000 m2	Output 1	The project was subject to Stop Working Order issued by the Israeli Army in January, 2024. A new alternative for the parcel of land was proposed for the construction of the school which is assessed as low risky location. A field visit led by MDLF and MOLG was conducted. A new design for the school was prepared to match with the new location. The project was subject to 2 nd SWO by the Israeli Authorities and is currently on-hold. Update: The work is suspended.
2	Isla Pop=1180	Isla VC	Qalqilia	Rehabilitation of internal roads	Output 1	The work was subject to a verbal Stop Work Order issued to the village council on 27/08/2023. Despite this, the MDLF contractor proceeded with the implementation. In response to the situation and resulting delays, the contractor developed an action plan to mitigate the impact and ensure continued progress. Update: The sub-project was completed
3	Kafa Pop= 552	Tulkarem municipality	Tulkarem	Rehabilitation of internal roads	Output 1	Update: The sub- project was completed.
4	Khirbet Al Nahla Pop = 179	Wadi Rahhal VC	Bethlehem	Expansion of elementary school	Output 1	Update: The sub-project was completed.
5	Iskaria Pop = 311	Iskaria VC	Bethlehem	Rehabilitation works (roads and school)	Output 2	- The work progress was subject to substantial delays due to the blockade and closures by Israeli army which has been tackled since the outbreak of Israeli war on Gaza. Update: - The work related to school rehabilitation was completed.



Table 20: Status of Sub-projects Across Municipalities and VCs

No.	Locality	LGU	Governorate	Sub-Project	Related Output	Status
						- The rehabilitation of the road is suspended. The contract was terminated with no possibility to implement the road construction at this stage.
6	Fuqeiqis & Khirbet Salama Pop = 409	Dora Municipality	Hebron	Expansion of elementary school	Output 1	Update: The sub-project was completed.
7	Um Al Khair Pop = 949	Um Al Khair VC	Hebron	Supply and install solar led streetlight	Output 2	Update: - The sub-project was partially completed. - The materials were delivered to the site but could not be installed by the contractor. - The contractor tried several times to install the lighting units but was prevented by the Israeli Authorities. - The contract was terminated.
8	Al Mansoura Pop = 324	Al Mansoura VC	Jenin	150 m3 Water tank and transmission pipeline	Output 1	Update: The sub-project was completed
9	Al Aqaba	Al Aqaba VC	Tubas	Supply and install solar system for electricity production (30KW)	Output 2	Updated: The sub-project was completed
10	Pop = 263	Al Aqaba VC	Tubas	Supply seats and toys for the public garden	Output 2	Updated: The sub-project was completed
11	Yanoun Pop = 141	Aqraba Municipality	Nablus	Supply and install solar system for electricity production (10KW)	Output 2	Updated: The project was completed



Table 20: Status of Sub-projects Across Municipalities and VCs

No.	Locality	LGU	Governorate	Sub-Project	Related Output	Status
12	Qalandiya Pop = 1390	Qalandiya VC	Jerusalem	Construction of 1200 m2 grass playground	Output 1	- Although the work has witnessed a SWO, the contractor has decided to proceed with the work. - The sub-project was completed
13	Hajja Pop = 2941	Hajja VC	Qalqilia	Expansion of Wastewater Network	Output 1	- The sub-project was put under the waiting list due to budget constraint. - The sub-project has been awarded.
14	All Localities			Complementary Works and Supplies for Enhanced Services Delivery and Governance	Output 1	- A new list of sub-projects was proposed by MDLF and agreed upon with SDC to utilize the remaining amounts resulted from: i) stoppage of Jit School, ii) remaining from the completed activities. - The list includes development of schools, supply of electricity and water pre-paid meters, supply of solid waste containers, supply of furniture for LGUs, supply of solar energy for electrical generation. - The projects are at tendering/awarding stage and will be completed by May 2026.



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.



Rehabilitation of an internal road at Isla/Qalqilia



Construction 150 m3 Water tank and transmission pipeline – Al Mansoura

6.4 Activities Related to **Output 3 and Output 4** “Communities Mobilization and Civic Engagement”

- A consulting NGO has been contracted since August 2023 to implement the communities mobilization and civic engagement among the targeted localities.
- Minor adjustments to the implementation modality was done to address the challenges arising after the October 7th events. Therefore, it was agreed with the local NGO on some changes to ensure the continuity of the project while maintaining its nature and the agreed-upon terms of reference.
- In this context, two new measures were adopted:
 - **Measure One:** Shift to a "Digital Accountability" approach, using digital platforms to enable citizen participation in social accountability, while still incorporating key face-to-face activities.
 - **Measure Two:** Enhance village councils' capacity to manage emergencies and sustain public services, while using social accountability to monitor their performance in crisis situations.

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



Main Activities Implemented During the Past Period:

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



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



Activity	Description and Progress
	Training of VCs - The targeted village councils were divided into two groups (North Group and Central-South Group), and an intensive 3-day virtual training was held, encompassing 20 training hours for each group. The training focused on emergency and crisis management, and enhancing relationships with the local community during periods of instability. This was the first round of training for the village councils, with a second round planned for the upcoming months to implement digital social accountability tools. - 36 members and employees from the targeted local authorities were trained in emergency and crisis management, and enhancing community relations. - As an outcome of the training process for the village councils, ten preliminary emergency and crisis management plans were prepared, tailored to the needs and conditions of each local authority. These plans included a rapid analysis of the local context regarding environmental and infrastructure services, social and cultural conditions, economic situations, and the state of governance and good management in the village councils. The plans also outlined the crisis management team's structure, responsibilities, and tasks, identified risks, and detailed pre-crisis, during-crisis, and post-crisis procedures. A participatory approach was used in preparing the plans in collaboration with council members and the project's consulting team. (The training sessions was accomplished at the level of VCs by preparing 10 well-studied and detailed emergency and crisis management plans). Training of SA committees - Hybrid training sessions for Social Accountability Committees lasting two days and encompassing 33 training hours was organized, focusing on civic participation and social accountability, digital social accountability tools, and community mobilization, with an emphasis on vulnerable groups such as youth and women. - The social accountability committees were divided into two groups (North Group and Central-South Group), with the second round of training planned for the upcoming period. - Training materials were prepared in accordance with the nature of the target group, aiming to enhance participants' knowledge of social accountability for village councils. The training process also encouraged the concept of cooperation and teamwork by strengthening relationships among trainees through group work during the sessions. - The training sessions were evaluated through verbal assessments and using pre- and post-training evaluation forms, with analyses and recommendations on the learning process for participants. - Various interactive training methods were employed to ensure effective learning. The training content and implementation method included the following: - o Definition of social accountability, community participation, right to disclosure and responsiveness - o Importance of social accountability - o Principles and foundations of social accountability - o Requirements for implementing social accountability - o Obstacles to implementing social accountability



Activity	Description and Progress
	- o Social accountability tools - o Advantages of using social accountability tools - A four-day virtual training on social accountability for village councils was conducted by Local Communities Organization, targeting members of community accountability committees. The training, held online, was attended by approximately 34 participants—with 52% male and 48% female representation. It aimed to strengthen participants' knowledge and practical skills in monitoring public services, promoting transparency, and encouraging civic participation. Topics included the principles and tools of social accountability, community participation, service evaluation methods, and mechanisms for engaging with local councils. Interactive learning techniques such as case studies, group discussions, and real-life simulations were used to enhance engagement. Pre- and post-training assessments showed noticeable improvement in understanding and readiness to apply accountability tools. Despite the virtual setting, the sessions were highly participatory and collaborative. The training successfully fostered participants' confidence and teamwork while reinforcing their role as active civic actors within their communities.

6.5 Challenges and Obstacles:

A) For Social and Infrastructure Sub-projects

- In general, Area C interventions have been implemented in a very challenging environment; given the political obstacles and the substantial delays in sub-projects identification. Furthermore, the sub-projects' design and the approvals from the line ministries consumed more time than anticipated, which have led to multi versions of designs that correspond to the allocated budget.
- One sub-project, particularly, Fuqeiqs school was tendered several times due a dispute with the Palestinian Contractors Union. However, this issue was resolved and the project has been awarded and the work was completed.
- Isla road was subject to verbal SWO issued to the VC by the Israeli army with confiscation of the council's JCB. The contractor of the project was reluctant to work under the SWO issued to the VC. However, the contractor decided to resume the sub-project was successfully completed.
- One sub-project, particularly, Al 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 and implementation, and the sub-project was successfully completed.
- The construction of the elementary school in Jit is currently on hold due to a second Stop Work Order (SWO) issued by the Israeli Authorities on April 22, 2025 even after the project had been relocated to a parcel of land closer to the built-up area (assessed more safe than the original location). As a result, the MDLF has instructed the contractor to leave the site and suspend all activities until further notice. In the interim, the Ministry of Local Government (MoLG), the General Authority of Civil Affairs (GACA), and the CWRC have been informed to follow up on the issue. The decision was taken by MDLF, MOLG and the SDC to keep following up this issue at the national and local level in the framework of contacting the ICA to secure permission to resume the implementation, while planning to utilize the remaining from this particular sub-project for complementary interventions and supplies benefiting the targeted LGUs.



- The difficulties on the ground and the implications of the ongoing Israeli War on Gaza Strip which has started on 7/10/2023 put its shadows on the sub-projects' implementation in Area C. Challenges imposed by the Israeli occupation include: Access restrictions, closures, checkpoints, cement blocks, arrests, settlers attack, confiscation of equipment, and lack of safety for field officers and contractors, etc., all of which have badly affected the implementation process of the sub-projects.

B) For Civic Engagement and Social Accountability

- **Security and Political Challenges** One of the most significant challenges have been faced in implementing CE/SA is the unstable security situation in Area C. Security tensions disrupt scheduled activities and delay project implementation, affecting the efficiency of field teams. Additionally, we may encounter political obstacles related to obtaining support and cooperation from local and national authorities.
- **Technical Challenges:** Rural and marginalized areas may face a lack of technological infrastructure needed to support the use of digital applications and tools. Moreover, there might be a deficiency in technical skills among village council workers and citizens. This challenge has been addressed by:
 - Continuous Training: Provide ongoing training for village councils and citizens to enhance their technical skills.
 - Technical Support: Establish technical support teams to assist users in solving technical problems.
- **Social and Cultural Challenges:** Resistance to change in some local communities can be an obstacle to adopting social accountability principles and civic participation, especially in environments that have experienced long-term marginalization. The diversity of the target groups and their varying needs add complexity to the design and implementation of programs. This challenge has been addressed by:
 - Awareness and Education: Organize awareness campaigns to enhance understanding of the importance of civic participation and social accountability.
 - Encouragement and Incentives: Provide incentives for community participation and clarify the benefits derived from the project.
 - Community Consultation: Involve local community leaders in designing and implementing activities to ensure their acceptance and adoption.
- **Communication and Participation Challenges:** There may be a lack of effective communication between village councils and citizens, affecting the level of community participation and trust between both parties. Additionally, engaging marginalized groups, such as youth, women, and people with disabilities, requires extra efforts to ensure their effective participation. This challenge has been addressed by:
 - Enhancing Communication: Use multiple communication channels, such as public meetings, social media, and newsletters, to improve communication with citizens.
 - Consultation with Marginalized Groups: Organize special meetings with marginalized groups to ensure their voices are heard and their needs are met.



7. Area C Development Programmed in the West Bank “Summary of Package VI” (Funded by the AFD through the EU)

7.1 Summary of the Action

Title of the action:	Area C Development Programme in the West Bank- Package VI										
Location(s) of the action:	The action targets 5 localities in Area C in the West Bank										
Total duration of the action (months):	53 months										
Requested EU contribution (amount)	EUR 2,000,000										
Requested EU contribution as a percentage of total eligible costs of the action (indicative) ¹⁰	100%										
Total indicative budget	EUR 2,000,000										
Objectives of the action	The overall objective (impact) 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 is composed of two folds (i) to improve access to essential and public infrastructure in Area C; (ii) to strengthen the Palestinian institutions' capacity to deliver essential social and public sustainable services in Area C.										
Target group(s) ¹¹	The project will target 4 localities in Area C as follows: <table border="1"> <tr> <td>Al-Jiftlik</td><td>Jericho Governorate</td></tr> <tr> <td>Furush Beit Dajan</td><td>Nablus Governorate</td></tr> <tr> <td>Al-Aqaba</td><td>Tubas Governorate</td></tr> <tr> <td>Haris</td><td>Salbit Governorate</td></tr> <tr> <td>Wadi Al-Nis</td><td>Bethlehem Governorate</td></tr> </table>	Al-Jiftlik	Jericho Governorate	Furush Beit Dajan	Nablus Governorate	Al-Aqaba	Tubas Governorate	Haris	Salbit Governorate	Wadi Al-Nis	Bethlehem Governorate
Al-Jiftlik	Jericho Governorate										
Furush Beit Dajan	Nablus Governorate										
Al-Aqaba	Tubas Governorate										
Haris	Salbit Governorate										
Wadi Al-Nis	Bethlehem Governorate										
Final beneficiaries ¹²	It is expected to enhance the living conditions of 10,051 ¹³ residents in 5 localities as follows: (Al- Aqaba (186)- Furush Beit Dajan (789), -Al-Jiftlik(3,366)-and Haris (4,606), Wadi Al-Nis (1,104). The number of beneficiaries (population) can be distributed per sector: - Schools: 4,792 - Public Buildings: (789) - Roads: 3,366 - Football Playground (1,104).										
Expected outputs	Through the implementation of 5 projects, the outputs can be summarized as follows: - Roads: Construction and rehabilitation of internal roads with a total length of 0.8 km. - Schools: Construction of a new school and continue the construction of an existing school in two different localities. The total area is about 2000 SQM. - Public Buildings: Construction of a village council premises with a total area of 300 SQM. The building will host an agricultural										

¹⁰ If applicable, insert an additional % of the total accepted costs.

¹¹ 'Target groups' are the groups/entities who will directly benefit from the action at the action purpose level.

¹² 'Final beneficiaries' are those who will benefit from the action in the long term at the level of the society or sector at large.

¹³ Data source: PCBS 2022



	cooperative, women's gatherings and meetings in addition to a citizen service center and a multi-purpose hall. - Football Playground: Revitalizing an incomplete public playground to provide safe and inclusive recreational spaces for youth with a total area 10,000 SQM including the Playing Field and the Ancillary Buildings – “changing rooms, toilets, and service areas”. Civic engagement workshops, Social Accountability plans are developed and implemented, operation and maintenance plans will be delivered.
Main activities	- Mobilization and Preparation. - Contracting of Local Technical Consultant for the design and supervision. - Contracting of Technical Support Expert. - Contracting of a new Local NGO/firm for community mobilization and civic engagement or amending the scope of the contracted NGO under package V. - Design and tendering of the social and infrastructure projects. - Implementation of projects along with community mobilization activities and capacity building support for specific subjects in archiving, projects management, strategic planning, communication...etc. - Closing, Evaluation and Audit.

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 24th May 2021 considering the contribution of EUR 2 million from the AFD and latest amendment no.3 countersigned on 26 November 2024.

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 (c +d)].

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 criteria¹⁴ 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, Salfit, 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.

However, it was later amended to exclude Al-Jiftlick, retaining the remaining three localities. This decision was made by the Steering Committee (SC) during the Meeting No. 6 held on 23/11/2023 and formally approved on 17/1/2024. The amendment was due to budget constraints identified after finalizing the sub-projects designs, leading to the reallocation of the Al-Jiftlick sub-project to the second phase of the Rural Development Programme managed by the Ministry of Local Government (MoLG).

On the other hand, the implementation of the remaining three sub-projects faced significant political challenges, which eventually led to the demolition of two major sub-projects, while they were under construction— the construction of Frush Beit Dajan Premises sub-project and the Elementary School in Al-Aqaba. The demolitions were carried out by the Israeli authorities on 6/8/2023, and 5/8/2025, respectively.

Accordingly, a new project, namely in Wadi Al-Nis was approved by the Steering committee No. 8 held on 13/11/2025 to best allocate the remaining funds resulting from the incompleteness of two sub-projects (demolished while they were under construction), given the limited time left before the contract’s end date on 09/06/2026.

7.2 Budget Breakdown

The "MDLF" has received a grant from the European Union "EU" towards the cost of "Development of Area C in the West Bank" in a total of (Euro 2,000,000). Table 21 illustrates the budget breakdown.

Table 21: 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

¹⁴ For more details on the selection criteria please see section 2.1.3.5 of the grant proposal.



7.3 Sub-projects Identification and Scoping

Based on the approved selection criteria, and considering the earmarking from the AFD to target the clusters of (Al-Jiftlik, Tubas, Nablus and Salfeet) a set of localities were initially suggested and coordinated with the EU, AFD and MOLG.

The action plans of the localities were then revisited and field visits were conducted by MDLF, MOLG and the EU to verify the scope of the selected projects and the estimated cost.

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

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

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

1. The roads projects have to be located within the outline plan boundaries.
2. The Right of Way (ROW) has to be respected wherever it is implementable according to the outline plans taking into consideration the difficulties related to physical obstructions. Accordingly, the longitudinal and transversal geometric details of these roads will be finally designed in close consultations with the LGUs and MoLG.
3. The final design of the roads, should be based on a well-structured geometric design which consists:
 - Three dimensional aspects of roads layout, i.e. "alignment, profile and cross section";
 - Safety measures;
 - Cost efficiency and;
 - Possible adverse impacts on the environment.

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

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

7.4 Assessment of Results Achieved (so far)

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



Table 22: Assessment of Results Achievements

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



	<i>Results chain</i>	<i>Indicator</i>	<i>Baseline (value & reference year)</i>	<i>Target (value & reference year)</i>	<i>Achievement Progress</i>	<i>% of Achievement</i>
		Number of students benefited from the schools constructed under this package a) primary education, b) secondary	Primary 0 (2022) Secondary 285 (2020) (enrolled to unfortunate and crowded education facilities)	Primary 0 (2025) Secondary 285 (2025) (to be enrolled to better educational facilities)	Not yet Achieved - Construction of an Elementary Mixed School in Al-Aqaba, with a budget of EUR 599,909, was subject to SWO with confiscation of equipment by the Israeli Authorities on 26/6/2024 and finally demolished on 5/8/2025. - The secondary school is completed with a total of 285 beneficiaries.	
		No of direct beneficiaries from the football playground constructed under this package.	0 (2022)	750 ¹⁵ organized users	Not yet achieved (the project is under design)	
	SO 2: To strengthen the Palestinian institutions' capacity to deliver essential social and public sustainable services in Area C	% of citizens satisfied with the outcomes of the implemented projects and services provided by the LGUs under this package	NA ¹⁶	75% (2025)	Not yet assessed	

¹⁵ The target number of beneficiaries includes "players, youth teams, coaches, and staff" from the following LGU: ,Takuu, Bitl Fajar, Marah Rabah, Marah Maala, Em Salamouna, Joret Al-Shmaaa, Alaroub, Beit Umarr, Beit Eskaria, and Wadi Al-Nis clubs.

¹⁶ 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
		% allocated budget of LGU for operation, sustainable performance and development projects in Area C	0 (2022)	10%, (2025)	Not yet assessed	
		% of inhabitants participated in community mobilization activities	0 (2022)	15% (2025) in average	- The local NGO is currently working on community mobilization activities including the implementation of social accountability tools. - 150 participants represent 1.67% of total inhabitants.	
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)	Partially Achieved - The primary school in Al-Aqaba is demolished by the Israeli authorities in 5/8/2025. - The Haris secondary school is completed with 1500 SQM	77%
		Number and area of public buildings constructed under this package	0 (2022)	One public building constructed with total of 300 SQM, (2025)	- The VC for Frush Beit Dajan was demolished by the Israeli Authorities	
		Total length of roads constructed/rehabilitated under this package	0 (2022)	2 km of roads constructed/rehabilitated, (2025)	Not yet achieved - The segment of 0.8 Km is verbally suspended by the Israeli Authorities. - Where the other 1.2 Km is planned to be implemented under another programme package	



	<i>Results chain</i>	<i>Indicator</i>	<i>Baseline (value & reference year)</i>	<i>Target (value & reference year)</i>	<i>Achievement Progress</i>	<i>% of Achievement</i>
	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)	Achieved with 23 sessions.	192%
		Number of operational and maintenance plans prepared	0 (2022)	4 (2025)	In process	
		Number of SA plans implemented	0 (2022)	8 (2025)	10 plans were implemented	125%
		Number of training sessions conducted for the targeted LGUs ¹⁷	0 (2022)		40 sessions including 10 sessions per LGU (10*4=40)	200%

¹⁷ Capacity building includes for instance; document management protocol, reporting and correspondences, project management skills, orientation on budgeting, and orientation on strategic planning.



7.5 Implementation Progress at the Activity Level

7.5.1 Infrastructure Component

Since the signature of the agreement between MDLF and the EU, MDLF has started the coordination with the key stakeholders effectively (EU, the MOLG, APLA and the target LGUs) to meet the planned targets and to avoid any miss communication during the implementation. In this regard, MDLF had conducted several meetings with the MOLG and the target LGUs to make sure that all the preparatory activities were done regarding the permits and approvals from the inline ministries such as, getting the needed approval from the Ministry of Education.

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

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

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

Preliminary Stage:

- Field visits had been conducted to the target LGUs in all Governorates by MDLFs' engineers and the LTCs to introduce the team and start collecting the needed data.
- The field survey was carried out including the projection of all structures, manholes, poles, walls and any underground facilities if any within the effective corridor of the road project and within the effective area of the public facilities.
- Following the field investigation, MDLF and the LTC had communicated effectively with the planning department/MOLG to make sure that all the project sites are located within the master plan boundaries.
- A procurement plan (PP) was prepared for all the work packages where some of them are consultancy, non-consultancy services, works, and goods.

Design & Tendering Stage:

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

- The needed design data was collected, and the site investigation was conducted to decide and verify the steps needed in every single project.
- Special attention was given to the structural and capacity assessment for the existing secondary school in Haris as the project is the construction of 2nd and 3rd floors on the existing building.
- The collected data was represented in the format that would assist in preparing an environmental risk assessment and social risk assessment.
- A direct consultation was conducted with the target LGUs and line ministries to verify the required standards and design criteria.
- The LTCs, with direct support from MDLF instructed the LGUs to create and organize an independent project file for every single project.



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

Summary of Implementation of Sub-Projects:

- Two sub-project was demolished by the Israeli Authorities, in particular the construction of a multi-purpose building for Furush Beit Dajan Village Council and the Primary School in al-Aqaba..
- One sub-project is completed, in particular, the continue of construction for the existing secondary boys school in Haris
- The road project in Al-Jiftlik has been suspended due to Stop Work Orders by the Israelis.

Table 23: List of Localities and Social and Public Infrastructure Projects – Package VI

No	Locality	LGU	Governorate	Population ¹⁸	Recommended Title	Status	Brief Description	Estimated Construction Cost (EUR) ¹⁹
	Al-Jiftlik	AL-Jiftlik Village Council	Jericho	3,366	Rehabilitation and Construction of Internal Roads	On-hold due to SWO by Israeli	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 (construction cost was shifted to the RDP2), while other related costs to design, supervision and capacity building were kept within this contract
	Haris	Haris Village Council	Salfit	4,606	Continue the Construction of the Existing Haris Secondary Boys School	Completed	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.	828,342

¹⁸ Data Source: MOLG

¹⁹ Excluding VAT.



No	Locality	LGU	Governorate	Population ¹⁸	Recommended Title	Status	Brief Description	Estimated Construction Cost (EUR) ¹⁹
	Furush Beit Dajan	Furush Beit Dajan Village Council	Nablus	789	Construction of Village Council Premise	Demolished by the ICA	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.	156,767 ²⁰
	AL-Aqaba	Al-Aqaba Village Council	Tubas	186	Construction of an Elementary Mixed School	Demolished by the ICA	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	107,699 ²¹
	Wadi Al-Nis	Wadi Al-Nis Village Council	Bethlehem	1,104	Completion of the olympic football playground	Newly approved by the SC and is under design	The proposed works include completing civil, structural, and finishing components to achieve full operational readiness, summarized as follows: • Earthworks and Regrading – to ensure proper field slope and compaction. • Retaining Structures –	534,838

²⁰ The project was demolished while under construction and this amount refers to the actual disbursed amount for the completed works and the compensation of the contractors claim.

²¹ The project was demolished while under construction and this amount refers to the actual disbursed amount for the completed works and the compensation of the contractors claim.



No	Locality	LGU	Governorate	Population ¹⁸	Recommended Title	Status	Brief Description	Estimated Construction Cost (EUR) ¹⁹
							reinforced concrete retaining walls with sub-drainage. • Drainage and Stormwater – perimeter trench drains and surface channels. • Structural and Architectural – completion of bleachers, safety railings, and access stairs. • Utilities – extension of power and water networks with lighting. • Playing Field – installation of artificial turf with full drainage and irrigation. • Ancillary Buildings – changing rooms, toilets, and service areas. • Fencing , parking and Landscaping – secure fencing and green buffers.	
				10,051	Total Construction Estimated Cost (Excluding VAT)			1,627,646 Excluding AI-Jiftlick



The project was originally designed to target four localities — Al-Jiftlick in Jericho Governorate, Frush Beit Dajan in Nablus Governorate, Al-Aqaba in Tubas Governorate, and Hares in Salfeet Governorate. However, it was later amended to exclude Al-Jiftlick, retaining the remaining three localities. This decision was made by the Steering Committee (SC) during the Meeting No. 6 held on 23/11/2023 and formally approved on 17/1/2024. The amendment was due to budget constraints identified after finalizing the sub-project designs, leading to the reallocation of the Al-Jiftlick sub-project to the second phase of the Rural Development Programme managed by the Ministry of Local Government (MoLG).

During the implementation of the remaining three sub-projects, significant political challenges emerged, which eventually led to the demolition of two major sub-projects — the construction of Frush Beit Dajan Premises sub-project and the Elementary School in Al-Aqaba. The demolitions were carried out by the Israeli authorities on 6/8/2023, and 5/8/2025, respectively. Despite continuous legal follow-up by the Palestinian Authority's legal advisors, these actions placed the project at serious risk of not achieving its intended objectives, with only one sub-project — the Secondary Boys' School in Hares — successfully completed from the originally planned interventions, and leading to unallocated budget of approximately EUR 0.5 Million as residual to be utilized within the remaining time frame.

Accordingly, the Steering Committee approved proceeding with the completion of the Wadi Al-Nis Playground, ensuring that the project will be functional within the remaining contract period, including the potential extension through 09/11/2026



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



המנהל האזרחי – ועדת המסנה לביקורת
סמל: 15/05/2024
תאריך: 15/05/2024
פרטי התקן
תקן בטיחות: 85/24
שם המחוקק: עזרא מופלח חני מוחמד
ת"ז המחוקק: 962170494
ב"ב המחוקק: ערד סגאם כראגיה
כפר: חירבת טאט ותחא
נפה: ובקעה
חברי העדה
סמיר לאם כרן, יאיר הועדה
החלטה
ביום 24 במרץ 2024 נמסר צו המפקדת עבודה ביחס לתיק בטיחות זה (בשל שעות סיור נכתבה בצו המפקדת העבודה הספרה "4" במקום "2"). בהתאם לתאור המסנה בצו המפקדת העבודה ולתיעוד החזותי שהוצג לי, נמועד זה התקין כלל מסנה שלד חד קוטעני ללא קירות, רצפת בטון, יסודות והכנה ליציאת גג, המשרת שטח פיתוח. כפי שניתן לראות, מועלים נכחו במקום בעת מסיירת הבטח.
ביום 17 באפריל 2024 התקיים דיון בועדה בה נכח ב"ב המחוקק, אשר הודה כי הבטיח תוכנית ללא הימנע מזהירות בדיון, אך מביין שהגיש בקשה להיתר ביקש לעצב את תוכני האכיפה עד להסמכה בהליך התכנוני. בסיום הדיון הוחלט על הזאת צו סופי להמפקדת עבודה ולתחורה, אשר נשלח לב"ב המחוקק ביום 8 במאי 2024.
בהתאם לתיעוד אשר הוצג לי נמסר העבודות במסנה, וזאת בניגוד לצו המפקדת העבודה. כך, ביום 8 במאי 2024 נעמה הבטיח כאשר נוספה קומה שניה למסנה השלד, והוקמו קירות פלסטיים.
סמורסות המונות המפורשות את השינויים אשר נעשו וזאת בניגוד לצו המפקדת העבודה שהוצג ביום 24 במרץ 2024.

Frush Beit Dajan – Demolished VC Premise



Rehabilitation and Construction of Internal Roads at AL-Jiftlik



Continue the Construction of the Existing Haris Secondary Boys School

7.5.2 Status of the capacity building package to the four village councils including activities and cost.

An institutional assessment for the targeted four VCs (Hares, Al-Jiftlik, Frush Beit Dajan, and Al-Aqaba) was done by an individual consultant at early stages of implementation. The assessment identified key gaps in financial management, administrative and HR systems, resource mobilization, participatory planning, and social accountability.

Under the current package, a series of capacity-building activities were implemented through the engagement of a Local Technical Consultant for sub-project design and supervision. These activities included on-job training for Village Councils (VCs), ensuring their active participation in tendering and procurement documentation, and to some extent, in project implementation. In parallel, civic engagement initiatives were successfully conducted, strengthening communication and dialogue between VCs and citizens within the framework of social accountability.

Despite that, significant gaps remain in financial management and IT infrastructure—both of which are fundamental to sustainable local governance. To overcome these challenges, priority was given to strengthening financial management, upgrading IT infrastructure to enhance sound governance practices, protect resources, and enhance service delivery—and ultimately enabling VCs to respond more effectively to citizen needs, strengthen resilience. Table 2 below, illustrates the agreed upon CB activities under this package among the targeted 4 VCs.

Table 24 : Status and Budget for CB Activities

Intervention	Expected Outcome	Status	Budget (EUR)
On-Job Training: Focused capacity building for all four VCs in budgeting, accounting, financial reporting, and internal controls, with practical guidance to institutionalize sound financial practices in daily operations.	- Enhanced financial management skills among VC staff. - Institutionalization of sound financial practices across daily operations.	Completed	8000
Fixed Assets Registration and Valuation for Hares VC: Registration and proper valuation of fixed assets, compiling a comprehensive fixed asset register, and on-job training to validate accounting balances	- Accurate fixed asset records and strengthened readiness for full accrual accounting (Hares's VC). - Overall improvement in financial sustainability and service delivery to the local community.	Completed	3500



Intervention	Expected Outcome	Status	Budget (EUR)
and move towards full accrual-based accounting.			
Supply of IT Equipment for the targeted 4 VCs	- Developed IT infrastructure for better services delivery.	Completed	32,000
Supply of Electrical Board – Scada System - for Al-Aqaba VC	- Enabled leakage monitoring and enhanced the management of power distribution within the electrical network. - Reduced service interruptions. - Enhanced responsiveness for quicker repair and maintenance operations.	Bid Preparation	12,000
All CB Activities will be completed by Quarter 1 - 2026			

7.6 Challenges and Obstacles

- The Israeli Authorities has delivered two stop working orders against 3 sub-projects in Furush Beit Djan, Al-Aqaba and Al-Jiftlick, which one of them was upgraded to a demolition order, precisely Frush Beit Dajan village council premises. Israeli army have also confiscated some equipment from workers in Al-Aqaba.
- There is a lack of the capacity and skills of most LGU's to prepare ESMP as well as the preparation of bidding documents and procurement plans. To overcome this challenge; on-job training and site visits were conducted by the contracted LTCs and MDLF area engineers.
- There was a dispute with the mayor of Al-Jiftlik village council regarding the selected roads segments which were endorsed by the steering Committee. Several correspondences/meetings were conducted to tackle this issue followed by a field visit with EU/AFD/MOLG/MDLF. The decision was taken to move forward in designing one segment (adjacent to the UN school) and check the overall estimation of the 2nd requested segment by the Mayor. Given that the estimated cost exceeds the available budget, the focus was given for one segment (adjacent to the UN school), whereas the other segment could be considered for further packages. The decision was also made to be funded out of this package due to budget deficit and to be financed directly by the AFD under the RDP2 which was mutually agreed upon in the last steering committee held on Nov. 2023 concerning package 7.
- There was a substantial delay in the design phase where the approvals from the MOE and the civil defense consumed more time than anticipated.
- There was a financing gap between the allocated budget and the cost estimate determined by the technical design of the projects. This gap can be attributed to currency fluctuations and the significant increase in prices compared to those during the initial appraisal of the projects.



8. Area C Development Programmed in the West Bank "Summary of Package 7" (Funded by the Danish, EU, KFW/EU)

8.1 Summary of the Action

Objectives of the action	The overall objective (impact) is to contribute to equipping the Palestinians in Area C to protect their physical, economic and social assets and rights, and preserve Area C as territorial and institutional part of a future Palestinian State. The specific objectives (outcomes) are composed of two folds (i) to improve access to essential and public infrastructure services in Area C and; (ii) to strengthen the capacity of the targeted LGUs to deliver and sustain essential social and public services in Area C.																										
Target group(s)²²	The action will target 12 localities in Area C (precisely to be financed under the EU and KFW portfolio) as follows: <table border="1"> <thead> <tr> <th>Locality</th><th>Governorate</th></tr> </thead> <tbody> <tr> <td>1. Al Funduq & Hajja street,</td><td>Qalqilia</td></tr> <tr> <td>2. Habla,</td><td>Qalqilia</td></tr> <tr> <td>3. Wadi Ar Rasha,</td><td>Qalqilia</td></tr> <tr> <td>4. Al Haffasi,</td><td>Tulkarm</td></tr> <tr> <td>5. Shufa,</td><td>Tulkarm</td></tr> <tr> <td>6. Barta'a Ash Sharqiya,</td><td>Jenin</td></tr> <tr> <td>7. Khirbet Mas'ud,</td><td>Jenin</td></tr> <tr> <td>8. Jiftlik,</td><td>Jericho</td></tr> <tr> <td>9. Jurat Ash Sham'a,</td><td>Bethlehem</td></tr> <tr> <td>10. Al Uddeisa,</td><td>Hebron</td></tr> <tr> <td>11. Idhna North,</td><td>Hebron</td></tr> <tr> <td>12. As Simya</td><td>Hebron</td></tr> </tbody> </table>	Locality	Governorate	1. Al Funduq & Hajja street,	Qalqilia	2. Habla,	Qalqilia	3. Wadi Ar Rasha,	Qalqilia	4. Al Haffasi,	Tulkarm	5. Shufa,	Tulkarm	6. Barta'a Ash Sharqiya,	Jenin	7. Khirbet Mas'ud,	Jenin	8. Jiftlik,	Jericho	9. Jurat Ash Sham'a,	Bethlehem	10. Al Uddeisa,	Hebron	11. Idhna North,	Hebron	12. As Simya	Hebron
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11. Idhna North,	Hebron																										
12. As Simya	Hebron																										
Final beneficiaries²³	It is expected to enhance the living conditions of 33,698²⁴ residents in 12 localities (covering the localities under the EU/KFW financing envelope) as follows: Al Funduq & Hajja street (4,168), Al Haffasi (223), Al Uddeisa (879), , Barta'a Ash Sharqiya (5,988), Habla (8640), Idhna North (3,972), Jiftlik (4,028), Jurat Ash Sham'a (1,867), Khirbet Mas'ud (71), Shufa (3,062), Wadi Ar Rasha (230), As Simya (571). The number of direct beneficiaries can be distributed per sector as follows: - Schools: 280 direct beneficiaries from the primary school - Roads: 7,627 - Sanitation: 14,857 - Electricity: 4,543 - Water: 3,941																										
Expected outputs	Through the implementation of 12 projects, the outputs can be summarized as follows: - Roads: Construction and rehabilitation of internal roads with a total length of 3 km (total four projects) - Schools: Construction of a new schools with total area about 1,400 Sq.m. (one primary school financed by EU/KFW with total area 1400 Sq.m (total one projects) - Sanitation: Construction of a total of 3.36 km of sewer networks. (total three projects) - Electricity: Rehabilitation of an electrical network with total length 6.2 km. (two projects)																										

²² **Target groups** are groups/entities who will directly benefit from the action at the action purpose level.

²³ **Final beneficiaries** are those who will benefit from the action in the long term at the level of the society or sector at large.

²⁴ Data source: PCBS 2022



	- Water: Rehabilitation and/or construction of 2 water networks, including the construction of water tank with total capacity of 500 Cubic Meters and a transmission line with a total length 1.5 km, as well as the rehabilitation of water network with total length of 8.9 km. (total 2 projects) - Soft component: Institutional development and capacity building support will be provided based on diagnostic needs assessment of the targeted LGUs, taking into consideration the CB support being implemented by MDLF for the municipalities and VCs under parallel interventions to ensure the harmony and to avoid duplication.
Main activities/work packages	- Mobilization and Preparation. - Contracting a consultancy firm to carry out the baseline study. - Contracting of Local Technical Consultant for the design and supervision. - Community engagement that will be carried out within the scope of the LTC. Social specialist within the LTC staff will conduct social screening and assessment to identify the potential social impacts on the Projects Affected Parties (PAP), as well as to prepare Stakeholder Engagement Plan (SEP) for the projects, including but not limited to: public information disclosure and consultation. In addition to these efforts, awareness campaigns will be conducted as part of communication and visibility plan. This includes community paintings, greening and plantation initiatives to promote environmental sustainability, fun day activities to boost community spirit, and engagement of youth in awareness activities related to service provision and project sustainability, educational workshops for students on water conservation, student competitions to promote ideas for sustainable water use, and implement targeted water awareness campaigns to educate residents, particularly students, on safe water usage. (the communication and visibility plan will be detailed and shared with the EU during the 1st few months of implementation). - Contracting of Technical Support Expert/s. - Design and tendering of the social and infrastructure projects. - Implementation of social and infrastructure projects. - Implementation of institutional development component that will be designed based on the baseline and diagnostic analysis of institutional and capacity gaps. - Conduct a final evaluation including beneficiaries impact assessment along with technical evaluation of both capacity development support and social/infrastructure projects. - Closing and Audit.

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



8.2 Project Description

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

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

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

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

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

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

8.3 Budget breakdown:

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

Table 24: Budget Breakdown

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



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

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

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

8.4 Implementation Status (for Social and Public Infrastructure Projects)

Table 25: Overall Implementation Status for Social and Public Infrastructure Projects

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



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



Table 4: List of Identified projects and Implementation status

No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€) ²⁵	Funding Source	Status
1	Al Funduq & Hajja	Al Funduq & Hajja Village Councils	Qalqiliya	Construction of Internal Road at Hajja	The project consists of construction of about 0.4 km length of internal road and rehabilitation and widening of the main road with total length of About 0.5 km , the scope of work includes: - Construction of new 4300 m² asphalted road. - Construction of 1700 L.m. curb stones. - Construction of 2400 m² interlock tiles sidewalks. - Construction of 1200 m² concrete shoulders. - Construction of 90 L.m steel guard rail. - Construction of Retaining Concrete Walls - Construction of Boulder - Road marking and traffic signs - Water pipes and electricity infrastructure	290,000	EU/BMZ (KfW) under this action	Design Completed – Pre-tendering

²⁵ The estimated cost is based on general scoping of the projects during the appraisal stage and will be revised based on the final design that will be prepared by the LTC.



No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€) ²⁵	Funding Source	Status
2	Khirbet Mas'ud	Zabda Al Jadida Village Council	Jenin	Construction of Internal Road at Khirbet Mas'ud	The project consists of rehabilitation of about 0.5 Km length, the scope of work includes. - Soil replacement - Construction of 3000 m² asphalted road. - Construction of 600 m² concrete shoulders. - Installation of steel guard rail. - Construction of Retaining Concrete Walls - Road marking and traffic signs. - Replacement of existing water line - Water pipes and electrify infrastructure.	290,000	EU/BMZ (KfW) under this action	Awarded
3	Barta'a Ash Sharqiya	Barta'a Ash Sharqiya Municipality	Jenin	Construction of Sewer Network	The project scope consists of construction of 2 km gravity sewer line with diameters of 6", 8" & 10" and installation of 40 house connections.	590,000	EU/BMZ (KfW) under this action	Tendering
4	Jurat Ash Sham'a	Jurat Ash Sham'a Village Council	Bethlehem	Construction of Primary Mixed School with Kindergarten	The project aims to provide primary mixed school grades 1-4 comprises of ten (10) classrooms, administration rooms, in addition to library & technology laboratory, teacher's room, multipurpose hall, resources room, staircases, toilet units, septic tank, and external works. The furniture and equipment for the school will be provided by the Ministry of Education. The total area is about 1400m².	1,100,000	EU/BMZ (KfW) under this action	Under design



No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€) ²⁵	Funding Source	Status
5	Habla	Habla Municipality	Qalqiliya	Construction of Gravity Sewer Network	The project scope includes construction of two alignments with a total length of 1.1 km of gravity sewer lines with diameter of 8"	240,000	EU/BMZ (KfW) under this action	Design Completed – Pre-tendering
6	Wadi Ar Rasha	Habla Municipality	Qalqiliya	Construction of Gravity Sewer Network	The project scope includes construction of one 8" gravity sewer line with a total length of 260 l.m	50,000	EU/KfW under this action	Design Completed – Pre-tendering
7	Shufa	Shufa Village Council	Tulkarem	Rehabilitation and development of the Water Network in Shoufa	The project scope of work includes - Replacement of existing water network and expansion of the network in Area C, the length of the proposed lines is as follows: - 2.6km of 3" water lines - 2.8km of 2" water lines - 3.5 km of less than 2" water lines - Replacement of existing submerged water pump	570,000	EU/BMZ (KfW) under this action	Under design
8	Al Haffasi	Kafr Labad Municipality	Tulkarem	Rehabilitation of Main Road in Al Haffasi	The project consists of rehabilitation of about 0.6 Km length. - Construction of 4800 m² asphalted road. - Construction of 960 m² concrete shoulders - Construction of Retaining Concrete Walls - Road marking a traffic signs. - Replacement of existing water line - Installation of new water line - Installation of street lighting (solar)	280,000	EU/BMZ (KfW) under this action	Awarded
9	Al Uddeisa	Si'ir Municipality	Hebron	Construction of Elevated Water Tank and Main	The project consists of the construction of 500 m ³ elevated water tank, and construction of 1500 l.m of transmission pipe line.	610,000	EU/BMZ (KfW) under this action	Under design



No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€) ²⁵	Funding Source	Status
				Transmission Line				
10	Idhna North	Idhna Municipality	Hebron	Rehabilitation of Electrical Network	The project aims to install additional 4 transformers on towers and installation of 5km of underground high voltage cables	500,000	EU/BMZ (KfW) under this action	Tendering Evaluation -
11	Al Jiftlik	Al-Jeftlick Village Council	Jericho	Rehabilitation and construction of internal roads	The project consists of the construction of two roads segments of 1.2 Km length. The works will include excavation, levelling, base course, asphalt pavement, concrete sidewalks, box culvert rehabilitation, concrete shoulders, infrastructure [like: electricity poles/cables, water pipes, manholes ,etc...] and road furniture. The roads' width is 5.75, 4 m (asphalt), and up to 1.5 m sidewalks each side, 0.75 m concrete shoulders where needed.	250,000	EU/BMZ (KfW) under this action	Design Completed – Pre-tendering
12	Arab al Fureijat	Al Ramadeen	Hebron	Rehabilitation of Arab Fureijat - Al Ramadeen road	The project consists of construction of about 0.6 Km length road (requested 2.8) The scope of work consists of - Construction of 8100 m² asphalted road. - Construction of 300 m² concrete shoulders - Construction of 900 m² interlock tiles sidewalks. - Construction of Retaining Concrete Walls - Road marking and traffic signs. - Installation of guardrails	250,000	DRO	Ongoing



No.	Locality	LGU	Governorate	Project	Brief Description	Estimated cost (€) ²⁵	Funding Source	Status
13	Al Midya	Al Midya VC	Ramallah	Construction of Secondary Boys School at Al Midya	The project aims to provide new secondary boys school grades 5-12 (Mixed for grades 10-12) comprises of eight (8) classrooms, administration rooms, in addition to science laboratory, technology laboratory, teacher's room, library room, multipurpose hall, staircases, toilet units, solar panels, septic tank, and external works. The furniture and equipment for the school will be provided by the Ministry of Education. The total area is about 1400m ² .	1,138,746	DRO	Ongoing
14	Al-Simya	Al-Samu'	Hebron	Rehabilitation of Electrical Network		50,000	EU/BMZ (KfW) under this action	On-Hold
Total: 6,208,746								

8.6 Challenges and Obstacles

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

1. Political and Security-Related Challenges

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



2. Central Government Ministries

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



3. Local Municipalities and Communities

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

4. Local Technical Consultants (LTCs)

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



8.7 Recommendations for Improvement

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

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