وزارة المالية

The Palestine Liberation Organization

(for the benefit of The Palestinian Authority)

Palestinian Emergency Financing Facility (P504704)

Seventh Additional Financing

Addendum to the Stakeholder Engagement Plan (SEP)

May 2026

Brief Project Description

This Stakeholder Engagement Plan (SEP) Addendum relates to the proposed Seventh Additional Financing (7th AF) to the Parent Palestinian Emergency Financing Facility (PEFF) Project, implemented by the Ministry of Finance and Planning (MoFP). The Parent Project was approved in February 2024 to support the Palestinian Authority (PA) in sustaining essential public services amid severe fiscal stress. The project has two components: Component 1 reimburses retroactive salaries for eligible employees; Component 2 funds the project audit.

With the same two components as the parent project and the previous six AFs, the proposed Seventh Additional Financing (7th AF), in the proposed amount of US$52 million, will continue supporting essential service delivery in the West Bank. Under Component 1, the 7th AF will provide US$51.99 million to partially finance the recurrent wage bill of eligible education and health sector employees in the West Bank. It will cover education sector salaries for September to November 2025, paid in December 2025 to February 2026, and health sector salaries for August to November 2025, paid in November 2025 to February 2026. These salary payments represent 50 to 60 percent of the monthly salary paid by the PA, with the 7th AF covering 89.1 percent of the PA-paid monthly salary payments for education employees and 100 percent for health employees during the covered periods. Under Component 2, the 7th AF will provide US$10,000 for the audit of the education and health sector employees' salaries covered by the operation.

The 7th AF does not change the project scope, implementation arrangements, or current closing date of December 31, 2026.

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, as defined in the Education Sector Strategic Plan (ESSP), 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 seventh 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 seventh AF will provide benefits to the sick, injured, women requiring antenatal and postnatal care, 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 MoFP 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, Fourth AF, Fifth AF, and Sixth AF

Parent project (Jan 2024): Prior to appraisal, MoFP 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 MoFP 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: MoFP (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 MoFP (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 MoFP complaints log. The audit confirmed active information disclosure (MoFP 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 MoFP website, which can be accessed through: https://www.pMoFP.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) MoFP (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 MoFP website/Facebook; MoFP 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 MoFP Complaints Unit joined by the MoFP 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 MoFP Complaints Unit, while broader HR issues remain with the respective ministries; disclosure through the MoFP 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 MoFP 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.

Fifth AF (November 2025): On November 10, 2025, bilateral consultations were held with key stakeholders including the MoE, MoH, Juzoor, PRCS, and GUPT during the preparation of the Fifth AF. Participants were briefed on project progress and the structure of the Fifth AF, and raised no concerns regarding the retroactive financing approach. Key themes and feedback from stakeholders included the importance of predictable salary flows, the need for continued and accessible disclosures, support for Gaza-based education staff, and the PRCS's request for assistance with ambulance operations given their role in the national emergency response. Stakeholders broadly welcomed the project's approach and called for expanded funding coverage in education and health.

Sixth AF (March 2026): During the preparation of the Sixth AF, and given the ongoing security challenges, active conflict in the region, movement restrictions across the West Bank, and the emergency nature of the project, a series of bilateral phone consultations was conducted on March 26 and 29, 2026. Consultations were held with MoE Administrative Affairs, MoH Administrative Affairs, Juzoor for Health and Social Development, PRCS, and GUPT. Participants were briefed on project progress, the proposed Sixth AF structure, the coverage periods for education and health payrolls, the approximate reimbursement percentage, the overall envelope, and the two components, namely salary reimbursement and audit. The consultations confirmed that the project design remained unchanged, with eligibility filtered through the POM and salaries processed through the PA e-payroll system. Stakeholders were also reminded that payment-related enquiries and grievances would continue to be received and processed by the MoFP Complaints Unit, while broader HR matters, such as hiring or promotions, would remain under the complaints channels of the respective ministries. The discussions also covered E&S aspects, including the grievance mechanism and disclosure arrangements. Stakeholders generally welcomed the continuation of the project and stressed the importance of sustaining salary support during

the ongoing fiscal crisis. MoH emphasized the severe strain facing the health sector, including reduced working days, service disruption, and strikes. PRCS welcomed the project, requested further information by email, and highlighted the need for coordination with WHO and other donors supporting the health sector. Juzoor stressed the shortage of medications, the severe lack of financing, and the importance of salary support to keep health staff working under difficult movement and service delivery conditions. GUPT welcomed the participatory approach and reiterated the importance of continued interventions to support salary continuity.

Summary of Stakeholder Engagement Conducted During Seventh AF Preparation

For the seventh AF, bilateral consultations were conducted between May 14 and 18, 2026 to gather feedback on the proposed Seventh Additional Financing (7th AF). Consultations were held with the representatives of 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 General Union of Palestinian Teachers (GUPT). The project team briefed participants on progress under the Parent Project and previous AFs, and presented the structure of the 7th AF, including the coverage periods for the education and health payrolls, the approximate percentage of reimbursement, the overall envelope, and the two components, namely salary reimbursement and audit. It was confirmed that the project design remains unchanged, with eligibility filtered through the POM and salaries processed through the PA e-payroll system. Stakeholders were also reminded that payment-related enquiries and grievances will continue to be received and processed by the MoFP Complaints Unit, while broader HR matters, such as hiring or promotions, remain under the complaints channels of the respective ministries. The discussions also covered the environmental and social aspects of the project, including the grievance mechanism and disclosure arrangements.

Consulted stakeholders welcomed the continuation of the project and stressed the importance of sustaining salary support in light of the worsening fiscal crisis and the increasing pressure on public service delivery, particularly in the health sector given the recent strikes. The Ministry of Education welcomed the proposed 7th AF and did not raise specific concerns or comments. The Ministry of Health strongly welcomed the project and emphasized its importance given the sharp deterioration in the health sector, including rising prices, reduced functionality of health services, and the renewed strike by medical staff. MoH stressed that salary support remains critical to sustaining the minimum functioning of the sector under the current crisis. PRCS also welcomed the project, provided feedback on the current situation of the health sector and the impact of the medical staff strike, and requested to receive a brief email about the project, which was shared by the project team. Juzoor welcomed the continuation of the project, requested additional information on its role as a stakeholder, and appreciated being involved and kept regularly updated. GUPT did not raise specific comments and expressed appreciation for the project's continued efforts to sustain vital education and health services until the fiscal crisis is resolved.

Stakeholder engagement during project implementation

During the seventh AF implementation, the DGIRP/PIU at the Ministry of Finance and Planning will maintain proactive engagement with the identified project stakeholders, consistent with the SEP and the updated ESCP. The ESCP requires preparing and disclosing a seventh 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 MoFP 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, MoFP 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 MoFP 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 MoFP 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 MoFP 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 MoFP website can be accessed through: https://www.pMoFP.ps/index.php# .

The project will continue to publicize, maintain, and operate the existing MoFP 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, fourth, fifth, and sixth AFs, and which will also be utilized for the seventh AF.

Information Disclosure/Beneficiary Feedback

Similar to the parent project and previous AFs, information disclosure/feedback is primarily done through Facebook. The existing MoFP Facebook page will also be used for the project: https://www.facebook.com/PMOFPPS?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 MoFP 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 MoFP website.

Grievance Redress

Project-affected parties may submit complaints through MoFP's centralized Complaints Unit. The ESCP requires the MoFP 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 MoFP 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 MoFP 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 MoFP 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.

- Since the inception of the project the MoFP has received and processed 53 formal complaints. Issues related to complaints included delays in salary and arrears payments, outstanding financial entitlements and deductions, delayed promotions and allowances, end-of-service benefits, salary classification and payroll-related matters, as well as financial privileges specific to medical staff ("Imtiyaz"). A limited number of complaints also pertained to property tax and administrative financial services. 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. MoFP 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: MoFP 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