

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC14945

Date ISDS Prepared/Updated: 28-Feb-2016

Date ISDS Approved/Disclosed: 07-Mar-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	West Bank and Gaza	Project ID:	P150991
Project Name:	GZ-Integrated Cities and Urban Development Project (P150991)		
Task Team Leader(s):	Noriko Oe		
Estimated Appraisal Date:	18-Apr-2016	Estimated Board Date:	08-Sep-2016
Managing Unit:	GSU11	Lending Instrument:	Investment Project Financing
Sector(s):	Sub-national government administration (35%), General water, sanitation and flood protection sector (30%), Urban Transport (20%), Ho using construction (10%), Housing finance (5%)		
Theme(s):	Urban services and housing for the poor (40%), Urban planning and housing policy (25%), Urban Economic Development (20%), City-wide Infrastructure and Service Delivery (15%)		
Financing (In USD Million)			
Total Project Cost:	5.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
Special Financing			5.00
Total			5.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The proposed PDO would be to strengthen institutional capacity to leverage public resources for growth in selected urban agglomerations.

C. Project Description

Tentative areas to be supported under the proposed project would include policy and institutional strengthening support at the central and local levels for: (i) preparing for urban growth; (ii) preparing for spatial economic development; (iii) improving intra-urban agglomeration connectivity; and (iv) improving private and DP investment-oriented transactions. While not a primary objective, support to those areas would be expected to attract funding for infrastructure investments from other sources that can serve as a catalyst for economic development initiatives led by the private sector, including but not limited to affordable housing. Limited funding from the World Bank might be made available for infrastructure, although a larger share would be expected from other DPs or private investment funds. Hence, the project would be designed to focus on the following main components:

14. Component I: Technical Assistance (TA) and capacity building support to agglomerations. This component provides technical assistance to relevant Local Government Units (LGUs) that formulate greater Ramallah, Bethlehem, Hebron, Nablus, and Gaza City urban agglomerations. The technical assistance aims at strengthening their capacity to proactively use public resources as leverage for urban growth by focusing on 4 key priorities for achieving sustainable urban development: (i) preparing for urban growth; (ii) preparing for spatial economic development; (iii) improving intra-urban agglomeration connectivity; and (iv) improving private and DP investment-oriented transaction.

a. Sub-component 1.1: Preparing for urban growth. This subcomponent will support urban agglomerations to strengthen analytical underpinning of current land use management and urban planning practice to better prepare for urban growth. First, each LGU will be supported to establish spatial population baselines and forecast future population growth and its spatial needs. Next, advanced tools of spatial analysis will be provided to establish comprehensive land inventory in which vacant and/or under-utilized land as well as unregistered land are identified. Based on the established urban growth baseline, forecast, and available public resources, LGUs will be further supported to identify the cost of needed infrastructure and service delivery investment and maintenance. They will be supported to coordinate with other member LGUs of respective agglomeration to optimize opportunities existent at agglomeration level and prioritize respective public investment, its maintenance, and service delivery to meet their needs. Throughout this exercise, traditional planning tools would be complemented with more recent concepts of resilience and disaster risk planning, densification, energy efficiency, optimized urban land use and traffic management.

b. Sub-component 1.2: Preparing for Spatial Economic Development. This subcomponent complements the Palestinian Authority's emerging Local Economic Development approach by focusing on supporting LGUs in urban agglomerations to better prioritize their local economic development initiatives based on spatial economic development needs. First, LGUs will be supported to grasp the current composition of local and regional economy, the spatial concentration of existing economic activities, and their productivity. Employment and income sources of citizens and their location will also be identified through technical assistance. Combining the findings from these two exercises, LGUs will be assisted to understand local and regional economic growth trends, forecast the trajectory, and prioritize needed public investment and service delivery.

c. Sub-component 1.3: Improving Intra-Agglomeration Connectivity. This subcomponent will provide technical assistance to the LGUs to collaborate in assessing current mobility patterns and truck infrastructure (e.g. water, waste water, electricity, roads) connectivity within agglomerations. The LGUs will then be supported to forecast future mobility trends based on spatial economic plans

from sub-component 1.1 and 1.2. Based on the forecast, LGUs will be assisted to collaborate to align and rationalize traffic management plans as well as trunk infrastructure maintenance and investment plans across the agglomeration. As a result, LGUs will prioritize needed infrastructure for intra-agglomeration connectivity.

d. Sub-component 1.4: Improving the Transaction for Private Sector and Development Partner-oriented Investment. As a result of support under sub-component 1.1 to 1.3, LGUs will have prioritized spatial intervention areas through the lens of urban agglomerations. This subcomponent will support LGUs to conduct regulatory reform to reduce the cost of transactions for private sectors. Such reform areas may include re-zoning, design of land value capture instruments, shortening construction and business permitting procedures, and revision of building codes. In addition, this sub-component will provide support for LGUs to package prioritized investments from subcomponents 1.1-3 for private sector and/or Development Partners' investment. The support area may include development of more advanced methodologies for economic and financial analysis from basic analysis to life-cycle costing, feasibility study, and business plans for the prioritized investment, subject to the capacity and readiness of targeted LGUs.

15. Component II: TA and capacity building to support central ministries. This component supports relevant ministries to provide an enabling environment and incorporate lessons learned from Component I to the Palestinian Authorities' policies.

a. Sub-component 2.1: Technical Assistance to Ministry of Local Government (MoLG), Planning and Local Economic Development Units. Strengthening the institutional and technical capacity of MoLG is critical to create the enabling environment for urban agglomerations to unleash their spatial economic potential. This sub-component will provide technical support to the MoLG's planning department staffs to submit revised zoning regulations for inter-ministerial decisions to increase flexibility in optimizing urban land use. The MoLG planning as well as local economic development department staffs will be provided technical assistance to reflect lessons from Component 1. The planning department staff will be supported to update relevant urban planning manuals such as for the Strategic Development and Investment Plan, Master Plans, and Street Addressing Manual, so that urban planning practice becomes more suitable for promoting sustainable socio-economic growth in urban agglomerations. The local economic development department staff will be supported to develop the skills required to collect existing and primary data from various economic development initiatives and analyze it to further update the Local Economic Development Strategy.

b. Sub-component 2.2: Technical Assistance to Ministry of Public Works and Housing. The cost of private sector investments in urban agglomerations is partially determined by the building codes and construction permitting process at the central level. To decrease the cost of private sector investments, the Ministry of Public Works and Housing (MoPWH) departments' staff will be supported to increase the relevance and effectiveness of building codes (e.g., mandatory stone finishing, large plot size and low floor-area ratios, and other cost drivers) based on the past housing technical assistances as well as other donors' support. The staffs will be provided with technical assistance to submit a revised building and construction permitting procedure to the inter-ministerial consideration to reduce private sectors' transaction costs with public sector in their investment.

16. Component III: Selected public infrastructure investments. This component would finance, with seed funding provided from the World Bank, selected public infrastructure investments identified and prioritized by activities supported under Component I. However, it would be expected that

funding from other DPs would become available and be channeled through this component once a pipeline of viable investments has been identified. Hence, despite a small initial funding allocation from the Bank, this component would serve as a window to accommodate co- and/ or parallel financing to support larger scale capital investments identified through a rigorous selection process demonstrating sustainable economic and financial returns and the potential to leverage additional private sector resources.

17. Component IV: Project Implementation Support and Management Cost. This component would finance goods and consultancy services for project management, monitoring and evaluation, public outreach and communication occurred by the implementing agency.

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

West Bank and Gaza - areas under Palestinian Authority's administrative responsibility. Particularly, the project is targeting 5 municipal agglomerates in West Bank and Gaza, namely, (1) Ramallah-AlBierih, (2) Nablus, (3) Hebron, (4) Beithlehem, and (5) Gaza city.

E. Borrowers Institutional Capacity for Safeguard Policies

Institutional responsibilities to support integrated urban development at the central level are divided between the Ministry of Local Government (MoLG), Municipal Development and Lending Fund (MDLF), and the Ministry of Public Works and Housing (MoPWH). The responsibility to oversee the safeguards compliance of the project will be given to the MDLF who has long history with the Bank implementing operations of municipal development (i.e., EMSRP, MDP1, MDP2, LGSIP). MDLF retains competent environmental and social team who are familiar with Bank policies and have a good track record through previous operations

F. Environmental and Social Safeguards Specialists on the Team

Dania Mosa (GENDR)

Hana Salah (GSU05)

Zeyad Abu-Hassanein (GEN05)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Component III involves physical infrastructure investments for which environmental and social impact assessments is required. The Project is categorized as “B” and therefore any investments that are expected to cause significant impacts (category A) are excluded. The funds from the Bank and/or other development partners will be confirmed by project appraisal, and the exact location and nature of investments might be defined during appraisal and/or during implementation, the instrument to be used is a environmental and social management framework (ESMF) which will cater screening of those investments and for any other instruments that may deem necessary during implementation such as specific ESMPs. Any

		additional instruments which might deem necessary will be prepared before the commencement of any construction activities. The team will also insure the ToRs for the studies financed under the first and second components contain provisions to examine the environmental and social implications of any policy changes, modifications in land use, and any other aspects of the studies. Initial selections for infrastructure projects in Hebron and Nablus involve an extension of the Industrial Park in Hebron and moving the Bus station in Nablus from one location to another. There are potential environmental and social impacts for those projects both during the construction phase, e.g., dust, noise, disruption of traffic, and possible damages to existing infrastructure, and the operational phase, e.g., increased volumes of wastewater discharge from the industrial park, increased usage of water, and shifting the traffic patterns and noise levels in Nablus with moving of the main bus terminal. Those impacts and others will be examined carefully with project-specific ESMPs once the finance from developing partners is confirmed and the projects move forward.
Natural Habitats OP/BP 4.04	TBD	This policy will be examined further once the location and nature of infrastructure investments are known.
Forests OP/BP 4.36	No	The investments are expected in urban settings in 5 municipal agglomerates and their surroundings. Examination of those settings indicated no existence of forests of any significance.
Pest Management OP 4.09	No	No investments expected under the operation to finance pest management substances, equipment, and associates.
Physical Cultural Resources OP/BP 4.11	TBD	Some of the envisaged infrastructure investments are expected in city centers which might impact buildings or landmarks of significant cultural value. The preparation mission will determine if this policy will be triggered by the physical investments
Indigenous Peoples OP/BP 4.10	No	Not applicable
Involuntary Resettlement OP/BP 4.12	TBD	We propose that investments that are not on municipal (or local government owned land) or that have squatters/ users of lands for livelihoods on municipal land be excluded given the delays that would be incurred for the implementation of sub-projects. Therefore, we propose that the World Bank

		Policy on Involuntary Resettlement, OP 4.12, does not apply to this project. In other words, investments will be excluded that involve relocation of households, temporary or permanent land take, and impacts on livelihoods, including those that may occur through restriction of access to resources. To screen out for these exclusions, the Project would rely on guidelines in Operations Manual, which will include a rigorous sub-project screening process to be done by municipalities. In cases where the municipalities may purchase land through a willing-seller willing-buyer approach or in cases of voluntary land donation (VLD), the municipalities will need to document for power of choice.
Safety of Dams OP/BP 4.37	No	Investments do not target new construction or rehabilitation of existing dams, none exists in the vicinity of the 5 municipal agglomerates (nor in West Bank)
Projects on International Waterways OP/BP 7.50	No	Not applicable
Projects in Disputed Areas OP/BP 7.60	No	Not applicable

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 18-Apr-2016

B. Time frame for launching and completing the safeguard-related studies that may be needed.

The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

April-2016

IV. APPROVALS

Task Team Leader(s):	Name: Noriko Oe	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Nina Chee (SA)	Date: 28-Feb-2016
Practice Manager/ Manager:	Name: Ayat Soliman (PMGR)	Date: 07-Mar-2016

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.