

## **FY22-25 Assistance Strategy for the West Bank and Gaza**

### **Chair's Summary\***

**April 29, 2021**

Executive Directors discussed the Joint World Bank / IFC / MIGA FY22-25 Assistance Strategy for the West Bank and Gaza and welcomed the two Focus Areas of the Assistance Strategy, namely: (i) strengthening institutions for economic and social prosperity and (ii) boosting innovation and diversification for a well-connected Palestinian economy.

Directors were pleased with the WBG's strong engagement and expressed support for the Assistance Strategy as both a response to the ongoing pandemic and as longer-term support for greater regional integration. They expressed concern about the deterioration of Human Capital Indicators, rising poverty levels and youth unemployment and welcomed the Bank's engagement to address these pressing challenges.

Directors stressed the need for increased and predictable financial resources given the dire financial situation and huge needs for social and economic resilience strengthening. They asked management to explore concrete options to provide reliable financing and maintain the upward trend in the level of financial support as registered in recent years. They asked that management presents proposals on increasing Bank support for West Bank and Gaza.

Directors appreciated the lessons learned from previous implementation experience, including over many years of steady progress in institutional strengthening and the way the Bank has adapted its support to be relevant in the West Bank and in Gaza. They highlighted the importance of the cross-cutting themes in the Assistance Strategy, and particularly addressing and narrowing gender gaps and maximizing climate resilience. They noted the fiscally strained environment and reiterated the importance of developing the private sector and creating jobs and economic opportunities for youth and women, recognizing the ongoing energy, digital and municipal investments. They stressed the importance of private sector development as a precondition for sustained growth and job creation and welcomed the strong engagement of IFC and MIGA and the support for institutions that can encourage private sector investments. They also identified water as a pressing development constraint to be addressed and urged the Bank to scale up engagement in the Health sector including providing financing for COVID-19 vaccine deployment.

Directors welcomed the strong focus on governance and transparency in a challenging operating environment and called for continued supervision to mitigate program risk as well as close collaboration with partners in implementing the strategy.

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\*This Summary is not an approved record.