

World Bank Operations in the West Bank and Gaza

as of September 2014

World Bank Assistance Strategy

The Bank Group has relied on Interim Strategy Notes to guide its work in the West Bank and Gaza (WB&G). The Interim Strategy Note for FY12-14, prepared jointly with the IFC, focused on two pillars: (i) to strengthen the institutions of a future state to efficiently manage public finances and ensure services to citizens; and (ii) to support the creation of an enabling environment for private sector led growth. This was aligned with the Palestinian National Development Plan (PNDP). The guiding principles of the Bank's engagement are flexibility and selectivity in order to balance between short- and medium-term development needs. An FY15-FY16 Assistance Strategy is under preparation.

To enable the World Bank's assistance to the Palestinian Territories, the Trust Fund for Gaza and the West Bank (TFGWB) was established in 1993 and is replenished on an annual basis. To date, the TFGWB has been replenished thirteen times for a total allocation of US\$915m. The Board of Governors of the World Bank approved the 13th replenishment for US\$55m in June 2014.

Project Portfolio

Completed Projects 1993-2014

Bank Sector	% Total	Commit
Ag & Rural Dvlmnt	2%	16.0
Economic Policy	0%	0.4
Education	5%	42.4
Energy	3%	30.0
Environment	1%	9.5
Financial and	2%	15.0
Health,	1%	7.9
Public Sector	30%	273.5
Social Development	3%	23.3
Social Protection	25%	232.8
Urban	19%	171.7
Water	10%	95.5
Total	100%	918.0

FY 15 Projects

Development Policy Grant VI Emergency Additional Financing
MDP2 Emergency Additional Financing
Water Supply & Sewage Systems Improvement Emergency AF
Gaza Electricity Network Rehabilitation Emergency AF
Health Systems Efficiency Improvement Project
Hebron Regional Wastewater Management Project
Electricity Sector Performance Improvement Project

Active portfolio by PNDP sector

	% Total	Commit
Economy and Employment	4.9%	9
Good Governance & Service Delivery	25.1%	45.8
Infrastructure	53%	95.9
Social Protection	17%	31.5
Total	100	182.2

Active Projects

Project Name	Approval Date	Effective Date	Grant (US\$M)	Disb (US\$M)	Undisb (US\$M)	Closing Date
North Gaza Emergency Sewage Trtmnt	9/7/2004	11/17/2004	37.3	17.8	19.5	6/30/2017
Second Municipal Development Project	5/23/2013	8/22/2013	35.8	11.6	24.2	2/28/2017
WB & G Cash Transfer Proj. incl AF	4/28/2011	5/23/2011	20.0	14.3	5.7	6/30/2016
Electricity Utility Management	5/15/2008	6/30/2008	14.5	12.4	2.1	3/31/2015
Southern West Bank Solid Waste Mgmt	5/14/2009	11/25/2009	12.0	11.8	0.2	12/30/2014
Gaza Solid Waste Management Project	3/31/2014	7/9/2014	10.0	0.0	10.0	11/30/2019
GZ Electricity Network Rehab	3/6/2012	6/18/2012	8.0	2.8	5.2	12/31/2015
WB&G PNGOIV incl Additional Finance	7/8/2010	9/3/2010	7.0	2.5	4.5	9/30/2016
Education to Work Transition Project	5/15/2012	7/31/2012	6.5	1.8	4.7	1/31/2018
Water Supply and Sewage System Impr Pr	11/27/2012	12/26/2012	6.4	3.5	2.9	6/30/2016
Teacher Education Project	6/24/2010	10/28/2010	5.0	3.5	1.5	6/30/2015
GZ. Econ/Regulatory Inst. Building	6/24/2010	9/8/2010	3.7	2.6	1.1	6/30/2015
Water Supply & Sani. West Bethlehem Villages	8/15/2011	8/24/2012	3.65	0.5	3.2	12/31/2015
Second Land Administration Project	4/26/2012	6/19/2012	3.0	1.1	1.9	5/30/2017
Government Services Business Dev.	5/8/2012	1/11/2013	3.0	1.0	2.0	12/15/2016
Gaza Water Sector Capacity Building	3/31/2011	7/29/2011	4.0	3.1	0.9	12/31/2015
Masar Ibrahim/Abraham's Path	12/20/2013	1/23/2014	2.3	0.2	2.1	3/31/2016
Total Active Portfolio			182.2	90.4	91.7	

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Analytical and Advisory Services (AAA)

The WB&G has an active analytical and advisory work (AAA) portfolio. The AAA work complements the World Bank's projects portfolio, is selective, and builds on work completed in the previous years. The AAA program responds to current priorities of the Palestinian Authority.

Examples of AAA Activities Completed in FY 14

Area C Restrictions and Growth ESW assessed the extent to which the restrictions imposed by the Government of Israel on economic activity in Area C of the West Bank impact overall investment opportunities and growth of the West Bank economy.

Improving Efficiency of Universal Health Coverage study aimed to increase efficiency of public health expenditures with a view to ensuring fiscal and financial sustainability of proposed universal health coverage.

Housing Sector Technical Assistance provided the PA with information to adopt policies and practices improving access to housing.

Examples of AAA Activities Planned for FY 15

Investment Climate Assessment seeks to provide empirical analysis of the investment climate under which Palestinian businesses operate, describe the key constraints, and identify reform priorities for those aspects of the investment climate and constraints which are within the PA's control.

Action Plan to Improve Payment for Electricity Services seeks to identify sources and reasons for non-payment of electricity services and to develop an action plan to reduce non-payment in the Palestinian Territories.

Trust Fund Portfolio Details

The WB&G TF portfolio is well aligned with the main objectives of the Interim Strategy Note. The assistance program benefits from generous support from a number of donors. In addition to the PRDP MDTF, the Partnership for Infrastructure Development Trust Fund and the Norway West Bank and Gaza Support Trust Fund are integral parts of the program.

Palestinian Reform and Development Plan Multi-Donor Trust Fund (PRDP-MDTF)

In April 2008, the Palestinian Reform and Development Plan Multi-donor Trust Fund (PRDP-MDTF) was established to provide budgetary support to the PA to further the reform agenda. As of September 3, 2014, the PRDP-MDTF has disbursed over US\$1.2 billion. The release of funds from the PRDP TF is linked to implementation of key aspects of the PNDP relating to budget execution and the maintenance of a sound macroeconomic framework. Current participating donors include: Australia, France, Japan, Kuwait, Norway, and the UK/DFID.

Ongoing Multi-Donor Programs FY13	Approval Date	Closing Date	Grant (US\$m)
Palestinian Reform Development Plan TF	4/11/2008	2/1/2017	1,226,999,871
Total RE Multi-Donor Programs			1,226,999,871

The World Bank attracts development partners' complementary financing for TFGWB-financed projects. Investment projects often leverage development partners' support in the form of co-financing or parallel financing. Some of the active co-financing donors include: Belgium, Denmark, Finland, the EU, Norway, the Netherlands, Sweden, and the UK.

Ongoing Projects

North Gaza Emergency Sewage Treatment Project (NGEST). Total financing: US\$37.3 million. (100% Gaza). Task Team Leader: Iyad Rammal; Closing: June 30, 2017. The project seeks to mitigate the health and environmental issues near the effluent lake in Beit Lahia Wastewater Treatment Plant and to provide a satisfactory long-term solution to the treatment of wastewater in the Northern Governorate in Gaza. Part A of the project is completed, and the immediate objectives to mitigate the health and environmental safety threats to communities surrounding the effluent lake at Beit Lahiya are mostly achieved. Additional financing for US\$3 million was approved by the Board in April 2014. Maintaining close coordination with COGAT and donor partners is crucial for timely delivery of goods and materials required for the next phase.

Second Municipal Development Project (MDP2): World Bank (including MDTF co-financing): US\$36.8m. (50% Gaza & 50% West Bank). Task Team Leader: Bjorn Philipp; Closing: February 28, 2017. The objective of the project is to improve municipal management practices for better municipal transparency and service delivery. Total funding committed by all involved donors has reached US\$77m. Emergency Additional Financing to address Gaza needs is underway.

Cash Transfer Project incl. Additional Finance: World Bank: US\$20m. (50% Gaza & 50% West Bank). Task Team Leader: Samira Hillis. Closing: June 30, 2016. This project funds the reforms of the Palestinian social safety net including scaling up a cash transfer program for poor and vulnerable households. The CTP builds on the successes of a previous operation and aims to: 1) mitigate the impact of the continued socio-economic crisis on a subset of the extremely poor and vulnerable households and to 2) support the PA's efforts to continue reforms of the Cash Transfer Program, its largest program for providing cash assistance. The CTP finances cash benefits to about 5,500 extremely poor households, and also funds technical assistance to support the Ministry of Social Affairs' reform agenda. The Additional Financing for the project was approved by the Board in September 2013 and was declared effective on November 1, 2013.

Electric Utility Management Project (EUMP): Total Funding: US\$14.5 million. (7% Gaza & 93% West Bank). Task Team Leader: Roger Coma Cunill; Closing: March 31, 2015. The project was restructured in September 2013 to adjust project design and objectives and extend the closing date. The revised project development objective is to establish and strengthen key energy sector institutions to enhance collection performance of electricity bill payments, and restore power distribution systems in conflict-affected areas. The revised PDO reflects the outcomes of the Bank-financed activities and focus on strengthening key energy sector institutions and restoring the distribution system in Gaza.

Southern West Bank Solid Waste Management: World Bank: US\$12m. (100% West Bank) Task Team Leader: Ibrahim Dajani; Closing: Dec. 30, 2014. The project seeks to improve solid waste disposal services for the communities, municipalities and joint service councils (JSC) in the Bethlehem and Hebron governorates through provision of efficient, socially acceptable and environmentally friendly mechanisms. The project works to strengthen the JSC administrative and technical capabilities for cost-effective management of waste disposal services; to construct a sanitary landfill facility and related infrastructure; and to conduct a public awareness campaign for promoting waste minimization. A new solid waste facility has been constructed and became operational by an international private operator on March 25, 2014.

Gaza Solid Waste Management Project: World Bank: US\$10 million (100% Gaza). Task Team Leader: Ibrahim Dajani. Closing: November 30, 2019. The objective of the project is to improve solid waste management services in Gaza. The project was approved by the Board on March 31, 2014 and became effective on July 9, 2014.

Gaza Electricity Network Rehabilitation Project: World Bank: US\$8 million (100% Gaza). Task Team Leader: Simon Stolp. Closing: December 31, 2015. The objective of the Project is to rehabilitate and expand the electricity networks in Gaza in order to improve their reliability and performance. The project received parallel financing from the Islamic Development Bank in the amount of US\$8 million. Emergency Additional Financing to address Gaza needs is underway.

Palestinian NGO IV incl. Additional Finance: US\$7.0 million (50% West Bank, 50% Gaza). Task Team Leader: Sima Kanaan; Closing: September 30, 2016. The project objectives are to provide social services to those who are poor, vulnerable or marginalized through NGOs and to strengthen the institutional capacity of these organizations. The Additional Financing for the project was approved by the Board on July 29, 2013 and was declared effective on September 17, 2013.

Ongoing Projects

Education to Work Transition Project: World Bank: US\$6.5 million. (50% West Bank and 50% Gaza). Task Team Leader: Juan Manuel Moreno. Closing: January 31, 2018. The project seeks to improve education to work transition of young Palestinians attending participating tertiary education institutions. Implementation is on track and all projects financed by the Quality Investment Fund (QIF) first cycle are on target, despite initial delays.

Water Supply and Sewage Systems Improvement Project: World Bank: US\$6.4m. (100% Gaza). Task Team Leader: Iyad Rammal; Closing: June 30, 2016. The project development objective is to improve the quality and efficiency of water supply and wastewater service provision in Gaza. This will be achieved through (i) rehabilitation and expansion of existing water and wastewater systems, and (ii) enhancing the capacity of the Coastal Municipalities Water Utility (CMWU) to sustain water and wastewater services. Emergency Additional Financing to address Gaza needs is underway.

Teacher Education Improvement Project: World Bank: US\$5.0m. (30% Gaza & 70% West Bank). Task Team Leader: Juan Manuel Moreno; Closing: June 30, 2015. The project aims to improve the competencies and skills of class teachers (teaching grades 1-4) in West Bank and Gaza schools, thereby contributing to enhancing student learning in primary schools. Interventions targeting teacher educators, student teachers and under-qualified practicing teachers are planned. Project implementation is progressing well, despite initial delays.

Economic and Regulatory Institution Building Project: World Bank: US\$3.7million. (50% Gaza & 50% West Bank). Task Team Leader: Nabila Assaf; Closing: June 30, 2015. The objective is to build the capacity of leading economic and regulatory institutions of the Palestinian Authority in order to support the implementation of the Palestinian National Development Plan. The project provides capacity building of the Palestinian Central Bureau of Statistics (PCBS) to provide accurate and timely economic data that is critical for the PA. Support to the Palestinian Monetary Authority (PMA) is also provided in the strengthening of the Research and Monetary Policy Department. A one-year extension was processed to accommodate implementation delays.

Water Supply & Sanitation for West Bethlehem Villages: US\$3.65 million (100% West Bank). Task Team Leader: David Meerbach; Closing: December 31, 2015. The project aims to improve, through a pilot project, the delivery of water and the planning of wastewater services in targeted rural communities that are marginalized due to mobility restrictions in the West Bethlehem region. The project is funded through the State and Peace-Building Trust Fund (SPF).

Second Land Administration Project: World Bank: US\$3.0 million. (100% West Bank). Task Team Leader: Bjorn Philipp. Closing: May 30, 2017. The project seeks to improve the design and implementation of the land registration system in the Project Area. The Project Area is defined as municipalities, villages and project committees in the Dura district and in an adjacent area of not less than 180,000 dunums. The project assists the PA in strengthening a land administration authority that has the strategic and operational tools to ensure efficient and transparent land registration operations. A functioning formal registry will strengthen the PA's state building efforts, strengthen the private sector, and provide the basis for revenue collection.

Government Services for Business Development Project: Total financing: US\$3 million (50% Gaza & 50% West Bank). Task Team Leader: Jana Malinska; Closing: December 15, 2016. The project project aims to improve the ability of the Ministry of National Economy to deliver timely, efficient, and quality business development information, data and services to target beneficiaries, MSMEs, women business owners and other marginalized groups, to promote business development.

Masar Ibrahim/Abraham's Path: World Bank: US\$2.3 million (100% West Bank). Task Team Leader: Ali H. Abukumail. Closing: March 31, 2016. The project plans to contribute to job creation and income generation for marginalized rural communities along the Abraham Path in the West Bank, with a particular focus on women and youth, and to capture lessons from piloting job creation through experiential tourism that could be applied in other FCS settings. The project is funded through the State and Peace-Building Trust Fund (SPF).

Water Sector Capacity Building Project: Total Financing: US\$3m. (50% Gaza & 50% West Bank). Task Team Leader: Iyad Rammal; Closing: December 31, 2015. The operation seeks to address the capacity of the Palestinian Water Authority (PWA) to more effectively plan, monitor, and regulate water sector development in the West Bank and Gaza. The project works in close coordination with the French Development Agency (AFD) and the Swedish Sida.