



## **PRESS RELEASE**

### **Germany supports Palestinian Development Program with 72 million NIS**

Germany increases its financial support to improve services for Palestinians and to strengthen local governance in the Palestinian municipalities and villages.

In the presence of the Acting Representative of the Federal Republic of Germany in Ramallah, Bernd Kuebart, the Minister for Local Governance, H.E. Dr. Hussein Al-Araj, and the German state-owned development bank KfW signed the contracts for a new German contribution of 18 million EUR (about 72 mio NIS) to the Palestinian people. The money will flow into two Palestinian national development programs, the Municipal Development Program (MDP) for Palestinian municipalities and the Local Governance Service Improvement Program (LGSIP) for village councils.

Both programs are implemented by the Municipal Development and Lending Fund (MDLF) and cover the Westbank and Gaza. The programs aim at improving the living conditions of the Palestinian people. They can be used to finance communal infrastructure measures like roads, water supply, waste disposal or parks.

To date Germany had supported the MDLF implemented local governance programs through KfW with an accumulated contribution over the years of 76.5 million EUR. Additionally Germany provides technical support to the programs through the German implementing agency GIZ. "With the additional financial support that is signed today we would like to reaffirm that Germany remains one of the most predictable and reliable development partners in the Palestinian territories", Bernd Kuebart stated.

MDP and LGSIP aim at improving the living conditions of Palestinians directly and indirectly. Directly by providing much needed infrastructure to the people. Indirectly by incentivizing the Palestinian municipalities and villages to strengthen and improve their governance to the benefit of the people. This is done through a performance-based grant allocation system. That means that local governments will receive funding amounts in relation to their performance with regards to local services and governance.

"Hence, I hope that today's German contribution to the local development programs will help further strengthening the reform dynamics in the local governance sector in Palestine", the Acting German Representative said.