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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED GRANT

IN THE AMOUNT OF US\$30 MILLION FROM THE TRUST FUND FOR GAZA AND WEST BANK
(TFGWB)

TO THE

PALESTINE LIBERATION ORGANIZATION
(FOR THE BENEFIT OF THE PALESTINIAN AUTHORITY)
FOR A

WEST BANK EMERGENCY SOCIAL PROTECTION COVID-19 RESPONSE PROJECT

July 14, 2020

Social Protection & Jobs
Middle East and North Africa

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CURRENCY EQUIVALENTS

(Exchange Rate Effective May 31, 2020)

Currency Unit = Israeli New
Sheqalim (ILS/NIS)

ILS/NIS 1 = US\$ 0.28

US\$ 1 = ILS/NIS 3.51

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AS	Assistance Strategy
CPI	Consumer Price Index
CTP	Palestinian National Cash Transfer Program
C4W	Cash for Work
CMS	Case Management System
DA	Designated Account
DPs	Development Partners
E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESHS	Environmental Social Health Services
ESMF	Environmental and Social Management Framework
ESO	Environmental and Social Officer
ESRC	Environmental and Social Risk Classification
ESRS	Environmental and Social Review Summary
ESS1	Environmental and Social Assessment
ESS2	Labor and Working Conditions
ESS3	Resource Efficiency and Pollution Prevention and Management
ESS4	Community and Health Safety
ESS10	Stakeholder Engagement and Information Disclosure
EU	European Union
FCV	Fragile, Conflict and Violence
FM	Financial Management
GA	Grant Agreement
GBV	Gender Based Violence
GDP	Gross Domestic Product
GRM	Grievance Redress Mechanism
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion and Results Report
IEG	Independent Evaluation Group of the World Bank
IFRs	Interim Financial Reports
ILS/NIS	Israeli New Sheqalim
IPF	Investment Project Financing
IPV	Intimate Partner Violence
ISRs	Implementation Status Results Report
LMP	Labor Management Procedure
M&E	Monitoring and Evaluation
MENA	Middle East and North Africa
MIS	Management Information System
MoF	Ministry of Finance
MoH	Ministry of Health
MoL	Ministry of Labor

MoSD	Ministry of Social Development
MoU	Memorandum of Understanding
MTR	Mid Term Review
NDC	NGO Development Center
NGO	Non-Governmental Organization
OHS	Occupational Health and Safety Plan
PA	Palestinian Authority
PAD	Project Appraisal Document
PCBS	Palestinian Central Bureau of Statistics
PCU	Project Coordination Unit
PDO	Project Development Objective
PFESP	Palestinian Fund for Employment and Social Protection
PFMIP	Public Financial Management Improvement Project
PIA	Project Implementation Agency
PMT	Proxy-Mean Test
PMTF	Proxy-Means Test Formula
PNGOs	Palestinian Non-Governmental Organizations
POM	Project Operations Manual
SDSS	Social Development Sector Strategy
SEP	Stakeholder Engagement Plan
SOE	Statement of Expenses
SPEP	Social Protection Enhancement Project
SPJ	Social Protection and Jobs
SR	Social Registry
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WA	Withdrawal Application
WB&G	West Bank and Gaza
WFP	World Food Program
WHO	World Health Organization



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name		
West Bank and Gaza	West Bank Emergency Social Protection COVID-19 Response Project		
Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P174078	Investment Project Financing	Substantial	Urgent Need or Capacity Constraints (FCC)

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
23-Jul-2020	31-Dec-2023

Bank/IFC Collaboration

No

Proposed Development Objective(s)

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

**Components**

Component Name	Cost (US\$, millions)
Emergency Cash Transfers in the West Bank	20.00
Cash for Work in the West Bank (C4W)	8.00
Capacity Building, Project Management, Monitoring and Evaluation	2.00
Contingent Emergency Response Component (CERC)	0.00

Organizations

Borrower:	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

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

Total Project Cost	30.00
Total Financing	30.00
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS**Non-World Bank Group Financing**

Trust Funds	30.00
Special Financing	30.00

Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2021	2022	2023	2024
Annual	20.00	8.00	2.00	0.00



Cumulative	20.00	28.00	30.00	30.00
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INSTITUTIONAL DATA**Practice Area (Lead)**

Social Protection & Jobs

Contributing Practice Areas**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**Risk Category****Rating**

1. Political and Governance	● High
2. Macroeconomic	● High
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Overall	● High

COMPLIANCE**Policy**

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Article IV, 4.02: Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

Sections and Description

Article IV, 4.03: This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

**Sections and Description**

Section I.A.2 of Schedule 2: For the purposes of implementing Parts 1 and 2 of the Project, the Recipient, through the Palestinian Authority, not later than 30 days after the Effective Date, shall enter into memoranda of understanding with MoL, PFESP, and MOSD("MoUs"), under terms and conditions acceptable to the Bank, setting forth the collaboration arrangements for the management and implementation of Parts 1a and 2 of the Project

Sections and Description

Section I.D.1 of Schedule 2: Not later than 30 days after the Effective Date, the Recipient shall prepare and thereafter carry out the Project in accordance with the Project operations manual and shall cause Participating NGOs to adopt said manual ("Project Operations Manual" or "POM"), setting forth rules, methods, guidelines, and procedures for the carrying out of the Project

Conditions

Type	Description
Disbursement	<p>Notwithstanding the provision of the Part A of the Schedule 2. Section III, no withdrawal shall be made for:</p> <p>(a) payments made prior to the date of this Agreement, except withdrawals up to an aggregate amount not to exceed \$12,000,000 may be made for payments made twelve months prior to the date of this Agreement for Eligible Expenditures under the Project</p>
Disbursement	<p>Notwithstanding the provision of the Part A of the Schedule 2. Section III, no withdrawal applications shall be made for:</p> <p>(b) Emergency Expenditures under Category (4), unless and until the Bank is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:</p> <p>(i) the Recipient, through the Palestinian Authority, has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include the proposed activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Bank has agreed with such determination, accepted said request and notified the Recipient thereof;</p> <p>(ii) the Recipient has ensured that all safeguard instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section G.I. of this Schedule;</p> <p>(iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section G.I of this Schedule, for the purposes of said activities; and</p> <p>(iv) the Recipient has adopted the CER Manual, in form and substance acceptable to the</p>



	Bank, and the provisions of the CER Manual remain - or have been updated in accordance with the provisions of Section G.I of this Schedule so as to be - appropriate for the inclusion and implementation of the Emergency Response Part.
Type Effectiveness	<p>Description</p> <p>This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished that the conditions specified below have been satisfied in a manner and in form and substance satisfactory to the Bank:</p> <p>(a) The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental and corporate action; and</p> <p>(b) The Subsidiary Agreement referred to in Section I.B of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the PA.</p>



I. STRATEGIC CONTEXT

A. Country Context

1. **The COVID-19 outbreak has spread rapidly across the world.** On March 11, 2020, the World Health Organization (WHO) declared the coronavirus outbreak a global pandemic. As of July 6, 2020, the outbreak had resulted in an estimated 11.6 million cases and 537,715 deaths in 213 countries (WHO, 2020). To varying degrees, countries have introduced measures to contain and mitigate COVID-19, including restrictions on individual mobility and economic activity, as well as public health measures to prevent, detect, and respond to infections. Affected countries are struggling with the public health response, particularly those with weak capacity to do so, including the West Bank and Gaza (WB&G). In addition to the public health impact of COVID-19, the restrictions on mobility are expected to have a big impact on the global economy. The proposed project is being processed under paragraph 12 of Section III of the IPF Policy (Projects in Situations of Urgent Need of Assistance or Capacity Constraints). The operation will support: a) the use of simplified procurement procedures for COVID-19 operations; b) the finalization of Environmental and Social Safeguard documents within 30 days of effectiveness; and c) retroactive financing up to 40 percent.

2. **At the household level, the lockdowns and quarantines have increased economic vulnerabilities through reduced labor income.** These income losses, including those for migrant workers who cannot travel for employment to other countries, are severely affecting livelihoods. In addition to the loss of household income due to unemployment or underemployment, the economic crisis is reducing purchasing power through higher consumption prices due to value-chain disruptions.¹ The poor were already vulnerable prior to this health emergency and their situation can thus be expected to deteriorate further. On top of that challenge, the pandemic is creating a class of 'newly poor' Palestinians made up of workers that have lost or will lose their basic source of income.

3. **Vulnerable groups affected by COVID-19 include the following:** (i) daily workers and informal workers without written long-term contracts; (ii) workers that need to travel to Israel and to other governorates; (iii) daily workers, formal and informal, in the hospitality and services sectors, including tourism; (iv) small/family business owners that have been forced to close their businesses; (v) the chronic poor and vulnerable who are least equipped to cope with the impact of general economic contraction; and (vi) households with demographic groups most likely to be affected by the disease, such as the elderly and disabled. Moreover, international evidence and Palestinian data also indicate that, even before the crisis, women were already mostly inactive (82 percent of the female working-age population), experiencing high unemployment rates (41 percent of the female labor force), and severely underemployed when they did find work (53 percent of the female labor force).

4. **The Palestinian Authority (PA) has taken actions to contain and mitigate the effects of COVID-19.** The PA approach to addressing the crisis has involved: (i) preparation of an emergency response plan; (ii) containment of the virus through testing, quarantine, and mobility restrictions; (iii) suppression of the virus through tracing and healthcare units in each governorate; (iv) public outreach through a coordinated national campaign that includes social media; (v) transparency measures (e.g. daily briefings); and (vi) regional coordination (with Israel and Jordan) on the response. All education institutions and public parks were closed on March 5, 2020. Borders, except for movement of goods, have also been closed and all incoming international travelers are being tested and quarantined.² The PA has also halted mobility

¹ A scenario already outlined in the Emergency Response Plan for COVID-19 of the Palestinian Authority.

² All Palestinian workers employed in Israel that continue to work have been asked to stay in Israel until the situation changes or to remain quarantined upon their return.



across West Bank governorates. All non-essential stores and public institutions were closed,³ and all non-essential workers were asked to stay home. As of July 1, 2020, there are 4,341 confirmed cases in West Bank and Gaza, with 491 recovered and 17 deaths. Despite the low numbers of cases, the WHO has identified the risk to the Palestinian territories as very high, due to insufficient medical resources.

5. The PA has also developed a comprehensive response plan to mitigate the impacts of COVID-19 and requested donor support to help finance it. The COVID-19 Response Plan calls for donor support to finance:⁴ (i) the direct public health response to address critical gaps (medical staff, medical supplies and equipment, and medicines) (US\$120 million); (ii) the expected increase in the fiscal deficit (US\$1.8 – US\$2.4 billion) as a result of the decline in revenues (estimated to be between US\$155 and US\$280 million) but also the need to increase spending on social safety nets; and (iii) the need to finance an economic recovery plan to help businesses weather the crisis while assisting workers (male and female, with no gender discrimination) in coping with the shocks that have affected their sources of income.⁵

6. The PA has started introducing measures to support poor households and workers affected through loss of income. In April 2020, the Ministry of Labor (MoL) issued a support plan for those that have lost their livelihoods due to the pandemic and associated lockdowns. Within a month of launching the program, more than 120,000 workers and small business owners (of which 95 percent are from the West Bank) had enrolled in the program to request assistance; by June 2020, more than 275,000 had enrolled. The Ministry of Social Development (MoSD) launched an enrollment process for families in need of assistance and in collaboration with the World Food Program (WFP), has also stepped up efforts to support poor and vulnerable households through cash assistance to ensure food security. Partners in the food security sector have continued distributing food parcels to poor families, including agricultural commodities. At the same time, the Ministry of Agriculture has begun the process of distributing one million seedlings for home gardening.

7. COVID-19 is exacerbating an already challenging economic situation in the WB&G. The measures taken by the PA to halt the spread of the COVID-19, while effective in limiting the spread of the virus, have disrupted economic activity. The World Bank projects that the Palestinian economy will contract by at least 2.5 percent in 2020, while the Palestinian Central Bureau of Statistics (PCBS) estimates losses of about US\$2.5 billion, representing a decline of 14 percent of GDP if the COVID-19 pandemic lasts for another three months. The World Bank Economic Assessment and Proposed Actions for the PA⁶ also considers a number of major downside risks that could impact the economy and household livelihoods if the COVID-19 outbreak is not contained soon. These include: (i) the potential for the private sector to slash workers' remunerations in half, (ii) the impact of a potential halt in the entrance of more than 140,000 Palestinian workers to Israel,⁷ and (iii) a sharp reduction in tourism. The lack of available policy tools, such as fiscal stimulus, liquidity injections, or external borrowing, could leave the economy extremely vulnerable to the materialization of such risks, which could then trigger a dramatic decrease in consumption and a sharp economic contraction of more than seven percent (World Bank, 2020). The COVID-19 shock falls on an already very fragile economy, which has suffered from plummeting foreign

³ Essential stores include pharmacies and food stores, and essential institutions are the Ministries of Health, Finance, and Interior.

⁴ "State of Palestine State of Emergency: COVID-19 Response Plan - Needs for Donor Support."

⁵ A revision of the COVID-19 Inter-Agency Response Plan for the Palestinian territories, originally launched on March 26, 2020, was released on April 25, 2020. The main goal remains to support the efforts led by the PA to contain the pandemic and mitigate its impact through the end of June 2020. The updated requirement is US\$42.4 million, an increase from the US\$34 million originally requested. The additional US\$7 million is to provide support to quarantine centers in Gaza and the West Bank; multi-sectoral efforts in East Jerusalem; and safety net support for the most vulnerable communities. The largest components are public health interventions, 45 percent of the appeal (US\$19.1 million), and food security, at 28 percent (US\$11.8 million). So far, US\$13.3 million, or 31 percent of the amount requested, has been raised. As detailed below, donors have contributed another US\$16.7 million for a range of interventions related to COVID-19, but not included in the Inter-Agency Response Plan, bringing the overall contributions to US\$30 million.

⁶ COVID-19: Economic Assessment and Proposed Actions for the Palestinian Authority, World Bank, April 2020.

⁷ Those workers' consumption represents one-third of total consumption.



aid flows since 2012, the Gaza conflict in 2014, and the fiscal crisis.⁸ Under pressure from these shocks, growth rates have been barely positive since 2017, with 2019 growth estimated at only 0.9 percent—which means a significant fall in per capita income.

8. **The economic shock will mainly affect the living conditions of Palestinian households in the West Bank through the effects to the labor market.** Reduced labor incomes come from job losses, including from Palestinians working in Israel, and reduced earnings, mainly as a result of the lockdown measures. The rapid job losses occurring now have come on the heels of stubbornly high unemployment rates that existed well before the crisis. Between 1994 and 2017, unemployment grew at an annual average rate of 5 percent, at an accelerating pace.⁹ It peaked at over 32 percent in the second quarter of 2018—the highest rate in two decades, to then fall to 24 percent in the last quarter of 2019. As the economic effects of COVID-19 continue to roll through the economy, the damage to an already-fragile jobs environment is likely to be profound. Job losses are likely to mostly affect those groups with higher than average unemployment rates: women (41 percent compared to 21 percent among men) and youth (40 percent), two groups who often experience the longest wait times for a job and then are the first ones to be fired within the labor marketplace.¹⁰ Women in the private sector are at risk of both losing their jobs and not being able to return to work given the specific constraints they face during economic shocks and a subsequent shrinking of the job market.¹¹ In addition, they are likely to be the ones who will bear the greatest responsibilities for taking care of their children during school closures as well as family members who may fall sick.

9. **Poor and near-poor households are the most vulnerable to labor income shocks.** Informal workers, who account for about 60 percent of the workforce in the Palestinian territories (PCBS, 2016),¹² are more likely to lose their jobs as a result of the lockdown measures and have no form of protection against such losses; these informal workers are disproportionately concentrated in poor and near-poor households. The latest estimates show that 29 percent of Palestinians live below the poverty line. Furthermore, by 2018 one-third of all Palestinians (equivalent to 1.6 million people) had experienced food insecurity (PCBS, 2019).¹³ Further, poverty is highly sensitive to the labor market in the Palestinian territories (World Bank 2017).¹⁴ Thus, in the absence of any support, the labor income shock would push many near-poor households into poverty while pushing poor families further below the poverty line. The PA estimates that around 100,000 Palestinians have already fallen into poverty as a result of the containment measures with more to follow, and over 275,000 Palestinian workers and small business owners (95 percent from the West Bank) have already

⁸ Despite the PA's considerable fiscal consolidation achieved in recent years, the fiscal situation continues to be difficult due to structural imbalances and declining donor support. The external current account deficit decreased from 25 percent of GDP in 2008 to 8 percent of GDP in 2016 (before grants), mainly through reducing the wage bill and net lending. Due to frontloaded VAT payments, increased customs receipts, ongoing revenue administration efforts, and revenue transfers by the PA, public revenues grew by 5 percent. However, the wage bill also increased by 5 percent in 2016 with total public expenditure (more than budgeted) reaching 32 percent of GDP. The strong increase in revenues offset the increase in spending and pushed the total deficit down by 23 percent. Still, the financing gap was US\$330 million in 2016 as donor support was only US\$761 million, a significant decline from the US\$2 billion donor support in 2008.

⁹ And by the same token, employment expanded by only 4.2 percent.

¹⁰ The gender gaps in labor force participation and unemployment are even more notable among youth (ages 15-24 years): only 10 percent of young women are in the labor force, of which 67 percent are unemployed. In contrast, 50 percent of young men are active in the labor force, of which 35 percent are unemployed.

¹¹ A combination of supply and demand side constraints make it challenging for women to access and participate in paid work, including structural, institutional, legal, and normative barriers (Hillis AL-Aref et.al., 2018). Women who have had to exit the labor force during an economic crisis have experienced great difficulty in returning to work, especially when the supply of jobs is limited and preferences go to hiring men. For example, in the sixth wave of the World Values Survey 2010-2014, over 65 percent of respondents felt that when jobs are scarce men should have priority, with the sentiment much higher among Palestinian men than women.

¹² Informal employment is defined as jobs without legal and social protection, whether carried out in formal sector enterprises, informal sector enterprises, or households, during a given reference period.

¹³ Based on the 2018 Socio-Economic and Food Security Survey using the new methodology adopted since 2010 by PCBS.

¹⁴ "West Bank Inclusive Diagnostic Note." Washington, DC: World Bank.



requested urgent assistance from MoL, which is looking for ways to address the lost incomes and lower standards of living and speed up recovery after the pandemic.

10. **Although vulnerability in Gaza is higher, households in the West Bank are more likely to be affected by reduced labor incomes.** More than half of Gazans in the labor force are unemployed, which is three times the rate in the West Bank, and more than half of the Gazan population lives below the poverty line, compared to 14 percent in the West Bank. However, people in the West Bank are more likely to be affected by the labor income shock produced by the pandemic. First, travel restrictions in Gaza made contagion from the West Bank and Israel less likely. At the same time, the West Bank is simply more exposed: one in every four waged workers in the West Bank works in Israel every day, and the restrictions on travel due to the pandemic have caused this source of income to disappear. Second, there is a higher dependency of the West Bank economy on manufacturing, construction, commerce, hotels, and restaurants, which are linked to the international tourism activities in the holy sites. Third, the two regions have very different employment structures. In contrast to jobs in the private sector, public-sector jobs are not affected by changes in demand or supply-chain disruptions. In the West Bank, two-thirds of jobs are in the private sector. As stated above, the newly enrolled beneficiaries of emergency assistance have been almost exclusively private sector workers, own account workers, or small business owners from the West Bank.

11. **Poor and near-poor households will also be disproportionately affected by higher food prices.** Disruptions in food supply chains resulting from COVID-19 (e.g., insufficient agricultural workforce, suspension of food exports, etc.) have started to push domestic food prices up. The poor and near-poor households consume more food as a percentage of total expenditures than wealthier households; as a result, an increase in food prices pushes near-poor households into poverty and poor households further below the poverty line. Higher food prices have been particularly felt in the West Bank, in urban areas, and by households affected by reduced remittances, both domestic and from abroad. In the West Bank, the Consumer Price Index (CPI) increased by 2.7 percent in April compared with the same month a year earlier, while the increase in the CPI was at 0.7 percent in Gaza. The increase in prices in the West Bank was particularly acute in fresh fruits (17.8 percent), chicken (9.5 percent), fresh vegetables (3 percent), fuel (2.6 percent), and other meat products (2.3 percent).

12. **Women are particularly vulnerable to cycles of conflict and poverty, with high rates of domestic violence that may have likely increased during a time of lockdowns and quarantines.** Studies have shown that conflict and health crises can lead to increased threats and intentional use of violence, including violence against women and children.¹⁵ Both internationally and within the Palestinian territories, there is evidence of increases in gender-based violence as a result of the job losses and business closures that have come during the pandemic. Women have become more vulnerable to domestic violence as confinement has fostered the tension and strain created by security, health, and income-related concerns, especially since women may now be contributing less to the household income, either through losing their jobs or experiencing foreclosures in women-owned small businesses. UN Women¹⁶ shows that as more countries report infection and lockdown, more domestic violence helplines and shelters are reporting rising numbers of calls for help.¹⁷ In the Palestinian territories, more than twenty percent of woman responding to the “CARE Palestine WB&G COVID-19 Rapid Gender Assessment” shared that they have experienced an increase in gender-based violence

¹⁵ <https://www.cgdev.org/sites/default/files/pandemics-and-violence-against-women-and-girls.pdf>.

¹⁶ <https://www.unwomen.org/en/news/stories/2020/4/statement-ed-phumzile-violence-against-women-during-pandemic>.

¹⁷ For example, in Argentina, Canada, France, Germany, Spain, the United Kingdom, and the United States there are increasing reports of domestic violence during the crisis, and heightened demand for emergency shelter. Helplines in Singapore and Cyprus have registered an increase in calls by more than 30 per cent. In Australia, 40 per cent of frontline workers in a New South Wales survey reported increased requests for help with violence that was escalating in intensity.



(GBV) security concerns, including intimate partner violence and domestic violence.¹⁸ The assessment showed that one in four surveyed indicated domestic violence has increased during quarantine and 71 percent expect it to further increase with the extension of the lockdown. Moreover, surveys by the PCBS and data from gender-based violence helplines point to high rates of Intimate Partner Violence (IPV) against women: 24 percent of women in West Bank and 38 percent of women in Gaza have been exposed to some form of IPV between 2018-2019.¹⁹ Of those women who reported some form of IPV, 60 percent chose to remain silent.²⁰ As other countries report increased levels of domestic violence during the pandemic, the population of the Palestinian territories are experiencing similar trends. Such increases in GBV present a major challenge during a pandemic when resources are likely to be diverted to respond to the immediate health crisis, which will affect the availability of and access to essential services for women and girls who experience violence.²¹

13. The impacts of COVID-19 are compounded by high vulnerability to climate change. Adverse effects of climate change resemble those of epidemics. They can be intense and short-term (such as destructive flash floods) or slowly accumulating and long-term (droughts, loss of agricultural yield). Like epidemics, climate change may lead to substantial economic losses, both at the household and at the state level, and could stunt economic growth. Population groups vulnerable to the economic effects of climate change will be the same as those vulnerable to the effects of epidemics, although through different mechanisms and causalities, such as the food supply chain. Climate change will affect poor households and their ability to purchase food and water, as well as agribusinesses and workers employed in the agricultural sector in WB&G – people employed in this sector will likely lose incomes or jobs. As a result of agricultural productivity losses, food prices are likely to go up, making food even less affordable to already struggling poor households. In addition, the manifestations of climate change could affect tourism in West Bank: foreign tourists avoid areas prone to natural disasters or recovering from floods or droughts. As in the case of epidemics, it is important to mitigate both short-term and long-term effects of climate change.

14. To mitigate the health, economic, and social impacts of climate change, it is critical to increase resilience to climate change going forward, especially as aridity and water scarcity render the West Bank environmentally sensitive to climate change. Water extraction will increase, even as the limited natural supply may shrink even further, due to an anticipated substantial reduction in precipitation. Climate-related hazards in the Palestinian territories include droughts, extreme temperature, and flash floods, which pose serious constraints on development, and their intensity and frequency are predicted to increase as the climate continues to change. Poor and near-poor households are particularly vulnerable to changes in climate conditions: they tend to live in low-quality housing in more exposed areas, they lack savings to recover from property destruction in floods or to cover their household expenses during the periods of unemployment, they are more vulnerable to changes in food prices caused by climate-related shocks, and they have limited access to safety nets.

B. Sectoral and Institutional Context

15. The PA's national COVID-19 response plan developed in late February 2020 includes a strong focus on supporting poor households and workers that are particularly impacted by the economic slowdown. Among others, the plan highlights the need to provide temporary protection/relief measures for the poor and vulnerable households and workers that have lost employment while promoting investment to business owners to speed recovery. More

¹⁸ Juzoor Health and Social Development, Gender-Based Violence During COVID-19 Pandemic Palestine – May 2020.

¹⁹ PCBS, Preliminary Results of the Violence Survey in the Palestinian Society 2019. Different forms of intimate partner violence surveyed include economic, social, psychological, sexual, and physical. In this case, the intimate partner referred to by the survey is 'husband.'

²⁰ Ibid.

²¹ UN Women Rapid Assessment and Findings – 2020.



specifically, these include: the creation of temporary employment programs; support for municipalities and local councils; the provision of assistance to small businesses to accelerate recovery; and emergency cash-transfer assistance to the poorest households and those vulnerable to poverty that have lost jobs and livelihoods. An electronic enrollment program targeting more than 200,000 vulnerable-to-poverty workers impacted by the crisis has been put into action beginning in March 2020.

16. **The proposed project will build on the existing platform for the Palestinian National Cash Transfer Program (CTP) to support the emergency cash transfers component of the PA's COVID-19 response plan.** The emergency cash transfers aim to provide immediate assistance to those in need in the West Bank, given the expected large impact on the vulnerable caused by jobs losses. These emergency cash transfers will be delivered using the existing platform for the CTP, a well-targeted and scalable cash transfer program to poor and vulnerable households with proven results. The Palestinian National CTP was created in 2010, merging the European Union (EU)-funded Special Hardship Case and the World Bank-funded Social Safety Net Reform Project, and initially provided cash assistance to about 55,000 poor households selected on the basis of an objective proxy means test formula. The CTP gave the PA the opportunity to consolidate, harmonize, and further develop social assistance that was mostly provided through a complex web of organizations run by the PA, non-governmental organizations (NGOs), and other external agencies. The National Cash Transfer Strategy identified cash transfers as the main social assistance instrument to fight poverty because of their proven track record and the possibility to scale them up quickly and effectively to aid distressed households during crisis situations. The CTP has become a full-fledged national Social Safety Net program that provides quarterly payments to about 115,000 beneficiary households through the banking system, with an estimated total cost of about US\$130 million a year. The latest CTP assessment of 2017 shows that 80 percent of beneficiaries are extreme poor, and US\$0.87 of each US\$1 transfer goes to poverty gap reduction. These results put CTP among the best performing cash transfer programs in the world.²²

17. **CTP's Management Information System (MIS) can be used to quickly and efficiently identify those who are most impacted by COVID-19.** The MIS network links the 17 district (Muderies) offices in WB&G to the central level. This system is currently used for the management and administration of the CTP. Information on beneficiary households (e.g., household size, age, assets, health status, and education level) is collected by trained MoSD social workers using a standardized application form and entered into the MIS at the district level. The web-based MIS is updated regularly based on information provided by the PCBS and MoSD social workers. MoSD then uses the poverty-targeting database (one component of the MIS) to identify CTP beneficiaries and to rank households according to their poverty level. This system allows MoSD to obtain real-time information on the number and location of beneficiary households as well as to track households' application and enrollment status, which is then used to inform decision-making related to planning and resource allocation. With this system in place, cash transfers can be quickly extended to populations most affected by COVID-19 using already-existing channels of information and disbursement, without the need for time-consuming design and development of new systems.

18. **The project will also finance the funding gap for the second quarterly payment of the CTP.** CTP beneficiaries are the poorest of the poor and are most vulnerable to labor income shocks. Most CTP beneficiary households (around 80 percent in the West Bank) have at least one member of their family working, most of them in the informal economy or as daily workers. These jobs are most affected by the crisis, making these families most at risk of falling deeper below the poverty line. The problem is aggravated by the decline in remittances, another important source of income for the poor and vulnerable households in the Palestinian territories. Under the current financing arrangements, the PA contributes 50 percent of the cost of CTP program per year, the EU contributes 47 percent, and the World Bank, through the Social

²² 2017 CTP targeting assessment and World Bank 2018 State of Safety Nets.



Protection Enhancement Project (P160674), adds an additional 3 percent. Payments to CTP beneficiary households are made quarterly. Due to the current fiscal crisis, the PA will only be able to finance part of its contribution to the CTP. Given the key role of this program in protecting the poor, the proposed project will finance the funding gap for the second quarter payment of the CTP.

19. The Cash for Work (C4W) component of the proposed project will build on a delivery platform already developed in Gaza to provide temporary employment opportunities in the West Bank. The Gaza Emergency Cash for Work and Self-employment Support Project provides a blueprint for the proposed C4W intervention in the West Bank. The Gaza project developed a mechanism for providing short-term employment opportunities in social services to young Gazans in need through NGOs. The mechanism has proven to be highly effective, delivering support to almost 5,000 youth (of which 2,600 women) while supporting essential social services in Gaza. The proposed C4W intervention will be implemented using similar methods. It will provide opportunities for NGOs in the West Bank to employ vulnerable populations in the West Bank in sectors with a high return in social services, while providing much-needed relief to families, youth, and women. The proposed intervention will aim to provide emergency relief to those in need, valuable work experience, and improved social services.

C. Relevance to Higher Level Objectives

20. The proposed project is aligned with strategic objectives of the World Bank Group (WBG), and the WBG's response to the COVID-19 pandemic. The proposed project will provide cash support to extreme poor households in response to the economic shocks and COVID-19 pandemic. The project contributes and is aligned with the WBG twin goals to eradicate extreme poverty and promote shared prosperity in a sustainable manner. The project is also part of and aligned with the World Bank's COVID-19 Crisis Response Approach Paper to help countries mitigate the social and economic impacts of COVID-19 crisis. The project will contribute to the implementation of the World Bank's Middle East and North Africa (MENA) enlarged strategy (March 2019), particularly to building resilience to shocks, renewing the social contract, and building human capital. The project activities sequentially address the needs for Relief (providing immediate cash transfers and social services to households in need), Recovery (through social protection systems strengthening and financial inclusion to enable economic recovery), and Resilience (by protecting human capital through cash transfers to students at risk of dropout, and social protection systems strengthening). Finally, the project is fully aligned with the MENA-wide platform to mitigate socioeconomic impacts of the COVID-19 crisis.

21. The proposed emergency operation aligns with the National State of Emergency COVID-19 Response Plan. Specifically, the proposed operation supports the implementation of the plan with respect to mitigating the income loss of vulnerable Palestinian households and those severely hit by the crisis. The CTP and C4W are two powerful mechanisms that provide timely and effective relief through income support. These mechanisms are not only the fastest delivery mechanisms, but they also target those that are more vulnerable: the poor and the new poor (i.e., those that have lost their livelihoods). The increased consumption from these vulnerable groups will help trigger demand for goods and services and prevent/minimize further job losses.

22. The proposed operation contributes to the implementation of the World Bank Group's FY18-21 Assistance Strategy (AS) for WB&G (Report No. 115201-GZ) discussed by the Board of Executive Directors on December 5, 2017. It falls under the AS objectives of pillars 1 and 3, namely, "Setting the conditions for increased private sector investments and job creation" and "Addressing the needs of the vulnerable and strengthening institutions for improved citizen-



centered service delivery.”²³ The project will provide a temporary safety net to vulnerable and poor households and will also contribute to reducing the deficit in health and social services through temporary job creation. The operation will complement other emergency operations responding to COVID-19 such as recently approved (April 2, 2020) WB&G COVID-19 Emergency Response Project (P173800), as well as future municipal and private sector COVID-19 response operations.

Box 1: World Bank COVID-19 Activities in West Bank and Gaza

To assist the Ministry of Health to contain the spread of the virus, achieve health security, and minimize adverse economic impacts, the Bank responded on March 5, 2020 by immediately reallocating US\$800,000 under the ongoing Health System Resilience Strengthening Project (P173797) to provide for top priority items (Personal Protective Equipment, lab materials, testing toolkits, and ventilators) needed by the Ministry to combat COVID-19. In addition, on April 2, 2020 a US\$5 million emergency operation (P173800) was approved by the World Bank to support an immediate response to the pandemic and strengthen the West Bank and Gaza health system for public health preparedness. The West Bank and Gaza COVID-19 Emergency Response Project is being implemented through fast track procedures to help in early detection and proper recording of cases of infection as inputs for risk assessment and mitigation. It supports the procurement of essential equipment for laboratory and diagnostic systems, such as ventilators, Polymerase Chain Reaction (amplification technique for specific part of DNA) machines, and test kits. The project will not only support the epidemiological surveillance systems but also strengthen the Palestinian public health system in response to the virus, including establishing and equipping quarantine and treatment centers, and hiring short-term health personnel.

In addition, the Social Protection Enhancement Project (SPEP) (P160674) continues to support the design and functioning of social safety nets through refined targeting and improved citizen’s engagement under this Project; timely delivery and refined safety nets are key in crisis response. Furthermore, the Gaza Emergency Cash for Work and Self-Employment Support operation (P167726) finances C4W opportunities for about 5,000 poor unemployed youth in services provided by NGOs across the Gaza Strip. By focusing on social services provided by NGOs, the project not only serves as a temporary safety net but also aims to reduce the deficit in health and social services among the most vulnerable. It also supports the NGO sector, a big private sector employer with a strong record and proven capacity in delivering services to poor communities in Gaza. While there are limited opportunities for private sector growth and job creation in the current Gaza context, the project supports one such opportunity, namely e-work.

A “COVID-19: Economic Assessment and Proposed Actions for the PA” was prepared the World Bank in April 2020 in response to a request from the Prime Minister’s Office to provide advice on the economic impact of the COVID-19 pandemic on the Palestinian territories. Policy recommendations outlined in the note include options to support services and budgets, households, the private sector, and the financial sector.

23. **The proposed operation builds on and supports the implementation of the Social Development Sector Strategy (2017-2022) (SDSS).** By providing cash support and cash for work opportunities to poor and near-poor households, the proposed project is fully aligned with the SDSS aim to improve the protection of the poor and their access to economic opportunities. In alignment with the National Policy Agenda 2017-2022, the SDSS 2017-2022 supports the vision of building a resilient, productive, and creative Palestinian society that guarantees a dignified life for all its members, unleashes their potentials, and believes in rights, equality, justice, partnership, and inclusion. The main objectives of the strategy are poverty reduction and elimination of all forms of social exclusion, discrimination and violence against women

²³ The Assistance Strategy is centered around three pillars: (1) Setting the conditions for increased private sector investments and job creation, (2) Launching a new Private Sector Enhancement Facility to realize private sector investments, and (3) Addressing the needs of the vulnerable and strengthening institutions for improved citizen-centered service delivery.



and girls, and vulnerability as well as maintenance of the social fabric. In this new system, cash is an instrument of last resort for those who need it the most (the extreme poor) to cover basic needs, while services are to be provided to the poor, including the extreme poor, to reduce social vulnerabilities and improve access to economic opportunities.

24. **The project is built on the success of past and ongoing projects.** One such project is the Social Protection Enhancement Project (SPEP P160676), benefiting from having a robust delivery system, an effective implementation network that includes social workers and staff from *muderies*, as well as a successful communication strategy. On GBV, female social workers (i.e. Murshidat al Mara'a) are trained on matters related to GBV. In addition, each of the 12 Muderies has a Women's Protection Unit headed by a Murshidat Al-Mara'a dedicated to focusing on women's empowerment and gender issues, including domestic violence. Through the SPEP, short interventions during home visits provide families with tools that promote non-violent conflict resolution and eliminate child maltreatment; these tools have proven to reduce incidents of GBV/IPV. In close collaboration with the MoSD, these short prevention interventions aim at leveraging the experience of the UN and civil society to engage with communities and design a context-specific approach to GBV prevention that is safe and gender sensitive (see Annex 2 for more details).

25. **The proposed project is also in line with the PA's framework for economic and social operational response to COVID-19.** At the country level, and in addition to supporting the health response, the World Bank program for COVID-19 response is expected to focus on: (i) protecting the poor and vulnerable; (ii) supporting businesses; and (iii) accelerating recovery and strengthening economic resilience. This project focuses on (i) and (iii) by supporting the poor and vulnerable households through cash transfers and accelerating recovery and strengthening economic resilience through the creation of temporary job opportunities in the provision of health and social services. Moreover, as households in the West Bank are more likely to be affected by reduced labor incomes due to the higher concentration of private sector jobs, as well as the importance of tourism, the project would focus only on West Bank governorates to provide relief against COVID-19. Nevertheless, the Gaza population, which currently includes about 70 percent of CTP beneficiaries, would not experience any interruption of CTP.

II. PROJECT DESCRIPTION

A. Project Development Objective

The project development objective is to provide cash support and short-term employment opportunities to vulnerable populations in the West Bank, affected by COVID-19.

B. PDO-Level Results Indicators

Component 1:

- Number of households receiving cash support (89,400)
 - Number of individuals beneficiaries (447,000)
 - Of which female (percentage) (50 percent)

Component 2:

- Number of vulnerable populations receiving cash for work from the project (3,060)
 - Of which, female (percentage) (50 percent)



C. Project Components

26. The proposed project will support the PA's emergency response to the COVID-19 crisis through four components: 1) Emergency Cash Transfers in the West Bank; 2) Cash for Work in the West Bank; 3) Capacity Building Project Management, Monitoring and Evaluation; and 4) Contingent Emergency Response Component (CERC). These components are described below.

27. The project will also help to lay the foundation for a reliable system of providing cash transfers that will be responsive to future shocks, including climate-related shocks. In particular, the project will use and improve upon, existing delivery platforms to scale up cash support and to provide cash for work opportunities to households affected by COVID-19. This experience will provide valuable lessons and allow the PA to respond quickly and effectively to mitigate the adverse effects of future crises, including those triggered by climate-related shocks, on poor and near-poor households.

Component 1: Emergency Cash Transfers in the West Bank (US\$20 million)

28. This component will finance cash transfers to approximately 89,400 poor and vulnerable-to-poverty households affected by COVID-19 in the West Bank. The emergency cash transfer program aims to reach two groups of at-risk households: (i) applicants for the new COVID-19 relief support launched by MoSD, MoL, and Ministry of Local Government, and (ii) poor households already registered in MoSD's CTP system. Therefore, this component will include two sub-components: (1.1) Emergency Cash Transfers to households vulnerable to poverty not benefiting from the CTP system, and (1.2) Financing of the CTP-funding gap. To ensure timely support, the implementation of the component will rely on MoSD's delivery system to work as a back-office service delivery for all cash transfers, which builds on the existing World Bank engagement with MoSD through the ongoing SPEP.

29. The proposed emergency cash transfers component will offer a benefit of NIS700 (US\$196 equivalent) per household as a one-time payment during the pandemic for newly enrolled households and cover the financing gap to provide CTP-beneficiaries with the second quarterly payment for 2020.

30. The component will support the MoSD to use existing delivery systems (mainly payment mechanism, management information system, and grievance and redress system) to promote (a) a horizontal expansion to households vulnerable to poverty as a result of the COVID-19 shock but currently not enrolled in the CTP program, and pre-identified by MoL, MoSD, and Ministry of Local Government, and (b) finance the funding gap of the CTP program to ensure quarterly payments to poor households that are beneficiaries of the CTP.

Subcomponent 1.1. Emergency Cash Transfer to households vulnerable to poverty (budget US\$13.9 million)

31. This subcomponent will provide one-time emergency cash transfers to eligible beneficiaries located in areas especially affected by the COVID-19 outbreak, selected in accordance with the criteria and procedures set forth in the Project Operation Manual (POM). One time cash transfers will be provided for about 68,000 vulnerable households from the West Bank that are currently not benefiting from the CTP program. The subcomponent aims to reach households that were vulnerable to poverty prior to the pandemic, or have lost their income due to the pandemic (whether from formal jobs, daily activities, or informal sources), or potentially other households with vulnerable members, such as



children and disabled persons, in areas especially affected by the COVID-19 outbreak. This subcomponent will be implemented by the MoL, which will be responsible for defining the criteria for the selection of beneficiaries, running program communications, and finalizing the beneficiary list. In addition, MoL will work in close collaboration with MoSD to focus on the quick and efficient service delivery of the cash transfer. MoSD, through the CTP program unit, is expected to be the data curator, data administrator, and system developer to ensure data entry and cross-verification with other systems to guarantee the quality of the information. Moreover, MoSD will be the entity triggering and administering payments to selected households based on their accumulated experience with payments under the CTP.

32. **Households registration.** Households/individuals have applied for emergency cash transfers using an e-platform (mobile phone or web-based) and an application form. As MoL, MoSD, and Ministry Local Government have developed three independent processes, the component will support MoSD to create interoperability of the three systems to consolidate the information into one single platform. The three forms currently in use include some socio-economic information that can be used to rank households in terms of needs. In addition to informing the public in general about this program, the MoL can send targeted messages (using social media, text, and email) to potential beneficiaries to inform them about the implementation process, while providing tailored messages where needed.

33. **Beneficiary selection.** Once the interoperability of the three systems is completed, MoSD will perform cross-verification checks with CTP and other information systems (as it is routinely done for the CTP) and apply emergency targeting criteria defined by MoL for selection of beneficiaries. The exact criteria will be described in the implementation manual.

34. **Payments.** To minimize person-to-person contact, the use of digital payments will be explored, particularly with the recent actions of the Palestine Monetary Authority, as part of the COVID-19 response plan, to license payment service providers in order to launch digital financial products such as e-wallets. Currently, person-to-person digital payments are possible in WB&G, while work is underway to formalize government-to-person payments, which is key for e-wallet payment processes under this project.

35. **Benefit amount and duration.** Selected households will receive a one-time payment of NIS700 (US\$196 equivalent) after being deemed eligible based on pre-defined selection criteria as specified in the Project Operations Manual (POM).

36. **Grievances and Redress Mechanism (GRM).** The MoSD is currently implementing GRM activities under the existing CTP. This mechanism will also be used to support the emergency cash transfer program in the proposed project as it provides a scalable, functioning GRM-mechanism. Benefiting from its continuous and long standing validation, the existing GRM is transparent, has strong accountability mechanisms including a citizen engagement component, and has been rated highly effective and efficient in handling grievances and communicating with the public.²⁴ Through its unified portal gateway, MoSD has made the public platform available for citizens to fully engage through a two-way communication channel.²⁵ The Ministry also maintains open channels with civil society organizations, beneficiaries, and other stakeholders to foster the complementarity of the program. In addition, MoSD currently discloses its citizen budget through the GRM. Grievances will be received through the GRM platform (digital) and MoSD's call centers. They will be documented in the MIS and handled through the established MoSD entity and the Project Coordination Unit (PCU).

²⁴ Number of current registered cases amounts to 284, with 115 dealt with in a timely manner and 150 pending resolution.

²⁵ World Bank Independent Evaluation Group (IEG, 2018), World Bank ICR (2019).



37. **Communication.** Information about the program and its temporary nature is expected to be channeled through the MoL and MoL's communication campaign linked to this component using various means, including social media, TV, and radio, and if possible (due to social distancing practices) through MoSD social workers as well as local organizations, such as local women's organizations, to reach families who may not have access to the Internet or mobile services. As part of the general communication, a clear explanation of standard COVID-19 prevention practices and social distancing (see Annex 3 for guidelines on policies for public works under COVID-19), as well as detailed information on specific topics such as family budgeting, savings, and GBV, need to be developed (see Annex 2 for more details).

Subcomponent 1.2: Financing of the CTP-funding gap (estimated budget US\$6.1 million)

38. This subcomponent will provide cash transfers to support eligible beneficiaries already receiving benefits from the existing CTP. It will finance the temporary CTP financing gap and ensure that CTP beneficiaries will receive the second quarterly payment for 2020 to cover their basic needs and help them avoid falling deeper into poverty. An estimated 21,400 CTP households (out of a total number of 115,000 CTP beneficiaries) will benefit from this subcomponent. The subcomponent targets households that were already poor prior to the pandemic and are likely moving further away from the poverty line as a result of crisis. This subcomponent will be implemented by the MoSD, building on the ongoing CTP-registry and the operating delivery systems. The benefit level will be that determined by the CTP program, ranging between NIS250 (US\$70 equivalent) and NIS600 (US\$168 equivalent) per month depending on household income²⁶.

39. **Communication.** Communication of the nature and duration of the support through the CTP program will be reinforced. As part of the general communication, a clear explanation of standard COVID-19 prevention practices and social distancing,²⁷ as well as detailed information on specific topics such as family budgeting, savings, and GBV, need to be developed (see Annex 2 for more details). Social media, text messages, TV, and radio are general channels of dissemination, but MoSD's social workers and local agencies can also play a role in disseminating those messages.

Component 2: Cash for Work in the West Bank (C4W) (US\$8 million)

40. This component will provide sub-grants to selected NGOs to implement cash for work sub-projects employing targeted vulnerable population, through temporary employment, including health and other social services to address COVID-19 related health and social needs. It is expected to provide short temporary employment opportunities for approximately 3,060 (of which at least 50 percent will be women) individual beneficiaries, building on the delivery model developed for Gaza. Supported subprojects will focus on health and other social services provided by NGOs to vulnerable groups affected by COVID-19, and will also include economic livelihoods initiatives to assist vulnerable populations in the recovery from the crisis. Services to support economic livelihoods will mainly be in the area of agricultural activities but other types of activities could also be considered. Health services include clinics and other health services, including support to disabled and elderly populations. Other social services in which beneficiaries will be employed will be as teachers in the education sector, as social workers providing psychosocial support, as workers to support women who have been victims of GBV, and as providers of child services.

41. The C4W component has been designed to deliver quick results. The design features will be detailed in the POM. The Project Coordination Unit (PCU) in concert with the implementing entity of the MoL, the Palestinian Fund for Employment and Social Protection (PFESP),²⁸ will identify NGOs to carry out Cash for Work sub-projects in accordance

²⁶ The benefit amount is obtained as 50 percent of the poverty gap measured by the distance of the poverty line to the estimated consumption of the beneficiary household.

²⁷ See Annex 1 for guidelines on policies for public works under COVID-19.

²⁸ The PFESP is the implementing arm of the MoL.



with the criteria, terms, and guidelines set forth in the POM, which shall include, inter alia, the following eligibility criteria stating that the NGO:

- a. Is a non-governmental, non-profit, and non-partisan organization with offices registered in the West Bank for at least five years;
- b. Has had an operating office in the West Bank for at least three years;
- c. Has a proven track record of working in poor and marginalized communities;
- d. Possesses financial management and administrative systems to implement Cash for Work sub-projects deemed acceptable to the World Bank;
- e. Has annually disbursed funds of at least US\$100,000 between 2017 and 2019;
- f. Has demonstrated carrying out the minimum actions (at least) to uphold international GBV standards and a survivors-centered approach in caring for GBV survivors.²⁹

42. All fiduciary and procurement aspects will be managed by the PCU, while the PFESP will be in charge of the technical aspects of this project component.

43. The selected NGOs will hire project participants based on a competitive and transparent process and the targeting criteria set by the project. In addition to these criteria, NGOs may require specific education qualifications from candidates depending on the nature of work. However, lower-educated applicants will be given preference for lower-skilled work. Shortlisted beneficiaries will be required to show proof of their eligibility and qualifications, and NGOs will be responsible for validating the information. The PCU and the PFESP will undertake a final validation of selected candidates. NGOs will select beneficiaries only once for the two sub-periods. Among the selected beneficiaries, the assignment into the first and second batches will be done randomly. If the number of qualified candidates is greater than the 3,060 jobs available, the NGOs will select beneficiaries randomly. The selected NGOs will keep a waiting list of candidates to draw from should the elected beneficiaries drop out during the implementation of the sub-project.

44. Each beneficiary will work for six months and receive a stipend equivalent to US\$413 per month, an amount that is slightly below the minimum wage. To spread the benefits of C4W across households, only one qualifying person per household will be allowed to benefit from C4W, with a target of at least 50 percent women among the C4W participants.

45. **Grievances and Redress Mechanism.** Grievances and complaints will be received electronically by email or SMS, through calls, and through complaint forms. They will be documented in the MIS and handled through the PCU.

Component 3: Capacity Building Project Management, Monitoring and Evaluation (US\$2 million)

46. This component will ensure that the PCU housed at the Ministry of Finance and the technical entities working directly with the PCU will be operational and will implement the project in conformity with the Legal Agreement, the Project Appraisal Document (PAD), and the POM. It will strengthen the PCU, MoSD, MoL, and PFESP's capacity for project management and monitoring and evaluation (M&E) through financing of:

- a. Office equipment (including IT and systems) ;
- b. Consultants' services and project staff (who are not civil servant), including audit;
- c. Training and incremental operation costs; and
- d. Contractual services, outreach campaign and communication to ensure that beneficiaries understand the temporary nature of the activities under components 1 and 2 of the project.

²⁹ Only applies to those NGOs working or proposing to work on GBV.



47. Capacity building is a key activity supported under this component, not only for the immediate implementation of the project but also for building resilience to mitigate the impact of future shocks, including climate-related shocks. This component will provide support for building resilience to mitigate the impact of potential future shocks on the Recipient's social and economic fabric, including:

- a. Training of MoSD, MoL, PFESP's staff to ensure adequate capacity to implement current and future labor market programs;
- b. Support on the design, communication and outreach, identification, registration, needs assessment, enrollment, payment mechanism, management information system, and grievance and redress system;
- c. Technical assistance to support the development of an enrollment form for the households that are vulnerable to poverty; and
- d. The development of a high frequency crisis monitoring survey, including a high frequency phone survey to monitor the socioeconomic impacts of COVID-19 and the mitigating effects of Project interventions on beneficiary households.

48. This component aims at building the capacity at MoSD, MoL and PFESP to develop a strategic approach to crisis recovery. Furthermore, enhanced capacity at the PFESP would allow the fund to implement some of the policy recommendations outlined in the World Bank's (2019) "Enhancing Job Opportunities for Palestinians." In addition to strengthening its future capacities to address crisis and recovery in the labor market, the Fund could address: (i) investing in labor demand through financing entrepreneurship, (ii) coordinating upskilling and reorienting skills to those demanded in the market, (iii) providing support to workers in need, (iv) increasing women's access to job opportunities, and (v) fostering skills development in ICT to support youth and women for trade in services.

49. The project will support the digitization of delivery. This will make the Palestinian social protection policies and programs more dynamic and inclusive, as well as more shock-responsive. Digitalization has been shown to increase the security and reduce the costs of transfers while also reducing the need for person-to-person contact. The digital integration of the new applications into the CTP registry to build a shock-responsiveness roster around a Social Registry for the medium- and long-term will be particularly important in this regard.

50. This component will also include technical assistance for the outreach campaign (communications) to ensure that beneficiaries understand the temporary nature of this project. This is important to avoid raising expectations that this is a permanent project to increase benefit levels from the current cash transfer program, as well as preparation and dissemination of GBV tailored messages. The World Bank will work with the relevant PA ministries to provide a clear explanation of the timeline of the emergency assistance, while encouraging further policy and reform efforts to improve long-term job opportunities in the aftermath of the emergency.

51. Furthermore, this component will support a high-frequency crisis monitoring survey. Specifically, a high frequency phone survey will be rolled out to monitor the socioeconomic impacts of COVID-19 and the mitigating effects of project interventions on beneficiary households. Data will be collected from beneficiary and non-beneficiary households to facilitate a disaggregated analysis by type of households, including with regard to gender of the household head.

52. All fiduciary and procurement aspects under this component will be handled by the PCU at the Ministry of Finance (MoF).



Component 4: Contingent Emergency Response Component (CERC) (US\$0 million).

53. In the event of a future eligible crisis or emergency, the project will provide an immediate response, as needed. This component would draw from uncommitted funds under the other components of the project. In the event that the CERC is activated, the restructuring of the project would need to occur within three months after activation.

Climate Co-Benefits

54. **The project develops the institutional structure for making cash support responsive to climate-related shocks.** The project will utilize existing delivery platforms, refining them as needed, to scale up cash support and to provide cash for work opportunities to households affected by COVID-19. The experience will provide valuable lessons and allow the PA to mitigate the adverse effects of climate-related shocks on poor and vulnerable households. When property is destroyed by floods, or when agricultural yields are destroyed by droughts, affected households need support from the state to recover and get back on feet; helping these households to repair their homes, cover losses in farming, and close financial gaps in household budgets will require timely, targeted, and effective support. The database of poor and vulnerable households that this project will develop can be quickly updated, including specific information on exposure to natural hazards and climate change-related risks. The targeting mechanism can be adjusted to fit the needs of a climate shock response, which can involve supporting new households and existing social assistance beneficiaries affected by the climate shock. This response would also benefit from the digital payment infrastructure and the GRM that the project will support.

55. By strengthening cash support to poor and vulnerable households, the project will also make these households more resilient to climate-related shocks, by helping them build human capital and productive assets and by providing a safety net against climate-related shocks, such as heat waves and floods. As mentioned in paragraphs 20 of this document, this project contributes to human capital development, and will provide beneficial employment to vulnerable members of the population through the cash for work project component. The list of specific sectors where employment will be offered to those vulnerable workers can be adjusted as needed. Temporary employment in the education sector can involve awareness-raising in terms of climate change mitigation, resource conservation, and resource use efficiency, thus creating both climate change mitigation and adaptation co-benefits. Poor households de facto are pioneers in resource conservation efforts. They use the minimum of water and energy because they are frugal. Therefore, they would be great “ambassadors” for programs in climate change mitigation, with minimal training: they speak from own experience, and relate to their audience.

D. Project Beneficiaries

56. The direct beneficiaries of the project are vulnerable populations affected by the COVID-19 crisis. The project will provide cash transfers to about 89,400 poor and vulnerable households and temporary employment support to around 3,060 vulnerable workers under the C4W component. At least fifty percent of beneficiaries under the C4W component will be women. The estimated number of all individuals benefiting from the project (both components combined) is 462,300 (using an average family size of five). The breakdown of beneficiary households is as follows: (i) 68,000 households receiving the one-time emergency cash transfer; (ii) 21,400 CTP beneficiary households receiving the second quarterly payment of CTP; and (iii) 3,060 households with a member benefiting from cash for work for six months. CTP

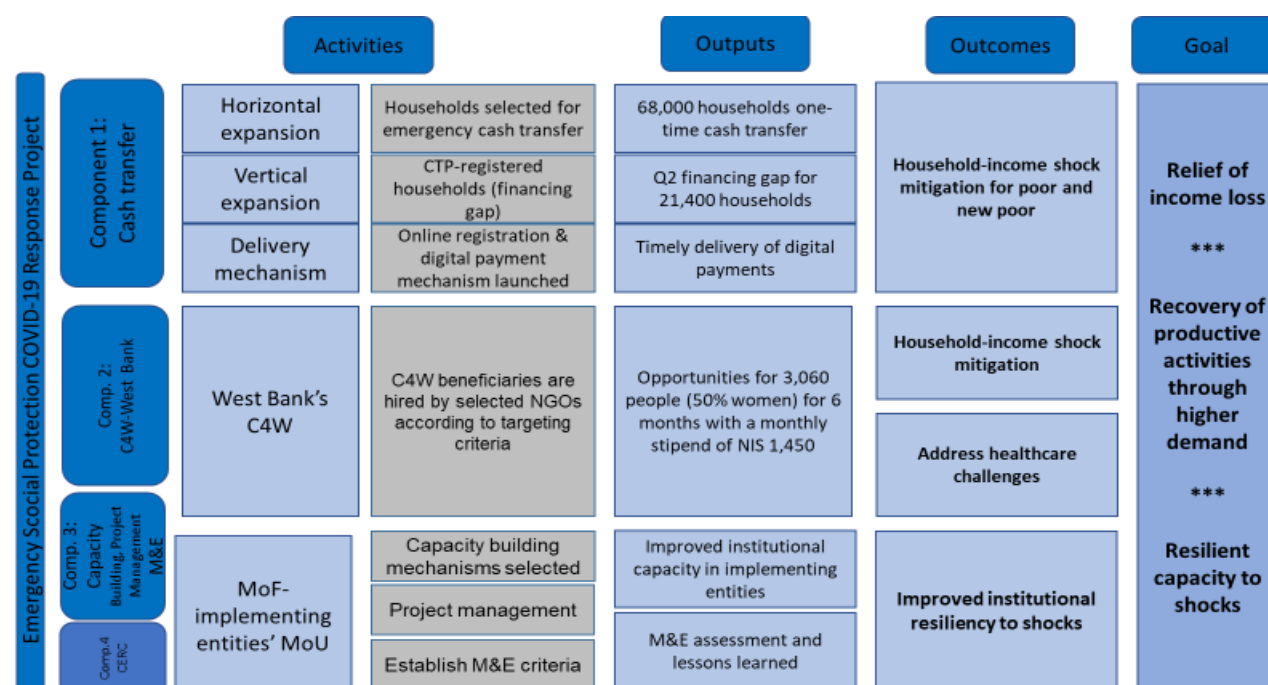


beneficiary status will be validated against MoSD's CTP beneficiary database. Only one beneficiary per household will be allowed. All project beneficiaries will receive payments digitally either through bank accounts or through e-wallets³⁰.

57. Indirect project beneficiaries will include:

- a. Members of households benefiting from the cash transfer and C4W;
- b. Vulnerable people directly benefiting from services provided under C4W projects (e.g., those affected by the COVID-19 disease, i.e., the sick, disabled, elderly, children, and women).

E. Results Chain



F. Rationale for Bank Involvement and Role of Partners

58. The World Bank Group's support to the PA will take full advantage of expertise available at the global and regional levels from the Fast Track COVID-19 Response Program that builds on the experience and credibility of the World Bank in responding to the global crisis. This umbrella institutional response permits the World Bank Group to move swiftly to support countries as they respond to the health and socio-economic impacts of the spread of COVID-19.

³⁰ While payment through bank accounts is already an established digital payment mechanism under the CTP, the use of e-wallets is currently being explored.



59. The Palestinian territories are already experiencing the human and socio-economic impact of the COVID-19 pandemic. The impact of the lockdown resulting from the pandemic is bound to be substantial due to the loss of livelihoods among the most vulnerable populations. The proposed operation aims to minimize the socio-economic impact of the COVID-19 on the most vulnerable Palestinians, particularly in the West Bank where the pandemic has concentrated.

60. The proposed operation builds on and complements other development partners' (DPs) social protection efforts. Discussions have been held with relevant donors and implementing agencies to maximize complementarities. With the EU largely addressing cash transfer needs, the World Bank will be complementing the EU's aid in addition to injecting the creation of short-term job opportunities. As a result of the consultations held with DPs, the World Bank's financing fills a substantial gap and constitutes an effective investment.

G. Lessons Learned and Reflected in the Project Design

61. **The project builds on lessons learned from the CTP and C4W projects implemented in the West Bank and Gaza, global experience from previous crisis responses (financial and food crises), and the development of adaptive social protection systems over the past decades.**

62. **The consequences of this health crisis set COVID-19 apart from any other pandemic in modern history.** In the past 100 years, the world has been hit by a number of epidemics and pandemics. However, the geographical extent of the COVID-19 outbreak and its fast-paced contagion combine to make it a singular event. COVID-19's speed of contagion has overwhelmed health systems and has led to unintended health consequences, as health systems around the world have been unable to cope with the large number of patients that have required care. While COVID-19's aggressiveness puts patients at risk, it also risks the lives of patients with other conditions by preventing them from getting the health care they need to treat those conditions in a timely manner when health systems are overwhelmed by the pandemic.

63. **To prevent the further spread of the virus, governments have resorted to social distancing, lockdowns, and quarantines, which in turn have reduced labor supply and demand for many products and services.** The unintended consequences of the policies to mitigate contagion have been transmitted to households via reduced labor incomes, reduced remittances, and higher food prices. It is unclear if the impact for informal and formal workers will be different, but it is certain that the former lack the necessary social protection mechanisms to cope with the crisis.³¹ The long-term impact may be dire: experience shows that in the absence of support, poor families may resort to disinvesting in human capital. When families in crisis see the immediate need for income-generating activities, children and women are pulled out of schools, and young people are discouraged from pursuing additional education, leading to skills shortages among the future labor force.

64. **A key lesson from previous economic shocks is that cash transfers are the fastest and most effective coping mechanism for vulnerable households.** Experience from other crises has shown that the use of cash transfers is preferable to other forms of (in-kind) support.³² Cash transfers are operationally easier to channel, more cost-effective, and provide beneficiaries with choice on how to use these resources. Provided markets function adequately, cash

³¹ Poor and near-poor households tend to be disproportionately affected by increases in food prices because they consume more food relative to the share of their total income than wealthier households.

³² Cash transfers: what does the evidence say? ODI, July 2016.



assistance allows households to make an optimal choice of consumption (e.g. foodstuffs, utilities, housing) and investment (e.g. human capital).³³

65. **There are at least three dimensions to implementation that need to be carefully considered: (i) the timeline of the intervention, (ii) the targeting of the intervention, and (iii) the delivery mechanism.** First, experience suggests that transfers need to take place as soon as possible to provide effective relief from the impact of the shock they seek to address, and they should be maintained long enough for the business cycle to recover. During lockdown, cash transfers to vulnerable groups are particularly important. The average duration for cash transfers in response to crises is 2.9 months. Second, the intervention should ideally not only cover existing poor households, but also those that are newly poor due to their loss of livelihoods, so existing CTPs should increase the number of beneficiaries to include the new poor. At the same time, existing CTPs should continue payments under current cash-transfer systems and increase the amount of recipients' benefits if possible. Given the liquidity crisis of the PA, this project focuses on financing the funding gap for the second quarterly payment of 2020 to CTP beneficiaries. Third, the delivery mechanism is of utmost importance for timely relief. Mobile transfers (e-wallets) are the best way to guarantee contactless, transparent, user-friendly, and timely delivery of cash to beneficiaries, even in the most remote places.³⁴ Moreover, existing CTP platforms are the ideal delivery mechanism for an emergency operation.

66. **The project builds on the lessons learned around the globe and on the most effective platform to deliver cash support to households in WB&G (CTP) as well as on the institution that manages it (MoSD).** The cash support financed through the proposed project builds on the existing CTP Platform, the most effective platform for delivering digital cash support to households in WB&G. It will support the necessary improvements to the supporting systems as well as the capacity of MoSD to manage the overall program.

67. **Cash for work is an effective tool to curb unemployment and at the same time support the health sector.** Around the globe, nine countries have put in place C4W mechanisms to support income losses. Previous experience with C4W in the context of epidemics in the Democratic Republic of Congo add to the cash-for-services experiences in Greece and South Africa, and showcase the value of C4W in delivering much-needed services while providing income support.³⁵ The horizontal expansion of the program can be expected to be particularly beneficial: expanding coverage in Gaza while setting up a new program for the West Bank. Specific lessons from other C4W interventions in Gaza and elsewhere, particularly in FCV contexts, for the project's C4W include the effectiveness of: (i) developing a simple and transparent design that is clear and well-understood by all stakeholders (potential beneficiaries, NGOs, communities, public institutions); (ii) working through communities and local governments; (iii) delivering C4W through NGOs and the private sector; (iv) considering C4W opportunities that also appeal to women; (v) considering C4W opportunities that appeal to lower-skilled and higher-skilled youth; (vi) setting the C4W stipend just below the minimum wage; and (vii) designing C4W not only to provide quick relief, but also to contribute to medium-term development goals.

³³ Despite frequent concerns, research to date also shows that there is no evidence of the use of cash-based transfers on so-called temptation goods.

³⁴ The humanitarian community has been utilizing e-wallets for the delivery of aid particularly in fragile and crisis contexts for several years now due to its innovative utilization of cell phone penetration, low costs, and lack of additional physical infrastructure requirements. Experiences range from programs to support the poor in Somaliland, to transfers to refugees in Uganda and Jordan, to natural disaster responses in Haiti and the Philippines. In case of health emergencies, the Liberian government's choice to use mobile money allowed transfers to reach beneficiaries while not endangering lives or having to rely on the presence of a physical banking infrastructure. Furthermore, with the help of enabling regulations, e-wallets can lead to faster adoption of cashless transactions, which do not require presence of point of sale machines or any additional technology apart from the mobile phone. Lastly, e-wallet interfaces can be simplified and streamlined to allow fast onboarding and ease of use, which is critical for disaster response when large sections of previously unbanked populations might need to be enrolled in digital payments swiftly.

³⁵ During the Ebola epidemic in West Africa, the Democratic Republic of Congo launched a cash-for-work program not only to provide short-term employment in Ebola hotspots, but also to tackle infrastructure gaps that limited first responders' access to patients.



68. **The role of NGOs in delivering C4W opportunities in Gaza and now also in the West Bank is critical to provide employment opportunities for vulnerable populations.** The existing evidence and experience in Gaza through the current C4W, a series of PNGO projects, and other initiatives show that NGOs: (i) are the main providers of social services in Gaza; (ii) have a strong delivery record; (iii) are specialized in reaching out to the most vulnerable segments of the population; (iv) have experience in responding to emergency situations; (v) have experience implementing similar C4W projects; (vi) have a strong record of working with communities and public institutions; and (vii) have the capacity to adapt to the rapidly evolving context in the Palestinian territories. Given the crisis, the geographic expansion of NGO activity in the West Bank is desirable and additional consideration (or preference) will be given to NGOs attempting to either maintain or respond to and manage the increased levels of violence against women and girls.

69. **Building on the successful gender approach of the C4W in Gaza intervention, specific attention will be paid to ensuring young women have equal access to C4W opportunities in the West Bank** through the following actions: (i) requiring that at least half the beneficiaries of each sub-project are women; (ii) focusing the C4W on social and health services which appeal to women; (iii) ensuring that information about C4W opportunities in sub-projects is communicated in a way that will reach women and men, equally; and (iv) offering a transportation stipend to ease mobility constraints.

70. **The program also applies lessons on social distancing and reducing crowding as established in WHO guidance notes.** These include the need for providing personal protective equipment (PPE) for those that have client contact, digitalization of payments, and good communication with communities, NGOs, social services, and the beneficiaries. While the health risks for people working in groups under the C4W have to be considered, these risks will be addressed by implementing approaches to screen trained health care providers and volunteers as pioneered in Austria and Germany.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

71. The MoF will be the Grant recipient and will lead project implementation. The MoF's fiduciary, operational, and technical implementation capacities were assessed by the World Bank, and deemed satisfactory to implement the project. MoF has a long-standing proven track-record in working with the World Bank and has therefore demonstrated its capacity to administer World Bank financed projects including the Public Financial Management Improvement Project (PFMIP - P162850) and a series of Emergency Services Support Projects launched in 2002 and extended to 2011. However, due to the specific technicalities of the project, three implementing entities working closely with MoF will be responsible for implementing each component respectively.

72. **Under Component 1 – Cash Transfers, both MoL and MoSD will play specific roles in the component's implementation.** MoSD will be responsible for the service delivery of the cash transfer to all targeted beneficiaries, relying on its long and successful track record in managing the CTP program. MoL will lead in defining the eligibility criteria for beneficiaries that are not currently benefiting from the CTP, run the relevant communication/outreach activities, and finalize the list of beneficiaries. Since 2010, the MoSD has been managing and implementing the cash transfer program under the Cash Transfer Project (P119307) and the follow-up Social Protection Enhancement Project (P160674). Building on this experience, MoSD will utilize its established systems and tools and will enhance them as needed while using the



established CTP platform³⁶ for data verification, selection of beneficiaries, enrollment, and delivery. To accommodate the new unregistered poor households (most of which are headed by workers who have lost their income due to the pandemic), MoL will play an essential role in identifying eligible beneficiaries as mentioned above. The coordination between MoSD and MoL will be formalized through a Memorandum of Understanding (MoU) to secure transparent and effective project implementation.

73. **Under Component 2 – Cash for Work for the West Bank** - given its national mandate, the PFESP as the implementing arm of the MoL will be the technical implementing entity for this component. To secure adequate capacity in the management of Component 2 and fast-tracked delivery as this would be the first World Bank financed operation implemented by the PFESP (in concert with MoL), MoF will work closely with the PFESP on the component management and implementation. This arrangement will also be formalized through a MoU between the MoF and the PFESP.

74. **Under Component 3 - Capacity Building Project Management, Monitoring and Evaluation**, the PCU will be responsible for implementing the project in conformity with the Legal Agreement, the PAD, and the POM. All fiduciary and procurement aspects under this component will be handled by the PCU at the MoF.

75. The PCU at the MoF will coordinate project implementation with the technical implementing entities and will provide financial management and consolidated reporting for the components, progress monitoring, and procurement. The PCU will be responsible for Monitoring and Evaluation, managing the designated account, submitting WA's to the World Bank, and submitting progress and financial reports. The project coordination function would therefore rely on MoF's proven capacity in managing and implementing World Bank financed projects.

76. MoSD will be responsible for managing the service delivery of the cash transfer to all targeted beneficiaries and will therefore have direct responsibility for implementing its workplan, within the overall MoF project coordination. Regarding MoL and PFESP, MoF's close coordination and support will be crucial throughout the project duration to help build MoL and PFESP capacity in managing and implementing World Bank financed operations. This would be an opportunity for MoL and PFESP to advance its institutional capacity for potential similar future World Bank engagements.

77. The proposed implementation arrangements are likely to raise some risks; however, having MoF lead project implementation is in itself a substantial mitigation measure. The implementation arrangements will follow the existing, well-functioning architecture of the flow of budget funds and payments for all World Bank financed projects in West Bank and Gaza. The fund flow arrangements will include two designated accounts (DAs) for the implementing entities, one for Component 1 (cash transfers) and another for Components 2 and 3. For Component 1, cash benefits will be deposited directly into the bank accounts of individual beneficiaries. All accounts and fiduciary aspects will be managed by the MoF PCU.

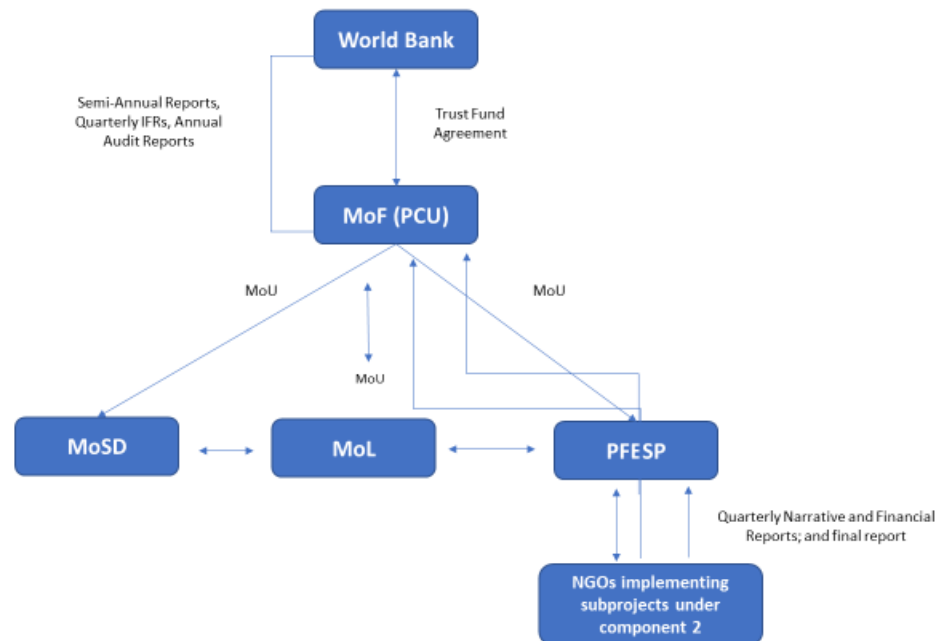
78. Furthermore, a Memorandum of Understanding between MoF, MoL, and MoSD will be signed to clarify the roles and responsibilities of each entity including reporting arrangements to MoF. The MoU will help enhance and secure smooth project implementation.

79. Implementation support will be provided by the World Bank throughout the lifetime of the project. Regular implementation support missions to analyze progress toward achieving the main result indicators and determine where adjustments are needed will be held as well to support implementation.

³⁶ The CTP flagship program has been rated by The World Bank's IEG as highly efficient in terms of targeting efficiency, success with reducing extreme poverty, and regarding a cost-benefit evaluation. Currently, more than 110,000 households are registered and covered under the CTP.



Figure 1: Implementation Arrangements for the project and Functional Relationships between Key Stakeholders



B. Results Monitoring and Evaluation Arrangements

80. The PCU at MoF will oversee the monitoring and evaluation of the project and will be responsible for monitoring the achievements of the PDO, project outcomes, and the financial and procurement performance of the project. In this context, the PCU will coordinate the implementation of activities of the various implementing entities and will collect all data required to monitor the project performance in accordance with the Results Framework. Quarterly progress reports will be submitted from the implementing entities to the PCU for the monitoring of project implementation. These would be consolidated into semi-annual Project progress reports prepared by the PCU for the World Bank.

81. A POM, acceptable to the World Bank, will be prepared by MoF within 30 days of Grant effectiveness and MoF will cause participating NGOs to adopt the POM which includes rules, methods, guidelines, and procedures for carrying out of the project, including, inter alia: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, and roles and responsibilities for project implementation; criteria on personal data collection and processing under the project, in accordance with applicable national law and good international practice; and criteria and procedures to be applied for selection of: (i) Beneficiaries and (ii) Participating NGOs.



82. Regarding evaluation, the project will support high frequency phone surveys to monitor the socioeconomic impacts of COVID-19 and the mitigating effects of project interventions on beneficiary households. Data will be collected from beneficiary and non-beneficiary households to facilitate a disaggregated analysis by type of households, including with regard to the gender of the household head. All individual level data and analysis will be disaggregated by gender. The surveys will look at indicators such as employment, food security, well-being, knowledge of preventive measures and programs, coping mechanisms, and use of cash-mechanism.

C. Sustainability

83. **The sustainability of the project comes mainly from the improvements in the delivery systems and the capacity of MoSD, MoL, and PFESP.** The cash support provided by the project will help protect poor and vulnerable households affected by COVID-19. It may also have a longer-term impact on the welfare of these households to the extent that the support provided prevents harmful de-investments in human capital. However, the main sustainability aspect of the project comes from the improvements in delivery systems and in the capacity of MoSD, MoL, and PFESP to manage projects and respond to future crises. In particular, the project will contribute to the development of MSD's social registry, which will provide the basis for supporting poor and vulnerable households in response to shocks, including climate-related shocks. The digitalization of enrollment and payment mechanisms supported by the project will make these processes more secure and cost-efficient and improve beneficiary satisfaction. The improvements in the GRM supported by the project will improve transparency and accountability. The platform for delivering C4W can be used to respond to future shocks. In addition, the services supported by C4W, whether education and health services or economic livelihood programs, can have long-lasting effects on the beneficiaries of those services.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic, and Financial Analysis

84. **The economic contraction in the Palestinian territories induced by the COVID-19 pandemic will have the most significant impact on poor and near-poor households, including those already on the CTP list.** These at-risk households are struggling with a further erosion in their purchasing power and thus their ability to sustain even basic levels of daily life. The pressure emerges from (i) loss of employment income, particularly for those working in the informal sector that are often already CTP beneficiaries; (ii) loss of remittances that are generated by Palestinian workers employed outside of WB&G; and (iii) recent increases in the price of basic food staples.

85. **The loss of labor incomes will mainly affect households in the West Bank, where employment plays a much greater role in household income than in Gaza.** This asymmetric impact is due to several factors. First, the West Bank is home to more firms and workers affected by the crisis than Gaza. According to PCBS estimates, two out of every three affected workers live in the West Bank.³⁷ The total numbers for the West Bank are significant: the COVID-19 crisis has affected over 24,000 businesses (nearly twice as many as in Gaza) and over 71,000 workers.³⁸ Second, the West Bank relies much more on jobs as a source of income than Gaza as shown by significantly higher employment rates in PCBS poverty maps (PCBS 2020b). Job losses will thus have a stronger impact on poverty levels: according to the PECS 2016/17, wages and salaries represent 77 percent and 89 percent of the total income of the first and second quintiles in the West

³⁷ PCBS (2020), Economic Impact of COVID-19: Facts & Realities.

³⁸ PCBS estimates the size of the total losses [for the two Territories] in agriculture, forestry, and fishing to be around US\$200 million, whereas in the industrial sector the estimates are around US\$362 million, in constructions around US\$220 million, and in the services activities around US\$1.175 billion.



Bank's income distribution, respectively. In Gaza, where aid from international and bilateral organizations plays a bigger role in household incomes, the respective shares are only 36 percent and 64 percent. Third, the share of the population without health insurance is six times higher in the West Bank than in Gaza (33 percent compared with 5 percent, according to PECS, 2016/17). Taken together, this picture implies that the risk of increased poverty due to a loss of employment is much higher in the West Bank than in Gaza: estimates based on PCBS data suggest that a 50 percent fall of labor income for non-contract workers would reduce consumption levels of the lowest income quintile in the West Bank by 26 percent, while the reduction would be contained to 12 percent in Gaza. This gives rise to the threat of more than a doubling in poverty rates from 14 to 34 percent, while the increase—albeit from a significantly higher initial level of 53 percent—would be contained to 7 percentage points for Gaza.

86. **The loss of labor income is expected to further deteriorate the labor market prospects for those groups in society who were already the most vulnerable before the pandemic struck.** The unemployment rate already stood at a high 24 percent in the last quarter of 2019 before the COVID outbreak.³⁹ Crisis-induced job losses will most likely affect women and youth disproportionately, who already suffered from unemployment rates of 38 percent and 37 percent respectively. Women in the private sector are at risk of both losing their jobs and not being able to return to work given the specific constraints they face during economic shocks and the associated contraction of the job market. In addition, they are likely to be the ones who will bear the greatest responsibilities for taking care of their children during school closures as well as of sick family members.⁴⁰

Table 1: Distribution of Employed Individuals by Sector

Percentage Distribution of Employed Individuals Aged 15 Years and Above		Agriculture, Hunting & Fishing	Mining, Quarrying & Manufacturing	Construction	Commerce, Hotels & Restaurants	Transportation, Storage & Communication	Services & Other Branches
Gaza	North Gaza	5.0	7.1	3.4	20.7	10.2	53.6
	Gaza	1.4	7.9	3.7	26.7	9.2	51.1
	Dier Al-Balah	5.5	3.4	2.9	13.8	5.8	68.6
	Khan Yunis	7.3	4.4	3.2	21.6	7.2	56.3
	Rafah	10.4	4.9	2.6	18.9	8.8	54.4
	Total	4.7	6.2	3.3	22.0	8.6	55.2
West Bank	Jenin	10.4	10.9	21.5	24.2	4.4	28.6
	Tubas & Northern Valleys	26.9	8.2	13.0	17.9	3.1	30.9
	Tulkarm	7.0	14.4	18.9	23.0	3.7	33.0
	Nablus	7.8	17.7	17.2	21.0	6.8	29.5
	Qalqiliya	10.2	15.2	24.1	19.5	2.9	28.1
	Salfit	1.4	30.5	25.3	16.5	5.1	21.2
	Ramallah & Al-Bireh	3.8	10.5	22.5	21.5	4.8	36.9
	Jericho & AL Aghwar	27.5	9.1	6.4	16.2	3.6	37.2
	Jerusalem	0.5	12.7	21.9	27.1	8.4	29.4
	Bethlehem	3.2	15.5	23.2	25.1	4.0	29.0
	Hebron	5.6	15.5	27.9	23.1	3.5	24.4
	Total	6.5	14.4	22.3	22.8	4.9	29.1

Source: Palestinian Central Bureau of Statistics, *Economic Activity, 2019*

³⁹ World Bank 2019 and World Bank 2020.

⁴⁰ Social and gender norms are important factors that can affect women's access to economic opportunities. In addition to the same constraints and societal preferences faced by other women in the region on working outside the home, wide-ranging restrictions on mobility and concerns of safety have made it even more difficult for Palestinian women to work and participate in daily life.



87. In addition to affecting labor income, the COVID-19 pandemic is also reducing remittances flows to WB&G. Figures 2 and 3 show that many poor and near-poor households in Gaza, and also some households in the West Bank, receive remittances income generated outside WB&G. Reductions in these flows, but also due to the economic contractions in the GCC countries, will have a strong impact on the purchasing power of affected households. As poor and near-poor households depend more on remittances than other income groups, the drastic reduction in these cash flows will have a major impact on these most vulnerable families, which may be somewhat offset by the cash transfers and C4W income opportunities generated by this project.

Figure 2: Household receives remittances (last 12 mo.)

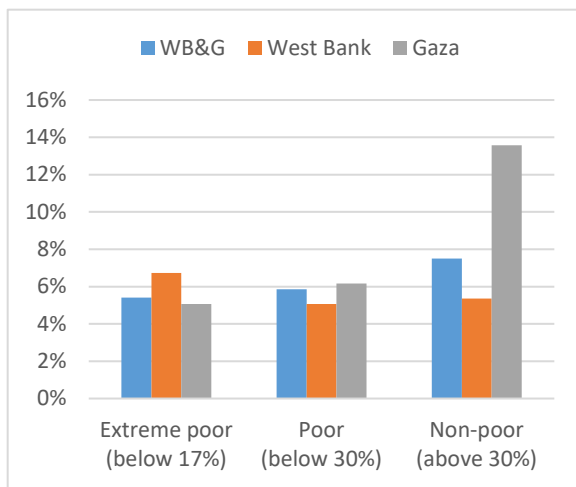
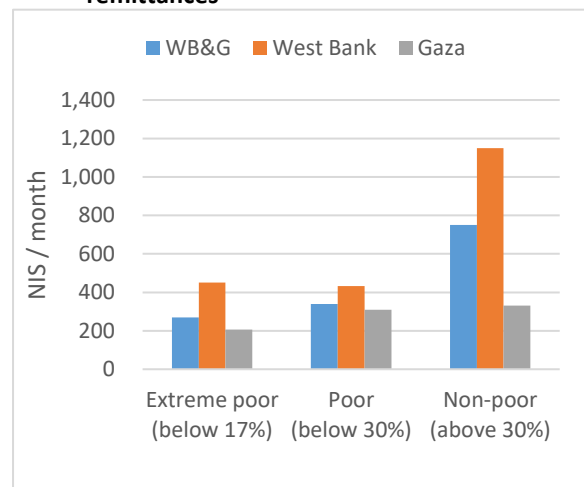


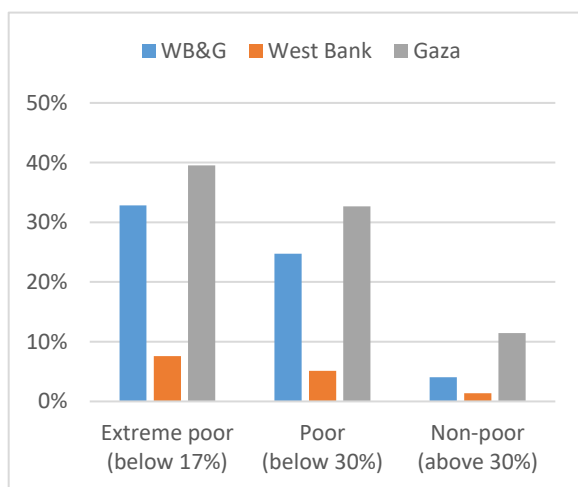
Figure 3: Average monthly amount received in the form of remittances



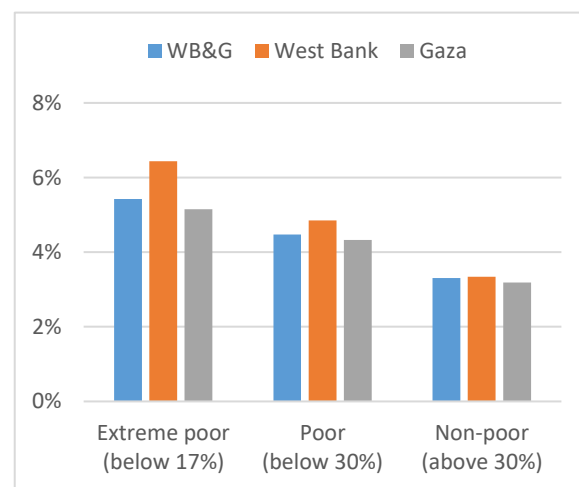
Source: Palestinian Expenditure Consumption Survey (PECS), 2016/2017

Figure 4: Main sources of income: Social Aid and Remittances

a. Social Aid



b. Remittances

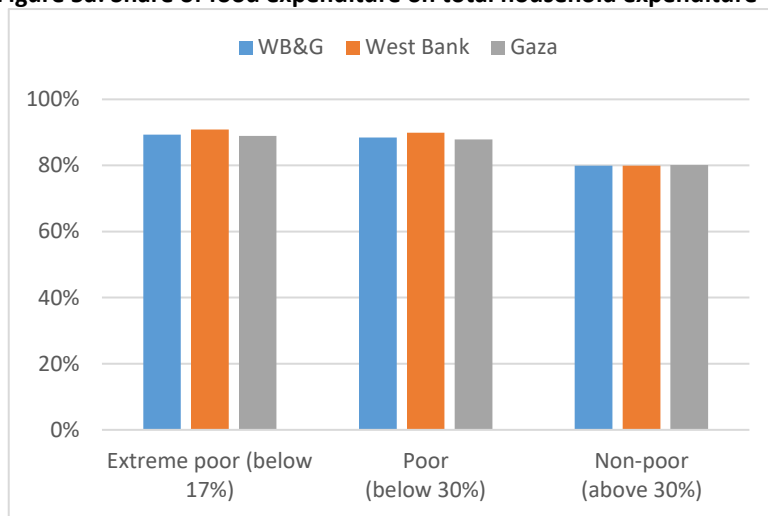


Source: Palestinian Expenditure Consumption Survey (PECS), 2016/2017



88. **Besides the shocks to incomes, poor and near-poor households will also suffer disproportionately from higher food prices.** The disruption in local, regional, and global food supply chains resulting from COVID-19 will be pushing domestic food prices up. In fact, food prices already increased in March 2020 relative to March 2019 by two percent in the Palestinian territories. Food price inflation is more pronounced in the West Bank than in Gaza.⁴¹ Poor and near-poor households consume more food as a percentage of total expenditures than wealthier households; as shown in Figure 5a, poor and near-poor households spend more than 80 percent of their income on food, allowing little flexibility in their spending patterns to adjust to higher food costs. Again, the risk seems higher in the West Bank than in Gaza in terms of risks to current consumption patterns: the 2017 Household Expenditure and Consumption Survey shows that spending on key food staples represents a greater share of the monthly household expenditure in West Bank than in Gazan households.⁴²

Figure 5a: Share of food expenditure on total household expenditure



Source: Palestinian Expenditure Consumption Survey (PECS) 2016/17 and Palestinian Central Bureau of Statistics, 2020. Consumer Price Index Survey, 2020. Ramallah, Palestinian territories⁴³.

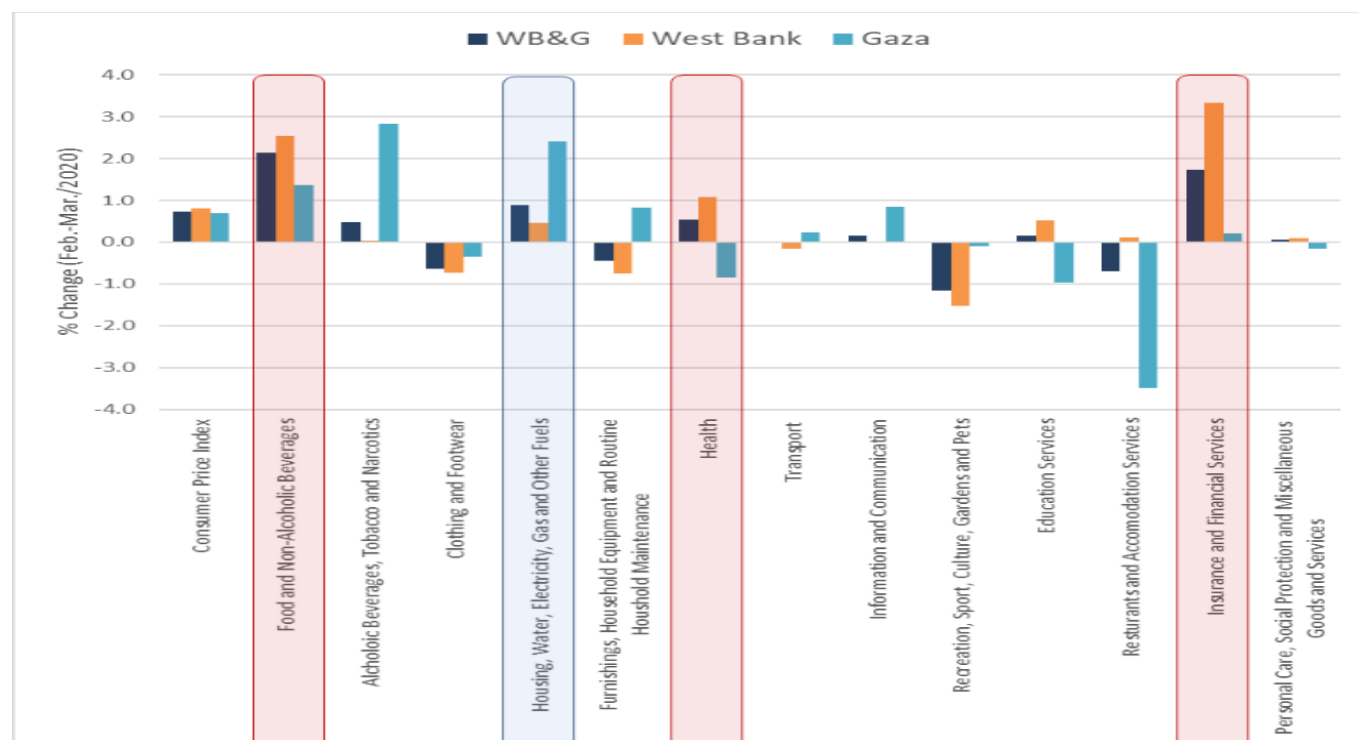
⁴¹ Compared to March 2019, the Palestinian CPI has increased by 3.36 percent in Jerusalem J1, by 1.06 percent in the West Bank, and by 0.03 percent in the Gaza Strip.

⁴² Those items include bread and cereals, meat and poultry, dairy products and eggs, fruits and nuts, and beverages. Table 2 shows that prices for some of these items have seen strong increases as a result of the lockdown.

⁴³ Notes: Results comparing March and April 2020 are not yet available in the PCBS website.



Figure 5b: Consumer Price Index (March 2020) West Bank and Gaza



Source: Palestinian Expenditure Consumption Survey (PECS) 2016/17 and Palestinian Central Bureau of Statistics, 2020. Consumer Price Index Survey, 2020. Ramallah, Palestinian territories⁴⁴.

Table 2: Share of Food Cash Expenditures by Sub-group, West Bank and Gaza

Food Group	West Bank	Gaza
Bread and cereals	15.7%	14.2%
Meat and poultry	25.5%	20.7%
Fish and sea products	1.7%	3.3%
Dairy products and eggs	9.1%	7.7%
Oils and fats	2.4%	5.2%
Fruits and nuts	8.4%	8.1%
Vegetables, legumes and tubers	14.1%	17.1%
Sugar and confectionery	4.6%	5.2%
Non-alcoholic beverages	5.6%	3.7%
Other foods	4.3%	7.5%
Take away food and meals in restaurant	8.7%	7.4%

Table 3. Consumer Price-Index March 2020

Sub Groups	Price Increase
Dried Vegetables	30.17%
Fresh Chicken	10.48%
Potatoes and other Tubers	4.99%
Fresh Fruit	3.85%
Eggs	3.43%
Short Grain Rice	0.85%
Fresh Vegetables	-0.59%

Source: PCBS (2020) Consumer Price Index During March 2020

⁴⁴ Notes: Results comparing March and April 2020 are not yet available in the PCBS website.



89. **Even if difficult to quantify, the project's economic impact on WB&G is likely to be significant. This result can be expected by extrapolating from the data on Palestinians who travel to Israel for work.** In normal times, more than 100,000 Palestinian workers cross daily into Israel, and some 30,000 work at Israeli settlements in the West Bank. Another almost 70,000 workers are estimated to be employed informally in Israel or the settlements. These 200,000 workers represent households with about one million Palestinians that depend on income generated in Israel or the settlements. Since workers that commute to Israel earn on average more than double the West Bank's average wage, disruptions to their commute affect consumption and multipliers in the economy far more than travel disruptions within the West Bank and Gaza. According to Saad (2015), an additional US\$1 in remittances gives rise to an increase in consumption of US\$1.41 in the short-run and of US\$2.5 in the longer run. It is estimated that the Palestinian economy would lose nearly NIS480 million (US\$134 million equivalent) for every month of lockdown even in the short run. The approximately NIS105 million (US\$30 million equivalent) disbursed by the project could replace about one-fourth of the income loss due to the restrictions on commuting for work to Israel.

90. **The project's mechanisms ensure that the temporary injection of funds (in the form of cash transfers and C4W income) will benefit the poor and near-poor households that struggle the most from the effects of the COVID-19 pandemic.** The project will include US\$13.9 million for 68,000 poor households that were not covered before by cash transfers. The project will also disburse US\$6.1 million to 21,400 poor registered in the CTP with the aim of reducing in half the poverty gap by ensuring the financing gap for the second quarter of 2020 under the current CTP is covered. The CTP's US\$20 million would thus assist about 89,400 households covering a potential 447,000 people (if every household has five members on average). Assuming the same multiplier as remittances from Israel (1.41), the project's short run impact on the economy's demand would be close to US\$27 million. The C4W component would benefit 3,060 households and up to 15,300 people with an injection of US\$8 million. This would provide another US\$11.3 million of impact.⁴⁵ Together, the cash impact on the economy would exceed US\$38 million.

91. **Temporary employment opportunities through cash for work will increase the income of the covered households.** This will help stabilize their purchasing power and thus aggregate demand in an economy threatened by collapse. The expenditure of the covered households, especially for food and basic services, will in turn support the local economy that has been suffering from the effects of the pandemic. In the long term, the project will improve the employability and skills development of participants and will have beneficial effects on the population's human capital.

92. **Employment opportunities under the C4W component are a stabilizing factor in social inclusion, reducing incidences of family dysfunction and extreme poverty.** These effects are important to mitigate social exclusion, crime, and political instability. The C4W component in particular is designed to tackle social aspects as well as poverty. The C4W component represents an income for households that were previously excluded. Furthermore, by employing health and education workers, the project generates positive externalities. First, additional healthcare workers will contribute to tackling the COVID-19 pandemic and its effects especially on the most vulnerable. Second, by building human capital in the health sector, the project contributes to long-run growth and productivity. Most of the beneficiaries will work in projects already identified by NGOs. The selected projects could include work in clinics, working with disabled children in schools, early childhood support, and assistance to the elderly and to those with preconditions that make them more susceptible to the COVID-19 pandemic. Food distribution to the most needy and primary healthcare services will also be considered. Over time, and as experience develops, there is scope for re-orienting the work targeted by the C4W scheme towards those areas with the highest impact on social stability and poverty alleviation, while ensuring that private sector employment is not affected.

⁴⁵ Assuming the same multiplier of 1.41.



93. **The cash transfer and cash for work schemes will enable mobilization and better targeting of additional donor resources during the pandemic (immediate relief) but also during the recovery phase.** The activities under this project will generate valuable information on identifying and profiling those most affected by the crisis, including those working in the informal sector. The project will also contribute to a better picture on resource shortages in the Palestinian health and social service sectors that need to be addressed to ensure an effective response to the crisis. This will be useful for raising awareness of resource needs among the external partners of the PA.

94. **The project provides the PA with a scalable and well-targeted instrument to fight poverty based on the World Bank's experience supporting government efforts to reduce poverty and improve Social Safety Nets.** It builds on important lessons and experience and complements other donor-funded social protection and C4W initiatives in the West Bank and Gaza. The project is designed to use existing platforms for quickly delivering cash transfers and C4W opportunities in response to emergency situations and to mobilize and coordinate support from other donors.

B. Fiduciary

(i) Financial Management

95. The Fiduciary risk level in the PA system is rated as **High** before mitigation. The rating is based mainly on the inequality of the financial reporting of the PA and delays in the issuance of public sector financial statements (where there has been improvement of late). The risks are mitigated through strong management information systems, experienced financial management staff who have good capacity, and close implementation support by the World Bank. The project level risk as well as the entity level risk are assessed as Substantial, although there will be measures in place to reduce the risk, such as strong management information systems, an experienced PCU which has good capacity, and close implementation support by the World Bank, as well as regular financial audits. The PCU, based at the MoF, will be the main counterpart responsible for financial management arrangements. The team at the MoF has experience with World Bank policies and procedures and has used financial management procedures for previous World Bank projects. The financial management (FM) risk rating for the project is assessed at **Substantial**.

96. Two US Dollar DAs will be opened by the MoF and managed by the PCU, one for Component 1 (cash transfers) and one DA for the rest of the components. For Component 1, cash benefits will be deposited directly into the bank accounts of individual beneficiaries. The MoF will ensure that there are no duplicate payments to beneficiaries and maintain all supporting documentation. Disbursement into the CTP DA will be contingent upon receiving a letter from the MoF confirming that the beneficiary households are not receiving cash benefits from other funding sources. A second US Dollar DA will be opened by the MoF and managed by the PCU for the remaining components.

97. Interim Financial Reports (IFRs) will be submitted to the World Bank semi-annually, within 45 days of the end of each period. The Grant Agreement will require the submission of annual audited project financial statements within six months after year-end. Project financial statements will be audited in accordance with international audit standards by an independent, experienced, and internationally recognized audit firm acceptable to the World Bank and recruited on a competitive basis based on TORs acceptable to the World Bank. The cost of the audit will be financed from the Grant proceeds. The audited annual project financial statements will be publicly disclosed according to the World Bank disclosure policy. Additionally, there will be quarterly spot audits on Component 1 and quarterly spot audits on the NGOs receiving funds. These will be according to TORs acceptable to the World Bank and will be required to be submitted to the World Bank 45 days after the end of each quarter.



98. Up to US\$12million will be eligible for retroactive financing of eligible expenditures incurred under the project for up to 12 months prior to the signature date of the Grant Agreement. The World Bank financial management team will carefully review the eligible expenditures following the World Bank regulations and procedures.

99. FM and disbursement arrangements are detailed in Annex 1.

(ii) Procurement

100. Procurement under the project will be carried out in accordance with the World Bank's Procurement Regulations for Investment Project Financing (IPF) Borrowers, dated July 2016 and revised in November 2017 and August 2018. The "Guidelines on Preventing and Combating Fraud and Corruption in projects Financed by IBRD loans and IDA Credits and Grants" dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 shall apply to the project. The project will use the Systematic tracking of Exchanges in Procurement (STEP) to plan, record, and track procurement transactions.

101. The procurement procedures for Situations in Urgent Need of Assistance or Capacity Constraints described under paragraph 12 of Section III of the IPF Policy will be applicable to fast track the procurements which include: (a) use of Borrower's national procurement arrangements provided the arrangements are consistent with the World Bank's core procurement principles; (b) advance procurement, using procedures consistent with Sections I, II & III of the Procurement Regulations for Borrowers; (c) direct selection, as appropriate; (d) increased thresholds for requests for quotations and national procurement; and (e) streamlined competitive procedures with shorter bidding time. Simplified procurement documents developed by the World Bank for COVID-19 operations will be used for procurements under the project. There will be no prior review of contracts.

102. MoF, with assistance from MoSD, MoL, and PFESP, will hold the overall responsibility for procurement and contract management under the project through the PCU based at the MoF. An updated procurement risk and capacity assessment of MoF-PCU was carried out by the World Bank. The updated assessment revealed that MoF-PCU is experienced with World Bank procurement and its procurement capacity was further strengthened as part of the ongoing PFMIP Project. No procurements are envisaged under the project as Cash Transfers Component 1 and Cash for Works Components 2. Component 3 will involve several small value noncomplex procurements such as procurement of small value IT equipment, consulting and non-consulting services. The PCU will carry out procurement of goods, non-consulting services, and consultants' services for Component 3 (Capacity Building Project Management, Monitoring and Evaluation).

103. The procurement risk is rated **Moderate**. The details of procurement risks and mitigation measures are detailed in Annex 1.

104. Given the emergency situation and non-complex nature of procurements, MOF will prepare a streamlined project procurement strategy for development (PPSD). Since the details of procurements under the project are yet to be worked out by MOF, the PPCSD and the Procurement Plan will be finalized during the early stages of project implementation.

105. Detailed procurement arrangements are described in Annex 1.



C. Legal Operational Policies

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

D. Environmental and Social

106. **The Environmental and Social Framework (ESF) Standards and Instruments.** The ESF standards relevant to this operation are (1) ESS1 - Environmental and social assessment; (2) ESS2 - Labor and working conditions; (3) ESS3 on resource efficiency and pollution prevention and management; (4) ESS4 - Community health and safety; and (5) ESS10 - Stakeholder engagement and information disclosure. The other Environmental and Social Standards are not considered relevant at this project preparation stage. Instruments will be prepared as per the relevant standards, including (1) Environmental and Social Framework (ESMF); and (2) Labor Management Procedure (LMP); and (3) updated Stakeholder Engagement Plan (SEP). The ESMF includes the requirements for follow-up instruments, such as site specific Environmental and Social Management Plans (ESMPs), which include occupational health and safety plans (OHS). The English version of the Environmental and Social Review Summary (ESRS), the Environmental and Social Commitment Plan (ESCP), and the preliminary Stakeholder Engagement Plan (SEP) have all been prepared and disclosed on the World Bank's external site on June 18, 2020. Consultations on the ESCP and the preliminary SEP with the stakeholders were carried out on June 1, and the documents were disclosed by the client on June 21, 2020. Further consultations will be carried out with all stakeholders as part of the preparation of the ESMF, LMP, updated SEP, and follow up instruments ESMP.

107. **Environmental and Social Assessment.** The project will have positive impacts as it will provide cash support and short-term employment opportunities to vulnerable populations in the West Bank affected by COVID-19. Risks of elite capture and exclusion of vulnerable groups will be mitigated by a robust engagement mechanism through a Stakeholder Engagement Plan and a Social Impact Assessment, to be developed as part of the ESMF/ESMP.

108. However, the project could also cause health and safety negative impacts due to the exposure of contracted project workers to vulnerable people who might be infected with communicable diseases, including COVID-19. Social work under Component 2 will be associated with health clinics, with support to disabled children in schools, early childhood support, and assistance to the elderly and to those with preconditions who can be more vulnerable to the COVID-19 infections, all of which may increase OHS risks. Therefore, effective OHS and infection controls measures in compliance with WHO recommendations, other relevant GIIP, ESS2, and ESS4 should be put in place to minimize such risks. In addition, workers in the agricultural sector in the following areas would be subject to OHS risks, including exposure to pesticides: (i) small-scale farming of crops, fruits, vegetables; (ii) farmer fields and cooperatives providing fruits and vegetables to schools, social services, and markets and small scale herders; and (iii) small-scale processing of fruits and vegetables to make them market ready, such as dried fruits, herbs, and olives.

109. To mitigate the risks mentioned above, the recipient will ensure sound environmental and social health and safety procedures with adequate provisions for minimizing occupational health and safety risks, ensuring use of appropriate PPE and hygienic precautions, as well as ensuring that adequate medical waste handling and disposal procedures are in place. More specifically, the MoF will prepare an ESMF at the implementation stage, no later than one month after project effectiveness, so that the activities supported by the project apply international best practices in OHS measures.



In addition to the ESMF, the client will comply with measures and actions set out in the ESCP. It will also implement the SEP in the proposed timeline.

110. Labor Management Procedures: Categories of workers involved include direct workers (PCU staff and PA employee) and contracted workers benefiting from the project's C4W component including teachers, social workers, psychologists, data collectors/data entry staff, health support staff, and guards. Potential labor risks are related to OHS as mentioned above, but also child labor in agricultural subprojects as well as female workers being subjected to sexual harassment, harsh labor working conditions, GBV, and VAC. A labor management procedure shall be prepared to identify risks and set mitigation measures. As part of the LMP, a workers Grievance Redress Management system will be established.

111. Resource efficiency and pollution prevention and management: The project presents pollution risks due to potentially inadequate management of hazardous medical waste and pesticides under component 2. To mitigate these risks, the recipient will establish solid, hazardous, and medical waste plans and Integrated Pest Management Plan to be part of the ESMF, with adequate provisions to make sure that adequate medical waste handling and disposal procedures and relevant emergency preparedness and response measures are in place.

112. Community Health and Safety: The risks associated with community health and safety include the following: (i) potential exposure, infection, and transmission of the COVID-19 virus and other communicable diseases for communities housing social workers associated with the project activities; (ii) safety risks for individuals in accessing the project benefits; (iii) possible sexual exploitation and abuse as well as sexual harassment. The project will follow WHO guidelines on OHS for social workers operating in long-term care facilities and with vulnerable groups and will also implement relevant emergency preparedness and response measures. When site-specific ESMPs and OHS plans are prepared, community health and safety risks along with vulnerable groups will be identified. The recipient will prepare, adopt, and implement a Community Health and Safety Management Plan to be part of the ESMF including, inter alia, measures to: (i) minimize the potential for community exposure to communicable diseases; (ii) prevent and respond to sexual exploitation and abuse, sexual harassment, or increases in domestic violence, in a manner consistent with ESS1 and ESS10, and commensurate with the risks, such as strengthening referral pathways within the GRM; and (iii) ensure proper disposal procedures of wastes to protect communities. The recipient will document available resources and responsibilities, including the availability of PPE and disinfectants, in compliance with ESS2 and ESS4.

113. The project level GRM will include specific procedures for GBV including confidential reporting and ethical documentation of GBV cases.

114. Stakeholder Engagement and Information Disclosure: The primary project stakeholders will include the following: (i) beneficiaries, including vulnerable households affected by the COVID-19 crisis, members of households benefiting from the cash transfer and C4W components, and vulnerable people directly benefiting from services provided under C4W projects (e.g., those affected by the COVID-19 disease, those being the sick, the disabled, elderly, children, and women); (ii) Bedouin communities, who might not have internet access and require differentiated engagement methodologies, (iii) three ministries (MoF, MoL, and MoSD) and MoL's technical arm PFESP involved in the project implementation; and (iv) NGOs providing social services. Consultations with different stakeholders will be carried out during the preparation of the ESMF, and the findings will be integrated to inform the project throughout its implementation. An ESRS, ESCP and preliminary SEP were prepared and disclosed. The SEP will be updated, redisclosed, and implemented throughout the project life cycle.



115. The updated SEP as well as the other project ESF instruments (ESMF and LMP) will be disclosed by the recipient no later than 30 days after Grant effectiveness and prior to starting any C4W-related activities. The MoF is expected to provide translations of all instruments in the local language (Arabic) and then disclose accordingly.

116. **Assessment of Recipient Capacity:** The MoF/PCU, with the involvement of three entities working closely with MoF, will be responsible for implementing each component. The MoF will have the primary responsibility for project implementation and ensuring compliance with the World Bank's procedures and guidelines and will closely coordinate efforts with the other entities mentioned above. Based on the recipient's capacity assessment tool, the three different levels of capacity assessment are analyzed for the MoF and the two ministries involved, as well as for the PFESP (the third technical entity) in the project implementation. MoF has long been involved with the World Bank in operations in West Bank and Gaza since the establishment of the Palestinian Authority in 1994. They have successfully implemented similar operations, such as the "Finance for Jobs" Series of Projects. MoF is staffed with competent personnel to implement such projects and they have experience in engaging environmental consultants for projects. However, despite the technical competency and good track records mentioned above, since none of the projects were carried out according to the World Bank's ESF, MoF capacity with regards to Environment and Social (E&S) requirements, including ESS2, ESS4, and ESS10, is very limited. While the implementation capacity of MoSD and MoF to implement component 1 is high, which would lead to a low risk level for this component, the Cash for Work in the West Bank component (component 2), to be implemented by the MoL and PFESP, carries a project risk of Substantial, as it would be the first MoL and PFESP implementation of a World Bank financed operation. Due to capacity constraints of the Recipient, the MoF shall establish and maintain a PCU with qualified staff and resources to support management of Environmental Social Health Services (ESHS) risks and impacts of the project, including an Environmental and Social Officer (ESO), the Health and Safety Specialist, and an external social consultant to support the Officer.

117. **The Environmental and Social Risk Classification (ESRC):** based on the environmental and social risks identified above, and the capacity of the MoF, the ESRC for this operation is **Substantial**.

V. GRIEVANCE REDRESS SERVICES

118. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/Projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org

VI. KEY RISKS

119. **The overall risk rating for the project is High** due to the political instability and the PA's liquidity crisis. Risks relating to the political environment and governance as well as macroeconomic risks are rated High, while institutional



capacity for implementation and sustainability, fiduciary, and environmental and social risks are rated Substantial. These are discussed below.

120. **The political and governance risks are High** because of the highly volatile and very specific political context of the Palestinian territories. The peace process remains in a stalemate. The domestic political situation remains unsettled, with the reconciliation process between the PA and the *de facto* governing authority in Gaza having stalled. Restrictions on movement, access and trade remain as substantial impediments to project implementation in WB&G. To mitigate these risks, political and security developments are monitored routinely for the World Bank Group to remain alert to any situation that may require adjustments to its operation. The World Bank Group also partners with local communities, municipalities, NGOs, utilities, and educational institutions which could provide additional modes of implementation to ensure program and project continuity.

121. In addition, the COVID-19 crisis itself has created risk throughout the Palestinian territories and will affect household welfare via reduced labor income and loss of livelihoods as a result of lockdowns and the economic crisis that will follow. Consumption prices have increased (particularly for food)⁴⁶ at the same time poverty levels are expected to increase at an estimated 20 percent (from 14 to 34 percent) in the West Bank and 7 percent (from 53 to 60 percent) in Gaza. While the impacts will be felt by most households almost immediately, they will likely be deeper and longer lasting among the poor and vulnerable and will also lead to many new poor mostly concentrated in the West Bank, in urban but also rural areas.⁴⁷ Here, violence, social unrest, and conflict can erupt, and trust in PA action may be undermined, while overall the PA has only limited room to respond. The World Bank will closely monitor the political situation to assess any impact on project implementation and will undertake actions or adjustments as needed.

122. In addition, the following measures, built directly into the operational framework of the project, will act to partially mitigate the risks and allow the project to achieve its objective:

- a. Support to an improved social protection system and to better preparedness;
- b. Direct support to assist vulnerable households and provide short-term income support to young unemployed and vulnerable youth;
- c. Development of a strong outreach campaign;
- d. Support for institutional and implementation capacity;
- e. Leveraging of strong donor interest. In response to the COVID-19 crisis within the Palestinian territories, there are indications that donors are interested in channeling additional resources for CTP and for C4W, including through the proposed mechanisms.

123. **Macroeconomic risks are High.** The current crisis finds the Palestinian economy at a particularly weak point. Growth since 2017 has averaged below two percent and has slowed even in the West Bank in 2019 to the lowest level since 2014. The coming recession in 2020 will test the PA as the limited buffers at its disposal have been used up during

⁴⁶ The most recent version of the socio-economic survey and food security in WB&G showed deterioration in the reality of food security in Gaza compared to 2013 and 2014, with the percentage of food-secure families decreasing to an unprecedented level to stand at 27 percent in 2018. It was a matter of particular concern that more families are suffering from severe food insecurity which reached its highest level ever at 38.8 percent in 2018 (Ministry of Social Development, Emergency response plan for handling the effects of Corona virus Pandemic (COVID-19, March 2020)).

⁴⁷ The poor and the vulnerable tend to live in rural areas and refugee camps; work in agriculture and the informal service sector; have high dependency on public services and among households with migrants, on remittances; and have limited savings and access to credit. In addition, disruptions in the functioning of markets and interruptions in service delivery, including health and education services, water supply, and waste management will undermine economic activity, particularly in poorer communities.



the 2019 clearance revenue standoff, when the PA borrowed from commercial banks and increased arrears to suppliers and the public pension fund. These arrears are expected to grow to even higher levels. At this juncture, there is a danger of a vicious circle, where (i) economic contraction reduces PA revenues, (ii) reductions in revenues lead to austerity measures, and (iii) austerity measures accelerate the economic contraction.

124. Institutional capacity for implementation and sustainability risk is Substantial. Given the technical design of the project and the need to engage three implementing entities, the institutional capacity for implementation and sustainability is rated substantial. The implementation capacity of MoSD to implement component 1 is high which would lead to a low / moderate risk. However, due to Component 2 – Cash for Work in the West Bank, which will be implemented by the MoL and PFESP, the project risk is increased to substantial as it would be the first MoL, PFESP implementation of a World Bank financed operation. To address the relevant risks, the project will be supported by a Project Coordination Unit at MoF with experienced staff to help with fiduciary requirements, especially on procurement and supervision, and particular PCU supervision support will be granted. In regards to sustainability, the project will support the enhancement of the CTP system through a TA to support: a) the development of an enrollment form for the households vulnerable to poverty, b) the digitalization of the applications needed, and c) the integration of the new applications into the CTP registry to build a shock-responsiveness roster around a Social Registry for the medium and long-term in coordination with the SPEP activities. Intensive consultations involving the MoF, the MoL and the MoSD have been carried out and their buy-in has been secured with regard to the proposed institutional and implementation arrangements.

125. Fiduciary risk is Substantial. The overall rating for FM risk is Substantial, and the overall rating for procurement risk is Moderate. Given the WB&G context and its prevailing circumstances, and with a procurement and Financial Management system that is not yet entirely consistent with the respective international best practices, the fiduciary risk is rated Substantial. To mitigate the identified risks of FM, the PCU will be strengthened with a full-time qualified financial management specialist who will work closely with the three implementing entities, and particularly with MoL and PFESP. In addition to the day-to-day project implementation, the financial management specialist and the procurement specialist assigned to the project will provide on-the-job training mainly to MoL and PFESP financial and procurement staff, since MoSD is highly versed in World Bank fiduciary regulations and procedures. Furthermore, the PCU based at MoF will be responsible for project implementation, financial recording, and the preparation of quarterly IFRs to ensure thorough monitoring of financial arrangements.

126. The Environmental and Social risks are rated Substantial. The E&S risk rating is Substantial due to: (i) labor risks related to OHS risks and working conditions; (ii) community health and safety risks due to exposure to communicable diseases, potentially inadequate management of hazardous medical waste and pesticides, and GBV risks; (iii) risks of exclusion from project benefits, especially of vulnerable groups; (iv) limited existing capacity for environmental and social risk management within the PCU and the concerned ministries; and (v) limited experience of the environmental and social specialists to be recruited within the PCU to manage safeguards implementation. To mitigate E&S risks, the ESMF/ESMP will include provisions for the firm contracts and bidding documents. In addition, close and timely support to the PCU by the World Bank ESF team will be continuous. Capacity building for the PCU environmental and social officers will be provided on environmental performance, occupational health and safety, and code of conduct/GRM. At the same time, capacity building to respond to sexual exploitation and abuse and sexual harassment will be planned and implemented.

127. As mentioned above, the MoF shall establish and maintain a PCU with qualified staff and resources to support management of ESHS risks and impacts of the project, including an ESO, a Health Safety Specialist, and an external social consultant to support the Officer.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: West Bank and Gaza

West Bank Emergency Social Protection COVID-19 Response Project

Project Development Objectives(s)

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

Project Development Objective Indicators

Indicator Name	PBC	Baseline	End Target
To provide cash support and and short-term employment opportunities to vulnerable populations			
Number of households receiving cash support (Number)		0.00	89,400.00
Number of individual beneficiaries (Number)		0.00	447,000.00
Of which female (Percentage)		0.00	50.00
Number of vulnerable populations receiving cash for work from the project (Number)		0.00	3,060.00
Of which, female (Percentage)		0.00	50.00



Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Emergency Cash Transfer Program for the West Bank			
Component 1.1. Number of newly enrolled households receiving emergency cash transfer (Number)		0.00	68,000.00
Number of members from newly enrolled households benefiting from the cash transfer program (Number)		0.00	340,000.00
Of which, females (Percentage)		0.00	50.00
Component 1.2.: Number of CTP beneficiary households receiving cash support (Number)		0.00	21,400.00
Number of individual beneficiaries (Number)		0.00	107,000.00
Of which, females (Percentage)		0.00	50.00
Percentage of grievances, complaints, and inquiries addressed within the timeframe outlined in the project operations manual (Percentage)		0.00	80.00
Cash for Work in the West Bank			
Number of beneficiaries receiving cash for work from the project (Number)		0.00	3,060.00
of which female (Percentage)		0.00	50.00
Number of members of households where beneficiaries receive C4W (Number)		0.00	15,300.00
Percentage of female beneficiaries (Percentage)		0.00	50.00
From the CTP households or on the CTP waiting list (Percentage)		0.00	20.00
Number of vulnerable people directly benefiting from health and social services provided through C4W sub-projects (Number)		0.00	52,000.00
Of which, females (Percentage)		0.00	25.00
Of which, children (Percentage)		0.00	25.00



Indicator Name	PBC	Baseline	End Target
Of which, disabled (Percentage)		0.00	10.00
Percentage of claims and grievances processed and resolved within 30 days (Percentage)		0.00	60.00
Capacity Building Project Management, Monitoring and Evaluation			
Number of PFESP, MoL and MoSD staff benefiting from training and capacity building activities (Number)		0.00	35.00
Beneficiary households receiving digital payment (Percentage)		0.00	90.00
Beneficiaries who expressed satisfaction with the project intervention (Percentage)		0.00	80.00
Female beneficiaries who expressed satisfaction with the project intervention (Percentage)		0.00	80.00
Beneficiaries who expressed satisfaction with delivery and communication of the project intervention (Percentage)		0.00	80.00
Female beneficiaries who expressed satisfaction with delivery and communication of the project intervention (Percentage)		0.00	80.00
Beneficiary households that are aware of women and family protection services available to them (Percentage)		0.00	70.00
High frequency crisis monitoring survey is implemented (Number)		0.00	1.00
Percentage of grievances, complaints and inquiries addressed within the timeframe outlined in the project operations manual (Percentage)		0.00	80.00



Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of households receiving cash support	Aggregated number of beneficiary households receiving cash support	Quarterly	CTP database; Project MIS	Project MIS; CTP-database; MoSD PCU's quarterly report	MoSD and PCU
Number of individual beneficiaries	Number of individual beneficiaries	Quarterly	MIS; CTP-database	Number of individuals in the targeted households	PCU; MoSD
Of which female	Number of household members receiving cash support that are female	Quarterly	MIS, CTP database	Project MIS, CTP database	PCU in collaboration with MoSD
Number of vulnerable populations receiving cash for work from the project	Beneficiaries who have been unemployed for at least 2 months.	Every six months	Project MIS	PCU; PFESP	PCU
Of which, female		Every six months	PCU, PFESP	PCU's, PFESP's semi-annual report	PCU

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Component 1.1. Number of newly enrolled households receiving emergency cash transfer	Number of newly enrolled households receiving emergency cash support, currently not covered by the CTP	Quarterly	MIS; CTP database	Project MIS; CTP database	PCU in collaboration with MoSD- and MoL-implementing entities



Number of members from newly enrolled households benefiting from the cash transfer program		Quarterly	MIS, CTP-database	Project MIS, CTP-database	PCU in collaboration with MoSD and MoL
Of which, females					
Component 1.2.: Number of CTP beneficiary households receiving cash support	Number of CTP households receiving 2nd quarterly benefit payment from proceeds of this Project	Quarterly	Project MIS, CTP-database	Project MIS, CTP-database	PCU in collaboration with MoSD
Number of individual beneficiaries	All members of households benefiting from the Emergency Cash Transfer Program	Quarterly	Project MIS, CTP database	Number of individuals in the targeted beneficiary households	PCU, MoSD
Of which, females		Once a year	Project MIS, CTP		PCU, MoSD
Percentage of grievances, complaints, and inquiries addressed within the timeframe outlined in the project operations manual	Percentage of cases that are referred to the PCU or MoSD on the project, through various grievances and complaints channels and are addressed by the PCU or MoSD staff in a timely manner	Quarterly	PCU/MoSD MIS	Percentage of addressed complaints = number received/number addressed.	PCU in collaboration with MoSD
Number of beneficiaries receiving cash for work from the project	Target beneficiaries that are currently unemployed	Every six months	Project MIS	PCU's and PFESP's semi-annual report	PCU in coordination with MoL and PFESP's implementing entities
of which female	female beneficiaries that are unemployed	Every six months	Project MIS	PCU semi-annual report in coordination with PFESP-reporting	PCU in collaboration with PFESP



Number of members of households where beneficiaries receive C4W	All members of households where target beneficiaries directly benefit from C4W opportunities	Every six months	Project MIS	PCU's and PFESP's semi-annual reports	PCU in collaboration with MoL and PFESP's implementing entities
Percentage of female beneficiaries					
From the CTP households or on the CTP waiting list	From CTP households or households on the CTP waiting list	Every six months	Project MIS	PCU's semi-annual report	PCU in collaboration with implementing entities
Number of vulnerable people directly benefiting from health and social services provided through C4W sub-projects	Vulnerable people benefiting directly from the services provided under C4W projects (e.g. COVID patients, disabled, elderly, children, women)	Every six months	Project MIS	PCU's semi-annual report	PCU
Of which, females		Every six months	PCU MIS	PCU's semi-annual report	PCU
Of which, children		Every six months	PCU MIS	PCU's semi-annual report	PCU
Of which, disabled		Every six months	PCU MIS	PCU's semi-annual report	PCU
Percentage of claims and grievances processed and resolved within 30 days	The objective of the grievance redress mechanism (GRM) is to help ensure that the Project supports the intended beneficiaries (direct and indirect) and that the support is provided in full	Quarterly	PCU/MoSD MIS	Percentage of addressed complaints= number received/number addressed	PCU in coordination with MoSD



	and in a timely and satisfactory manner. The GRM allows complaints and appeals from (actual or potential) Project beneficiaries to be effectively addressed.				
Number of PFESP, MoL and MoSD staff benefiting from training and capacity building activities		Annually	PCU Progress Report	Number of staff received training	PCU
Beneficiary households receiving digital payment	Percentage of beneficiaries that are paid through digital transactions	Quarterly	MIS, CTP database	MIS, CTP payment module	PCU, MoSD
Beneficiaries who expressed satisfaction with the project intervention	Percentage of surveyed beneficiaries that are satisfied with the support provided by the Project, by type of support	Annually	MIS	Phone surveys	PCU
Female beneficiaries who expressed satisfaction with the project intervention	Percentage of surveyed female beneficiaries that are satisfied with the support provided by the Project, by type of support	Annually	MIS	Phone survey	PCU
Beneficiaries who expressed satisfaction with delivery and communication of the project intervention	Percentage of beneficiaries that are satisfied with the project intervention, including regarding delivery and communication aspects	Every six months	MIS	Phone survey	PCU
Female beneficiaries who expressed satisfaction with delivery and communication of the project intervention	female beneficiaries who were respondents to the survey and expressed satisfaction with delivery	Every six months	MIS	Phone survey	PCU



	and communication of the project intervention				
Beneficiary households that are aware of women and family protection services available to them					
High frequency crisis monitoring survey is implemented	The survey tool is implemented	Annually		High frequency phone survey	PCU in collaboration with MosD, MoL, PFESP
Percentage of grievances, complaints and inquiries addressed within the timeframe outlined in the project operations manual	Percentage of cases that are referred to the PCU or MoSD on the project, through various grievance and complaints channels and are resolved by the PCU/MoSD staff in a timely manner.	Quarterly	PCU/MoSD MIS	Percentage of addressed complaints = number received/number addressed	PCU in coordination with MoSD



ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: West Bank and Gaza

West Bank and Gaza Emergency Social Protection COVID-19 Response Project

1. The proposed project has four components. **The first component, where most of the project funds are allocated, will finance emergency cash transfers in the West Bank.** This component will finance a one-time cash transfer of NIS700 (US\$196 equivalent) to poor and vulnerable households affected by COVID-19 in the West Bank. It will reach two groups of at-risk households: 1) applicants for the new COVID-19 relief support launched by MoSD, MoL, and Local Development Ministries, and 2) poor households already registered in MoSD's CTP system. Therefore, this component will include two sub-components: (1.1) Emergency Cash Transfers to around 68,000 households vulnerable to poverty not benefiting from the CTP system, and (1.2) Financing the funding gap for CTP beneficiaries (around 21,400 households). To ensure timely support, the implementation of this component will rely on MoSD's delivery system to work as back-office service delivery for the cash transfers under the two sub-components. Moreover, MoSD will lead technical implementation of sub-component 1.2. As for sub-component 1.1, MoL will lead the technical implementation and will chair the technical committee team that will define the criteria for the selection of beneficiaries. MoL will also manage the related communication activities and finalize the beneficiaries list. This component will require close collaboration and coordination of MoF with both technical implementation units, MoL and MoSD, which will be formalized through a MoU for effective implementation.
2. **The second component – Cash for Work in the West Bank, will involve financing short term employment opportunities for around 3,060 beneficiaries including 1,530 women.** This component will provide Cash for Work sub-grants to selected NGOs to implement C4W subprojects employing the targeted vulnerable populations. Supported subprojects will focus on health and other social services provided by NGOs to vulnerable groups affected by COVID-19 but will also include economic livelihoods initiatives to assist vulnerable populations in the recovery from the crisis. The C4W component has been designed to deliver quick results, and design features will be detailed in the POM. The PCU in concert with the implementing entity of the MoL, the PFESP,⁴⁸ will identify NGOs to carry out Cash for Work sub-projects in accordance with the criteria, terms, and guidelines set forth in the POM. Since this would be MoL's and PFESP's first experience with the implementation of a World Bank-financed operation, all fiduciary and procurement aspects will be managed by the PCU at MoF, while MoL and PFESP will be in charge of the technical aspects of this component.
3. **The third component - Capacity Building Project Management, Monitoring and Evaluation,** will ensure that the PCU and the technical entities working directly with the PCU will be operational and will implement the project in conformity with the Legal Agreement, the PAD, and the project's OM. It will support the PCU, MoSD, and the PFESP with the management, M&E of project activities.
4. **The fourth component - CERC, will contribute to providing an immediate and effective response in case there is an eligible crisis or emergency.** This component would draw from uncommitted funds under the other components of the project. In the event that the CERC is activated, the restructuring of the project would need to occur within three months after activation.

⁴⁸ The PFESP is the implementing arm of the MoL.

5. To secure successful project implementation and given the technical aspects (CTP and C4W) involved, MoF will have the primary responsibility of overseeing project implementation and ensuring compliance with the World Bank's procedures and guidelines. The PCU at the MoF will coordinate project implementation with MoSD, MoL, and PFESP as technical implementing entities. The objective is to ensure rapid and effective impact on the poorest segments of the population, addressing urgent socio-economic needs.

6. On Component 1 – Cash Transfer, both MoL and MoSD will play specific roles in the component's implementation. MoSD will be responsible for the service delivery of the cash transfer to all targeted beneficiaries, relying on its long and successful track record in managing the CTP program. MoL will lead in defining the eligibility criteria for beneficiaries that are not currently benefiting from the CTP, run the relevant communication/outreach activities, and finalize the list of beneficiaries. Since 2010, the MoSD has been managing and implementing the Cash Transfer Program under the Cash-Transfer Project (P119307) and the follow-up Social Protection Enhancement Project (P160674). Building on this experience, MoSD will utilize its established systems and tools and will enhance them as needed while using the established CTP platform⁴⁹ for data verification, selection of beneficiaries, enrollment, and delivery. To accommodate the new unregistered poor households (most of which are headed by workers who have lost their income due to the pandemic), MoL will play an essential role in identifying eligible beneficiaries as mentioned above. The coordination between MoSD and MoL will be formalized through a MoU to secure transparent and effective project implementation.

7. Regarding the emergency cash transfers in the West Bank, this component will be complemented by extensive implementation support by the World Bank and guidance for (i) the development of a broader and harmonized enrollment form for households/individuals seeking emergency cash support for the recovery phase; (ii) the electronic process for data collection, and (iii) the digitalization of applications as needed. Once the pandemic allows for home visits, the integration of the new applications into the CTP system will take place to build a shock-responsiveness roster around a Social Registry for the medium- and long-term in coordination with the SPEP activities.⁵⁰

8. As for Component 2 – Cash for Work for the West Bank, and given its national mandate, the MoL in concert with the PFESP will be the technical implementing entity. To secure adequate capacity in the management of Component 2 and fast-tracked delivery as this would be the first World Bank financed operation implemented by the PFESP and MoL, MoF will work closely with the PFESP and MoL on the component management and implementation. This arrangement will also be formalized through a MoU between the MoF and the PFESP and MoL.

9. Sub-projects will be identified and implemented by NGOs in consultation with relevant communities and public institutions (for C4W sub-projects). NGOs will submit sub-project proposals to PFESP and MoL based on the criteria set in the POM. Proposals could include services to support economic activities (e.g., agriculture) but priority will be given to social services to vulnerable groups, such as specialized health care and rehabilitation services for the disabled, education services, and psychological support for children. As this is an emergency response, the sub-project proposal submission process will be agile. PFESP and MoL will make use of the Gaza Cash for Work experience and, in close coordination with the PCU, will conduct an expeditious evaluation of NGOs and sub-project proposals. The evaluation

⁴⁹ The CTP flagship program has been rated by The World Bank's IEG as highly efficient in terms of targeting efficiency, success with reducing extreme poverty, and regarding a cost-benefit evaluation. Currently, more than 110,000 households are registered and covered under the CTP.

⁵⁰ Note that home visits are regularly done by MoSD social workers to complete the socio-demographic questionnaire, providing those social workers with the experience to successfully conduct the interviews. For example, MoSD interviews and CTP data collection can accommodate the special needs of men and women in the household if necessary. MoSD workers that conduct such visits receive continuous support from other World Bank programs, such as the Social Protection Enhancement Project - (P160674), which supports training to MoSD to conduct case management and referral to multiple MoSD interventions.

criteria will include the relevance of the proposed activities, the NGO's track record, its implementation capacity, realistic budget, and targets. All such procedures, application forms, and templates for submitting proposals are clearly described in the POM.

10. Coordination of project implementation will take place at the following levels:

- a) Close coordination among the PA counterparts, i.e. MoF, MoSD, MoL, and other key stakeholders as needed to ensure proper targeting, including the verification of unemployment and CTP status of beneficiaries.
- b) Coordination within and across the NGO community. To maximize benefits and ensure efficiency gains, NGOs shall establish a mechanism to convene on a regular basis to share knowledge, identify priority areas, and perhaps submit joint proposals.

Project Supervision and Monitoring

11. As an emergency operation in a volatile environment, the proposed project will require intensive supervision and decentralized assistance to the implementing agencies. The World Bank team will comprise the appropriate skill mix and experience, including staff both from the Country Office and from the Washington, Office as required for successful project implementation. The World Bank task will regularly visit and follow-up on implementation matters⁵¹. The will provide the necessary technical support to ensure proper monitoring, and compliance with World Bank procurement, financial management and reporting procedures. In addition, it will coordinate and harmonize project activities with all development partners engaged in similar interventions in Gaza.

M&E and Reporting

12. The PCU will monitor and evaluate the project in close collaboration with MoSD, MoL, and PFESP. It will utilize its existing framework, including the project Management Information System, to manage data collection, aggregation and periodic reporting on the project's implementation progress. The PCU will closely monitor the project's key performance indicators and evaluate overall progress. The PCU will also ensure that all procurement and financial management activities are carried out in accordance with applicable World Bank guidelines and procedures.

13. **Reporting.** The PCU will submit quarterly progress reports and furnish them to the Bank in a timely manner. The PCU will also prepare unaudited IFRs every quarter, as well as audited project financial statements on an annual basis; the latter will be furnished to the World Bank no later than six months after the end of each year.

14. The PCU, in conjunction with the World Bank, MoSD, MoL, and PFESP, will carry out a **mid-term review (MTR)** of the project. The PCU will prepare and furnish to the World Bank a report integrating the results of the monitoring and evaluation of project activities during the period preceding the MTR, setting out the measures recommended to ensure the efficient carrying out of the project and the achievement of the PDO. This review will be used to identify performance improvement opportunities and to prepare a revised action plan to guide implementation during the remainder of the project. The PCU will also prepare an Implementation Completion and Results Report and furnish it to the World Bank within three months of project closing.

Implementation Support Plan and Resource Requirements

15. The implementation support plan describes how the World Bank will assist the PA with the implementation of the risk mitigation measures and provide the technical advice necessary to help the with the achievement of the PDO. The

⁵¹ Provided travel restrictions due to COVID-19 are lifted.

World Bank will closely coordinate with the PCU, MoSD, MoL, and PFESP to ensure project success. During the MTR, the World Bank will carefully visit project performance and address any structural implementation challenges and address them if needed through restructuring.

16. In addition to implementation support visits⁵² and ongoing engagement, the World Bank will carefully monitor the progress of project implementation and achievement of results through formal and informal reporting channels. Formal reporting channels include World Bank Implementation and Status Results Reports (ISRs) and regular results' monitoring and implementation progress reports prepared by the PCU. Informal channels include interaction with direct beneficiaries of the project, reports from local media, and international assessments. The World Bank will continue a close policy dialogue with the key stakeholders to support the achievement of project objectives.

17. Project procurement and FM missions⁵³ will be undertaken as part of periodic fiduciary support. In addition to autonomous supervision by the fiduciary specialists, FM and procurement specialists will also participate in the MTR, and implementation support missions, as well as contribute to the ISRs and the Implementation Results and Completion Report.

18. To secure full compliance with the environmental and social safeguards, MoF has engaged environmental consultants for the preparation, implementation and monitoring of the project. Furthermore, MoF shall establish and maintain a PCU with qualified staff and resources to support management of ESHS risks and impacts, including an ESO, a Health and Safety Specialist and an external social consultant to support the ESO.

19. **M&E.** The World Bank will review the Results Framework submitted quarterly by the PCU as part of the implementation support. The World Bank will discuss the progress and any deviations with the PCU to identify any areas where additional support from the World Bank is required.

20. The tables below detail the key areas of focus of the implementation support activities for the project's implementation. These have been determined based on discussions with the client and understanding of the priority activities to be implemented. Future updates will be based on the progress of project activities.

⁵² Implementation support will be carried out virtually in the event that COVID-19 pandemic measures and restrictions (such as suspension of travel) in place are not lifted for the duration of project implementation.

⁵³ These missions will be carried out virtually in the event that COVID-19 pandemic measures and restrictions (such as suspension of travel) in place are not lifted for the duration of project implementation.

Table 4: Implementation Support Plan

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First six months	Support preparation and implementation of activities	Project Task Management World Bank specialists and consultants in Social Safety Net Cash Transfer Activities	US\$150,000	—
6-12 months	Support implementation of activities	Project Task Management World Bank specialists and consultants in Social Safety Net Cash Transfer, Monitoring and Evaluation, and Management Information System (MIS) Activities	US\$150,000	—

Table 5: Skill Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips (during the first 12 months)
Task Team leaders	20	1
Procurement Specialist	2	0
FM Specialist	2	0
Counsel	1	0
Operations Support	3	0
Safeguards Specialist(s)	2	0
M&E Specialist	1	2

Financial Management

21. **Implementing Entity:** Fiduciary activities, including procurement and financial management, will be handled by the PCU. The PCU will manage the day-to-day financial management aspects of the Project. The PCU will ensure that FM under the project is carried out in accordance with World Bank procedures to ensure that the funds are used for the intended purpose.

Risk Analysis

Fiduciary Risks

22. The country's fiduciary risk level in the PA system is rated as **High** before mitigation. The rating is based mainly on the deterioration in the financial reporting of the PA and delays in the issuance of public sector financial statements. The risk will be mitigated through a PCU which will have good capacity and through close implementation support by the World Bank, as well as regular audits. The project level risk is rated at **Substantial**. The entity level risk is rated at

Substantial, but this is mitigated by the fact that the MoF has experience with World Bank policies and procedures. The overall FM risk is rated as Substantial.

Project Risks

23. The overall project risk from a financial management perspective is **Substantial**. The FM arrangements are designed to ensure that funds are used for the purpose intended and that timely information is produced for Project management and PA oversight, and to comply with the World Bank's fiduciary requirements.

Financial Management System

24. **Flow of funds and banking arrangements:** World Bank financing will be a grant to be disbursed through two Project-specific DAs opened by the MoF. Both DAs will be operated by the MoF. The MoF will open the two DAs denominated in USD into which replenishments from World Bank resources will be transferred and will be used in financing the components according to the approved budget.

25. Withdrawal Applications (WAs) will be prepared by the PCU and signed by respective authorized signatories before submission to the World Bank. Project expenditures will be documented through IFRs.

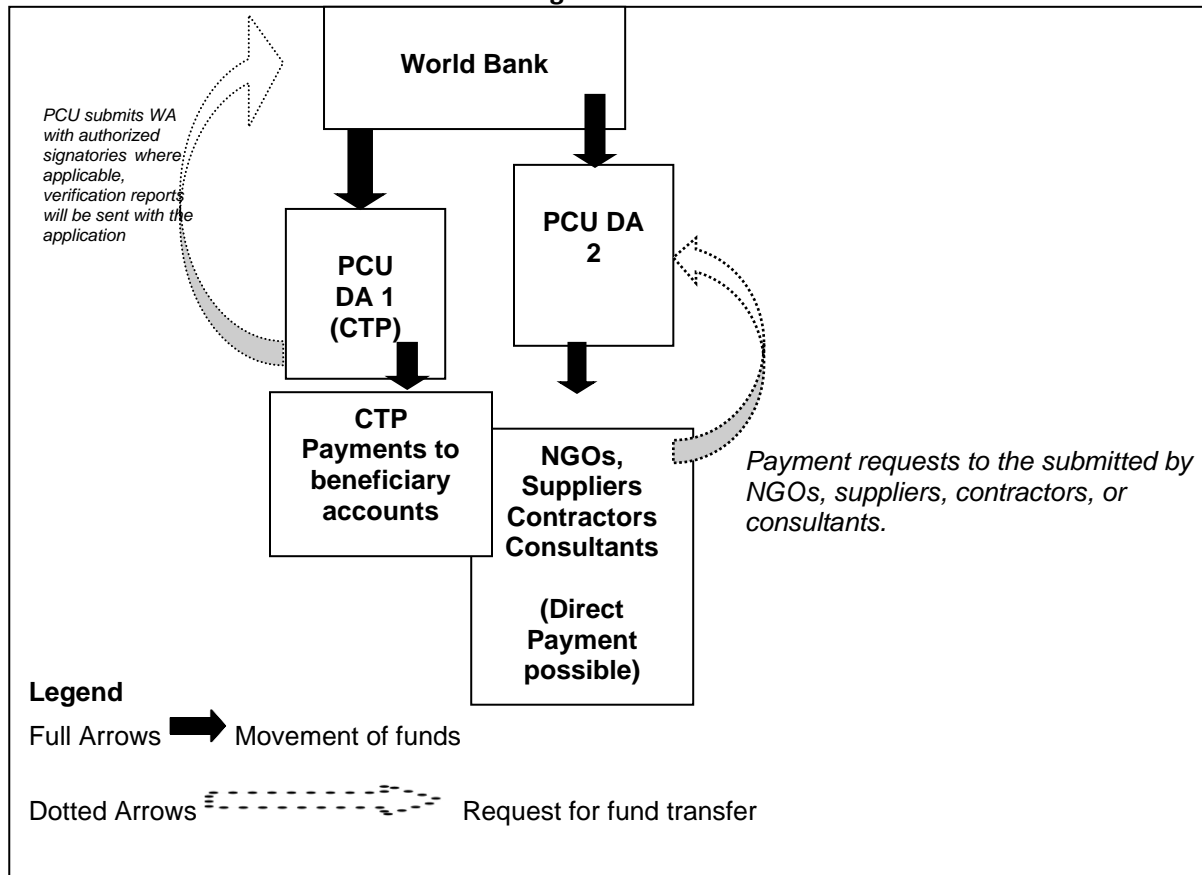
26. The PCU will vest the sole responsibility to disburse on behalf of the Project to beneficiaries, NGOs, suppliers, contractors, and consultants. Additionally, the PCU will maintain a monthly reconciliation statement between their records and the Bank's records per the World Bank's Client Connection. Such reconciliation will set out the disbursements by category as well as the DA balance. Disbursement and payment requests will be based on approved contracts and services predefined in the Project documents.

27. Benefit payments will be deposited directly into the bank accounts of individual beneficiaries. According to the existing payment arrangements, each eligible beneficiary under the CTP component will have a bank account in one of the following banks: Housing Bank, Palestine Islamic Bank, Arab Islamic Bank, Arab Bank, Egyptian Arab Land Bank, The National Bank, Bank of Jordan, Palestine Investment Bank, Cairo Amman Bank, Bank of Palestine, and Al-Quds Bank. MoF has MOUs with each bank. MoF also maintains a zero balance sub-account to the DA denominated in ILS, in which World Bank percentage of financing of the approved beneficiary payments will be transmitted from the project's DA, then to the individual beneficiary accounts. The control processes for cash benefit payments to beneficiaries are described in the Financial Procedures Manual.

28. DA bank account records will be reconciled with bank statements on a monthly basis by the PCU. A copy of each bank reconciliation statement together with a copy of the relevant bank statement will be reviewed monthly by the Project Financial Officer at the PCU who will investigate and resolve any identified differences. Detailed banking arrangements, including control procedures over all bank transactions (for example, check signatories, transfers, and so on), are documented in the Financial Section of the OM.

29. The figure below describes the funds flow for the Project.

Figure 6: Flow of Funds



30. **Information Systems.** A new cost center in the chart of accounts will be opened in the PA accounting system for the project that will be used by the PCU to record all transactions as required by the government system of accounting. The FM system is capable of producing timely, relevant, and reliable financial information that will enable the PCUs management to plan, implement, monitor, and appraise overall progress toward achievement of its objectives.

31. The CTP financial procedures manual will outline the necessary steps to ensure proper controls are in place. The control processes for cash benefit payments to beneficiary households are described in the Financial Procedures and Manual and will be updated as needed for the new project.

32. **Staffing.** The PCU will have a qualified financial management officer. The project will use the existing financial officers at the MOF to supervise any new staff recruited for the project. The TORs for the new staff members should be cleared by the World Bank. The PCU will keep all accounting records and ensure all transactions are recorded.

33. **Financial Reporting and Monitoring.** The PCU will have overall responsibility for financial management of the Project. Specifically, the PCU will be responsible for: (i) consolidating the grant financial data; (ii) preparing activity budgets (Disbursement Plan) quarterly as well as annually, monthly DA reconciliation statements, and periodic SOEs, withdrawal schedule, semi-annual unaudited IFRs (consolidated for all components) and annual financial statements; and (iii) ensuring that the Project's FM arrangements are acceptable to the World Bank.

34. The PCU will produce interim and annual reports as outlined below and submit these to the World Bank through the International Relations and Projects Directorate.

35. Semi-annual unaudited IFRs (submitted within 45 days after period-end).

- Financial reports include a statement showing for the period and cumulatively (Project life or year-to-date) inflows by sources and outflows by main expenditure classifications; opening and closing cash balances of the Project; and supporting schedules comparing actual and planned expenditures with detailed deviation analysis between actual and budgeted figures;
- Contract listing, reflecting all signed contracts under the grant with the value of each amount disbursed under each contract as at the report date;
- DA statements and reconciliations showing deposits and replenishments received, payments supported by WAs, interest earned on the account, and the balance at the end of the reporting period.

36. Accounting Policies and Procedures. The Project accounts will be maintained on a cash basis of accounting augmented with appropriate records and procedures to track commitments and to safeguard assets. Accounting records will be maintained in USD.

37. Internal Audit. The internal audit function is centrally established at the MoF, with a mandate to cover all line ministries and public entities. The internal auditor will ensure that the processes and procedures are properly applied.

38. Annual External Audit. The client will be required to submit annual Audited Project Financial Statements within six months following year-end. Project Financial Statements are to be audited in accordance with international audit standards by an independent, experienced, and internationally recognized audit firm acceptable to the World Bank and recruited on a competitive basis based on TORs acceptable to the World Bank. The cost of the audit will be financed from the Grant proceeds. The State Auditor (SAACB) has the mandate to also audit any government accounts and the last audit was for the financial year 2014-2015 (2016-2017 audit is in process). As the State audit function is strengthened, the World Bank may increase its reliance on the state audit to conduct the audit of the World Bank financed projects. In either case, this will require audit TORs that are acceptable to the World Bank which will include the following points:

- a. The auditor will verify and validate (on a sample basis) that the cash transfer payments to beneficiaries have been made in accordance with the OM, the Financial Management Manual, and the MoUs between the MoF and the commercial banks.
- b. The auditor will review the cash payment process at MoF and will give assurances on the adequacy of the controls used during this process.
- c. The auditor will check the existence of the beneficiaries paid on the eligible beneficiaries list.
- d. The auditor will review sample payments to beneficiaries, reviewing documentation, and all bank reconciliations, and the closing of the payment account.
- e. The auditor will attest to the reliability of the internal control system of the MoF, which will be used to produce the project financial statements.
- f. The scope of the external auditor will be designed to ensure complementarity with the spot checks and technical audits; when defining the sample of beneficiary payments to be selected for review, the external auditor will stratify the total population of beneficiaries to ensure that an appropriate proportion of the population is reviewed, commensurate with risks.

39. The Project Financial Statements should include:

- a. A Summary of Funds received, and a Summary of Funds paid to beneficiaries as cash transfers, by branch/region and number of beneficiaries –shown under the main Project headings;
- b. A Statement of Designated Account with DA reconciliation;

- c. A Balance Sheet showing accumulated funds remaining in the project, bank balances, other assets of the project, if any. Disclosure of any remaining cash balance in the DA which will be returned to the World Bank;
- d. Disclosure notes as necessary.

40. Audited annual Project financial statements will be publicly disclosed.

41. In addition to the Annual audit report, quarterly spot audit reports according to TORs acceptable to the World Bank will be required to be submitted to the World Bank 45 days after the end of each quarter. The auditor will provide assurance as to whether the payments were made to eligible beneficiaries according to the payment request approved from the MoF controller, and whether the approved amount was paid according to the agreed on percentages of financing among the Bank and the PA, in addition on a sample basis, the auditor will conduct field visits to the paid beneficiaries to verify their existence and their actual receipt of cash payments through their bank accounts.

42. **Training and Implementation Support:** The World Bank will provide training to the PA staff on Bank FM and disbursement guidelines and procedures and will provide FM implementation support during project supervision.

Disbursement Arrangements

43. **Disbursements.** Disbursements from the Grant will follow the transaction-based method, i.e., traditional World Bank procedures: IFRs, Direct Payments, and Special Commitments. For certain payments, above the “Minimum Application Size” as specified in the Disbursement Letter, WAs will be submitted to the World Bank for payments to suppliers and consultants directly from the Grant Account.

44. **DA Accounts.** The initial deposit into the DAs will be based on four months forecast prepared by the PCU and submitted with the WA. Subsequent disbursements into the DAs will be based on IFRs, and accompanied by WAs, reconciled bank statements and copies of all bank statements. The supporting documentation for requests for direct payment should include records which provide evidence of eligible expenditures (copies of receipt, supplier’s invoices).

Procurement

45. Procurement under the Project will be carried out in accordance with the World Bank’s Procurement Regulations for IPF Borrowers, dated July 2016 and revised in November 2017 and August 2018. The “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD loans and IDA Credits and Grants” dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 shall apply to the Project. The Project will use the STEP to plan, record and track procurement transactions.

46. The procurement procedures for Situations in Urgent Need of Assistance or Capacity Constraints described under paragraph 12 of Section III of the IPF Policy will be applicable to fast track the procurements which include: (a) use of Borrower’s national procurement arrangements provided the arrangements are consistent with the World Bank’s Core Procurement Principles; (b) Advance Procurement, using procedures consistent with Sections I, II & III of the Procurement Regulations for Borrowers; (c) Direct Selection, as appropriate; (d) increased thresholds for Requests For Quotations and national procurement; and (e) streamlined competitive procedures with shorter bidding times. Simplified procurement documents developed by the World Bank for COVID-19 operations will be used for procurements under the project. There will be no prior review of contracts.

47. MoF, with assistance from MOSD, MoL, and PFESP, will hold the overall responsibility for procurement and contract management under the project through the PCU based at the MoF. MoF-PCU is experienced with World Bank procurement and its procurement capacity was further strengthened as part of the ongoing PFMIP.

48. There will be no procurement under the Cash Transfer Component (Component 1) as it will finance temporary cash

transfers to poor and vulnerable households affected by COVID-19 in the West Bank. For the Cash for Works Component (Component 2), this will finance sub-grants to selected NGOs to implement Cash for Work subprojects employing the targeted vulnerable populations. There will be no procurement under this component as the sub-grants will mainly finance short-term temporary employment opportunities for approximately 3,060 beneficiaries to be selected based on pre-identified selection criteria, in addition to minor expenses allocated for the operating costs. Operating costs under the sub-grants will include office equipment and consumables, communication services, maintenance of office equipment, transportation for field workers, and other related expenditures. These operating costs will be governed in accordance with simplified procedures, acceptable to the World Bank, and to be included in the POM.

49. Procurement activities under the Capacity Building Project Management, Monitoring and Evaluation Component (Component 3), are limited to: (i) consulting services and technical assistance (TA) for the digitization and integration of the service delivery with the existing systems, (ii) outreach and communication campaign, (iii) capacity building activities for MoSD, MoL, and PFESP staff, (iv) individual consultants, (v) purchase of office and IT equipment, and (vi) external audits. This component 3 will also include operating costs which will not be subject to Procurement Regulations.

50. The overall procurement risk for the project is considered Moderate. The main risks to procurement are the following: (i) lack of proper coordination and interaction of various stakeholders, which may delay the procurement, thus causing Project implementation delays, and (ii) inadequate procurement capacity in the MoF to apply the emergency procurement procedures. These risks will be mitigated by: (i) the identification of the responsibilities of the various entities in POM, and the adoption of adequate and realistic sequencing and prioritization of actions, and (ii) the training of the MoF-PCU procurement staff on procurement and contract management under the emergency situation.

51. The World Bank's oversight of procurement will be through increased implementation support besides implementation support missions every six months and post review of contracts once a year.

52. Given the emergency situation and non-complex nature of procurement, MoF will prepare a streamlined Project procurement strategy for development (PPSD). Since details of procurements under the project are yet to be worked out by MoF, the PPCSD and the Procurement Plan will be finalized during the early stages of Project implementation.

ANNEX 2: Addressing Gender Based Violence in West Bank Emergency Social Protection COVID-19

1. Palestinian women are vulnerable to cycles of conflict and poverty, experiencing high rates of domestic violence during times of crisis that add pressure to existing services that address the problem of gender-based violence. Surveys by the PCBS and data from gender-based violence helplines point to high rates of IPV against women: 24 percent of women in West Bank and 38 percent of women in Gaza have been exposed to some form of IPV between 2018-2019.⁵⁴ Of those women who reported some form of IPV, 60 percent chose to remain silent.⁵⁵ Studies have shown that there is a correlation between outbreaks in conflict and increased levels of GBV.⁵⁶ Such high levels do not necessarily drop after crisis situations end, but either remain the same or continue to increase as a result of the after-effects of war, such as displacement and economic hardship.⁵⁷ One non-governmental organization reported that women seeking help and reporting cases of violence via their private hotline spiked considerably during the Gaza conflict of 2008-2009 and then during the crisis of 2014, requiring additional capacity to provide 24-hour support.⁵⁸

2. High rates of domestic violence are increasing during the COVID-19 pandemic, threatening the ability of already resource-constrained NGOs to deliver services to survivors of violence. As other countries report increased levels of violence against women and girls during lockdowns, the population of the Palestinian territories are experiencing similar trends. More than 20 percent of woman responding to the “CARE Palestine WB&G COVID-19 Rapid Gender Assessment” shared that they have experienced an increase in GBV security concerns, including intimate partner violence and domestic violence.⁵⁹ Another rapid household assessment showed that one in four surveyed indicated domestic violence has increased during quarantine and 71 percent expect it to further increase with the extension of the lockdown.⁶⁰ Increases in GBV are a major challenge during a pandemic when resources are likely to be diverted to respond to the immediate health crisis, which will then affect the availability of and accessibility to essential services for women and girls who experience violence.⁶¹

3. GBV has been identified as a major concern in the Palestinian territories and activities to combat it have been integrated in earlier social protection programs supported by the World Bank. Following concerns about the prevalence of GBV/ IPV and the sensitivities around the handling of such cases in the Palestinian territories, the Social Protection Enhancement Project (P160674), with support from the State and Peacebuilding Fund, carried out an in-depth analysis on factors behind high rates of GBV/IPV as well as a mapping of services with gaps and opportunities for improvement. Building on discussions with the PA, development partners, and civil society, the rapid diagnostics helped inform the design of the Case Management System (CMS) of SPEP and led to GBV-specific inputs into the CMS Operational Manual to guide processes related to GBV-related issues. Furthermore, the Project included short interventions during home visits that provide family with tools to support non-violent conflict resolution and elimination of child maltreatment which have been proven to reduce incidents of GBV/IPV.⁶² In close collaboration with the MoSD, these short prevention

⁵⁴ Palestinian Central Bureau of Statistics (PCBS), Preliminary Results of the Violence Survey in the Palestinian Society 2019. Different forms of intimate partner violence surveyed include economic, social, psychological, sexual, and physical. In this case, the intimate partner referred to by the survey is ‘husband.’

⁵⁵ Ibid.

⁵⁶ UNRWA, 2015; Herbert, 2014.

⁵⁷ Herbert, 2014.

⁵⁸ World Bank Mission Findings, March 12-16, 2017.

⁵⁹ Juzoor Health and Social Development, Gender-Based Violence During COVID-19 Pandemic Palestine - May 2020.

⁶⁰ Juzoor Health and Social Development, Gender-Based Violence During COVID-19 Pandemic in Palestine - May 2020. Note: The rapid assessment was carried out by phone and used random sampling to select 800 Palestinians with a response rate of 79 percent.

⁶¹ Impact of COVID-19 on Violence against Women and Girls and Service Provision: UN Women Rapid Assessment and Findings – 2020.

⁶² One of the prevention tools is the Motherhood and Family Brochure which includes empowering messages with a focus on mothers and positive reinforcement through family-centric activities, as well as contact information for the MoSD branches across the West Bank and the Family Protection Units in police stations in corresponding districts. The national hotline number is also provided. A second prevention tool is

interventions have leveraged the experience of the UN and civil society to engage with communities and designed a context-specific approach to GBV prevention that is safe and gender sensitive.

4. The proposed West Bank Emergency Social Protection COVID-19 Response Project will address increased incidents of GBV through its CTP top-ups in sub-component 1.2: Building on the SPEP activities to address and prevent GBV among its beneficiary households, the proposed project will benefit from the network of social workers to inform the population of the nature and duration of the temporary support through the CTP program. As part of the general communication, a clear explanation of standard COVID-19 prevention practices and social distancing, as well as detailed information on specific topics such as family budgeting, savings, and stress management to help prevent GBV, need to be developed. Social media, text messages, TV, and radio are general channels of dissemination, but MoSD's social workers as well as the trained Murshidat al Mara'a and local agencies can also play a role in disseminating those messages. Additionally, the project will build on the existing GBV prevention tools which were developed under SPEP specifically to support engagement of fathers and sons in sharing the care burden with mothers and daughters. Key phone numbers like the national hotline and contact information of the MoSD branches will also be included.

5. Through the C4W component, the proposed project will also create the opportunity to support NGOs that focus on GBV prevention and response activities. Building on the success of the C4W intervention in Gaza, Component 2 of the proposed project will provide sub-grants to selected NGOs in the West Bank to implement sub-projects employing the targeted vulnerable populations, of which at least 50 percent will be women.⁶³ NGOs selected need to demonstrate the following characteristics: (i) have a strong delivery record; (ii) are specialized in reaching out to the most vulnerable segments of the population; (iii) have experience in responding to emergency situations; (iv) have experience implementing similar C4W projects; (v) have a strong record of working with communities and public institutions; and (vi) have the capacity to adapt to the rapidly evolving context in the Palestinian territories. Furthermore, special consideration (or preference) will be given to NGOs attempting to either maintain or respond to and manage the increased levels of violence against women and girls. Selection of NGOs focusing on GBV must demonstrate they have carried out the minimum actions (at least) to uphold international GBV standards and a survivors-centered approach in caring for GBV survivors.⁶⁴ While there will not be a specified target set for NGOs focused on GBV, there will be monitoring and data collection carried out to assess types and quality as well as demand for GBV services among NGOs who apply. Reporting of assessment will take place during submission of periodic progress reports.

a set of seven Smart Parenting Notecards that provide different games for families to play together and ideas for household chores between father-daughters and mother-sons. Inspirational messages to encourage positive parenting were also included.

⁶³ Implementing agency is the NGO Development Center.

⁶⁴ Only applies to those NGOs working or proposing to work on GBV.

Proposed Gender Approach Logic Chain

Gender Strategy	Analysis	Actions	M&E
Improving Human Endowments & Removing constraints to more and better jobs	Large gender-based gaps in unemployment to the disadvantage of women - as a result of social norms, mobility and informational constraints. This is a particular challenge among youth (esp. young women who also find it difficult to build skills). COVID-19 is further exacerbating access to labor market operations, with women more vulnerable to job losses.	Building on the success of the Gaza C4W program and expanding to West Bank to support NGOs working to maintain essential services in health and social sectors. The program is designed in a way that will ensure women will apply and be recruited. This includes the nature of the work and targeted communications to ensure it reaches women.	<ul style="list-style-type: none"> - Number of vulnerable populations receiving cash for work from the project (number), of which female (50 percent).
Voice and Agency	High incidents of violence against women and girls in general with reported spikes due to COVID-19 pandemic and measures related to the lock down. Domestic violence is likely to increase with stress and anxiety which is very high – approx. ¾ of the population reportedly stressed (with more women stressed than men due to increases in care burden).	This will be addressed leveraging the SPEP program's focus on GBV, utilizing female social workers trained on GBV, tools as part of the communications to households on public health measures and stress management.	<ul style="list-style-type: none"> - Beneficiary households that are aware of women and family protection services available to them (percentage) - Female beneficiaries who expressed satisfaction with the project intervention (percentage) by type of support - Female beneficiaries who expressed satisfaction with delivery and communication of the project intervention (percentage), by type of support.
	Impact of COVID-19 is resulting in diversion of resources from organizations combatting GBV, as well as added pressure on service delivery based on what we know from global evidence as well as local lessons that show linkages between crisis and spikes in violence in Palestinian territories.	This will be addressed through giving some preference or weight to GBV service providers during selection process so long as they meet minimum standards.	

ANNEX 3: Guidelines for Social Distancing

Guidance Note for labor intensive-public work activities in COVID 19 context

1. Public works programs are generally viewed as social safety net instruments and are used in diverse contexts across both low- and middle-income countries. Their dual objectives are to provide temporary employment while also generating or maintaining labor-intensive infrastructure projects and social services.
2. Conducting labor-intensive public works will entail many people working in the same space at any one time and sharing work tools. In these instances, just one misstep can lead to the quick spread of COVID-19, jeopardizing the well-being of participants.
3. The virus is thought to spread mainly from person to-person, including (a) between people who are in close contact with one another (within about six feet), and (b) through respiratory droplets produced when an infected person coughs or sneezes. These droplets can land in the mouths or noses of people who are nearby or possibly be inhaled into the lungs.
4. The following COVID-19 safety tips are recommended for implementers and participants of labor-intensive public work activities:
 - Collaborate with health authorities to provide advice and guidance on how safely to work in a group;
 - Ensure that sick beneficiaries do not participate on the public work project. Any person experiencing symptoms of COVID-19 (e.g., fever, cough, shortness of breath, sore throat, runny nose, body aches, chills, or fatigue) should not be allowed to come to the public work site and should instead be advised to seek medical care;
 - Waive the requirement of using beneficiaries' fingerprints to verify their identity. Use other methods for verification instead, for example a national or program ID;
 - Establish guideline for social distancing at the work site. Social distancing is the practice of deliberately increasing the physical space between people to avoid spreading illness. In terms of COVID-19, social distancing best practices for public work activities can include:
 - Create smaller teams of ten or fewer people in a group and create staggered shifts to protect against the spread of COVID-19;
 - Allow younger people to work while keeping older people isolated;
 - Keep workers at least six feet away from others;
 - Discourage people from shaking hands;
 - Do not allow participants to share work tools and equipment, while sanitizing equipment on a regular basis;
 - Require that all participants wear facemasks made from cloth;
 - Develop and communicate guidance to participants on how to stay safe from COVID-19 and provide training on the same;
 - Develop and post posters to educate participants to help prevent the spread of COVID-19;
 - Ask participants targeted questions regarding their current health before they enter the public work site. If they answer yes to the following questions, supervisors should ask them to go home and not return to work until further notice:
 - Have you been in contact with a person who has tested positive or is in the process of being tested for COVID-19?
 - Have you or anyone you've been in contact with traveled outside of the village recently?

- Has a medical professional told you to self-quarantine?
- Are you having trouble breathing, or have you had flu-like symptoms within the past 48 hours (e.g., fever, cough, shortness of breath, sore throat, runny nose, body aches, chills, or fatigue)?
- Instruct participants to practice good hygiene. Participants should clean their hands often, either with an alcohol-based hand sanitizer or soap and water. Hand sanitizers should contain at least 60-95 percent alcohol, and participants should wash their hands with soap for at least 20 seconds. It's also a good idea to strategically place hand sanitizer and hand-washing stations around the public work site.