

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
PROGRAM NARRATIVE

PROGRAM: WEST BANK AND GAZA

APPROPRIATIONS ACCOUNT: Economic Support Fund (ESF)

FY 2020/2021 OBLIGATION: \$75,000,000

TOTAL \$75,000,000

New Obligation Authority (\$000s)	2019 Actual	2020 CBJ Request	2020 Estimate
TOTAL	-	-	75,000
Economic Support Fund	-	-	75,000

This narrative describes programs that USAID/West Bank and Gaza intends to carry out using FY 2020 new obligation authority (NOA). Of this NOA, notification is required for \$75,000,000 due to special notification requirements related to the West Bank and Gaza. Additional notification requirements also apply to those activities, as described and underlined below, because of the following: (1) substantive changes from the FY 2020 Congressional Budget Justification (CBJ), marked by an asterisk (*); (2) ESF account level increase greater than 10 percent of the FY 2020 CBJ request level, being used for program areas as described in the account narrative and quantified in the Supplementary Data Sheet; and (3) special notification requirements related to water supply and sanitation programming.

This notification is submitted pursuant to sections 634A, 620K(d), and 620L(d) of the Foreign Assistance Act (FAA) of 1961, as amended; and sections 7015(c) and 7039(f) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2020 (P.L. 116-94, Division G) (SFOAA); section 136 of the FAA to include the Senator Paul Simon Water for the World Act of 2014 (P.L. 113-289); and section 1004(b)(2) of the Taylor Force Act (P.L. 115-141). USAID intends to rely on notwithstanding authority in section 7058(a) of the FY 2020 SFOAA as necessary and applicable.

Other requirements, such as the certification by the Secretary of State pursuant to section 7039(a) of the FY 2020 SFOAA; the submission of the ESF report required by section 7041(k)(1) of the FY 2020 SFOAA; and the report pursuant to section 7041(k)(3) of the FY 2020 SFOAA,

have been transmitted by the Department of State. USAID adheres to rigorous partner anti-terrorism vetting and certification, auditing, and monitoring procedures to help ensure that its assistance does not go to Hamas or other terrorist organizations. FY 2020 ESF for the West Bank & Gaza was directed in the Joint Explanatory Statement accompanying P.L. 116-94.

ECONOMIC SUPPORT FUND. Of the NOA included in the summary table above, notification is required for \$75,000,000, as described and underlined below, because of the special notification requirements related to the West Bank and Gaza. Additional notification requirements also apply to those activities described and underlined below, because of the following: (1) substantive changes from the FY 2020 CBJ, marked by an asterisk (*); (2) ESF account level increase greater than 10 percent of the FY 2020 CBJ request level, being used for program areas outlined below; and (3) special notification requirements related to water supply and sanitation programming due to the West Bank and Gaza ranking outside of the top 50 neediest countries/areas on the WASH Needs Index.

***Civil Society.** This program area and related activities were not included in the FY 2020 CBJ. Civil society actors have the potential to serve as trusted interlocutors between citizens and their government. Building broad-based constituents and representing their needs will enable civil society organizations (CSOs) to become relevant and influential when it comes to decision making and policy changes. Given the absence of USAID activity in recent years, engaging civil society actors will be critical to regaining trust and goodwill with Palestinian society. CSOs in WBG have many constraints including weak governance and lack of ability to influence policy. This activity will focus on enhanced governance and institutional capacity of CSOs and enhanced participatory community development and civic participation, which would improve the ability of CSOs to be better advocates for influencing change. It may also include independent media outlets as key stakeholders in Palestinian civil society.

The implementing partners are to be determined (likely via a competitively awarded grant or cooperative agreement).

***Other Public Health Threats.** This program area and related activities were not included in the FY 2020 CBJ. Assistance to East Jerusalem Hospital Network (EJHN) will be in accordance with the Taylor Force Act (Title X, Division S, P.L. 115-141), including Sec. 1004(b)(1)(A) which directly refers to EJHN. USAID is covering operating costs for Palestinian patients that EJHN serves, which is a critical need because of shortfalls caused by the PA's outstanding debts, which reached \$71 million as of December 31, 2020. This support comes at a critical time, as EJHN has also been severely impacted by COVID-19. The PA has agreements with EJHN hospitals for them to be reimbursed for services provided to Palestinian patients referred by the Palestinian Ministry of Health Referral Department.

The implementing partner is the East Jerusalem Hospital Network.

***Water Supply and Sanitation.** This program area and related activities were not included in the FY 2020 CBJ. In addition, this funding is subject to special notification requirements due to

the West Bank and Gaza ranking outside of the top 50 neediest countries/areas on the WASH Needs Index. Increased sustainable access to clean water and collection and handling of wastewater continue to be a challenge in both the West Bank and Gaza. In Gaza, approximately 95 percent of piped water is unsafe for humans, and in the West Bank, water supply is intermittent, and the per capita allocation is below the minimum allocation recommended by the World Health Organization.

USAID will not provide assistance for the PA but will coordinate with municipal water authorities, service providers, and other donors to ensure a comprehensive approach to providing improved sustainable access to reliable, safe, and affordable water and sanitation services for Palestinian households. Funds will be used to implement projects that are aimed at rehabilitating deteriorating water infrastructure to reduce losses; expanding the capacity of existing water networks; and improving reliability of service. Efforts will connect isolated and vulnerable households, including households that will gain first-time access to piped, potable water. Construction activities may include building of reservoirs, pump stations, water distribution and transmission networks, water treatment facilities, as well as wastewater collection, treatment, and reuse systems. Funds will support building the resilience of the Palestinians to climate change and strengthening their adaptation to climate change including by reducing vulnerability to winter flooding and other weather-related crises. Funds will also support associated engineering services, operation/maintenance, capacity building to improve the management efficiency of water resources and the protection of resources, and construction management costs. Funds could also be used to increase the supply, availability, and the development of additional non-conventional water resources in the West Bank and Gaza.

USAID will help marginalized communities and poor households in Gaza with upgraded household connections, community outreach, and minor infrastructure development focusing on water and sanitation. These activities will also provide employment opportunities for unemployed Palestinians which will help to stabilize security and economic conditions in the West Bank and Gaza.

The implementing partner is Architecture, Engineering, Construction, Operations, and Management (AECOM) Technical Services, Inc.; and additional partner(s) to be determined (likely via competitively awarded contracts and cooperative agreements).

***Social Services.** This program area and related activities were not included in the FY 2020 CBJ. Palestinian youth lack opportunities and safe spaces to engage in community initiatives. USAID assistance will focus on developing vocational and life skills training opportunities to promote job placement and community engagement and provide a venue for youth to access a variety of programming, which will ultimately provide an alternative means of peaceful empowerment for at-risk youth. Interventions will target vulnerable and marginalized youth with core programming that supports, protects, prepares, and engages adolescents in safe spaces (Youth Development and Resource Centers and youth clubs) with needed psychosocial

support, life skills and referral to technical training; and with learning, leadership, and increasing their community engagement opportunities.

The implementing partner(s) are to be determined (likely via a competitively awarded cooperative agreement).

***Private Sector Productivity.** This program area and related activities were not included in the FY 2020 CBJ. The global COVID-19 pandemic has brought most economic activities to a halt, including substantial losses in employment and disposable income for the Palestinian people. Economic growth to reverse these trends needs to be led by private sector development. USAID assistance will focus on getting businesses back to work, re-linking them to traditional and new markets, and improving the Palestinian private sector's competitiveness in sectors with potential for growth. Assistance will primarily target small and medium enterprises (SMEs), whose growth and sustainability are critical to job creation necessary for the West Bank and Gaza's growing labor force. Activities will help SMEs regain productivity and expand through a package of grants and technical assistance. Assistance will help them to access capital and liquidity to resume or start operations, while addressing key growth challenges such as lack of product diversification or sophistication, low levels of information and communication technology integration and innovation, quality consistency, health and safety standardization, labor issues, and market penetration.

The implementing partner(s) are to be determined (likely via a competitively awarded cooperative agreement).

***Workforce Development.** This program area and related activities were not included in the FY 2020 CBJ. The West Bank and Gaza have a high rate of youth unemployment, which is potentially destabilizing. The unemployment rate among youth is 40 percent, with females and educated youth more likely to be unemployed, reaching unemployment rates as high as 60 percent. Many of these young people are also unemployable as they lack the necessary skills demanded by local and global markets. USAID-supported activities will equip male and female youth with life and employment skills to prepare them for the job market, including communication, resume writing, and career guidance that will help increase knowledge about the job market and job options. Additionally, USAID support will provide youth with on-the-job training through internships in the private sector, and entrepreneurship support, such as building business plans and mentorship.

The implementing partner(s) are to be determined (likely via a competitively awarded cooperative agreement).

***Transport Services.** This program area and related activities were not included in the FY 2020 CBJ. USAID assistance will address development constraints caused by poor, unsafe, and/or inadequate transportation infrastructure. Assistance will be used to develop and rehabilitate key roads and related infrastructure in municipalities to support economic recovery post-COVID, promote economic growth, and improve the daily lives of thousands of Palestinians.

Funds will not provide assistance for the PA but will target the development or rehabilitation of municipal roads for which there are broader economic growth implications. For instance, one of the main impediments to expanding the tourism trade, a major economic driver, in Bethlehem is its internal road network which hinders tourists from staying and shopping there. To help put Bethlehem's tourism industry on a smoother path toward recovery, USAID support will help rehabilitate internal roads, sidewalks, safe and designated bus parking lots, and driving routes to encourage stronger tourism. Funds will also be used for assessments, design, engineering, operation and maintenance, and construction management services.

The implementing partner is AECOM Technical Services, Inc; and additional partner(s) to be determined (likely via a competitively awarded contract).

***Protection, Assistance and Recovery.** This program area and related activities were not included in the FY 2020 CBJ. USAID support will provide rapid relief and a path for vulnerable populations to become more self-reliant by providing basic commodities and increasing employment opportunities. Activities may include short-term employment, internship and apprenticeship programs, and entrepreneurship training. Interventions may also include start-up grants for entrepreneurs and support to existing small businesses through small capital grants. Funds will also provide food and non-food vouchers to help needy families in the short term. Activities will be structured to benefit a broad range of groups, including women and youth.

The implementing partner is Catholic Relief Services (CRS).

***Disaster Readiness.** This program area and related activities were not included in the FY 2020 CBJ. Funds will help build resilience and preparedness in marginalized communities. Assistance will increase the capacity of vulnerable communities to respond to and mitigate emergencies related to water and sanitation. For example, activities may improve stormwater drainage in low-lying areas that experience chronic flooding and support the development of community emergency preparedness committees and awareness campaigns. Funds may also be used to address other emergency needs in vulnerable communities to improve household health, food security, or related outcomes.

The implementing partner(s) are to be determined (likely via a competitively awarded cooperative agreement).

SUPPLEMENTARY DATA SHEET

USAID-managed assistance and Department of State-managed assistance is summarized on the attached supplementary data sheet.

Supplementary Data Sheet - West Bank and Gaza, FY 2020 (\$000s)

Total USAID and State Managed Programs	
	Sum of Accounts
TOTAL FY 2019 Initial Actual	600
TOTAL FY 2020 Request	35,000*
TOTAL FY 2020 Estimate	75,000

*INCLE account

USAID Managed Programs, Prior Year Initial Actual, Current Year Request and Estimates by Area and Account		
	Sum of Accounts	ESF
TOTAL FY 2019 Initial Actual	-	-
TOTAL FY 2020 Request	-	-
TOTAL FY 2020 Estimate	75,000	75,000
DR.4 Civil Society		
FY 2020 Estimate	5,400	5,400
HL.5 Other Public Health Threats		
FY 2020 Estimate	10,000	10,000
HL.8 Water Supply and Sanitation		
FY 2020 Estimate	21,500	21,500
ES.4 Social Services		
FY 2020 Estimate	3,200	3,200
EG.5 Private Sector Productivity		
FY 2020 Estimate	8,000	8,000
EG.6 Workforce Development		
FY 2020 Estimate	1,000	1,000
EG.9 Transport Services		
FY 2020 Estimate	18,500	18,500
HA.1 Protection, Assistance and Solutions		
FY 2020 Estimate	6,400	6,400
HA.2 Disaster Readiness		
FY 2020 Estimate	1,000	1,000
PO.1 Program Design and Learning		
FY 2020 Estimate	[1,000]	[1,000]
PO.2 Administration and Oversight		
FY 2020 Estimate	[2,500]	[2,500]