



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
WEST BANK EMERGENCY SOCIAL PROTECTION COVID-19 RESPONSE PROJECT  
APPROVED ON JULY 27, 2020  
TO  
PALESTINE LIBERATION ORGANIZATION (FOR THE BENEFIT OF THE PALESTINIAN AUTHORITY)

SOCIAL PROTECTION & JOBS

MIDDLE EAST AND NORTH AFRICA

Regional Vice President:	Ferid Belhaj
Country Director:	Kanthan Shankar
Regional Director:	Keiko Miwa
Practice Manager/Manager:	Anush Bezhanyan
Task Team Leader(s):	Samira Ahmed Hillis, Anastasiya Denisova, Cristobal Ridao-Cano



**ABBREVIATIONS AND ACRONYMS**

AF	Additional financing
C4W	Cash for Work
CTP	Cash Transfer Program
EDD	End disbursement date
ESRC	Environmental and Social Risk Classification
ESS	Environmental and Social Standards
ISR	Implementation status and results report
MNA MDTF	Middle East and Northern Africa Multi Donor Trust Fund
NGO	Non-Governmental Organizations
PA	Palestinian Authority
PDO	Project Development Objective
PEF	Palestinian Employment Fund
PURSE MDTF	Palestinian Umbrella for Resilience Support to the Economy Multi Donor Trust Fund
RVP	Regional Vice President
WB&G	West Bank and Gaza



**BASIC DATA**

**Product Information**

Project ID P174078	Financing Instrument Investment Project Financing
Environmental and Social Risk Classification (ESRC) Substantial	
Approval Date 27-Jul-2020	Current Closing Date 31-Dec-2023

**Organizations**

Borrower Palestine Liberation Organization (for the Benefit of the Palestinian Authority)	Responsible Agency
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**Project Development Objective (PDO)**

Original PDO

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

Current PDO

To provide cash 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.

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-B7880	24-Jan-2022	29-May-2022	20-Jun-2022	31-Dec-2023	4.81	0	4.81
TF-B3131	27-Jul-2020	06-Aug-2020	12-Aug-2020	31-Dec-2023	30.00	27.52	2.48



### Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

**Project Status.** The West Bank Emergency Social Protection COVID-19 Response Project was approved by the Board of Directors on July 27, 2020 and is a US\$30 million grant (TF0B3131) funded out of the Trust Fund for Gaza and West Bank. On April 19, 2022, an Additional Financing (AF) was approved by the Regional Vice President (RVP) for a total amount of US\$9.422 million, financed out of the Middle East and Northern Africa Multi-Donor Trust Fund (MNA MDTF) (TF0B8270) (US\$4.61 million) and the Palestinian Umbrella for Resilience Support to the Economy MDTF (PURSE) (TF0B7880) (US\$4.81 million).

Overall project progress is satisfactory, with the last implementation status and results report (ISR) rating both Progress toward the achievement of PDO and Implementation progress as Satisfactory. Environmental and Social Standards (ESS) performance and fiduciary compliance are also Satisfactory.

**Project Disbursements.** To date, disbursements stand at US\$27.52 million out of a total Grant amount of US\$34.81 million (79 percent disbursed) No disbursements are recorded under the AF grants. A brief summary of progress by component is included below:

### Component 1: Emergency Cash Transfers in the West Bank and Gaza

**Sub-component 1.1: Emergency Cash Transfers to households vulnerable to poverty.** To date, five rounds of one-time payments of about US\$215 equivalent to newly poor households impacted by COVID-19 pandemic have been made to about 56,202 households (out of a targeted 77,715) in the West Bank and Gaza (WB&G). Approximately 281,010 individuals have benefited from these payments, including 41 percent females.

**Sub-Component 2.1: Financing of the Cash Transfer Program (CTP)-funding gap.** As a result of the COVID-19 pandemic and the Palestinian Authority's (PA) fiscal situation, US\$6.1 million of project financing was allocated to the CTP gap of the August 2020 quarterly payment. The July 2020 CTP payment was fully covered, reaching a total of 114,393 households in the WB&G using the resources under this sub-component (US\$6.1 million), US\$2.4 million from the Social Protection Enhancement Project (P160674), and contributions from the PA and the European Union in the form of parallel financing. The Bank's contribution through this Project (US\$6.1 million) reached 23,025 households (16,672 in the West Bank and 6,353 in Gaza), exceeding the target of 21,400 due to the US\$ currency devaluation. The remaining US\$2.43 million from the AF will also contribute to the upcoming CTP-funding gap expected early October 2022.

**Component 2: Cash for Work in the West Bank (C4W).** The Grant Agreements between the Ministry of Finance and the Non-Governmental Organizations (NGOs) were signed on March 24, 2022. The recruitment of the beneficiaries is expected in early August 2022. Beneficiaries will receive a stipend of US\$413 per month and will work in sub-projects focusing on health and other social services provided by NGOs to vulnerable groups.



**Component 3: Capacity Building, Project Management, Monitoring, and Evaluation.** This component is progressing well. With the resignation of the Project Coordinator in February 2022, a new Coordinator has been selected and has assumed his assignment as of June 12, 2022. The Ministry of Finance continues to provide close technical assistance to the Palestinian Fund for Employment (PEF) for the C4W component. Four out of six training courses as part of the institutional development of the PEF were conducted by the Palestine Public Institute. The training focused on areas such as the labor market information system, report writing for labor inspectors, risk assessment, and occupational safety.

**Rationale for Restructuring.** The AF was approved by the RVP on April 19, 2022, and as noted above, includes two sources of funding. The PURSE MDTF Grant (TF0B7880) became effective on June 20, 2022, with a closing date of December 31, 2023, and an end disbursement date (EDD) of the Trustee account (TF073643) of December 31, 2031. The MNA MDTF Grant (TF0B8270) has a closing date of December 31, 2023, while the Trustee account (TF072755) has an EDD of December 31, 2023. Given that the EDD of the MNA Trustee account (TF072755) is December 31, 2023; the Grant closing date requires an amendment to ensure that the Grant closes six months prior to the EDD of the Trustee account per the applicable Trust Fund policy.

A level-2 restructuring is thus proposed to amend the closing date of the MNA MDTF Grant (TF0B8270) from December 31, 2023, to June 30, 2023. No other changes are envisioned under this restructuring.

**II. DESCRIPTION OF PROPOSED CHANGES**

The purpose of this restructuring is to amend the closing date of the AF Grant (TF0B8270) which is financed out of the MNA MDTF Trustee # TF0B8270, from December 31, 2023, to June 30, 2023, due to an oversight while processing the AF. The amendment will ensure that the Grant closes six months prior to the EDD of the Trustee account consistent with the applicable Trust Fund policy.

**III. SUMMARY OF CHANGES**

	Changed	Not Changed
Other Change(s)	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓



Overall Risk Rating		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

**IV. DETAILED CHANGE(S)**

The purpose of this restructuring is to amend the closing date of the MNA MDTF Grant (TF0B8270) from December 31, 2023, to June 30, 2023, to ensure consistency with the Trust Fund policy on closing dates. No other changes are envisioned under this restructuring.