



Additional Financing Appraisal Environmental and
Social Review Summary
Appraisal Stage
(AF ESRS Appraisal Stage)

Date Prepared/Updated: 12/22/2021 | Report No: ESRSAFA242



BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
West Bank and Gaza	MIDDLE EAST AND NORTH AFRICA	Palestine Liberation Organization (for the Benefit of the Palestinian Authority)	Ministry of Social Development, Ministry of Labor/Palestinian Fund for Employment and Social Protection for Workers, Ministry of Finance
Project ID	Project Name		
P176199	Emergency SPJ COVID19 Response Project - Additional Financing		
Parent Project ID (if any)	Parent Project Name		
P174078	West Bank Emergency Social Protection COVID-19 Response Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	12/22/2021	1/24/2022

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Proposed Development Objective

To provide cash support and short-term employment opportunities to vulnerable populations in West Bank and Gaza affected by emergency shocks including COVID-19.

Financing (in USD Million)	Amount
Current Financing	40.00
Proposed Additional Financing	9.42
Total Proposed Financing	49.42

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes



C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The project aims to respond to the immediate needs arising from the COVID-19 pandemic and other emergency shocks resulting from the May 2021 crisis in Gaza by providing temporary emergency cash transfers to vulnerable and poor households and contributing to reducing the deficit in health and social services through temporary job creation.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The Additional Financing (AF) to the parent project will be national in scope since the restructuring (processed in May 2021, in the aftermath of the War in Gaza) will allow the expansion of cash transfers to the Gaza Strip. The AF project is expected to have significant social benefits for target communities and vulnerable groups, particularly women and children. The project will provide direct economic support to beneficiary households to cope with the hardship after the May conflict in Gaza and the impacts of the COVID-19 pandemic. Project activities of relevance to the environmental and social (E&S) aspects as per the Environment and Social Framework (ESF) include registration and payments of direct cash transfer (Component 1); cash for work (C4W) where the project beneficiaries are individuals and NGOs providing social services and possibly agricultural activities (Component 2); Contingency Emergency Response Component (CERC) to respond to events of a natural or man-made disaster or crisis (Component 3); and capacity building and planning and analysis (Component 4). At this stage the specific locations where investments or sub-projects will be implemented under the additional financing have not yet been identified. However, it is known that project will be implemented in offices of involved ministries as well as in rural and urban settings across the country with different environmental and social conditions. The E&S documents for the parent project will be updated for the AF to reflect the additional scope related to expansion of cash transfers to Gaza for the cash transfer component and additional beneficiaries in the West Bank for C4W component.

D. 2. Borrower’s Institutional Capacity

The Project Coordinating Unit (PCU) at the Ministry of Finance (MoF) will coordinate project implementation with the technical implementing entities (Ministry of Social Development (MoSD), Ministry of Labor (MoL) and the Palestinian Fund for Employment and Social Protection (PFESP). MoF is currently implementing the World Bank-funded West Bank Emergency Social Protection COVID-19 Response Project (P174078), the parent project of this AF, which has the same implementing partners. The parent project has been active since May 2020 but has faced critical implementation challenges.

Specifically, related to E&S aspects, the MoF met delays in completing the requirements included in the parent project's Environmental and Social Commitment Plan (ESCP) including clearance and disclosure of the (Environmental and Social Management Framework (ESMF) and Labor Management Procedures (LMP), updating of the Stakeholder Engagement Plan (SEP), and staffing of the PCU with environmental, health and social specialists according to the agreed timeframe. MoF also disbursed US\$ 12.4 million as part of the cash transfers prior to preparing and disclosing the these E&S instruments. In line with ESF requirements, MoF was therefore requested to conduct an environmental and social audit of the already disbursed activities (under Components 1 and 4) to (i) review the management of environmental and social issues for the disbursed activities, (ii) assess how the E&S management measures carried out against the E&S commitments included in the parent project ESCP agreed between the government and the World Bank, (iii) identify gaps in measures and E&S performance (if any), and (iv) recommend a corrective action plan (CAP) that needs to be implemented for the parent project and any additional financing activities so that moving forward, compliance with the World Bank parent project and AF ESCPs requirements is ensured. The draft audit

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report, prepared by MoF’s external auditor, was reviewed and cleared by the Bank and disclosed in country on September 21, 2021 and on the Bank’s system on September 30, 2021. This E&S audit found that the primary reason for the non-compliance or disbursement of the \$12.4 million was the pressing need to provide immediate assistance to the poorest and most vulnerable in view of the rapidly deteriorating socioeconomic conditions due to COVID-19. The audit found partially satisfactory compliance by the project regarding the implementation of the E&S measures. Specifically, the audit found that since the availability of E&S instruments in May 2021, the project is being implemented in accordance with requisite E&S measures and standards and risk management tools and instruments; the E&S team (ESO and HSS at PCU-MoF) is operating in line with the implementation plan and activities of the project and is committed to meeting the ESCP requirements; eligibility criteria included in the POM, that were developed before the disbursement of the cash transfer through consultations with the implementing partners, are being applied to ensure that the beneficiaries receiving cash transfers are eligible; there is compliance with OHS related to COVID-19, labor and working conditions (except for CoC), and access to information; and, several consultation workshops have been held and further consultations are planned during project (parent and AF) implementation. In view of the non-compliance, the audit recommended a corrective action plan (CAP) to enhance monitoring and reporting of E&S implementation; ensure awareness and proper implementation of the workers’ code of conduct (CoC); ensure public consultation in line with the SEP; ensure proper functioning and monitoring of the grievance mechanism (GM); establishing a workers’ GM; and enhancing the capacity of the PCU and the ESO in particular for E&S management. A commitment to implement the CAP is being included in the ESCP for the AF. MoF recruited an Environmental and Social Officer (ESO) and Health and Safety Specialist (HSS) in December 2020. Since then, MoF has gained experience of using the ESF; however, further capacity building of the PCU’s E&S personnel and other staff (e.g. procurement, project directors, etc.), for adequate understanding of the E&S requirements of the project and implementation of and compliance with the ESCPs are required. These trainings will be delivered by the Bank and PCU E&S staff. A commitment regarding training/capacity building will be included in the ESCP and a training schedule will be agreed between the PCU and the Bank. The PCU of the parent project will also be responsible for the implementation of the AF.

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II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The environmental risk is classified as Substantial, given the combination of Operational Health and Safety (OHS) risks and the Borrower’s limited capacity in environmental and social risk management. OHS risks are mainly associated with the work of beneficiaries in subprojects/activities under component 2. Beneficiaries will be operating in the agricultural sector, clinics, or will be working with disabled children in schools, in early childhood support, food distribution, and will provide assistance to the elderly. Given the rise of COVID-19 cases in both West Bank and Gaza, particularly the newer and more infectious variants, there is a potential risk of exposure of workers and communities to the disease. Therefore social workers need to comply with OHS guidelines, including use of adequate personal protective equipment (PPEs) to reduce the risk of COVID-19 contagion. Beneficiaries working in agricultural projects may also be exposed to health and safety risks associated with pesticides use and injuries from agricultural equipment. Waste and medical waste management generated during some of the subproject activities may also constitute a substantial risk for workers and community health and safety.



Social Risk Rating

Substantial

The social risks can be summarized as: (i) risks of elite capture, especially with regard to component 1.1 that targets vulnerable groups; (ii) risks associated with poor targeting and social exclusion based on gender, disability and other forms of vulnerability under component 1 and 2; (iii) community health and safety risks due to exposure to communicable diseases, including COVID-19, and adverse impacts on community members due to handling of hazardous medical waste material and pesticides; potential exposure of vulnerable groups, including youth, children and women to violence, sexual exploitation and abuse (SEA) and sexual harassment (SH) risks under C4W component; (iv) risks related to labor and working conditions for direct and contracted workers, under component 2; and (v) limited experience of the ESO to manage social risks in accordance with ESF requirements/ESCP commitments. Social risks will be addressed and mitigated both through the project design (particularly the risks of exclusion and elite capture) and measures included in the project’s E&S instruments to address and manage social impacts. The experience of the non-compliance of the \$12.4 million disbursement is further justification for the substantial risk rating. A commitment to implement a corrective action plan throughout the life of the parent project and additional financing, based on the lessons learned through the audit, will be included in the AF ESCP.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

ESS1 is relevant given an array of environmental and social risks and impacts identified including health and safety due to the exposure of such as contracted workers, vulnerable people, etc. who might be infected with communicable diseases, including COVID-19. Social work under component 2 will be associated with health clinics, with support to disabled children in schools, early childhood support, and assistance to the elderly and to those with preconditions who can be more vulnerable to the COVID-19 infections and may increase OHS risks and impacts. Depending on the types of subprojects environmental risks and impacts related to pesticide use, accidents due to agriculture vehicles, exposure the poorly managed solid waste including hazardous waste are also possible,

Social risks of elite capture and exclusion are going to be addressed through project design measures already included in the parent project. For example, measures to enhance transparency, particularly for beneficiary selection, have been set in place to reduce the risk of elite capture. Potential social risks related to cash transfer are minimized by the use of transparent and participatory approaches for beneficiary identification and technological innovations such as e-payment. The project also builds on the existing national cash transfer system at the MoSD and the client’s capacity and experience in managing similar programs. The client’s main social registry has controls in place that have been working effectively. To address the possible exclusion of vulnerable groups targeted under component 1 and 2, the project ensures periodic updating of beneficiary data bases and regular case management. The project has established eligibility criteria for beneficiaries and will conduct periodic assessment of these criteria. To ensure inclusion of women, 50% of household beneficiaries and at least 50% of beneficiaries of the C4W component are women. In addition, 10% of the beneficiaries will be persons with disabilities. The national social registry also has a redress mechanism to address exclusion errors. The project will also ensure inclusion of the voice and needs of vulnerable groups (e.g. women, women headed households, persons with disabilities etc.) by focusing on these groups in the SEP. The AF will use the same GM as the parent project which includes features to help accept and

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address any SEA/SH related complaints, including referral mechanisms. Finally, the PCU ESO's capacity to address environmental and social risks, including for handling of grievances, and will be enhanced throughout the life of the project through regular capacity building.

MoF will update the ESMF of the parent project in line with the requirements of the AF, and use this updated document as the ESMF for both the parent project and the AF. Site-specific ESMPs will be prepared for subprojects once their location is known. The AF ESMF will be prepared, consulted on, cleared by the Bank and disclosed within 1 month of project effectiveness.

The ESCP prepared by the MoF for the AF under ESS1 will be made part of the legal agreement between the Bank and The Palestine Liberation Organization (for the benefit of the Palestinian Authority). The ESCP will be finalized, cleared by the Bank and disclosed by project appraisal. Additional monitoring and supervision measures, from both MoF and Bank E&S teams; increased frequency for E&S reporting; and increased awareness raising regarding and capacity building for implementing the Bank's ESF, of both the E&S staff and wider project team, will be put in place to ensure compliance with ESCP commitments.

ESS10 Stakeholder Engagement and Information Disclosure

The primary project stakeholders include beneficiaries such as vulnerable households affected by the COVID-19 crisis and the May 2021 conflict in Gaza; members of households benefiting from the cash transfer and C4W; vulnerable people directly benefiting from the social and health services provided under C4W subprojects (e.g., people affected by COVID-19, people in need of healthcare services, people with disabilities, elderly, children, and women); and vulnerable communities such as the Bedouin, who may require different engagement methodologies. Institutional stakeholders include the three ministries involved in implementation (MoF, MoL/PFESP and MoSD), and the NGOs providing social services.

The SEP prepared for the parent project has been updated in line with the requirements of the AF and will be used as the AF SEP. Public consultations for the AF and for the restructuring activities were conducted in September 2021 and have been reflected in the updated SEP. The SEP includes measures for stakeholder consultation, information dissemination and disclosure, and grievance redress. Briefly, information about the project will be available in Arabic on the ministries' webpages and through social media platforms. If internet option is not available to women at villages or Bedouin communities, the ministry will assign a mobile number and contact person who can be reached by these groups. To ensure the participation of women, workshops and meetings will be held at suitable and easily accessible locations so that women can attend easily; if required, separate consultation sessions for women and men will be organized; and requisite facilities for persons with disabilities will be provided during public meetings. The PMU will also use printed material, notifications at the NGOs offices and local authorities' public domains. Information about the different mechanisms for reaching out and the modes of information dissemination and communication will be shared with communities and groups during consultations. Stakeholder consultation meetings shall be conducted in line with the national restrictions regarding public gatherings during COVID-19 pandemic and the World Bank's guidance note on "Public Consultations and Stakeholder Engagement in World Bank-supported operations when there are constraints on conducting public meetings". Finally, the GM mechanism for the parent project will also be used for the AF and details about the GM are included in the SEP. The project GM was established in each partner Ministry/Agency (MoF, MoSD & MoL and PSESP) and information about the GM has been



disseminated to affected parties during consultations. The GM also includes features to accept and address potential SEA/SH related complaints, including referral mechanisms.

The SEP will be reviewed and cleared by the Bank and disclosed in country and on the Bank's system prior to appraisal. The SEP will be implemented throughout the project lifecycle. Being a 'living' document, the SEP may be updated periodically during project implementation and as subproject locations become known in consultation with the Bank. The ESCP will include the condition for updating the SEP, as required, during project implementation.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

ESS2 is relevant to the Project. The project activities will involve direct workers such as agency employees transferred to the PCU from MoF, MoSD, MoL and PFESP, environment and social staff engaged by the PCU; and contracted workers, such as the staff at the NGOs, and the beneficiaries employed in the health, education, agriculture and other social services sectors to support vulnerable groups with disabilities and elderly populations.

Potential labor risks are related to OHS, working conditions, child labor in agricultural subprojects, and SEA/SH risks for workers. These risks will be managed in accordance with the AF LMP. The LMP prepared, disclosed, and being used for the parent project will be updated in line with AF requirements and used as the LMP for the AF. The AF LMP will be reviewed and cleared by the Bank and disclosed in-country and on the Bank system within one month of effectiveness. The LMP will cover an assessment of potential labor related risks; an overview of labor regulations, policies and procedures; an assessment of and a plan to prevent SEA/SH proportionate to the level of risk; contract terms and conditions; working age regulations; details of the workers' GM; and other requirements of ESS2. The workers' GM will also address potential complaints related to SEA/SH and will have requisite features such as, ability to accept and respond to anonymous complaints and measures to ensure anonymity of complainants, referral mechanisms, and availability of trained personnel to accept and handle such complaints. Measures to prevent SEA/SH will also be included in the workers' CoC to be circulated among and signed by all project workers.

Site-specific labor management requirements will be prepared, as part of site-specific ESMPs for NGOs, and will be available before engagement of beneficiaries on any of the work sites. The contracts with NGOs will include provisions for: occupational health and safety; prevention of child labor and potential cases of SEA/SH; availability of the workers' GM; and work conditions, following the general World Bank Guidelines on Environmental Health and Safety (EHS Guidelines) and the more specific Occupational Health and Safety guidelines, especially on physical hazards. A workers' GM will be established in each selected NGO to receive and handle workers' grievances hired under cash for work component. The E&S Officer at the PCU will be responsible for monitoring grievances managed at the NGO level and shall regularly evaluate the effectiveness of the GM.

Finally, in addition to the project workers identified above, some employees of concerned agencies may also work in connection (full-time or part-time) with the project without being formally transferred to the project. ESS2 will not apply to such workers and they will remain subject to the terms and conditions of their employment with the concerned agency. However, the provisions of ESS2 related to protection in the work force (i.e. regarding child labor,



minimum age and forced labor) and OHS will apply to such agency employees. In addition to the Government guidelines, the World Health Organization (WHO) guidelines in response to COVID-19, such as the procedures for protection workers in relation to infection control precautions and provision of immediate and ongoing training on the procedures to all categories of workers, will be used.

Finally, in addition to the project workers identified above, some employees of concerned agencies may also work in connection (full-time or part-time) with the project without being formally transferred to the project. ESS2 will not apply to such workers and they will remain subject to the terms and conditions of their employment with the concerned agency. However, the provisions of ESS2 related to protection in the work force (i.e. regarding child labor, minimum age and forced labor) and OHS will apply to such agency employees. In addition to the Government guidelines, the World Health Organization (WHO) guidelines in response to COVID-19, such as the procedures for protection workers in relation to infection control precautions and provision of immediate and ongoing training on the procedures to all categories of workers, will be used.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is relevant. The project presents pollution related risks and impacts due to potentially inadequate management of hazardous medical waste and pesticides under component 2 (C4W). Those activities are of small scale addressing some needs of individual beneficiary farmers with the aim of creating jobs. The waste management procedures prepared for the parent project will be used for AF activities which will be further developed in each site specific ESMP. Site-specific ESMPs for NGOs, and will be available before engagement of beneficiaries on any of the work sites. The contracted NGOs will include provisions for occupational health and safety and provide training to beneficiaries on pesticides and/or agro-chemicals usage, handling, storage, disposal and will insure proper PPE is included in the contracts; following the general World Bank Guidelines on Environmental Health and Safety (EHS Guidelines) and the more specific Occupational Health and Safety guidelines, especially on physical hazards. A workers' GM will be established in each selected NGO to receive and handle workers' grievances hired under cash for work component. The E&S Officer at the PCU will be responsible for monitoring grievances managed at the NGO level and shall regularly evaluate the effectiveness of the GM.

ESS4 Community Health and Safety

ESS4 is relevant. The main community health and safety risks identified under the AF are related to transmission of COVID19 virus and potential exposure of beneficiaries to communicable diseases by social workers associated with the project activities; potential cases of violence against children (VAC) during provision of childcare services under the C4W component; and risks associated with potential SEA/SH. To minimize these risks, MoF will prepare and implement a Community Health and Safety Management Plan (CHSMP) for the AF, based on the community health and safety measures designed for the parent project. The AF CHSMP will be prepared as part of the ESMF, reviewed and cleared by the Bank and disclosed within 1 month of effectiveness. The project GM will include special tools for handling and addressing VAC and SEA/SH cases, including strengthening referral pathways within the GM. The project level GM referral pathways will also include assigning an experienced social worker from the MoSD to provide support on VAC and SEA/SH cases related to the project activities and to provide support to survivors. The project level GM will also include confidential reporting and ethical documentation of VAC and SEA/SH cases. The workers' CoC will also include measures to prevent VAC and SEA/SH.



ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is not relevant. No land acquisition or resettlement is required under the project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

No construction activities are expected in this project that could affect protected areas, flora or fauna.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

This standard is not relevant to the proposed project. There are no Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities as defined in ESS7 of ESF in Palestine.

ESS8 Cultural Heritage

ESS8 is not currently relevant. No tangible or intangible cultural heritage are expected to be impacted by the project activities.

ESS9 Financial Intermediaries

Not currently relevant. There are no financial intermediaries that are part of the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:

N/A

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Palestine Liberation Organization (for the Benefit of the Palestinian Authority)

Implementing Agency(ies)

Implementing Agency: Ministry of Social Development

Implementing Agency: Ministry of Labor/Palestinian Fund for Employment and Social Protection for Workers

Implementing Agency: Ministry of Finance

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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Practice Manager (ENR/Social) Pia Peeters Cleared on 05-Nov-2021 at 07:28:23 GMT-04:00