



Additional Financing Appraisal Environmental and
Social Review Summary
Appraisal Stage
(AF ESRS Appraisal Stage)

Date Prepared/Updated: 04/21/2024 | Report No: ESRSAFA731



I. BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
West Bank and Gaza	MIDDLE EAST AND NORTH AFRICA		
Project ID	Project Name		
P181678	Additional Financing - Resilient Municipal Services Project		
Parent Project ID (if any)	Parent Project Name		
P178723	West Bank and Gaza Resilient Municipal Services Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	4/29/2024	5/29/2024
Estimated Decision Review Date	Total Project Cost		
4/16/2024	22,000,000		

Public Disclosure

Proposed Development Objective

To strengthen municipal capacity to deliver accountable, sustainable, inclusive and resilient services to the municipal population in the West Bank.

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes

C. Summary Description of Proposed Project Activities

The project will consist of four components:

Component 1: Performance Based Service Delivery Grant Transfer. Through this component the project will provide participating municipalities with the performance-based grant financing needed to advance in the process of fulfilling their mandated service delivery responsibilities. To participate municipalities will have to first comply with a series of Minimum Conditions (MCs) which are the basic requirements that all participating municipalities should comply with



to become eligible to receive the grants tied to the achievement of performance measures. The grants will finance municipal infrastructure sub-projects that participating municipalities will identify and prioritize based on their Strategic Development and Investment Plan (SDIPs). Municipalities will identify such sub-projects through a participatory public consultation process and will be limited to the sectors outlined in the legal framework. It will finance the transfer of two cycles of bi-annual grants and investments, the first of which will occur during the first year of project implementation and the second two years later. These will be composed of two sub grants, the first of which will be based on an evaluation of municipal needs, the second will be performance based, where the allocation will be determined by a formula that considers the achievement of Performance Measures (PMs). This is a similar approach to the one taken as part of the MDP project series, but with a significant stronger focus on the performance of municipalities

Component 2. Capacity Development. This component will provide capacity development support to municipalities and national level institutions, namely, the MDLF and the MoLG. The MDLF will prepare a Capacity Development Plan at the start of the project in consultation with all stakeholders, which will provide a detailed description of the priorities, activities and their inter-linkages for this component.

Component 3. Natural hazard and Climate Change Resilience (competitive): The component will cover technical assistance as well as offer financing of small-scale physical works supporting municipalities' effort to reduce natural hazard and climate change related risks in support of the PA's efforts to climate change and reduction of all forms of environmental pollution. More specifically this component will cover:

Subcomponent 3.1. Participatory natural hazard and climate change risk assessment. Building on the recent urban hydrological and climatological risk research, as part of the first cycle of grants to be distributed, the project will support the development of a detailed participatory risk assessment for hydrological and climatological risks in select major urban areas of the WB&G. Gender equality and integration will be ensured through these capacity development initiatives, as too will be the focus on vulnerable groups. These will ultimately lead to municipal hazard reduction plans which will propose a series of small-scale risk mitigation interventions within a subset of preferred activities, which include energy efficient building rehabilitation, rooftop solar energy, SWM (Slurry management) urban nature-based solutions like green roofs, green corridors, urban farming, urban parks and forests, among other urban heat and flood management works.

Subcomponent 3.2. Natural hazard and climate change adaptation structural works. It will subsequently finance climate change mitigation and adaptation works as part of the second cycle of activities. The selected municipalities will be responsible for implementing the infrastructure projects identified, under the MDLF's oversight and supervision. Support will be provided to prepare plans and designs for such prevention measures and plans for the management, operation and maintenance of each structural measure built. Municipalities are encouraged to propose investments of larger scale targeting more than one municipality to reap economies of scale and consolidate service delivery (building on the success of implementing joint projects as part of the LGSIP).

Component 4: Project implementation support and management. This component will finance the functioning of the teams that are part of the MDLF supporting the implementation of the project. It will finance the management costs of the MDLF as well as the required goods and consultant services (local technical infrastructure supervision) needed for the effective monitoring and evaluation, social and environmental safeguards management, procurement, outreach and communications for the project.



Component 5: Contingency Emergency Response (CERC).

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

The Project interventions were designed to cover the entire area of the West Bank and Gaza Strip (WB&G), but given the uncertainties and unfeasible implementation circumstances in Gaza, the AF and the project is being restructured to focus the support on restoring and maintaining the critical municipal services in the West Bank municipalities, The WB&G is characterized by a variation in topography and altitude. The WB&G covers an area of 6,020 sq. km and is composed of two physically and politically separated land masses. WB&G are comprised of 16 governorates including 159 municipalities among other local government units, 278 village councils, and 73 Joint Service Councils (JSCs).

The Project environmental and social baselines remains applicable, where the Palestinian territories are exposed to a range of natural hazards risks that will probably increase due to climate change in the coming decades, affecting municipal infrastructure and service delivery to people living in urban areas. The situation is made more complex due to the political and institutional constraints faced by municipalities and the ongoing escalations in the West Bank and Gaza Strip. Considering restriction of access around the West Bank, the increase of unemployment rates due to loss of jobs associated to the current escalations. While in Gaza Strip, the destruction of the public and residential infrastructure and services is associated with severe pollution of soil, water and air, loss of natural capital and ecosystem service, that are significantly impacting the human health and livelihood on the short and long terms.

The Parent Project was designed at stage where the Palestinian economy had experienced modest growth, but progress in other socioeconomic indicators had been slow. Economic and social challenges on trade movement and access, recurrent hostilities, internal divide, and falling aid inflows, were exacerbated as a result of COVID 19 related policy interventions. Furthermore, unemployment was significant as rates reached 27.8% nationally, 17% in the West Bank and about 51% in the Gaza Strip. The conflict has severely affected the economy, where several compounding factors contributed to this decline, including the lost access to jobs in Israel, withheld PA taxes and the decrease in donor assistance, which have compounded the already dire fiscal situation of the PA.

Considering the project implementation in the Gaza Strip has been affected due to the current conflict, the proposed AF and restructuring will provide emergency financial support to West Bank municipalities to maintain basic service provisions. It will do so by financing labor intensive O&M projects in the West Bank to restore or maintain critical municipal services in the West Bank, financing: a) labor intensive subprojects identified in SDIPs, and b) labor intensive O&M activities to be identified by municipalities. Associated environmental and social risks related to construction and rehabilitation works in different sectors and labor-intensive activities including health and safety, labor and working conditions, waste management, and limited pollution are addressed in the ESF instruments.

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

The Project and the AF borrower institutional capacity continues to improve during the preparation of Project activities.

The Ministry of Local Government (MoLG) is responsible for increasing the territorial administration under the PA's autonomous control. It has a leading role in developing sector policies, approving program interventions, budgets,



and providing oversight of the work of the Local Government Units (LGUs). The Municipal Development and Lending Fund (MDLF) was established in 2005 to implement the PA's national development policies in the local government sector. The Ministry of Finance (MoF) and MoLG will work with MDLF to coordinate policy reforms implemented under the Project (Component 2).

MDLF will be responsible for the overall management of the AF Project. The parent project was the MDLF's first project under the World Bank's Environmental and Social Framework (ESF). Under the parent project and the AF, MDLF continues engaging their E&S staff and consultants – 2 environmental specialists and 2 social specialists currently employed to support the project implementation in both West Bank and Gaza offices, and 3 environmental and 3 social consultants, and one E&S liaison consultant – to support municipalities during sub-project preparation and implementation.

The Gaza staff are currently displaced due to the conflict. MDLF will maintain their positions so staff can return once the situation on the ground allows and works resumes in the Gaza Strip.

Under the RLGMS/MDP-4 Project/parent project and its AF, municipalities will continue to be responsible for implementing the infrastructure projects that are financed from their individual basic and performance-based grants allocated from the project Component 1, in addition to directly hire workers to implement the activities under Component 6. Implementation will be under the MDLF's supervision and supported by Local Technical Consultants (LTCs).

Municipalities E&S safeguards capacity was developed through the MDP Project iterations, under MDP-3 implementation, MDLF conducted formal training, orientation sessions, and on-job training, and included preparation of ESMPs and compliance with E&S safeguards. And according to MDLF's assessment of municipalities' capacity, the understanding of and capacity to implement E&S safeguards requirements varies across municipalities. Furthermore, while the understanding of the Bank's E&S safeguards policies has been enhanced during MDP-3, the municipalities have limited knowledge of the ESF, and capacity enhancement has been integrated under the MDP4.

MDLF has commenced ESF capacity development activities at the early stage of the parent project implementation as per the ESCP and the capacity building plan under the ESMF to build the capacity of MDLF E&S staff, consultants and technical teams, and the municipalities so that sub-projects are implemented in compliance with ESF requirements including orientation sessions on the Project ESF requirements and planning to conduct training for municipal engineers on ESF, and OHS.

MDLF was the first implementing agency in WB&G to pilot Geo-enabling Supervision and Monitoring (GEMS) Tool for remote monitoring of the E&S safeguards for a number of sub-projects under the MDP-3 AF. The GEMS Tool provided MDLF with timely reports that allowed immediate response for E&S compliance during sub-project implementation.

Finally, MDLF E&S staff has benefitted from in-country World Bank ESF trainings (ESF fundamentals, SEA/SH, ESS2, and OHS in Bank Operations) and the Bank's E&S team will continue to provide further capacity building support, as required, during project implementation, in addition to benefiting from the Environmental and Social Hands on Support (ES HEIS) as requested for the West Bank and Gaza Portfolio by the Ministry of Finance/Ministry of Planning.



II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

A.1 Environmental Risk Rating

Substantial

The project continues to have positive impacts improving the service delivery at the municipal level, enhancing municipal capacity, and natural hazard and climate risk resilience. Municipalities are eligible to receive grants to implement a wide range of potential sub-projects in different infrastructure sectors, the details and specific locations of such investments are yet to be identified. The additional financing activities include labor intensive activities; costs of labor, equipment and supplies for roads repairs and maintenance (filling of potholes, crack repair and sealing, etc.), periodic cleanup of drainage system, O&M of slaughterhouses, solid waste collection and sorting, fumigation, and cleanup. The parent Project is still in its early stage of implementation, the risks remain relevant. Risks and impacts associated with the provision of infrastructure sector sub-projects under Components 1 (i.e construction/rehabilitation of roads, street lighting, public buildings, public parks, water and sewage) as part of eligible list. Component 3 is associated with provision of small-scale physical works including energy-efficient building rehabilitation, rooftop solar energy, slurry management in addition to climate mitigation and adaptation works i.e urban nature-based (i.e green roofs and urban heat in addition inter-city corridors, urban parks, and flood management. Component 2 will support institutional capacity development of municipalities (social accountability, pre-investment studies, and financial management and credit worthiness, including supply of computers and minor renovation and refurbishment), and policy reforms. The adverse environmental risks and impacts related to civil works activities under the different components and infrastructure sectors, such as dust and noise emissions, interruptions to public services and infrastructure, road and traffic safety risk, and waste generation. Pollution and health risk due improper hazardous waste management may result from leakage from supplied oil and fuel, improper disposal of pest control, improper disposal and management of wastewater, and the e-waste resulting the end of life of electronic equipment's, in addition to emission of dust, odors, and vehicle exhaust due to waste collection and transportation activities and occupational health and safety risks associated to works in different sectors and scales, as well the O&M, and labor-intensive activities under component 6. Further risks associated to activities under component 3 targeting more than one municipality are expected to have impact on biodiversity conservation that will be assessed applying to the mitigation hierarchy. Supplies not expected to have adverse impact on the energy and resources efficiency. The sub-projects are expected to be implemented in urban areas and not expected to affect cultural heritage resources, other than find of uncovered resources. Within the first period of implementation MDLF has shown adequate planning and implementation of environmental and social activities, in addition to maintaining ESF personnel, who received ESF fundamentals training, and has a good track record of compliance with the Operational Policies. Considering the above the environmental risk is rated Substantial.

A.2 Social Risk Rating

Substantial

The parent project and AF are expected to have a number of social benefits including (but not limited to) providing support to municipalities for local service provision and infrastructure development, technical assistance/capacity building also including for participatory planning and social accountability, and increased climate resilience. The AF will also support livelihoods in the West Bank through the C4W component. Briefly, the social risks under the AF are the same as the parent project including: i) small-scale land taking and temporary restrictions on land use: under Component 1 there may be small scale land taking for the expansion of ROW, if required, for rehabilitation and

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maintenance of water networks; construction and rehabilitation of roads; and construction/rehabilitation of public facilities (e.g. schools, clinics etc.) where public land is not available. There is also a potential risk of temporary restriction to land use and impacts during construction on small enterprises particularly in commercial areas. Final determination of land needs will be done during subproject preparation and mitigation measures proportionate to the risk level will be included in site-specific instruments based on the project’s Land Acquisition and Livelihood Framework (LALF) (see ESS5); ii) Risks related to labor use, OHS and working conditions of contracted workers to be employed under cash-for-work subcomponent; no large-scale labor influx or construction of large labor camps will be required under the project. Labor management risks such as, OHS, working terms and conditions, and minimum age will need to be mitigated (see ESS2); iii) community health and safety risks associated with communicable diseases, road safety, sexual exploitation and abuse and sexual harassment (SEA/SH) and gender-based violence (GBV) (see ESS4); iv) potential exclusion from or inequitable provision of project benefits (e.g. improved services, temporary job creation opportunities, enhanced social accountability measures) and/or lack of meaningful engagement during preparation and implementation with women and comparatively marginalized/vulnerable groups (e.g. persons with disabilities, women headed households, youth, the poor, people living in Area C, communities in Access Restricted Areas (ARAs) and relatively remote locations, communities more vulnerable to impacts of climate change etc.). The risk will be mitigated through participatory measures incorporated in the project design and the development and implementation of the Project SEP/ SEP Addendum for AF. The GM for the parent project/MDP-4 will also be used for the AF. Based on the above the social risk rating is Substantial.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Relevant

The additional financing activities include labor intensive activities; costs of labor, equipment and supplies for roads repairs and maintenance (filling of potholes, crack repair and sealing, etc.), periodic cleanup of drainage system, O&M of slaughterhouses, solid waste collection and sorting, fumigation, and clean up. The activities are of similar nature to the parent project activities.

The Project and the AF environmental impacts related to the construction and operation and maintenance of sub-projects in different infrastructure sectors and scales are still relevant and include dust and noise emissions, interruptions to public services and infrastructure, road and traffic safety risk, and non-hazardous waste generation. Pollution and health risk related to improper hazardous waste management may result from leakage from supplied oil and fuel, e-waste resulting of electronic equipment’s, improper handling of pest control material, and improper disposal and management of wastewater and slurry. OHS risks related to civil works, waste collection, operation and maintenance, labor-intensive activities. The emission of dust, bio-aerosols, odors, and vehicle exhaust due to waste collection and transportation activities, noise, and vibration from the operation of waste processing equipment. Climate change mitigation and adaptation works targeting more than one municipality under Component 3 are expected to cause impact on biodiversity conservation depending on the sub-project spatial location and the scale of interventions. The supply of equipment and vehicles is limited and not expected to have adverse impact on energy and resources efficiency.

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Same as the parent project, for the AF social issues under ESS1 relate to inequitable distribution or potential exclusion of marginalized groups from project benefits; lack of meaningful engagement and consultation particularly with women, youth and vulnerable categories (e.g. women headed households, persons with disabilities, the poor, people living in Area C, ARAs and remote locations, communities more susceptible to climate change etc.)

If an associated facility will be identified under any sub-project, once the exact sub-project details are finalized the associated facilities will be carried out in accordance with the applicable requirements of the project ESCP and relevant Environmental and Social Standards (ESSs), including, inter alia, the ESIA, ESMP.

All impacts and risks have been addressed in the Project ESMF that has been disclosed on 23 December 2022, and will be adopted for the parent project and the AF activities. Considering not all the sites are yet defined, identification of site-specific instruments will be done proportionate to the risks (including but not limited to the site-specific Environmental and Social Impact Assessments/Environmental and Social Management Plans/OR Environmental and Social Management Checklists (ESIAs/ESMPs/OR E&S Management Checklists), Stakeholder Engagement Plan (SEP)) to ensure that risks are eliminated/reduced to acceptable levels. For the AF, risks related to workers health and safety, pollution related to waste and wastewater generation will be addressed in the site-specific ES Management checklists as guided in the ESMF. The risks of activities that will be identified under the CERC will be assessed upon identification according to an exclusion list for high and substantial activities in the ESMF.

The ESMF provides guidance on the type of site-specific ESF instrument, corresponding review and clearance and disclosure requirements, based on the outcome of site-specific environmental and social screenings. Hence, in the case of substantial risk sub-projects MDLF will prepare the environmental and social instruments including but not limited to ESIAs/ESMPs which will be reviewed and cleared and publicly disclosed. For low and moderate risk sub-projects, MDLF will be responsible for preparation and disclosure of the E&S instruments i.e ESMP or E&S Management Checklist or simple E&S mitigation measures. The updated Project Operational Manual (POM) will provide details of the review and clearance process for each environmental and social risk management instrument.

The Bank will conduct a post review of the project's compliance with environmental and social risk management requirements. To fulfill the post review requirements, MDLF will conduct a standalone annual E&S audit for the Project and the AF, consistent with the relevant ESSs. The E&S audit findings and Corrective Action Plan (CAP, if any) will be reviewed and cleared by the Bank and implemented throughout the project and the AF.

The ESMF provides (i) the rules and procedures for Environmental and Social Assessment of the proposed sub-projects, including exclusion criteria for subprojects and CERC activities, (ii) guidelines for environmental and social screening identifying screening the impacts on biodiversity and physical cultural heritage. (iii) templates for ESMPs and E&S Management Checklists, actions to address OHS risks related to construction works including risks related to COVID-19, and resource efficiency and pollution prevention management measures throughout the project lifecycle consistent with WBG Environmental Health and Safety Guidelines (EHSG)s and Good International Industry Practices (GIIP). (iv) provides GBV/SEA/SH risk mitigation measures, proportionate to “low” risk”, that will be included as required in the site-specific subproject ESIAs/ESMPs, E&S Management Checklists and implemented, (v)the ESF capacity building activities for the MDLF, MoLG and the municipalities.



Finally, MDLF has updated the Project ESCP for the AF Project which will be included in the legal agreement between the Bank and the Palestine Liberation Organization (for the benefit of the Palestinian Authority). The ESCP covers, among other actions, maintaining E&S staff, implementation of the project ESMF, preparation and implementation of site-specific ESAs/ESMPs/E&S Management Checklists, implementation of the project Labor Management Procedures (LMP), implementation of the project Land Acquisition and Livelihood Framework (LALF), preparation and implementation of site-specific Land Acquisition and Livelihood Plans (LALPs), and the implementation of the project SEP/Addendum for the AF and any other relevant ESF instruments.

An Addendum to the parent project SEP has also been prepared by MDLF, reviewed by the Bank and disclosed on April 19, 2024. The ESCP is cleared by the Bank, and publicly disclosed in country and on the Bank website on April 21, 2024, and will be discussed during negotiation, and if needed a negotiation ESCP will be updated and disclosed.

ESS2 Labor and Working Conditions

Relevant

The project activities involve direct workers (MDLF and municipality staff assigned to the project); contracted workers engaged in construction (hired by contractors and subcontractors), workers employed under C4W element and consultancy services (e.g. for preparation of E&S documents); and primary supply workers (i.e. workers of suppliers who, on an ongoing basis, provide directly goods or materials essential for the core functions of the project). The Project will not involve community workers. An assessment of project workers is included in the Project Labor Management Procedures (LMP) and further assessment will be done during the preparation of site-specific ESAs/ESMPs/E&S Management Checklists.

Large labor camps are not anticipated for the project (including AF). The project involves a range of civil work activities such as for construction/rehabilitation of roads, sidewalks, public facilities (e.g. buildings, parks etc.), water, wastewater, drainage and electricity networks, solid waste management infrastructure, and installation of solar photovoltaic equipment (rooftop or field) etc. Therefore, there are labor management issues such as (but not limited to) OHS, working terms and conditions, and equal opportunity. Risk of forced labor related to primary supply workers is anticipated for solar energy sub-projects when photovoltaic (PV) panels are considered essential for the specific sub-project component (without which the sub-project or component will not be viable). Risks of child labor are not anticipated under the project. The risk of SEA/SH is "moderate" primarily because some sub-projects and C4W interventions might be in relatively difficult to monitor locations and/or may have reduced access to support services for survivors

Workers' GM, in accordance with the requirements of ESS2, has been established by MDLF and municipalities for direct and any contracted workers engaged by them, and by contractors for construction workers. This GM is functioning effectively and will also be used for AF activities.

MDLF prepared the project LMP and this was disclosed by 23 December 2022. The LMP covers the assessment of potential labor related risks; an overview of labor regulations, policies and procedures; an assessment of and a plan to prevent GBV/SEA and SH proportionate to the level of risk; assessment of occupational health and safety, contract terms and conditions; working age regulations; details of the workers' GM; and other requirements of ESS2. Finally, as agreed for the parent project and in accordance with the project LMP, if participating municipalities identify solar panels in their grant proposals MDLF will require the municipalities to require their solar suppliers to comply with WB requirements while procuring solar PV relevant provisions.



Site-specific labor management measures will be included in the site-specific ESIA/ESMPs/E&S Management Checklists and will be available before the commencement of work at any of the sites. The works contracts will include specific provisions for OHS measures, prevention of child labor and GBV/SEA, CoC in local language, availability of the workers' GM, and working conditions, following the general following the general World Bank Guidelines on Environmental Health and Safety (EHS Guidelines) and the more specific sector relevant Occupational Health and Safety guidelines relevant to the sectors guidelines.

The MDLF is implementing a CoC for their direct and contracted project workers. For the parent project and AF, the MDLF will also request municipalities, contractors and primary suppliers to implement the CoC for their workers in line with the LMP and will ensure that all workers understand and sign the CoC at the time of employment /engagement in the Project. LMP requirements will be incorporated into the procurement documents of contractors and suppliers. Suppliers will be monitored to ensure compliance with the LMP provisions in their respective contracts.

Finally, in addition to the program workers identified above, some MDLF and/or municipality staff may also work in connection (full-time or part-time) with the project without being formally transferred to the project. Labor conditions as per as ESS2 will not apply to such workers, and they will remain subject to the terms and conditions of their employment with MDLF or the municipality, except for OHS, provisions of ESS2 related to protection in the work force (i.e. regarding child labor, minimum age and forced labor), and the provisions for SEA/SH (signing of CoC).

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ESS3 Resource Efficiency and Pollution Prevention and Management

Relevant

This standard remains relevant, and no changes to the assessment for the AF. The ESMF addressed the potential risks and impacts associated with sub-projects construction include pollution risk related to the hazardous and non-hazardous waste generation and improper waste management including construction waste, oil, fuel, e-waste, and battery waste associated with solar PV. As well as pollution resulted from waste collection and transportation activities, the construction and operation of wastewater treatment management in addition to risks related to fugmation and pest control material. These risks and mitigation measures required for each waste category will be further elaborated in site-specific ESIA/ESMPs, adapting the mitigation hierarchy, and following the WBG Environmental, Health and Safety Guidelines and Good International Industry Practices (GIIP).

On the other hand, the procurement of equipment and vehicles under the project and the AF will not be expected to increase energy demand, however the technical specifications for such activities should apply energy efficient specifications.

ESS4 Community Health and Safety

Relevant

This standard is relevant. The safety of communities living and working in areas where civil works will be implemented (under Components 1 and 3), will be assessed and measures to mitigate any identified construction related risks will be included in the site-specific ESIA/ESMPs/E&S Management Checklists. The Project is not anticipated to engage with security personnel. Wherever construction activities require route detours, safety measures to minimize the impact of construction activities and any related increase in traffic on nearby communities and road users, and measure to ensure



road and traffic safety and prevent potential road accidents will be put in place and enforced in accordance with acceptable norms and as per the World Bank’s EHS guidelines. Additional community health and safety risks are related to the potential exposure to communicable diseases from project workers; and risks associated with potential SEA/SH. MDLF prepared (as part of the project ESMF) community health and safety management measures that include measures to minimize community exposure to communicable diseases; and provisions (e.g. workers’ CoC, effective monitoring, regular training and awareness raising for workers and communities) to prevent and respond to SEA/SH or GBV proportionate to the level of risk. The measures will also be applied to AF activities. The project GM also includes survivor centered features for handling and addressing GBV/SEA/SH cases, including strengthening referral pathways within the GM.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

This standard is relevant and anticipated risks and impacts for the AF remain the same as the parent project. Briefly, no large scale private land acquisition or physical resettlement is anticipated. However, there may be potential risks (under Component 1) associated with some small-scale private land taking for the expansion of ROW, rehabilitation and maintenance of water networks, and construction and rehabilitation of roads. Similarly, for rehabilitation and construction of public facilities, some private land taking may be needed in cases where public land is not available. Final determination of land needs will be done during subproject preparation. There may be temporary risks of restricted access during construction in commercial areas and such risks will also be assessed and mitigated, as required, during subproject preparation and implementation.

For both parent project and AF, municipalities in collaboration (as required) with MDLF, MoLG and the Palestinian Land Authority (PLA), will be responsible for requisite private land taking including through land acquisition, Voluntary Land Donation (VLD) or willing-buyer/willing-seller arrangements in accordance with the LALF that was prepared and disclosed for the parent project. During implementation, once the technical designs and locations of interventions are available, site-specific LALPs (if required) will be prepared, cleared and disclosed. LALPs will be implemented before commencement of construction and a commitment to prepare and implement LALPs during project implementation is included in the ESCP.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

ESS6 is remains relevant with no change on the assessment under the AF. The project activities under Component 1 are anticipated to be implemented within the urban and semi-urban areas identified in the town masterplan that are not expected to have biodiversity conservation value but is expected to have potential risk of cutting of some trees associated to road expansion and construction sub-projects. The climate mitigation and adaptation activities under Component 3 are expected to be located in areas of potential biodiversity value or cause impact on biodiversity that has not been identified yet. The ESMF has included an exclusion list of activities that may generate significant impact on biodiversity conservation. Further risk of biodiversity will be assessed under the site-specific ESIA/ESMPs where the mitigation hierarchy approach will be applied as needed.

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ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Currently Relevant

This standard is not relevant to the proposed project. There are no Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities in the Palestinian Territories.

ESS8 Cultural Heritage

Relevant

This standard remains relevant under the Project and the AF, with no change in the assessment. Given the national scope of the project activities, while the towns/cities masterplans identify the location of the physical cultural resource designated by the Ministry of Antiques and Tourism, the masterplans do not identify uncovered resources and nontangible resources. The screening process under ESMF excludes any sub-project that will include rehabilitation of Cultural Heritage resources, and any activity that may cause significant impacts on tangible or intangible cultural heritage resources. Furthermore, the ESMF document provide the Chance Find approach as a mitigation measure for potential findings, where the Chance Find Procedures will be part of the specific ESIA/ESMP, and the E&S Management Checklists for all sub-project works contracts that involve excavation, movement of earth, flooding, or changes to the physical environment activities.

ESS9 Financial Intermediaries

Not Currently Relevant

This standard is not relevant as there are no financial intermediaries involved in this project.

ESS10 Stakeholder Engagement and Information Disclosure

Relevant

Project affected parties include (but are not limited to) municipalities in West Bank and people living in the project areas of influence such as direct project beneficiaries, workers including university graduates and members of households benefiting from C4W, community members and other parties that may be directly impacted by project activities such as landowners, land users and non-titled land users (if any) and public facilities that would benefit from the project activities such as City Hall, Culture centers, Libraries, Water and Wastewater facilities, solid waste facilities such as Transfer stations, cemeteries if operated by the municipality, Public Parks and gardens, municipal-owned sports facilities O&M of Slaughterhouses, etc.. Other interested parties include (but are not limited to) institutional actors such as MDLF, MOLG, Palestinian Land Authority, Ministry of Education, Ministry of Health, Ministry of Public Works, Palestinian Water Authority, Palestinian Environmental Quality Authority and other regulatory agencies at the national and local levels, Non-Governmental Organizations (NGOs) and Community Based Organizations (CBOs) providing social services, and the local media. Disadvantaged and vulnerable groups include (but are not restricted to) people living in remote locations, the poor, women headed households, persons with disabilities, youth, people living in Area C, Bedouins, and people living in ARAs etc.

A SEP was prepared for the Parent project and an Addendum to the original SEP has been prepared for the AF. Both will be read and implemented in conjunction. The SEP includes a comprehensive identification of various categories of stakeholders and a methodology for information sharing and disclosure and for ongoing consultation with all stakeholders, including marginalized groups, to ensure that all stakeholders are engaged throughout the project. Stakeholders include municipalities in West Bank, the joint service councils, workers and households benefiting from the C4W activities, public facilities that would benefit from the project activities. Vulnerable groups include unemployed men and women who lost their source of living due to the current conflict (i.e. workers who lost their jobs

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in the Israeli market, refugees, Bedouin communities). The SEP also includes details of the project GM. The GM for the parent project, which is accessible and functioning, will also be used for the AF. Briefly, a GM manual is in place for the mechanism, and municipalities are informed about the GM during orientation workshops conducted by MDLF. The GM also ensures that all complaints are recorded, addressed and the resolution is reported to complainants. The complaints manual also includes survivor centered measures for potential GBV/SEA/SH related complaints. The GM is functioning adequately and between 2021 and December 2023 (MDP-3 completion date) 103 complaints were submitted to municipalities of which 89 (86%) were resolved, while no action was required for the remaining 14 (14%) complaints as they were not related to the project. No complaints have been received thus far under the parent project.

Consultations were conducted under as part of the implementation activities under the parent project components. Four orientation sessions (3 in the West Bank and 1 in Gaza) were conducted during September 2023 and January 2024 for all municipalities to introduce the RSMP capacity building activities. Focus groups sessions were also conducted during the last quarter of 2023 in different locations in the West Bank and Gaza (prior to the conflict) for municipalities on grant application and project activities. During the meetings, feedback from municipalities was provided on any necessary implementation modifications or suggestions. Discussion covered issues related to E&S requirements, impact and mitigation measure, and grievance mechanism.

MDLF conducted a public consultation meeting for the AF (SEP Addendum and other ESF instruments) on March 25, 2024 and a summary of the consultation has been reflected in the SEP Addendum. Briefly, around 26 participants representing different institutions joined the virtual discussion including representatives of municipalities in West Bank (i.e. Ramallah, Bethlehem, AL-Ram, Beit Ummar), relevant ministries (EQA, MoLG), civil society organizations working with people with disabilities, and women organizations (e.g.. General Union of Palestinian Women). The MDLF informed the participants about the project activities under the AF and anticipated E&S risks and mitigation measures. The MDLF also informed participants about the mechanisms for information disclosure to update communities about the project progress and to receive feedback from citizens. MDLF also explained the features of the Project GMs (for beneficiaries and workers) to participants and shared relevant details. The Addendum to the original SEP has been reviewed by the Bank and will be publicly disclosed by project appraisal and a commitment to implement the SEP and SEP Addendum throughout the Project is included in the ESCP.

The SEP is a 'living' document and hence, may be updated periodically during project implementation. The ESCP also includes the condition for updating the SEP, as required, during project implementation.

B.2 Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

B.3 Other Salient Features

Public Disclosure



Use of Borrower Framework

No

The Borrower framework will not be considered for the Project AF.

Use of Common Approach

No

Financing Partners continue to support the Project and the AF, review and clearance process continues to follow the parent project where the requirements included in the Project Operation Manual (POM) and will be adopted for the AF POM

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required during implementation?

ES Management Plans or checklists for sub-projects once location of sub-projects identified.
LALPs for sub-projects once location of sub-projects assessed to require resettlement.

III. CONTACT POINTS

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Public Disclosure



V. APPROVAL

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