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US$15 Million to Scale Up Municipal Services for Palestinians in Gaza

WASHINGTON, May 23, 2019 – The World Bank announced today an additional US$10 million to scale up ongoing efforts to improve municipal services for Palestinians living in Gaza. In addition to the new grant, the Third Municipal Development Project will also benefit from US$5 million in donor co-financing from the Partnership for Infrastructure Development Trust Fund. With the additional US15 million grant, the project will expand its operations to improve municipal performance and the delivery of services that millions of Palestinians in Gaza rely on.

"*The economic contraction, along with reduced fiscal transfers and aid, are severely compromising the ability of the municipalities to continue rendering services in Gaza,*" said **Kanthan Shankar, World Bank Country Director for West Bank and Gaza**. "*The living conditions continue to be affected by the fragile and conflict affected context, resulting in severe unemployment and worsening poverty. The project aims to improve the conditions at the local level and maintain services for the Palestinian people in Gaza.*"

Further deterioration of the already limited provision of local services will expose the population of Gaza to increased health and sanitation risks. One of the primary concerns is the potential health impact of mounting and decomposing solid waste in the very densely populated urban areas. Palestinians in Gaza are also exposed to safety risks from unlit and damaged streets and the degradation of the environment.

The grant will enable continuity and expansion of local services through labor-intensive, sub- projects in 25 Gaza municipalities. The new funds will finance sub-projects in roads, wastewater, solid waste management, parks and open space development, public markets, solar energy, and more. It is estimated that the expanded project will make a significant contribution to job creation efforts by generating about 5,000 much needed jobs.

The new activities will be driven mainly by the local governments that suffer the most from financial constraints. The different labor-intensive project activities are expected to be completed in a two-year timeframe with the goal of restoring services to the largest number of beneficiaries with immediate need. The Municipal Development and Lending Fund (MDLF), the implementing agency, will supervise the project and the selection of beneficiaries of the labor-intensive activities.

"*In line with the World Bank assistance strategy for West Bank and Gaza, the new range of activities will strengthen the role of municipalities in sustaining local service provision and will generate employment opportunities in the process, particularly for women and youth with the highest unemployment rate,*" said **Chris Pablo, World Bank Senior Urban Development Specialist.**

Contacts

West Bank and Gaza

Mary Koussa
+ (972) 2-2366500

mkoussa@worldbank.org

Washington

William Stebbins

+1 (202) 458-7883

wstebbins@worldbank.org