



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 09-Nov-2023 | Report No: PIDA37034



**BASIC INFORMATION**

**A. Basic Project Data**

Country West Bank and Gaza	Project ID P181573	Project Name AFII West Bank and Gaza SPJ COVID-19 Emergency Response	Parent Project ID (if any) P174078
Parent Project Name West Bank Emergency Social Protection COVID-19 Response Project	Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 15-Nov-2023	Estimated Board Date 08-Dec-2023
Practice Area (Lead) Social Protection & Jobs	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance, Palestine Liberation Organization (for the Benefit of the Palestinian Authority)	Implementing Agency Ministry of Social Development, Ministry of Labor/Palestinian Fund for Employment and Social Protection for Workers, Ministry of Finance

Proposed Development Objective(s) Parent

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

Proposed Development Objective(s) Additional Financing

To provide cash and/or in-kind emergency support and short-term employment opportunities to vulnerable populations in West Bank and Gaza affected by emergency shocks including COVID-19 and in case of an eligible crisis or emergency, respond to it promptly and effectively.

Components

Emergency context appropriate in-kind or cash support to war-affected households in West Bank and Gaza  
Cash for Work in the West Bank (C4W)  
Capacity Building, Project Management, Monitoring and Evaluation  
Contingent Emergency Response Component (CERC)

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	10.00
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<b>Total Financing</b>	10.00
<b>of which IBRD/IDA</b>	0.00
<b>Financing Gap</b>	0.00

**DETAILS**

**Non-World Bank Group Financing**

Trust Funds	10.00
Special Financing	10.00

Environmental and Social Risk Classification

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**B. Introduction and Context**

Country Context

- 1. The latest hostilities in ongoing conflict in the Middle East broke out in early October 2023 following the Hamas attack in southern Israel.** Israel’s response, led to a significant escalation of hostilities in the West Bank and Gaza. At the time of writing and according to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), there have been 11,078 fatalities in Gaza and increasing (68% of which are estimated to be children, women and elderly), and over 1200 fatalities in Israel. The numbers of people missing on both sides are measured in thousands as do the injured in Israel while in Gaza they number in the tens of thousands. About 1.6 million people in Gaza have been internally displaced and 45% of Gaza’s housing units are reportedly destroyed or damaged. On November 18, 2023, the Israeli Authorities announced that 70,000 liters of fuel would be allowed into Gaza from Rafah to support food distribution, the operation of hospital generators, and other critical services. This daily amount remains well below the requirements essential for humanitarian operations<sup>1</sup> and well below the almost 1 million liters that were entering daily prior to October 7. The humanitarian needs in Gaza are extremely high: the UN estimates that US\$303.8 million is required for the food security of 2.34 million Gazans between October and December 2023 alone.<sup>2</sup>
- 2. The conflict has exacerbated an already existing humanitarian crisis where more than half of the people in Gaza lived in poverty, and 60% suffered from food insecurity.** Now, supplies of medicine, water, fuel, and food are dwindling. No commercial goods have been allowed to enter Gaza since the

<sup>1</sup> United Nations Office for the Coordination of Humanitarian Affairs (OCHA). 2023 [Hostilities in the Gaza Strip and Israel](#). November 18, 2023.

<sup>2</sup> OCHA. 2023b. *Flash Appeal for the Occupied Palestinian Territory 2023*. November 6, 2023.



latest fighting broke out. The only operative mill in Gaza cannot process wheat due to lack of electricity. The volume of humanitarian aid entering Gaza from Egypt has significantly decreased from roughly 500 trucks per day prior to October 7 to an average 35-40 trucks per day at the time of writing. The number of vulnerable families and the level of need for basic commodities and services have increased exponentially.

3. **The escalation of the conflict has also led to increased violence and volatility in the West Bank.** Since the start of hostilities, 198 fatalities and 2,778 injuries in the West Bank have been reported by OCHA<sup>3</sup>. Protests have erupted across the West Bank, frequently resulting in confrontations with Israeli and Palestinian security forces. Movement restrictions between major cities have also substantially increased, highly impacting the day-to-day economic activity with a concomitant highly negative impact on PA revenues.
4. **The conflict has severely impacted the Palestinian economy.** In 2024 and subject to extraordinarily high uncertainty, real GDP is projected to contract by 6.0 percent, following a 3.7 percent decline in 2023. For Gaza, it is assumed that the severity of the conflict will go down in 2024 but the GoI will impose severe restrictions on movement and access, limiting economic activity and disrupting trade. In the West Bank, movement restrictions may gradually ease allowing for a limited increase in Palestinian workers' access to Israel. On the other hand, constrained government spending will likely persist due to limited financing negatively impacting growth, especially given large fiscal multipliers in the Palestinian economy. Several neighboring countries will also be affected particularly Jordan, Egypt, and Lebanon due to dependency on the tourism sector, which is expected to be severely impacted.

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#### Sectoral and Institutional Context

5. **The enduring fiscal crisis confronting the Palestinian Authority (PA) pre-conflict hindered the development of a viable national government system for Social Protection and Jobs (SPJ) in Palestine,** crucial for providing consistent and dependable support to those who need it the most, especially during times of crisis. The National Cash Transfer Program (CTP) has been unable to make its regular quarterly payments to the extreme-poor households since 2018. The irregularity in frequency and volume of benefits worsened since 2020 primarily due to the deteriorating fiscal condition of the PA, exacerbated by Israel's increased deductions from tax revenues. The systemic shortfalls in CTP transfers created widespread dissatisfaction among beneficiaries, further exposing their vulnerabilities, and raising concerns around the scalability, reliability, and sustainability of the program among stakeholders as it has become entirely dependent on external funding.

### C. Proposed Development Objective(s)

Original PDO

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<sup>3</sup> United Nations Office for the Coordination of Humanitarian Affairs (OCHA). 2023. [Hostilities in the Gaza Strip and Israel](#). November 18, 2023



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

Current PDO

To provide cash and/or in-kind emergency support and short-term employment opportunities to vulnerable populations in West Bank and Gaza affected by emergency shocks including COVID-19 and in case of an eligible crisis or emergency, respond to it promptly and effectively

Key Results

- 6. The direct beneficiaries are the Gazans most affected by the ongoing conflict. The project will provide in-kind support to about 377,000 vulnerable individuals under the in-kind and/or cash support component. At least fifty percent of beneficiaries under the in-kind and/or cash component will be women.
- 7. Indirect project beneficiaries will include:
  - a. Members of households benefiting from the in-kind support.

D. Project Description

- 8. The PDO revision adds in-kind support to reflect the realities of the conflict and the lack of functioning markets for Gazans to buy food or other basic supplies.
- 9. Component 1: Emergency In-kind and/or Cash Support in the West Bank and Gaza (**revised allocation US\$35,604,396**). Like the PDO, the title of component 1 is changed to include in-kind support. Specifically, the second AF will scale-up Sub-component 1.1: Emergency In-kind and/or Cash support to vulnerable population in West Bank and Gaza in the amount of US\$10 million to benefit 377,000 individuals in Gaza, nearly 40 percent of WFP’s target to support 975,000 Gazans in December.

Table 1: Revised Disbursement Categories (US\$)

Category	Original Grant Amount	Original Grant after Reallocation	First Additional Financing	Second Additional Financing	Total Project Amount after second AF
<b>Category One</b> –Emergency in-kind and/or cash support (Component 1)	20,000,000	18,362,046	7,242, 350	10,000,000	35,604,396
<b>Category Two</b> - Subgrants for Cash for Work, and Goods, non-consulting services, consulting services, Training and Operating Costs (Components 2 & 3)	10,000,000	10,000,000	2,180, 640	0	12,180, 640
<b>Category Three</b> - Emergency Expenditures (Component 4)	0	1,637,954	0	0	1,637,954
<b>Total</b>	<b>30,000,000</b>	<b>30,000,000</b>	<b>9,422,990</b>	<b>10,000,000</b>	<b>49,422,990</b>

- 10. The proposed AF will rely on the existing implementation arrangements under the parent project. The

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PCU at MoF will be responsible for M&E, environmental and social management, managing the designated account, submitting withdrawal applications (WAs) to the World Bank, and submitting progress and financial reports. The project coordination function relies on MoF’s proven capacity in managing and implementing World Bank-financed projects.

- 11. **The MoF will contract WFP for delivery of in-kind and/or cash support under sub-component 1.1.**The selection of WFP as emergency response delivery partner is justified given: (i) WFP’s capacity and delivery of a large-scale humanitarian food security effort in West Bank and Gaza, expected to reach 1.1 million people in both West Bank and Gaza in December 2023, (ii) the longstanding partnership between WFP and the PA, and (iii) the provision of simplified beneficiary records to feed into the national SR (to support rebuilding after the conflict).
- 12. **In December 2023, WFP aims to support 975,000 Gazans, nearly half of the enclave’s population.** For the 377,000 of these beneficiaries supported by the second AF, WFP is requested to utilize its own systems and coordination among humanitarian and UN agencies to optimize the scarce resources for highest possible coverage and avoid multiple food security support benefits concentrated in the same households.
- 13. **Below is a summary of the new indicators under the second AF:**

Second AF indicator	End target	End target date
PDO indicators		
Number of standardized individual in-kind packages distributed (new)	377,000 (new)	December 31, 2025
Intermediate indicators		
Number of individual beneficiaries receiving standardized in-kind packages, of which, females (new)	377,000, 50% female (new)	December 31, 2025

- 14. **The closing date of the parent project is proposed to be extended from December 31, 2023, to December 31, 2025,** in alignment with the closing date of the additional financing to allow the completion of the new project activities.

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Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts



15. **The overall environmental and social (E&S) risk is Substantial. The E&S risks and impacts will be assessed, and requisite mitigation measures will be included in the project’s E&S instruments.** By appraisal, a Stakeholder Engagement Plan (SEP) and Environmental and Social Commitment Plan (ESCP) will be prepared by MoF and reviewed and cleared by the Bank and disclosed in-country and on the Bank system by project appraisal

## E. Implementation

### Institutional and Implementation Arrangements

16. **The proposed AF will rely on the existing implementation arrangements under the parent project.** The PCU at MoF will be responsible for M&E, environmental and social management, managing the designated account, submitting withdrawal applications (WAs) to the World Bank, and submitting progress and financial reports. The project coordination function relies on MoF’s proven capacity in managing and implementing World Bank-financed projects.
17. **The MoF will contract WFP for delivery of in-kind and/or cash support under sub-component 1.1.** The contract will adopt the “Standard Form of Agreement for Use by World Bank Borrowers - Delivery of Outputs by WFP under Bank-Financed Projects”. The contract between MoF and WFP under this second AF will finance a portion of WFP’s emergency food security support efforts in Gaza. The World Bank financed and MoF contracted contribution will be delivered consistent with the broader WFP emergency response, as well as in compliance with the social, environment and fiduciary risk management requirements of this project.

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