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Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 22-Sep-2020 | Report No: PIDC30518

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
West Bank and Gaza	P174355		Digital West Bank & Gaza (P174355)
Region	Estimated Appraisal Date	Estimated Board Date	Practice Area (Lead)
MIDDLE EAST AND NORTH AFRICA	Dec 15, 2020	Feb 25, 2021	Digital Development
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	The Palestine Liberation Organization (for the benefit of the Palestinian Authority)	Ministry of Telecom. and Information Technology	

Proposed Development Objective(s)

To increase access to (a) high-speed broadband services in selected areas and (b) selected e-government services for citizens and businesses

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	20.00
Total Financing	20.00
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	20.00
Special Financing	20.00

Environmental and Social Risk Classification	Concept Review Decision
Moderate	Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1.   **The Covid-19 crisis in West Bank and Gaza (WB&G) is having a damaging impact on an already constrained economy struggling to emerge from a liquidity crisis in 2019, making the immediate prospects for the Palestinian people difficult.** Necessary measures to contain the Covid-19 crisis have contributed to sharp declines in activity for an economy already facing constraints on movements and access that left it operating well below potential. The constraints have been hollowing out the productive sectors and left the economy reliant on consumption-driven growth. In 2019 this situation was compounded by the liquidity crisis that faced the Palestinian Authority (PA) following the clearance revenue standoff. As a result, real growth in the Palestinian territories in 2019 was a mere 1 percent, with Gaza registering minimal growth following a steep recession in 2018, and growth in the West Bank reaching 1.2 percent - the lowest level since 2003. For 2020, the prospects depend on how long the Covid-19 containment measures are in place and how quickly the economy responds once they are lifted. While pre-Covid-19 the WB&G had projected 2.5 percent growth in the coming year, full year decline of at least 7.6 percent is now projected, based on a gradual return to normality from the containment, and up to 11 percent in the case of a slower recovery or further restrictions due to another outbreak. In either case, the reduction in per capita income and the rise in unemployment and poverty will be substantial.

2.   **The fiscal position of the PA, which was already extremely vulnerable following the liquidity shock in 2019, and the Palestinian economy, are now facing a further deterioration in the wake of the Covid-19 crisis, which could be mitigated by investing in digital economy.** The challenge posed for the Palestinian economy by the Covid-19 crisis is on top of an already complex situation, in which the digital economy offers promising opportunities both for the response to and the recovery from the pandemic. The liquidity shock that hit the PA in 2019 led to the PA's deficit after aid increasing to around US$800 million or 4.6 percent of GDP. The Covid-19 crisis will lead to a substantial reduction in PA revenues in 2020, but will also increase demands for expenditures on health, social assistance, and support for the private sector. The Word Bank (WB) estimates that the PA could be facing a financing gap in 2020 of over US$1.5 billion to adequately address these needs. Digital technologies and relevant digital policies are playing a key role in mitigating the crisis through digital connectivity and essential digital solutions[1]. The digital economy is a promising area for economic development due to its potential to address constraints resulting from restrictions on movement and access of goods and people.[2] The WB&G are heavily populated (approximately 4.8 million people), with a large youth population and a youth unemployment rate of approximately 37 percent, higher than the regional average of 26.2 percent in the Middle East and North Africa (MENA)

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[1] There is a global recognition that broadband connectivity and digital technologies play a crucial role in addressing the unique challenges the Covid-19 pandemic poses particularly to developing countries. For instance, G-20 Ministers responsible for the digital economy issued Covid-19 Response Statement where they recognized the promising role that digital technologies and relevant digital policies can play to strengthen and accelerate the global collective response to the Covid-19 pandemic.

[2] The Upside of Digital for MENA: Preliminary Findings for a Business-as-usual Scenario. *To be published*. World Bank

region. As of 2019, the WB&G have 3,000 STEM[3] graduates per year who can benefit from and contribute to a digital economy. Digital economy solutions can boost innovation, enhance competition and pave the way for new opportunities for the region's educated youth by way of enhanced economic growth and better functioning domestic labor markets.

Sectoral and Institutional Context

3.   **The WB&G is at risk of being left behind in the emergence of a vibrant, inclusive and safe digital economy**. In the latest ITU's international ICT Development Index (IDI) published in 2017, the WB&G ranked 123rd out of 176 countries, well below the average compared to other Arab States or developing countries. The WB&G is not yet included in the international UN DESA E-Government Development Index[4]. Using more recent data, the MENA Tech 3.0 Rapid Digital Economy Assessment Dataset and Analysis displays the country performances across the five pillars of the digital economy[5]. Within each pillar, countries are designated as "Nascent", "Emerging", "Advanced", and "Very Advanced", depending on their performance. WB&G appears to be emerging in the digital infrastructure, the digital platform, digital entrepreneurship, and digital skills pillars, while the development of the digital financial services pillar is still at the nascent stage.

4.   **Amid the COVID-19 outbreak, individuals without access to the Internet in WB&G and elsewhere are affected even harder than others.** The ongoing global pandemic has forced individuals to physically distance themselves, and "traffic" has shifted from roads and highways onto digital networks, making high speed and reliable internet connections a vital lifeline. Digital transformation provides WB&G with new possibilities to connect people and businesses as well as services in contexts where traditional methods cannot. Digital tools enable governments and people to coordinate healthcare responses, ensure a minimum level of business continuity, reduce disruptions to schools and universities, and provide a channel for safe social interaction. Individuals without access to the Internet face even sharper inequities than others. The COVID-19 crisis is widening disparities between the groups with more robust digital capacity, and those without. By investing in digital economy, WB&G can be better prepared to deal with the current pandemic and similar future emergencies, including future climate and natural disaster events.

5.   **Key low hanging fruits that would support the emergence of a vibrant, inclusive and safe digital economy in WBG are (i) the underdevelopment of digital infrastructure availability and usage and (ii) the fragmented approach to digital transformation of government**. The Word Bank team is currently in the process of conducting a Digital Economy Country Assessment (DECA) with policy recommendations and a roadmap for the five main pillars (digital infrastructure, financial services, entrepreneurship, platforms, and skills), towards a digital economy strategy for WB&G. The draft chapters and preliminary findings on digital infrastructure and digital public platforms are available. On the digital infrastructure, the findings of the DECA have been published in the Economic Monitoring Report to the Ad Hoc Liaison

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[3] College and university degree programs in science, technology, engineering and mathematics (STEM) are considered STEM degrees, and they are in high demand across many industries.

[4] https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2020

[5] The MENA Tech 3.0 Rapid Digital Economy Assessment Dataset and Analysis displays the MNA countries' performances across the five pillars of the digital economy with a selected set of benchmark indicators. The analysis provides benchmark information across each pillar presented in table and graph formats over a scale ranging from 0 to 10 under the following key values and respective color code: Value 7.5-10.0 very advanced (dark green) – Value 5.0 – 7.4 advanced (green); Value 2.5 -4.9 emerging (orange) ; Value 0-2.4 nascent (red). This analysis is completed with the country's standardized results across the datasets and compare them to the regional averages in each dataset. The number of indicators relevant for each digital economic pillar are 16 for the digital infrastructure, 22 for the digital platforms, 11 for the digital financial services, 7 for the entrepreneurship and 9 for the digital skills. The data includes the following MNA countries: Bahrain, Djibouti, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, Tunisia, United Arab Emirates, West Bank and Gaza, and the Yemen Republic and covers the period 2014 to 2019.

Committee (AHLC)[6]. This report identifies specific reforms that are required to boost access to affordable and good quality broadband and accelerate the growth of the sector. Firstly, the Joint Telecommunications Committee (JTC) needs to be made a more effective mechanism to resolve bilateral issues between the PA and Israel. For instance, The JTC could prioritize the release of spectrum to Palestinian operators, lifting constraints to the import of materials, and creating a level playing field with Israeli operators. Beyond this, there is potential to accelerate expansion of broadband coverage using new technologies and existing infrastructure opportunities to enhance the reliability of connections and reduce their cost. Finally, the PA needs to be more active in advancing the digital economy based on a comprehensive strategy for the sector, which prioritizes passing a new telecommunications law that is aligned with international best practice and establishing an independent regulator for the sector. On digital public platforms, the DECA identifies gaps and opportunities to further develop e-government at the country level. Addressing (i) the underdevelopment of digital infrastructure availability and usage and (ii) the fragmented approach to digital transformation of government would also bring positive spillover benefits both on the supply and the demand side for the ongoing Technology for Youth and Jobs Project (P172571), which seeks to improve economic opportunities for IT services firms in the West Bank and Gaza.

6. *Underdevelopment of digital infrastructure availability and usage*. Digital infrastructure is foundational to the development of the digital economy, as it allows citizens, businesses and governments to connect online to affordable and good quality broadband and stay digitally enabled. In 2019, 71.1% of the population in WB&G were using the internet[7], a 10% increase from 2018 from 64.4%, despite the unique mobile-broadband user penetration rate of merely 9.28 percent[8] as of Q2 2020.

7. *Mobile Broadband*. While under existing agreements the PA has the right to build and operate independent telecommunications infrastructure and establish its own telecom policies, the Government of Israel (GoI) has decision-making power over the frequency spectrum. About 63.7 percent of the Palestinian population is estimated to be covered by 3G networks but the market penetration rate for mobile broadband capable connections was one of the lowest in MENA at 16.03 percent as of Q2 2020[9]. The mobile broadband market is slightly more competitive than the fixed broadband market, with the two Palestinian operators.[10] By Q2 2020, the total mobile connections passed 86%, and the market penetration of 2G connections stood at 70.1 percent while 3G connections reached 16.03 percent, with the clear trend of the users transitioning from 2G to 3G where available. The WB&G are following the regional trend to adopt mobile broadband services and connections through Wi-Fi hotspots, given the general lack of fixed broadband infrastructure. Palestinian operators also face import and construction restrictions and unfair market competition from Israeli operators, who can offer 3G and 4G/LTE services and have an estimated 20 percent mobile broadband market share in the West Bank.

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[6] Economic Monitoring Report to the Ad Hoc Liaison Committee (AHLC). The World Bank is the secretariat to the Ad Hoc Liaison Committee (AHLC) which is the biggest donor meeting to look at development priorities in the WB&G. The AHLC meets twice a year and the Bank produces a report that looks at recent developments in the real, fiscal and financial sectors in addition to another focus chapter. The chapter for the April 2020 AHLC Report in addition to the standard macroeconomic, fiscal and banking, focuses on issues facing the Digital infrastructure sector in the WB&G.

[7] World Bank DataBank. Available at: https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=PS

[8] Calculating using GSMA data Q2 2020 (i) mobile broadband capable connections and (ii) SIMs per unique mobile subscriber. Number of unique mobile broadband capable subscribers is calculated by dividing (i) by (ii). This was divided by the total population (World Bank, 2019) to estimate the unique user penetration rate.

[9] Network coverage, by population, 3G, Q2 2020 (Source: GSMA Intelligence). Note that coverage does not translate automatically into penetration, especially at the beginning of deployment of a new standard. 3G coverage was only introduced in the West Bank in 2018. Although coverage currently stands at 63.7 percent, the market penetration rate of mobile broadband capable connections, representing SIM cards registered on the mobile network in a device capable of download speeds of 256 kb/s or greater, including 3G (eg WCDMA, HSPA) and 4G (eg LTE, WiMAX) network technologies, was only 16.03 percent as of Q2 2020.

[10] Jawwal (PalTel's subsidiary) and Ooredoo Palestine (former Wataniya Mobile Palestine)

8.   *Fixed broadband*. Fixed broadband access is available through DSL[11] technology, installed by Palestine Telecommunications Company (PalTel), which has a monopoly over fixed-line telecommunications service provision, over the existing copper local loop. PalTel provides internet services both directly and via a subsidiary Internet Service Provider (ISP), Hadara, while it also resells its services to private ISPs. ‗The wholesale fixed broadband market is subject to many restrictions that are stifling competition and innovation[12]. There were only about 8 fixed-broadband subscriptions per 100 inhabitants according to the ITU in 2018 with cost disparities between WB&G mostly due to the restrictions imposed by the GoI, which significantly increase the market costs for Palestinian operators. Finally, the wholesale fixed broadband market is also subject to many restrictions that are stifling competition and innovation. Under the current Bitstream Service Access (BSA) offering, ISPs are not able to provide broadband services to corporate customers.

9.   **In the context of the Covid-19 response and recovery, ensuring broadband connectivity of key sites such as Government offices or schools is** becoming a high priority for the PA. The Palestinian Ministry of Education (MoE) has gradually started to reopen schools. To comply with social distancing measures, MoE also decided that all grades will be divided into two cohorts that will alternate physical attendance in schools: the first cohort will receive face-to-face instruction at school 3 times per week, and is expected to learn from home 2 times per week while the second cohort will have the reverse. The successful implementation of MoE's "continuity of learning strategy" hinges on school connectivity and the households' ability to ensure that children are learning at home 2-3 days per week. Palestinian schools have relatively high access to the internet as well as computers, especially when compared to the MENA regional average. While MoE has developed a few digital learning resources for children to learn from home, 66 percent of households do not own a device (desktop, laptop, or tablet) to allow remote learning.

10.   **The further development of digital infrastructure (both for mobile and for fixed broadband) in WB&G can be unleashed by a series of overdue robust internal sector reforms and would deliver their full potential if some specific challenges could also be resolved bilaterally with the GoI, in particular with respect to frequencies management.**

11.   *Internal sector reforms*. The telecom sector is still governed by the outdated Telecommunications Law No. 3 of 1996 and no digital economy strategy exists to clarify the vision of the PA in the sector. The Ministry of Telecommunications and Information Technology (MTIT) has been engaged since 2005 in drafting a legal and regulatory framework aligned with international best practice, including the establishment of the independent Palestinian Telecommunications Regulatory Authority (PTRA). Yet political instability hindered the MTIT's plans to have the PTRA up and running by the end of 2010. Ten years later, the law has yet to be approved. This results in: (i) a lack of responsiveness in addressing sector-specific technical and legal issues; (ii) a negative impact on the transparency of the licensing process, which has left both telecom operators dissatisfied; and (iii) an absence of regulation vis-à-vis Paltel's dominant market position in both fixed and mobile broadband segments and therefore negative impact on consumers in terms of prices and quality of service. More recently, the MTIT has completed a first draft of a new telecommunications law. It is expected that the new law could go for final review and approval by the end of 2020.

12.   *Challenges that would need to be resolved bilaterally with the GoI.* Most of the digital infrastructure value chain is impacted by the bilateral relationship with Israel and the resolutions reached by the Joint Technical Committee (JTC).[13]

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[11] Digital subscriber line (DSL) is a family of technologies that are used to transmit digital data over traditional copper telephone lines. DSL download speeds are typically in the 5-35 Mbps range, compared to 250-1,000 Mbps for fiber optic networks.

[12] The Bitstream Service Access (BSA), introduced by MTIT in 2010 and offered by PalTel, limits the commercial and technical freedom of ISPs as end-users are required to subscribe to PalTel's ADSL line before subscribing to an ISP to access the Internet due to the absence of the Local Loop Unbundling regulation. Furthermore, under the current BSA offering, ISPs are not able to provide broadband services to corporate customers.

[13] The Joint Technical Committee was established in 1994 after the Oslo Accords as a technical (non-political) platform to address bilateral issues in telecommunications, but it has not met systematically nor regularly since its inception.

Main challenges concern restrictions on building infrastructure and rights of way in Area C[14], ICT equipment imports and deployment, and spectrum allocation for 3G/4G and 5G mobile broadband. Palestinian operators also need to go through Israeli companies to access international submarine cables.

Fragmented approach to digital transformation of government

13.   **Digital public platforms can support seamless, user-friendly, cost-effective, and secure digital interactions between citizens, businesses, and government.** Interoperable digital public platforms can facilitate data exchange, data access and allow automatic verification which can reduce administrative burden, errors, corruption and fraud risk, and lower costs of service delivery. Digital public platforms can also increase access to data and services even in remote areas, promoting social and economic inclusion, entrepreneurship and prosperity. Utilizing ICT solutions to modernize core government operations (GovTech) can improve efficiency, performance and resilience of the central administration.

14.   **The WB&G has taken initial steps to modernize its public sector leveraging on digital technologies, but the approach is too fragmented.** Such steps include: (i) implementing the X-Road interoperability platform and Zinnar interoperability framework to allow automated data exchange between various public sector agencies and provide the basis for integrated service delivery; (ii) creating interagency working groups for both policy-making and technical discussions; (iii) putting in place the core digital systems of the Government with basic functionalities for public financial management, human resource management, and additional sectoral management information systems (such as health and social protection) and data registries for citizens, vehicles, business etc; and (iv) establishing the Government Computer Center (GCC) which services the Government's intranet, e-mails, web pages, data backup and archiving and houses the Computer Emergency Response Team (CERT) for cybersecurity monitoring, management and response. Further, while migrating to e-government is a priority area of the 2017 ICT strategy, progress has been limited. The ICT strategy does not outline a whole of government vision for modernization and efforts have been fragmented across government entities, resulting in uneven levels of ICT adoption, maturity and capacity.

15.   **In the context of the Covid-19 response and recovery, ensuring access to services for citizens and businesses** via online means is becoming a high priority. While WB&G has an interoperability platform that can enable integrated e-service delivery, its adoption was not mandatory, and use of the platform for data exchange between entities has been ad hoc. Data exchange between entities is based on memoranda of understanding and often offline. Currently, only government to government (G2G) services such as information exchange and validation are available.

16.   **Fostering digital transformation of Government in the WB&G faces a range of challenges, including high-level leadership, institutional coordination, and the enabling laws and regulations** underpinning the development, deployment and use of digital public platforms**.** High-level political leadership is needed to steer a whole of government digital transformation. Institutional reform and coordination and communication needs to be strengthened to align the ministries, departments and agencies towards shared goals of e service delivery and open and shared data. At present, a comprehensive legal and regulatory framework to support the digital transformation agenda is currently incomplete, missing elements including the draft laws on access to information and protection of personal data. The MTIT is working on filling the gaps on elements of enabling legislation such as regulations enabling single sign on, digital signature, and digital payments in coordination with different bodies. The PA is also working on developing an enabling legal framework to regulate some important elements of digital economy such as access to information and personal data protection. Finally, the WB&G is currently benefitting from a technical assistance from the Economic and Social Commission for Western Asia (ESCWA) on preparing its national digital transformation plan and on open government / open data. Key

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[14] Area C is an Oslo II administrative division of the West Bank, defined as "*areas of the West Bank outside Areas A and B*". Area C constitutes about 61 percent of the West Bank territory and is committed under Oslo II to be "*gradually transferred to Palestinian jurisdiction*".

elements to foster WB&G digital transformation include institutional reform to support centralized and standardized ICT services and processes within the government and across layers of government as well as an operating model and enterprise architecture to guide the digital transformation. Further, a government wide digital platform and increased digital capabilities is required to enable the development of e government services on a continuous basis.

17.   **As part of the public sector modernization, the Government is also prioritizing the development and implementation of an e-Government Procurement (e-GP) system.** Public Procurement accounts for around 10% of GDP. The implementation of an e-GP system for public procurement is a vehicle to enhance service delivery, transparency, and citizen satisfaction. The implementation of an end-to-end e-GP system can improve the efficiency and effectiveness of public procurement and increase competitiveness by enabling participation of small and medium sized enterprises in public tenders. The High Council for Public Procurement Policies (HCPPP) is the entity with the legal mandate for leading and managing the implementation of e-GP and for its operation and maintenance. Over the past few years, HCPPP has taken important steps towards the operationalization of the Public Procurement Law, including the launch of the single procurement portal (www.shiraa.gov.ps) and the development and issuance of Standard Procurement Documents and Contract Templates for various types of procurement, which are essential for e-GP implementation. The HCPPP, supported by WB experts, has recently launched the preparation of an e-GP implementation strategy which will define the scope, functionality, implementation and institutional arrangements, necessary legislation, security requirements, system development approach, roadmap for phased implementation (both in terms of system functionalities and targeting of public agencies), and business model for operation and maintenance.[15]

Relationship to CPF

18.   **The Digital WB&G project is well aligned with the strategic priorities outlined in the WBG Country Assistance Strategy (CAS) for the West Bank and Gaza 2018-2021 (Report No. 115201-GZ), which is in line with the Palestinian National Policy Agenda (2017-22) which focuses on investing in human capital, "Putting Citizens First," and on private sector development as the key to job creation and economic growth**. This project is particularly aligned with two pillars of engagement from the CAS that support the growth of private sector activity including in job creating enterprises and infrastructure: Pillar 1 "providing support to the reforms essential to the emergence of private sector activity" and Pillar 3 "addressing the needs of the vulnerable and strengthening institutions for improved citizens-centered service delivery". The activities proposed under the project directly support the growth of the private sector activities by facilitating broadband infrastructure development and investments through the MFD approach. Furthermore, the project will contribute to improving citizen engagement by enhancing the public services delivery through a whole-of-government digital government platform. In the design of portal and the user interface of the platform, special consideration will be given to usage by women. In the procurement of the platform and a cloud solution, climate considerations in the form of best available technology in terms of energy efficiency will be considered.

19.   **The proposed project is also aligned with the enlarged MNA regional strategy, which aims to leverage on digital transformation in support of creating inclusive growth and quality jobs.** The proposed operation will also directly contribute to support the Marrakesh 2021 goals of significantly increased broadband penetration.

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[15] The draft e-GP implementation strategy is currently being reviewed by the Government and expected to be finalized by Dec 2020.

C. Proposed Development Objective(s)

To increase access to high-speed broadband services in selected areas and to increase access to selected e-government services to citizens and businesses

Key Results (From PCN)

The achievement of the PDO could be measured by the results indicators below:

a) *Increase access to high-speed broadband services*
- Number of primary and secondary schools with improved access to internet for pedagogical purposes
- Fixed broadband (3G and above) Internet subscriptions per 100 inhabitants, of which percentage female, of which percentage rural, of which percentage urban
- Share of in-school youth with access to tablets/computers for pedagogical purposes

b) *Increase access to selected e-services to citizens and businesses*
- Number of online government services to be launched under the project
- E-service delivery in the selected sectors to be determined during project preparation (number of users of xx)
- Percentage of public agencies implementing procurement through e-GP

The proposed operation will be gender informed.

D. Concept Description

20.   The Digital WB&G Project will seek to produce concrete and tangible results for Palestinians through (a) increased access to high-speed broadband services in selected areas and (b) increased access to selected e-services to citizens and businesses. The proposed operation is transformational as it will focus on key "internal" low hanging fruits to unleash digital transformation in WB&G (addressing, through the proposed operation, some of the bilateral challenges with GoI, in particular spectrum, would allow digital transformation in WB&G to achieve its full potential) and will strengthen the digital resilience[16] of WB&G and the PA's ability to respond to shocks, such as COVID-19.

The preparation of the proposed operation will be supported by a Project Preparation Advance (PPA) requested by the PA with letter MOF/WB/726/2020 dated July 15, 2020**.** Following activities are under consideration for the PPA: (1) Technical assistance for Broadband Strategy Assessment and mapping and design of National Broadband Backbone Network, PPP Options and Digital services and the establishment of an independent regulatory authority; (2) Technical assistance to prepare the feasibility study and bidding documentation for the pre-purchase of bandwidth capacity and/or broadband access for rural/unconnected schools; (3) Technical assistance for (i) the development of a national digital strategy for the PA and for (ii) the creation of a Certification Authority for e-ID and e-signature (e-transactions law, regulatory framework, operating model); (4) COVID-19 Response (a): Technical assistance for setting up of an emergency

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[16] Digital resilience is the resilience of the digital infrastructure and the use of digital services to improve response to disaster.

portal and response center for pandemic case detection, confirmation, contact tracing, reporting, and Emergency Location Services; (5) COVID-19 Response (b): Purchase of tablets for children and education staff, Provision of Internet and mobile connectivity to teachers and Production of video lessons; (6) Digital Foundations-related environmental and resettlements consultancies; and (7) Hiring Key Project preparation staff. 1. Description

21. **To achieve the PDO, the project is articulated around four components and the proposed activities are conceived following the country's priorities and funding needs in the medium term**: (i) to develop the enabling legal and regulatory foundations for digital economy in WB&G; (ii) to improve digital infrastructure and expand broadband connectivity; and (iii) to establish secured digital public platforms and digital service delivery to citizens and businesses.

22. *Table 1. List of Project Components and Sub-Components*

Activity Component	Title	Proposed budget (USD) / Share of total
Component 1	**Enabling legal and regulatory environment for Digital Economy**	**2,000,000 (10%)**
Subcomponent 1.1. Institutional Development	*Institutional Development*: (a) Establishment of the Palestinian Telecommunications Regulatory Authority (PTRA), (b) establishment of Certification Authority (CA) to facilitate trusted infrastructure for rolling out secure digital government payment system, and (c) purchase of equipment and hardware such as computers.	1,200,000
Subcomponent 1.2. Development of Legal and Regulatory Frameworks	*Strengthening legal and regulatory frameworks and foundational strategies*: review and updating of (a) national strategies essential to developing digital infrastructure and delivering e-government services, (b) existing regulations, and (c) data-related strategies, including privacy and data protection.	500,000
Subcomponent 1.3. Capacity Building	*Capacity Building*: provide capacity building opportunities in such forms as training, workshops, study tours (virtually) and best practices to strengthen the client's capacity for digital economy policy and regulatory implementation, deployment of broadband infrastructure, and effective delivery of digital government services and operation of the digital government platform. Provide support for negotiation on select bilateral technical aspects	300,000
Component 2	**Digital Infrastructure and Broadband Connectivity**	**10,000,000 (50%)**
Subcomponent 2.1. Piloting pre-purchase of bandwidth capacity for schools unconnected to broadband	Provide financing to private sector for piloting the provision of broadband connectivity to primary and secondary educational institutions, thereby continuing learning and educational opportunities for school children during and post-Covid-19 crisis. This subcomponent will support PA with: (a) identifying schools to be included in the pilot in coordination with Ministry of MTIT and Ministry of Education prioritizing the areas with limited internet access and (b) purchasing bandwidth capacity from telecoms operators and ISPs to the selected schools for the pilot.	3,000,000
Subcomponent 2.2. Enabling distance and digital learning for primary and secondary school students	(a) Pilot the development and distribution of "digital schools in a box," an interactive box that will contain the resources that children need to continue their learning from home; (b) establish a fully functioning national media lab to produce digital and multimedia educational content; (c) Purchase or license virtual lab applications for enhancing technical and vocational training (TVET) and STEM learning; (d) Provide technical assistance for establishing e-learning governance system to guide, manage, and assure quality online learning provision for educational institutions at all levels in WB&G.	4,500,000

Subcomponent 2.3. Expand connectivity through the development of fiber optic infrastructure	Expand high-speed broadband connectivity through the development of fixed broadband infrastructure and national fiber optic backbone by leveraging the Jerusalem District Electricity Company's (JDECO) excess fiber optic capacity under a MFD approach.	2,500,000
Component 3	**Secured digital public platforms and digital service delivery to citizens and businesses**	**6,000,000 (30%)**
Subcomponent 3.1: Needs and Gap Assessments and market analysis of e government platforms	Assess the technical and financial needs of the Ministry of Telecom (MTIT) to deliver G2C and G2B e-government services (including G2Px) and conduct a market analysis of available government platforms. (*Cloud Readiness Assessment will be conducted separately as part of WB&G Digital Policy Dialogue ASA, the findings of which will be taken into account*).	200,000
Subcomponent 3.2: Developing the Digital Public Platform for e-service delivery	Building on the assessment and market analysis above, procure the most appropriate digital platform and plan implementation of the platform. The plan of implementation will include designing an operating model with an enterprise architecture and building capacities for e-service delivery and process reengineering. The procurement of the platform is expected to consist of purchase of cloud software to store data digitally, the purchase or upgrade of back end software to exchange data digitally (back-end), a service layer with various engines (middleware) and the development of the online portal/website, which will facilitate service delivery to the public (front-end). The subcomponent also includes implementation of the platform including configuration and migrating of data as appropriate. The procurement will take climate considerations into account energy efficiency considerations.	3,200,000
Subcomponent 3.3: Piloting the implementation of e-government services	Launch a number of select G2C/G2B e-government services (which are to be determined in 3.1 and 3.2). This will involve guiding the implementation of the platform and e-services including the provision for user feedback, monitoring the application of industry standards and project parameters, and facilitating capacity building and training of service providers, supervisors, and users. The design of the user interface will take gender considerations into account.	600,000
Subcomponent 3.4 Establishment of an e-government procurement system	Support the PA in the development and implementation of priority e-government procurement functionalities in targeted high spending agencies	2,000,000
Component 4	Project Management and Implementation Unit	2,000,000 (10%)
	Total	**20,000,000**

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal. *Please delete this note when finalizing the document.*

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

Summary of Screening of Environmental and Social Risks and Impacts

Note to Task Teams: This summary section is downloaded from the PCN data sheet and is editable. It should match the text provided by E&S specialist. If it is revised after the initial download the task team must manually update the summary in this section. *Please delete this note when finalizing the document.*

Note: To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document. *Please delete this note when finalizing the document.*

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