

World Bank Expands Support For Emergency Social Services To Palestinians

Also available in : Arabic

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WASHINGTON, December 17, 2002 – The World Bank today approved a total of \$45 million in grants for two projects aimed at delivering essential social and municipal services to Palestinians residing in the West Bank and Gaza. This emergency assistance responds to the economic and social crisis resulting from two years of conflict in the West Bank and Gaza, which has curtailed the Palestinian Authority's financial position and its ability to deliver essential social services to its people.

Since the outbreak of the *intifada* in September 2000, economic activity in the West Bank and Gaza has been disrupted by border closures and curfews. Gross national income per capita is now roughly half of what it was two years ago, unemployment is running at over 50 percent of the work force, and poverty rates have climbed to about 60 percent of the population. Central government monthly revenues have declined by about 80 percent, and municipal revenues by about 40 percent in this period, leading to a marked deterioration in the quality and coverage of basic social services.

The **US\$25 million Second Emergency Services Support Project (ESSP II)** will finance equipment, supplies and contracts essential to the continued delivery of basic health, education and welfare services. ESSP is the second phase of a program financed by a US\$20 million credit from the World Bank in February 2002 and so far co-financed by US\$57 million from the European Commission and six EU member states.

The **US\$20 million Emergency Municipal Services Rehabilitation Project (EMSRP)** will focus on supporting service delivery at the local level, and will be used to sustain solid waste collection, electricity, water and waste-water services provided by local governments. Under the project, participating municipalities will consult with their communities to determine their emergency assistance priorities, which in addition to service provision can include the financing of emergency employment schemes for the unemployed. As a structural measure intended to improve the medium-term municipal governance environment, EMRP will also support the creation of a Municipal Fund to improve the efficiency of resource transfers from the central government to local authorities.

These projects are consistent with the World Bank's strategy for the West Bank and Gaza, which provides emergency assistance to the Palestinian population while retaining a strong focus on building the economic assets and institutions. The grants will be administered under a special World Bank trust fund set up in 1994 to provide assistance to the Palestinian people.

"Difficult as the situation is today, it is important to stress that the World Bank remains as committed as ever to playing a constructive role in support of the Palestinian people and eventual peace in the region" said **Nigel Roberts, World Bank Country Director for the West Bank and Gaza**. *"These two projects are a clear demonstration of this, and will help sustain Palestinian society and institutions at a time of great need."*

For information on the Emergency Services Support Project II, please visit: <http://www4.worldbank.org/sprojects/Project.asp?pid=P078136>

For information on the World Bank's activities in the West Bank and Gaza Strip, please visit: <http://www.worldbank.org/we>