وزارة المالية

The Palestine Liberation Organization

(for the benefit of The Palestinian Authority)

Palestinian Emergency Financing Facility – Fifth Additional Financing (PEFF - 5th AF)

(P504704)

Addendum to the Stakeholder Engagement Plan (SEP)

for Retroactive Financing Activities

November 2025

Brief Project Description

This Stakeholder Engagement Plan (SEP) Addendum relates to the proposed Fifth Additional Financing (AF) to the Parent Palestinian Emergency Financing Facility (PEFF) Project. The Parent Project was approved in February 2024 for US$30 million to help the Palestinian Authority (PA) sustain essential public services amid severe fiscal stress. It provided 100% retroactive financing to partially cover the November 2023 wage bill for approximately 44,840 education employees in the West Bank. The project has two components: Component 1 reimburses retroactive salaries for eligible employees; Component 2 funds the project audit. Under the Parent Project, US$29.99 million was disbursed under Component 1 and US$10,000 under Component 2, helping schools remain operational despite salary arrears.

As fiscal pressures deepened, successive Additional Financings scaled up support. The First AF (approved July 5, 2024) added US$36.69 million and became effective in July 2024; both the Parent and the First AF fully disbursed as retroactive salary payments for eligible civil service employees and audit fees. The First AF also introduced retroactive salary payments for health sector employees in addition to education. Both audit and payroll verification Agreed-Upon Procedures (AUP) engagements were completed on schedule and yielded clean reports with only minor, immaterial observations, and all three trust funds are now closed. Additionally, a Social Audit covering the Parent and First AF was completed in June 2024 and disclosed; per the ESCP, corrective actions were agreed that notably included: enhancing GM awareness and beneficiary-feedback channels, information dissemination on Project GM and its procedures, SEA/SH complaint uptake channel and referral pathways through the MoF's different portals. Where MoF to date has fulfilled the recommendations of the social audit, including integrating E&S measures in terms of reference (ToR) documents, developing a code of conduct (CoC) for consultants to address SEA/ SH, and integrating a specific tab for complaints on the MoF current website.

Due to the continuing and ongoing fiscal constraints, the PEFF increased its scale through successive Additional Financings. The Second AF (approved October 10, 2024) added US$80 million, continuing retroactive reimbursement for eligible education and health staff. The Third AF (approved April 1, 2025) added US$79.07 million and financed the July–September 2024 wage bills (paid September–November 2024), with allocations for audit/AUP verification. Most recently, the Fourth AF provided US$95 million from the Trust Fund for Gaza and the West Bank (TFGWB) with US$8.3 million in Palestinian Fund for Reconstruction and Development- Multi-Donor Trust Fund (PFRD MDTF) co-financing. The 4th AF retained the two-component design and made eligible for partial reimbursement (about 60–70%) the education salaries for October 2024–January 2025 (paid December 2024–March 2025) and the health salaries for October 2024–March 2025 (paid December 2024–May 2025). The 4th AF also extended the project closing date to December 31, 2026. Across these AFs, audit/AUP verification has remained integral to assurance, and the Project Development Objective (PDO); to contribute to service delivery in the West Bank, has remained unchanged.

With the same two components, the proposed Fifth Additional Financing (5th AF) will be financed from two trust funds (the Trust Fund for Gaza and the West Bank (TFGWB) and the Palestinian Fund for Reconstruction and Development (PFRD MDTF)) TFGWB. More specifically, the fifth AF will finance part of the recurrent wage bill of the education sector employees' salary payments in the West Bank for the months of February 2025 to May 2025, as paid in the months of April 2025 to August 2025 (up to 70 percent of the monthly salary), and the recurrent wage bill of the health sector employees' salary payments for the months of April 2025 to May 2025, as paid in the months of June 2025 to August 2025

(up to 70 percent of the monthly salary), processed through the PA e-payroll and subject to the Project Operations Manual (POM) eligibility criteria. Component 2 will continue to finance the independent audit/AUP for the financed period. The fifth AF does not change the scope and maintains the current project closing date of December 31, 2026. Eligible expenditures remain limited to the wage bill for defined categories of MoE/MoH staff per the POM, where the PDO and intermediate results indicators might be adjusted to cover the timeline for the fifth AF.

Project Affected and Interested Parties

Project beneficiaries remain the same as with the previous AFs, including eligible Palestinian Authority (PA) Ministry of Education (MoE) and Ministry of Health (MoH) employees in the West Bank; Education employees are staff that work in institutions providing basic, secondary, pre-primary, and vocational education, these include teachers and other staff including school principals, janitors, administrative assistants, counselors, and other support staff in the West Bank. On the other hand, health sector employees are staff working in hospitals, primary health care centers, and other public health institutions located in the West Bank, including doctors, nurses, technical specialists, administrative staff, janitors, counselors, and other support staff eligible for payment of salaries, as further detailed in the POM.

The 5th AF for the education sector's salaries will also benefit students, their families, and the population at large through continued access to education services. For the health sector, the 5th AF will provide benefits to the sick, injured, and persons requiring medical care (including but not limited to Mental Health and Psychosocial Support Services (MHPSS), Primary Health Care (PHC), family planning, surgeries, etc.) and the general population through continued access to healthcare services.

Parties interested include (but are not limited to) families of project beneficiaries, government agencies such as MoF MoE, and MoH, the Ministry of Labor (MoL), Ministry of Social Development (MoSD), teachers' representative associations/unions, medical workers' representative associations/ unions, Community-Based Organizations (CBOs) working in education such as Teacher's Creativity Center and General Union of Palestinian Teachers (GUPT), CBOs working in the health sector such as Juzoor and the Palestinian Red Crescent Society (PRCS), Non-Governmental Organizations (NGOs), International NGOs (INGOs), donors, and the media. Vulnerable categories (within both the education and health personnel) include (but not limited to) women-headed households, economically disadvantaged households, households with family members with disabilities, and households in areas affected by security challenges.

Summary of Stakeholder Engagement Under the Parent Project, First AF, Second AF, Third AF, and Fourth AF

Parent project (Jan 2024): Prior to appraisal, MoF held short, bilateral phone consultations on January 28, 2024 with core functional units (IT/Financial Systems, Development Expenditure, Budget, Complaints, Directorate General for International Relations and Planning (DGIRP)/Project Implementation Unit (PIU). Discussions covered PEFF scope, anticipated social risks/mitigation, and the availability and functioning of the MoF grievance mechanism (GM). No activity-related social issues were flagged for the retroactive period; stakeholders anticipated net benefits to education employees' households. (See Parent SEP: https://documents1.worldbank.org/curated/en/099021524081033126/pdf/P5047041d0a934041b6101ce8f13a294b6.pdf).

First AF (May 2024): In view of movement/security constraints and the emergency context, regular group consultations were not feasible; instead, bilateral calls were conducted May 26–27, 2024 with: MoF (Public Relations, Payroll, Financial IT, Complaints Unit, DGIRP, PIU), MoE (Administrative Affairs, Complaints Unit), MoH (HR, Public & Family Health at Primary Healthcare (PHC), Complaints Unit), and health-sector NGOs (Juzoor, Palestinian Red Crescent Society (PRCS)). Topics included data privacy, disclosure, stakeholder feedback, and GM operations. Stakeholders raised no concerns regarding the AF's retroactive financing and expected positive social outcomes.

Social Audit engagements (May–Aug 2024): Complementing the above, the social audit undertook meetings/interviews with MoF (DGIRP, PIU/ESO, Complaints, PR), MoE, MoH, and sector NGOs/representatives (e.g., Teachers' Creativity Center, Juzoor, PRCS, General Union of Palestinian Teachers (GUPT)) and ran semi-structured beneficiary interviews informed by the MoF complaints log. The audit confirmed active information disclosure (MoF website page and Facebook notices) but recommended stronger GM visibility and beneficiary-feedback channels; these corrective actions were carried forward in subsequent ESCPs. The final audit report was disclosed on August 28, 2024 on the MoF website, which can be accessed through: https://www.pmof.ps/documents/projects/palestinianEmergencyFinancingFacility/Social.Audit.Report-AF.pdf.

Third AF (Feb 2025): During the 3rd AF's preparation, bilateral high-level consultations were held on February 24, 2025 with (i) MoF (Complaints Unit); (ii) MoE (Administrative Affairs); (iii) MoH (Administrative Affairs); and (iv) education/health representatives (Teachers' Union and Juzoor). Discussions reviewed PEFF progress to date and the proposed third AF parameters (coverage period, approximate reimbursement percentage, envelope, and components) , confirming unchanged design and POM-based eligibility via the PA e-payroll. Component 2 would continue to finance the independent audit/AUP. Practical arrangements were reiterated: MoE/MoH focal points for rapid clarifications; disclosure via MoF website/Facebook; MoF Complaints Unit as the entry point for payment-related queries, with general HR matters handled by the respective ministries. Stakeholders emphasized the fiscal pressures on schools and health facilities and the importance of predictable salary flows.

Fourth AF (Sep 2025): In preparing for the 4th AF, the team held bilateral consultations on September 1, 2025 with MoE (Administrative Affairs), Juzoor for Health and Social Development, and MoH (Administrative Affairs), and a follow-on meeting with the MoF Complaints Unit joined by the MoF E&S focal point, and on September 2nd, 2025, a session took place at MoE with the General Union of Palestinian Teachers (GUPT), attended by their General Secretary and Deputy, and MoE representatives. Across these engagements, the team reviewed progress under the Parent and prior AFs and presented the 4th AF parameters (coverage periods for education and health, approximate reimbursement percentage, envelope, and the two components), confirming the unchanged PEFF design, POM-based eligibility, and salary processing through the PA e-payroll. Stakeholders reiterated operational arrangements: payment-related queries and grievances continue via the MoF Complaints Unit, while broader HR issues remain with the respective ministries; disclosure through the MoF website and Facebook should continue and cross-link to the GM page. The Complaints Unit confirmed it will keep applying the existing GM as set out in the SEP and will report/disclose any enhancements; capacity-building priorities were discussed including documentation/archiving routines, social-media responsiveness, and survivor-centered GBV referral refreshers with MoSD, where MoF will study internal allocations and mechanisms to address them. GUPT welcomed the participatory approach, requested maximizing support to protect salaries in

education and health, and highlighted civil-society efforts with the UN/UNESCO toward an emergency education fund; MoE emphasized continued collaboration with sector stakeholders. All parties reaffirmed SEP/ESCP commitments.

Summary of Stakeholder Engagement Conducted During 5th AF Preparation

During preparation of the 5th AF, a round of bi-lateral consultations was carried out on November 10, 2025 with the Ministry of Education (Administrative Affairs), the Ministry of Health (Administrative Affairs), Juzoor for Health and Social Development, the Palestinian Red Crescent Society (PRCS), and the GUPT. The project team briefed participants on the progress under the parent project and previous AFs, and presented the structure of the 5th AF, including the coverage periods for the education and health payrolls, the approximate percentage of reimbursement, the overall envelope, and the two components (salary reimbursement and audit). It was confirmed that the project design remains unchanged, with eligibility filtered through the POM and salaries paid through the PA e-payroll system. Stakeholders were reminded that payment-related enquiries and grievances will continue to be received and processed by the MoF Complaints Unit, while broader HR matters (such as hiring or promotions) remain with the ministries' own complaints channels. No concerns were raised regarding the retroactive financing approach; participants stressed the importance of predictable salary flows to sustain schooling and essential health services and asked that disclosures on the MoF website and Facebook continue and be cross-linked to the GM page for ease of access. Additional remarks raised by MoE included the resumption of educational activities in Gaza through opening new temporary educational activities and facilities where MoE stressed the importance of extending support to Gaza staff, the team responded by clarifying the eligibility criteria for the PEFF and that other interventions are planned for Gaza in the education sector, the PRCS stressed the importance of service continuity in these two sectors and asked for support to their operations as well, particularly the ambulances staff given their fiscal shortage and that their services are part of the national emergency response, the team responded that they will raise this to MoF and MoH to coordinate with PRCS for any potential support. Juzoor commended the efforts being done through this project and stressed the importance of support for the staff of these ministries. GUPT welcomed the participatory approach and requested that funding allocations be increased to protect salaries in education and health and to extend it to other ministries in the future.

Stakeholder engagement during project implementation

During the 5th AF implementation, the DGIRP/PIU at the Ministry of Finance will maintain proactive engagement with the identified project stakeholders, consistent with the SEP and the updated ESCP. The ESCP requires preparing and disclosing a 5th AF SEP addendum and then implementing it to ensure stakeholders receive timely, relevant, and accessible information and are consulted in a culturally appropriate manner; these measures will continue throughout implementation.

The MoF has largely implemented the corrective actions recommended in the Social Audit that was conducted for both the Parent project and the first AF, and continues to follow up to ensure full implementation. In this regard, MoF has undertaken several measures, including reviewing the Terms of Reference for the PEFF audit to incorporate ethical, social, and labor compliance requirements; developing a Code of Conduct and a performance declaration for sub-consultants addressing SEA/SH; initiating collaboration between the Complaints Unit and IT Unit to integrate the GM link on the MoF website to enhance accessibility; and preparing periodic E&S reports for the World Bank review, which include information on E&S compliance and grievances.

Additionally, the MoF made further progress in implementing corrective actions by enhancing public awareness of the GM through official communication channels, such as the Ministry's Facebook page, and appointing focal points at the Ministries of Education and Health to facilitate two-way communication and employee access to the GM. In response to the Social Audit recommendations to improve visibility and accessibility, the MoF upgraded its website to feature a dedicated GM link on the homepage, ensuring direct access to the grievance platform, strengthening beneficiary feedback mechanisms, and improving public awareness of the project GM, including SEA/SH complaint uptake and referral pathways. The MoF website can be accessed through: https://www.pmof.ps/index.php# .

The project will continue to publicize, maintain, and operate the existing MoF Complaints Unit as the accessible grievance mechanism for PEFF (parent and all AFs). In line with ESCP requirements, the GM will receive, register, and facilitate resolution of concerns at no cost and without retribution, including anonymously, and will be equipped for safe, confidential, survivor-centered handling of SEA/SH with referral to relevant service providers.

Engagement activities will be conducted through appropriate means (in-person meetings, phone, and virtual), with attendance and agreed actions recorded in concise minutes. A description of stakeholder engagement measures, including information disclosure/feedback and grievance redress, have also been included in the POM for the parent project which has been adopted for the first, second, third, and fourth AFs, and which will also be utilized for the 5th AF.

Information Disclosure/Beneficiary Feedback

Similar to the parent project and previous AFs, information disclosure/feedback is primarily done through Facebook. The existing MoF Facebook page will also be used for the project: https://www.facebook.com/PMOFPS?locale=ar_AR. The information disclosure over Facebook will be strengthened through, for example, increasing the frequency of communications and posts and the use of other interactive engagement methods such as radio spots and interviews in line with the social audit's recommendations and the ESCP.

The MoF Public Relations and media unit actively monitor public posts and comments, coordinates responses with the Complaints (GM) Unit, and works with the Salary Department to provide timely statements and interviews on salary disbursement timelines and fiscal updates. This multi-channel approach is complemented by designated focal points at MoE and MoH who relay GM information to employees and help them navigate the process, improving responsiveness and two-way feedback.

Official project documents continue to be disclosed on the MoF website. Technical preparations for the launch of the new Ministry of Finance website were finalized during the first half of 2025, pending the official launch which has been delayed due to changes in interministrial procedures and new internal policies by the Ministry of Telecommunications and Digital Economy (MTDE).

Grievance Redress

Project-affected parties may submit complaints through MoF's centralized Complaints Unit. The ESCP requires the MoF to publicize, maintain, and operate this GM so it is readily accessible at no cost and without retribution, including for complaints filed anonymously, and to ensure it is equipped to handle SEA/SH cases safely and confidentially with survivor-centered referral to GBV service providers.

Submissions can be made via:

(i) the electronic form on the MoF website (under "Contact Us");
(ii) the Government Complaints Portal at https://cs.pmo.gov.ps;
(iii) email to the Complaints Unit: ikhlasbader2018@gmail.com;
(iv) mobile: +972 (0) 599 370 517;
(v) and in-person at MoF headquarters.

These channels remain active and are used in parallel with the Ministry's engagement on social media.

For urgent salary-related grievances, the GM escalates cases to the Special Salary Committee; a high-level body comprising the Budget, Salaries, and General Accounting departments, which can authorize exceptional disbursements subject to the Minister's approval. This escalation path has been used during the fiscal crisis to facilitate timely resolutions.

Coordination with MoE/MoH focal points remains a core feature of the GM's day-to-day operations. Focal points liaise directly with MoF departments (Salaries, Legal, General Accounting) to resolve issues informally where possible, an approach that has reduced the volume of formal complaints while ensuring that beneficiary concerns are addressed promptly and recorded.

The complaints mechanism also deals with complaints regarding sexual exploitation and abuse/sexual harassment (SEA/SH) and includes a referral mechanism for survivors through the national GBV referral system.

Grievance Redress During Implementation

The Grievance Mechanism (GM) under PEFF is inclusive, accessible, and responsive, covering the parent project and all additional financings (AFs). Its primary purpose is to manage complaints related to salaries, benefits, and other entitlements, while maintaining zero tolerance for SEA/SH incidents.

Complaints Overview (January 2025 – October 2025)

	Nature of Complaint	Total	Male	Female
1	Complaint regarding the disbursement of the heir's salary	6	3	3
2	Complaint about the return of dues for stopping the salary	1	1	0
3	Complaint regarding the deduction of electricity from the salary	2	2	0
4	Complaint related to end-of-service benefits (pre-PA and current staff)	12	8	4
5	Complaint concerning the non-disbursement of a due allowance	5	5	0
6	Complaint about opening a tax file	2	2	0
7	Other: Complaint regarding property tax	1	1	0

8	Complaint about classification errors/job placement	4	0	4
9	Complaint about delayed promotions or grade adjustments	5	2	3
10	Complaint about delays in health insurance activation	3	0	3
11	Complaint about transport fee reimbursements	1	0	1
Total Complaints Received		**42**	24	18

Outstanding Cases:

- As of the end of October 2025, 35 complaints have been closed following coordination with the concerned ministries, while 7 complaints remain under legal review pending final decisions. The GM continues to ensure that all cases are tracked, reviewed, and addressed in accordance with the established procedures.

SEA/SH Complaints:

- None reported across all phases. MoF enforces a zero-tolerance policy and is preparing further capacity-building on GBV referral mechanisms with MoSD.

Grievance Management Process

Complaints are received via multiple channels: MoF website, government complaint portal, email, mobile, and in-person submissions. High-volume issues are handled informally by MoE and MoH focal points, preventing escalation of ~150 inquiries per month into formal complaints. Urgent cases are escalated to the Special Salary Committee. Inter-departmental coordination between Salaries, Legal, and Accounting Departments ensures timely processing.

Trends and Analysis

The increase in formal complaints reflects improved accessibility and awareness, not inefficiency. The rise was also influenced by the financial constraints within the Palestinian Authority (PA), which have led to periodic delays in salary and entitlement payments, particularly affecting employees in the education and health sectors. Despite these pressures, early intervention and multi-channel accessibility prevent minor issues from escalating, demonstrating the system's effectiveness.

GM Effectiveness

- Informal early resolution (~150 inquiries/month)
- Timely escalation of urgent cases to Special Salary Committee
- High visibility via website, government portal, social media, and in-person submissions
- Staff capacity-building and inter-institutional coordination