

**INTEGRATED SAFEGUARDS DATA SHEET  
ADDITIONAL FINANCING**

**Report No.: ISDSA1047**

**Date ISDS Prepared/Updated:** 12-Sep-2014

**Date ISDS Approved/Disclosed:** 25-Sep-2014

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	West Bank and Gaza	<b>Project ID:</b>	P152523
		<b>Parent Project ID:</b>	P127163
<b>Project Name:</b>	GZ Emergency Response Second Municipal Development Project AF (P152523)		
<b>Parent Project Name:</b>	GZ-Second Municipal Development Project (P127163)		
<b>Task Team Leader:</b>	Bjorn Philipp		
<b>Estimated Appraisal Date:</b>	29-Sep-2014	<b>Estimated Board Date:</b>	30-Oct-2014
<b>Managing Unit:</b>	GSURR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Sub-national government administration (26%), Transmission and Distribution of Electricity (23%), Urban Transport (23%), General water, sanitation and flood protection sector (23%), Other Renewable Energy (5%)		
<b>Theme(s):</b>	Urban services and housing for the poor (76%), e-Government (8%), Climate change (6%), Gender (5%), Municipal governance and institution building (5%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			Yes
<b>Financing (In USD Million)</b>			
Total Project Cost:	15.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
Partnership for Water and Urban Development in the West Bank			12.00
Special Financing			3.00
Total			15.00
<b>Environmental Category:</b>	B - Partial Assessment		

<b>Is this a Repeater project?</b>	No
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**2. Project Development Objective(s)**

**A. Original Project Development Objectives – Parent**

The objective of the project is to improve municipal management practices for better service delivery and municipal transparency.

**B. Current Project Development Objectives – Parent**

**C. Proposed Project Development Objectives – Additional Financing (AF)**

The revised PDO will be “to improve the Recipient’s municipal management practices for better municipal transparency and service delivery, and to restore priority municipal services following the Gaza conflict”.

**3. Project Description**

The Project will be implemented through 5 Components. These include (i) Component 1: Municipal Grants for Capital Investments allocates performance-based grants to municipalities for capital investments or operating expenditures through a transfer formula; (ii) Component 2: Support to Municipal Innovations and Efficiency facilitates learning and innovation to promote municipal development; (iii) Component 3: Technical Assistance for Municipalities and the Municipal Development and Lending Fund (MDLF) supports municipalities to graduate to a higher performance category, and supports the implementing entity to build its capacity; (iv) Component 4: Project Implementation Support and Management Costs finances project management; and (v) Component 5: Gaza Municipal Emergency Grants. Component 5 is being added as part of the AF and restructuring to respond to the Gaza crisis. Social Accountability and gender inclusion will be mainstreamed across all Components.

Component 1: Municipal Grants for Capital Investments: This Component will allocate performance-based grants for capital investment service provision, per mandate of municipalities defined in the Local Councils Law No. 1 of 1997, for sectors described as eligible in the Operations Manual as well as for operating expenditures for Municipalities in Gaza. The allocation amount would be determined through a transfer formula consisting of performance (50%), population (30%) and need (20%). To determine performance, municipalities would be ranked from A through E, based on 16 good governance indicators. Proxy indicators for municipal infrastructure, poverty rates and a flat rate allocation to municipalities are used to calculate ‘need’. Municipalities will then propose priority sub-projects, based on a consultative planning process, for the grant. The priority projects will be financed and implemented with assistance from the MDLF. Public disclosure of subproject information will enhance social accountability between municipalities and citizens. This Component would be implemented in two funding allocations, each spanning 18 months. The Component will finance the costs of goods, works and services.

Component 2: Support to Municipal Innovation: This Component finances goods, works and consultants services for capacity building and capital investments in innovations that support MoLG and PA policies including:

- (a) Strengthening Newly Amalgamated Municipalities will support amalgamated municipalities in financing small scale social infrastructure and demand driven municipal capacity building packages that allow the amalgamated municipalities to reach the service levels of existing municipalities. The list of proposed investments and capacity building packages are listed in Annex 2. This sub-Component will finance goods, works and consultants services.
- (b) Piloting Innovations to improve municipal responsiveness and efficiency will support three main areas including:
  - (i) E-governance: Will pilot the introduction of e-governance initiatives in 4 selected municipalities for more citizen-responsive service provision. Thus promoting social accountability. The initiative will promote knowledge sharing; enhance awareness and accountability in service delivery (specifically e-licensing, e-participation and e-payment) and revenue generation. This is a demand driven sub-Component where selection of municipal proposals would be based on p re-defined criteria. The activity will finance goods, software and consultant services.
  - (ii) Renewable Energy will assist municipalities in piloting sub-projects on renewable energy with a focus on solar energy for public buildings.
  - (iii) Support to Local Economic Development initiatives within municipalities will develop a municipal approach to LED and pilot such an approach in 4 selected municipalities.

Component 3: Technical Assistance for Municipalities and the MDLF:

This component would support municipalities in improving their performance to graduate to a higher performance category within which they are currently classified through a series of technical assistance packages. The Component would finance goods, works and consultants services. This sub-Component would be implemented in two funding allocations, spanning 18 months each.

- (a) Technical Assistance packages include:
  - (i) Support for Improved Financial Management. Technical assistance packages will include support for the roll out of Financial Policies and Procedures Manual; Fixed Assets Valuation and Registration; Budgeting Guidelines; promotion of Municipal External Audits; and a Revenue Enhancement Program that would include an Integrated Financial Management System and a Revenue Public Awareness Campaign.
  - (ii) Support for Improved Planning Capacity primarily through Strategic Development and Investment Plans (SDIPs). Technical assistance packages would include the roll out of Phase 1-3 of SDIPs to all municipalities that do not have SDIPs; roll out of Phase 4 & 5 of SDIPs to municipalities with Phase 1-3 SDIPs and Update of Municipal SDIPs.
  - (iii) Support for Improved Social Accountability: This activity would assist municipalities in establishing Citizen Service Centers (piloted under MDP 1) and also in developing and rolling out Citizen Guidelines for Service Delivery. The establishment and use of such centers enhances transparency and responsiveness towards citizens, as well as enable citizens to participate and monitor municipal performance. The development and implementation of Citizen Guidelines would guide citizens on their roles and responsibilities vis a vis municipal services.
  - (iv) Support for improving Operations and Maintenance would assist municipalities in improving their operations and maintenance for roads and public buildings.
- (b) Technical Assistance for the MDLF will strengthen the MDLF's capacity to implement the MDP, ensuring that it continues to use innovative approaches that build on international best practices. It will provide support for human resource development and institution building based on the MDLF's Medium Term Strategic Plan (currently under development) and its Human Resources Development Plan. The sub-Component would finance goods and consultants services.

Component 4: Project Implementation Support and Management Costs: will support Project Implementation including MDLF management fee, monitoring and evaluation, outreach and communication, local technical consultants for the engineering supervision of Component 1 Sub-project implementation and social accountability awareness measures. The Component would finance goods and consultants services.

Component 5: Gaza Municipal Emergency Grants. This component will allocate grants to Gaza municipalities for capital investment service provision, per mandate of municipalities defined in the Local Councils Law No. 1 of 1997, for sectors described as eligible in the Operations Manual (OM) as well as for operating expenditures, similar to Component 1. Allocations to municipalities will be made based on the results of the Municipal Damage Assessment, which will determine the share of grants allocated to individual municipalities. Municipalities will then propose priority sub-projects which will be financed and implemented with assistance from the MDLF. Public disclosure of sub-project information will ensure transparency and enhance social accountability between municipalities and citizens. The Component will finance the costs of goods, works and consultant services related to capital assets and operating expenditures. Eligible sectors include, but are not limited to (i) municipal water and wastewater services, if not provided by an utility; (ii) solid waste management services; (iii) roads and sidewalks; (iv) public facilities; (v) street lighting; and (vi) municipal electricity services, if not provided by an utility.

**4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

All 25 municipalities in Gaza.

**5. Environmental and Social Safeguards Specialists**

Hana Salah (GSURR)

Zeyad Abu-Hassanein (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	OP 4.01 is triggered and requires an environmental assessment for activities that involve infrastructure construction. The development and rehabilitation of municipal infrastructure includes roads, rehabilitation of water wells, water networks, and wastewater and sanitation facilities, parks, and others. Negative environmental impacts, associated with municipal subprojects, are expected to be minor during the construction phase. These impacts will be mitigated by the MDLF through EMP implementation and the project is classified as category "B". Furthermore, the size of funds available to municipalities under this program limit the scope of the subprojects, and hence larger scale subprojects which require a full-fledged EIA (category A) will be excluded (negative list) in the sub-project screening process

		and will not be feasible due to the ceilings of funds available under the project. An Environmental and Social Management Framework has been prepared by MDLF since all sub-projects are not fully known a priori. The ESMF contains provisions for screening of sub-projects and acceptance/rejection criteria, negative lists. MDLF will monitor compliance on EMP provisions of different municipalities during implementation.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	Yes	OP 4.09 is triggered, a few municipalities, particularly in Gaza support subprojects which may require financing to purchase of some chemicals for pest control, primarily mosquitoes. A pest management plan which is based on lessons learned under the MDP 1 has been updated for this project to ensure compliance with OP 4.09 policy on chemical purchased for pest management and proper storage and handling during project implementation.
Physical Cultural Resources OP/ BP 4.11	No	The project will contain a “chance find clause” in its bidding documents which will be described in the ESMF/EMP. Any sub project activity that might trigger cultural heritage operational polices will be excluded.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	As OP 4.12 was not triggered for MDP2, the sub-project level screening process will ensure that all activities will be excluded that would cause direct economic and social impacts caused by the involuntary taking of land resulting in relocation or loss of shelter; loss of assets or access to assets; loss of income sources or means of livelihoods, whether or not the affected persons must move to another location. In addition, the sub-project level screening will ensure there is no restriction of access to designated parks or protected areas caused under the project. Given the nature of the sub-projects involving rehabilitation, MDLF confirmed during the September 2014 mission that sub-projects will not

		be on sites where internal displaced people are present. Any sub-projects involving rehabilitation/reconstruction that are potentially on-sites with internally displaced peoples will be excluded through the social sub-project screening form.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	Water and wastewater rehabilitation sub-projects are of limited scope and minor extensions to existing networks. No new water wells are allowed under the project and the impacts of the activities are minor and easily mitigated by EMP implementation. No significant impacts are expected to the shared groundwater aquifers in West Bank and Gaza.
Projects in Disputed Areas OP/BP 7.60	No	

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p> <p>The project activities are expected to have significant positive environmental and social impacts on the entire population of the Gaza Strip by restoring critical municipal service that were interrupted due to the July-August 2014 Gaza conflict in all 25 municipalities in the Gaza Strip. The scope of works and activities of sub-projects envisaged in this Additional Financing (AF) are similar in nature and scale as well as the geographic locations in Gaza of the original activities under parent project (MDP-2), and the additional financing of MDP-2 will have the same environmental category (B). The parent project (MDP-2) and this proposed AF triggers only OP 4.01 and OP 4.09, no activities of the AF are expected to trigger other safeguards policies.</p> <p>The sub-projects and activities planned for the AF are expected to have minor negative environmental impacts such as dust, noise, and disruption of traffic and services. Those are easily mitigated and adequately addressed in the Environmental Management Plan (EMP) of the parent project's safeguards instrument (Environmental and Social Management Framework, ESMF) that has been prepared, consulted, and publicly disclosed in 2011, including the Grievance Redress Mechanism (GRM) system in place. If the project will finance any pest and vector management chemicals, the Municipal Development and Lending Fund (MDLF) and involved municipalities will adhere to safe handling, storage, and disposal of pest management substances and equipment as detailed in the Pest Management Plan (PMP) annexed to the parent project ESMF.</p> <p>Construction debris removal is now in process in many places in the Gaza Strip, largely guided by UN agencies. Although construction debris is expected to be largely recycled for residential and road construction, new materials will be mostly used for the civil works in this project. If recycled aggregates to be used for rehabilitation of roads, the MDLF and municipalities will ensure those</p>
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aggregates are verifiably safe. Similarly, UN Mine Action Service (UNMAS) as well as other humanitarian agencies are responsible for the safe removal of unexploded ordnances (UXO) and other explosive materials. Written documentation demonstrating completion of UXO clearance will be required as part of sub-project screening processes prior to commencement of civil works, as will be amended in relevant sections of the Operations Manual.

As OP 4.12 was not triggered for MDP-2, the sub-project level screening process will ensure that all activities will be excluded that would cause direct economic and social impacts caused by the involuntary taking of land resulting in relocation or loss of shelter; loss of assets or access to assets; loss of income sources or means of livelihoods, whether or not the affected persons must move to another location. In addition, the sub-project level screening will ensure there is no restriction of access to designated parks or protected areas caused under the project. Given the nature of the sub-projects involving rehabilitation, MDLF confirmed during the September 2014 mission that sub-projects will not be on sites where internally displaced people are present. Any sub-projects involving rehabilitation/ reconstruction that are potentially on-sites with internally displaced people will be excluded through the social sub-project screening form. No Voluntary Land Donation (VLD) is envisioned under this project thus far. However, if the sub-projects were to change necessitating voluntary land donations (not triggering OP 4.12) , it is worth noting that under MDP-1, there was one case of VLD which was well documented and documented to ensure that land was freely provided with no coercion. The World Bank should be notified of any sub-project change and consider on a case by case basis if VLD is proposed that it can be done in the same way (and avoid policy triggering). Consultations were held throughout the West Bank and Gaza (in Gaza participants included 26 municipal members, NGOs and CBOs) prior to appraisal. Most participants were supportive of the current project. The questions raised in consultations were related to mechanisms for detecting contractors non-compliance, the enforcement of environment penalties, how to handle unrealistic community complaints, difficulties in meeting 30% target of gender and youth involvement in consultations for strategic plans. Updated information on the project will be communicated as necessary through updates in environmental and social documentation and redisclosure locally in local language (Arabic).

**2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:**

N/A

**3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.**

N/A

**4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.**

Implementation of the MDP-2 Project as well as the predecessor operation (MDP-1), both implemented by MDLF, and Gaza municipalities are beneficiaries from both projects has been proceeding successfully. Both MDLF and involved municipalities demonstrated adequate capacity of managing environmental and social risks, screening sub-projects, and implementing the Environmental Management Plans (EMP) successfully. Their performance on safeguards compliance for the MDP-1 project was rated satisfactory for the entire duration of the project.

Under the current project, a complaints mechanism (Grievance Redress Mechanism) does exist, however documentation of complaints is not systematic in all municipalities. MDLF is in the process of developing one-stop-shops kiosks, where communities can type in their complaints at

<p>municipalities and receive responses, which is recorded in a computer system. This one-stop-shop kiosk will be developed for approximately half of all the 137 municipalities. Currently, there are around 38 kiosks in the West Bank and 3 in Gaza (financed through different donor funding). There are an additional 17 in the West Bank and 5 in Gaza under construction. The kiosks complement traditional methods of receiving complaints. For the rest of the municipalities, the means of receiving complaints (complaint box, facebook pages, internet, verbal, letters etc) and documenting them varies. MDLF through its social staff and local technical staff will follow up with the municipalities to ensure documentation of complaints for the emergency project. This should include ensuring that it is well communicated in ways accessible to the local population.</p>
<p><b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b></p>
<p>The key stakeholders are the Municipal development Fund (MDLF) which is implementing the project, the Ministry of Local Government (MoLG) which has the jurisdictions on all municipalities and local government units in West Bank and Gaza, and the 25 beneficiary municipalities in Gaza who will benefit from the project funds. The Bank has been involved with all of them for many years in local government projects, including the ongoing project (MDP-2), and its predecessors of MDP-1, EMSRP, and VNDP. In all those projects, the key stakeholders have been consulted, and demonstrated adequate capacity to apply the Bank safeguards policies, implement environmental and social management frameworks, screen projects for risks, and efficiently handle issues and report to the Bank on regular basis. The Gaza municipalities technical and operational staff, through the current operations, demonstrated the ability for communications and consultations with their constituents and identify priority investments in a collaborative and community-based approach. The ESMF of the Parent project was consulted by MDLF with beneficiary municipalities and disclosed locally and on the Bank Infoshop.</p>

**B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	25-Mar-2013
Date of submission to InfoShop	25-Mar-2013
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
West Bank and Gaza	24-Mar-2013
<i>Comments:</i>	
<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	25-Mar-2013
Date of submission to InfoShop	25-Mar-2013
"In country" Disclosure	
West Bank and Gaza	24-Mar-2013
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	



minor use of pesticides was expected in the parent project activities (e.g., for control of mosquitoes and rodents). A PMP was included as annex to the ESMF of the original project that includes protocols for proper and safe handling, use, storage, and or disposal of pesticides, and will be adhered to in the additional financing if any municipality requested such materials or equipment to be funded under the project.

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>			
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
<b>OP 4.09 - Pest Management</b>			
Does the EA adequately address the pest management issues?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Is a separate PMP required?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/> NA <input type="checkbox"/>
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes	<input type="checkbox"/>	No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
<b>The World Bank Policy on Disclosure of Information</b>			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
<b>All Safeguard Policies</b>			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/> NA <input type="checkbox"/>

### **III. APPROVALS**

Task Team Leader:	Name: Bjorn Philipp
<b><i>Approved By</i></b>	

Practice Manager/ Manager:	Name: Nina Bhatt (PMGR)	Date: 25-Sep-2014
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