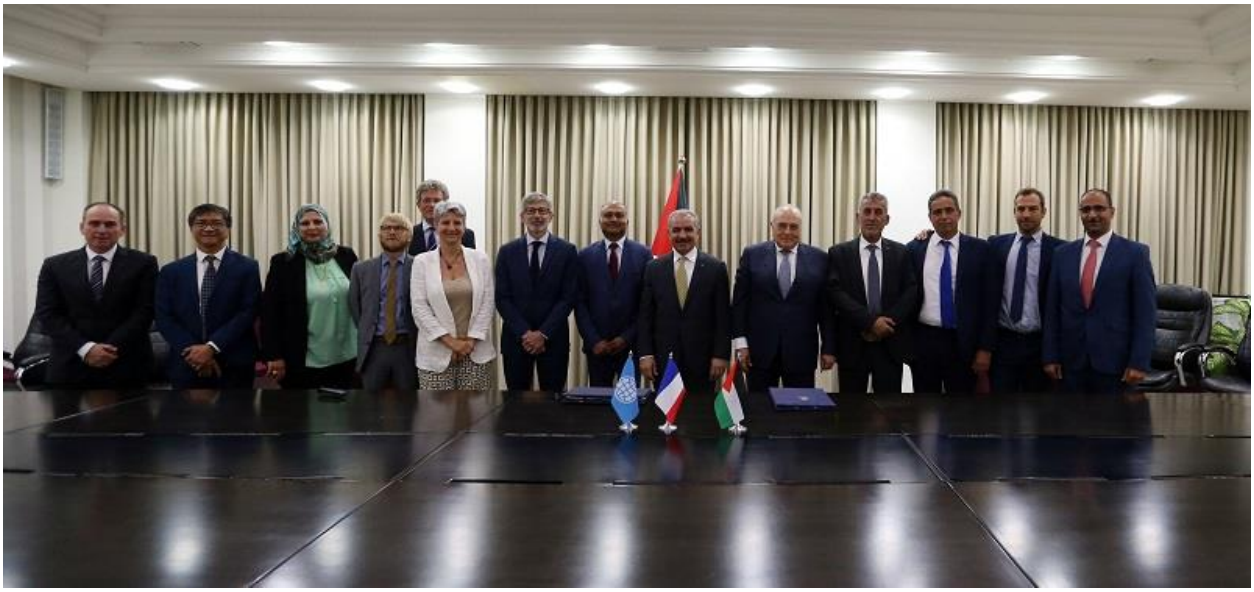
# Municipal Development Program Phase III

**The World Bank and the French Development Agency support the municipalities' developmental needs in the West Bank and Gaza Strip**



Ramallah, 17th of June, 2019: Under the patronage and with presence of the Palestinian Prime Minister Dr. Mohammad Shtayyeh, two agreements were signed between Palestine with the World Bank in a total (USD 15 million) as well as with the French Development Agency in a total (EUR 10 million) as additional financing to the Municipal Development Program Phase III. This additional financing aligns with the Memorandum of Understanding signed between the Palestinian Authority and the international donors to support the Palestinian municipalities through the Municipal Development and Lending Fund "MDLF".

The Palestinian Prime Minister, Dr. Shtayyeh underlined "We are in great need for this donation during such exceptional circumstances that the West Bank and Gaza Strip are going through. The donation aims at resuming the development of capacities for Palestinian institutions towards state building within the 1967-war borders. No state in Gaza alone, and no state that excludes Gaza. "

Dr. Shtayyeh also added "this grant will target all the Palestinian geographic boundaries, under the umbrella of Mr. Mahmoud Abbas and his government, the only legitimate ruling entity, in order to provide services for our people anywhere they live, to the fullest extent".

The first agreement signatories were: the Minister of Finance and Planning "Shukri Bishara", the Minister of Local Government (Chairman of the Board of Directors of Municipal Development and Lending Fund) Majdi Al-Saleh, Country Director for the World

Bank in West Bank and Gaza Kanthan Shankar, with presence of the Director General of MDLF "Tawfiq Bdairi". The agreement allocates US$ 10 million towards supporting the emergency needs of the municipalities in Gaza Strip, as well as US$ 5 million for municipal infrastructure and capacity development interventions.

The Country Director for the World Bank in West Bank and Gaza Kanthan Shankar underlined that '' In the context of economic contraction, along with reduced fiscal transfers and aid, the grant is particularly vital for Gaza to enable the continuity of municipal services, severely overstretched. The World Bank is committed to improve the living conditions at the local level and maintain basic services for the Palestinian population. The new grant will finance roads, wastewater, solid waste management, solar energy, parks and open space development, and more. These activities will also generate about 5,000 much needed jobs. We are pleased to be joining other donors in improving service delivery that focuses on the welfare of Palestinians in Gaza. " Said Kanthan Shankar, Country Director for the World Bank in West Bank and Gaza.

The grant aims to assure the continuation of services provided through the municipalities and to expand the quality of services through labor-intensive activities at 25 municipalities in the Gaza Strip. The new grant will work towards supporting sub-projects such as roads, treatment of wastewater, managing solid waste, developing parks and open spaces, markets, solar energy, among others. These activities will ameliorate the role of municipalities to assure quality control, while providing work opportunities, especially for women and young men who suffer the highest levels of unemployment rates.

In the meanwhile, the second agreement regarding the French Financing in a total EUR10 million was signed between the Minister of Finance and Planning "Shukri Bishara" with Pierre Cochard- the Consul General of France and Catherine Bonnaud – AFD country Director. It is worth noting that the French government is one of the main contributors to the MDLF and particularly the Municipal Development Program.

The Consul General of France underlined that, in line with the priority given to reinforcing Palestinian institutions, both at national and local levels, France decided to step up its contribution to MDLF during the last bilateral committee held in Paris in December. He stressed that, at a time when the conditions of viability of a Palestinian State are threatened by irresponsible statements and facts on the ground, France sticks to its commitments toward the Palestinians and their rights. Improving the infrastructures in line with the priorities set by the PA and helping local authorities to improve their governance through common operational procedures and joint programs are key objectives to help the Palestinian society develop, despite the continuous occupation of West bank and Gaza. He added that, at the same time the future cannot wait: therefore we expect the next MDLF cycle to include a greater share of climate oriented project and to confirm the strong commitment taken by the Palestinian Authority in support of the Climate Paris Agreement.

It is worth mentioning that the MDP is a reform and development program which was designed by MDLF on behalf of and under the direct supervision from the Palestinian Government. The program is based on the belief that the cornerstone for better municipal services is “effective and accountable local government units”. The first and second phases of the program were completed, the third phase of the program is funded by the Palestinian government, the French Agency for Development (AFD), the Danish government, the World Bank, Germany (through KfW and GIZ), the Swiss Agency for Development and Cooperation, and the Association of Netherlands Municipalities (VNG), the European Union (EU) with a total value of EUR 130 million.