



صندوق تطوير وإقراض البلديات
Municipal Development & Lending Fund



MDLF Semi-Annual Report 2014



August 2014



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for better life

Semi Annual Report 2014

Covering the period from January 1st to June 30th , 2014

Municipal Development and Lending Fund

(MDLF) - Palestine

August, 2014



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Glossary

AFD:	French Development Agency
APLA:	Association for Palestinian Local Authorities
BOD:	MDLF Board of Directors
BTC:	Bilateral Technical Committee
COA:	Chart of Account
DCF:	Donor Consultation Forum
DJSC:	Department for Joint Service Councils
EC	European Commission
EMP:	Environmental Management Plan
EOI:	Expression of Interest
EQA:	Environment Quality Authority
EMSP:	Emergency Municipal Support Program
EMSRP II:	Emergency Municipal Services Rehabilitation Project Phase 2
FMIS:	Financial Management Information System
FPPM	Financial Policies and Procurement Manual
GD:	Government of Denmark
GIZ:	German Technical Cooperation
IFMIS:	Integrated Financial Management Information System
ICDL:	International Computer Driving License
IG:	Italian Government
ITAU:	Italian Technical Assistance Unit
JSCs:	Joint Service Councils
KFW:	German Development Bank
LGCBP:	Local Government Capacity Building Project
LGP:	Local Government Program
LGUs:	Local Government Units
LTCs:	Local Technical Consultants
MDLF:	Municipal Development and Lending Fund
MDP:	Municipal Development Project
MIS:	Management Information System
MOLG:	Ministry of Local Government
MOF:	Ministry of Finance



MOPAD:	Ministry of Planning and Administrative Development
MTDP:	Medium Term Development Plan
NDC:	NGOs Development Center
NGOs:	Non Governmental Organizations
NRO:	Netherlands Representative Office
PCU:	Project Coordination Unit
PGMIS:	Project Grant Management Information System
PMSP:	Palestinian Municipalities Support Program
PNA:	Palestinian National Authority
PRDP	Palestinian Reform and Development Plan
SMDN:	Support to Municipal Development for Northern West Bank
Sida	Swedish International Development Cooperation Agency
TOR:	Terms of References
WBG:	West Bank & Gaza
FARV	Fixed Assets Registration and Valuation
SDIP	Strategic Development and Investment Plan



Our Vision

Effective local government units able to achieve better life for their citizens.

Our Mission

The Municipal Development and Lending Fund (MDLF) is a Palestinian semi-governmental institution that works on translating local government policies approved by the Palestinian government into programs and projects that contribute to the empowerment of the local government units through managing funds (grants and loans).

MDLF Values

Transparency	is...	Our policy
Professionalism	is...	Our identity
Accountability	is...	Our strength
Credibility	is...	Our principle
Scientific method	is...	Our approach

Our Strategic Themes

- Contribute to the implementation of the national local government policies & plans.
- Empower Palestinian Local Government Units.
- Strengthen the institutional development of the MDLF.

To Our Municipalities

It's a promise to invest in our Municipalities to help them succeed and develop their skills for better management and better services towards **better life for their citizens**.



Board of Director (BOD)

Dr. Nayef Abu Khalaf	Chairman of the Board, Minister local Government
Dr. Daoud Al Zatari	Board Member, Mayor of Hebron Municipality
Mr. Fayeq Al-Deek	Board Member, Representing Ministry of Public Works and Housing
Mr. Mahmoud Nofal	Board Member Representing Ministry of Finance
Mr. Nabil Diab	Board Member Representing Association of Banks in Palestine (ABP)
Mr. Ahmad Edeili	Board Member Representing Engineers Association
Mr. Ghassan Al-Shak'a	Board Member Representing Association of the Palestinian Local Authorities (APLA)
Mr. Badr Abu Zahra	Board Member Representing Ministry of Planning
Ms. Zahera Kamal	Board Member Representing Palestinian Women's Research and Documentation Center (PWRDC)
Mr. Khaled Salah	Board Member Representing Ministry of Economics

Arch. Abdel Mughni Nofal

Director General



Executive Summary

The Municipal Development and Lending Fund (MDLF) is a semi-governmental juridical entity established by the Council of Ministers Decree, to accelerate Palestine's drive toward high responsiveness, self-sustained, decentralized, prosperous and creditworthy local governments. MDLF has been enriching its role as the preferred channel of financial resources from the Palestinian Authority and various donors to the Palestinian local government units (LGUs), to improve the delivery of local infrastructure and municipal services, to promote economic development, and to improve municipal efficiency and accountability.

Since its establishment in Oct-2005, MDLF has noticeable achievements on the community development as well as the reform initiatives regarding the MOLG policies towards the local government sector in Palestine. MDLF has implemented hundreds of donor-funded projects in the amount of “ **US\$ 230 million**” in the municipal infrastructure services, capacity development, and innovative initiatives at the municipal level.

The bulk of MDLF portfolio is the Municipal Development Program- MDP. It is a Multi-phases program distinguished by its transfer mechanism aimed to enhance the capacity of municipalities through its four components (capital investments, municipal responsiveness and innovation, capacity development and program management). The 1st phase of MDP was successfully accomplished late 2012 and the preparation for the 2nd phase took place during 2013. The MDPII is financed by the PNA along with several Financing Partners (FPs) including the Agence Française de Développement (AFD), the Danish Representative Office-Ramallah (DRO), the Swedish International Development Cooperation Agency (SIDA), the Swiss Agency for Development and Cooperation (SDC), VNG International funded by the Dutch Government, the International Development Association (IDA), KfW and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), the European Union (EU), the Kingdom of Belgium.

Since the beginning of 2014, particularly during the reporting period, the implementation of MDPII witnessed a noticeable progress in component 1, namely the capital investment for municipal infrastructure, where the majority of municipal sub-projects (66%) are either under implementation or completed, 24% of the sub-projects are under procurement and only 10% are still in the pre-tendering phase.

Regarding the implementation of component 2, MDLF has kept the momentum of piloting the E-governance, LED and the renewable energy, where the pilot municipalities were well identified, and the implementation is expected to start in the 2nd half of 2014. Additionally, the support to the newly amalgamated municipalities under this component is progressing where the implementation of such community development projects serving these localities is anticipated to start in October 2014.

Most importantly, the capacity development packages were well identified. MDLF had effectively communicated with the municipalities informing them about their CD packages. During the reporting period the related TORs were prepared and shared with Financing partners for clearance, and MDLF has started the procurement arrangements to hire the individual consultants and firms to support the municipalities in implementing these packages.

Furthermore, MDLF has kept the momentum in implementing the other ongoing Programs/Projects including: the (Local Government Reform Development Programme – “**LGRDP**” funded by the **Belgian Government**, in addition to the (Local Development Programme phase III – “**LDPIII**”), and the (Local Government Policy Development Programme – “**LGPD**”) funded by the Danish Government.



Regarding the LDPIII, it was designed in line with MOLG policies and initiatives to minimize the number of LGUs into bigger, efficient and effective ones through the process of amalgamation. In this context, MDLF has started the implementation of LDPIII early 2013 where the study of feasibility and willingness to amalgamate and the study of Investment needs were finalized for two clusters out of three targeted clusters, followed by the preparation of the work plan and the identification of the joint projects for all clusters.

Another programme falls under the same initiative is the (LGRDP) funded by the kingdom of Belgium. The LGRDP witnessed a noticeable progress during the reporting period regarding the support for reform and improved capacities and services in smaller LGUs as well as the MDP aligned component.

Another initiative of reform for the local government system at the national level, is the “Local Government Policy Development Programme” (LGPD) funded by the Danish Government and being implemented by MDLF. During the reporting period, the policy unit within MoLG has continued its tasks in monitoring the MoLG policies and strategies being implemented in the local government sector.

This report presents the activities and achievements of the MDLF programs and projects during the period from January 1st until June 30th , 2014. It intends to keep the Palestinian Government and other MDLF Partners informed about the various programs and projects and to highlight the future plans to reform and improve local government units for better quality of life for the citizens in Palestine.



I: The Municipal Development Program –Phase II (MDP II)

In 2009, the PA developed the Municipal Development Program which was supported by seven Donors (through the Municipal Development Program phase1 – MDP 1) to operationalize the local government goals of the Palestinian Reform and Development Plan (PRDP) which is to strengthen local government through greater fiscal and administrative autonomy. The MDP II was designed to align with the National Development Plan (2011-2013), which built upon PRDP local government goals by emphasizing the acceleration of fiscal decentralization and the promotion of community participation in local government.

During 2012 the MDLF has finalized the preparation activities of the MDPII aiming at improving municipal management practices for better services delivery and municipal transparency. The development objective of MDPII builds on the MDPI achievements and introduces a focus on service delivery, which is a sector level goal of the MDP.

The MDPII adheres to laid out in the NDP, recognizing that a viable state requires transparent, effective, and accountable local governments. It is national program where the donors are jointly supporting their contribution in a harmonized approach using the same fund allocation system, criteria for project selection, implementation, and reporting procedures. This contributes to a sector-wide approach that supports the Palestinian National Authority in implementing a vision and strategy for the development of the local government sector.

1.1 MDP Description

The Municipal Development Program is a ground-breaking new effort in development and reform designed by the Municipal Development and Lending Fund (MDLF), under the guidance of the Palestinian National Authority. The MDP recognizes that the first step towards improving municipal services lies in better-managed and more accountable local governments.

The MDP provides infrastructure grants to Palestinian municipalities, and combines this with improved performance, and improved capacity in operations, planning, and financial capacity. Its cornerstone is the Grant Allocation Mechanism, a formula-based method for distributing funds to municipalities for capital investments based on needs, population, and good management practices. The MDPII will be implemented over the period of 3 years (2013-2016) in two cycles of approximately 18 months each.

The MDPII has four windows/components as follows:

Window 1 - Provides municipalities with performance-based grants for municipal service delivery per mandate of municipalities defined in the Local Councils Law No. 1 of 1997, for sectors described as eligible in the Operations Manual as well as for operating expenditures for municipalities in Gaza. The municipalities allocation for this window will be calculated using the newly created Grant Allocation Mechanism. Municipalities decide on how to use the funds based on their Strategic Development and Investment Plans (SDIP) and consultation with citizens.

Window 2 - pilots learning and innovation for municipal development, including implementation of MoLG policy decisions. This window finances goods, works and consultant services for capacity building and capital investments, including:

- (a) Strengthening Newly Amalgamated Municipalities that will support newly amalgamated municipalities towards achieving service levels in existing municipalities through financing small-scale social infrastructure and demand driven municipal capacity building packages. It will finance goods, works and consultant services.
- (b) Piloting Innovations for improved municipal responsiveness that will support:



- (i) Introduction of E-governance in four selected municipalities for more responsive service provision.
- (ii) Renewable Energy that will assist municipalities in piloting sub-projects with a focus on solar energy for public buildings.
- (iii) Support to Local Economic Development initiatives that will develop a municipal approach to LED and pilot the approach in 12 municipalities (6 per each cycle).

Window 3 - Helps municipalities to improve their performance rankings in accordance to the new Grants Allocation Mechanism. It provides technical assistance to improve financial management, planning capacities and technical capabilities, particularly in operations and maintenance. This component would finance goods, works and consultants services and would be implemented in two cycles of approximately 18 months each.

Window 4 - This component will finance goods and consultants services for monitoring and evaluation, outreach and communication and local technical consultants for the engineering supervision of sub-projects under window 1 and the MDLF management fee.

1.2 Financial Partners Contributions

The MDPII is supported by the Palestinian National Authority along with the Agence Française de Développement (AFD), the Danish International Development Assistance (DANIDA), the Swedish International Development Cooperation Agency (Sida), the World Bank, the German Development Bank (KfW), the German International Technical Cooperation (GIZ), the Netherlands (through VNG International) and the Switzerland (through SDC). Furthermore, the saving from the (KfW-MDPI) in the amount of **Euro 398,440** was agreed with the KfW to be invested in window 1 of the MDPII– Cycle 1.

In addition to that, the Belgian Development Agency (BTC), has committed to support the MDPII through its ongoing program (**Local Government Reform and Development Programme – LGRDP**) in the amount of **2 million Euros for both cycles (one million per each)**.

The MDPII legal agreements were signed by the all financing partners except the AFD agreement for MDPII-1st cycle which is still under preparation and expected to be signed in August 2014. Table 1 below illustrates the funding amounts, the signature dates and the completion dates for the MDPII agreements, noting that some of them will be utilized over the **two cycles of MDPII, such as (WB, MDTF, SDC, and VNG)**.

Table 1: MDPII Financing Partners Contribution for the MDPII

Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
GIZ Agreement	€ 400,000	June 27 th , 2012	March 31 st , 2015	This fund will be utilized in MDPII-1 st cycle
KfW Financing Agreement	€ 13,500,000	December 19 th , 2013	December 19 th , 2016	This fund will be utilized in MDPII-1 st cycle
AFD Financing Agreement	€ 1,000,000	Not Yet Signed	Not Yet Signed	This fund will be utilized in MDPII-1 st cycle
World Bank Agreement	\$10,000,000	July 7 th , 2013	February 28 th , 2017	This fund will be utilized in both cycles of MDPII
Multi Donor Trust Fund Agreement	\$ 25,800,000	April 8 th , 2014	June 30 th , 2017	This fund will be utilized in both cycles of MDPII
The Kingdom of Belgium	€ 2,000,000	---	<i>This contribution to MDP is allocated under the 3rd component of the</i>	This fund will be utilized in both cycles of MDPII



			<i>ongoing programme “Local Government Reform & Development Programme”, in a total amount of (Euros 2 million)</i>	
SDC Agreement	€ 2,500,000	September 4 th , 2013	March 31 st , 2016	This fund will be utilized in both cycles of MDPII
VNG Agreement	€ 1,200,000	July 1 st , 2013	December 31 st , 2016	This fund will be utilized in both cycles of MDPII
PA-MOLG	NIS 20,000,000	---	---	This fund will be utilized in MDPII-1 st cycle

In addition to the above listed agreements, 10% of the total fund excluding the share of (*the BTC contribution*) will be funded by the Palestinian Authority and will be invested in window 1 in a total of **5.33 million Euros**.

Out of the total FPs contribution in MDPII, an amount of **42.58 million Euros** will be invested in the 1st cycle. Chart 1 and Chart 2 illustrate the distribution of **MDPII-1st cycle fund per donor and per window**.

Chart 1: Distribution of MDP Fund Per Donor (cycle 1)

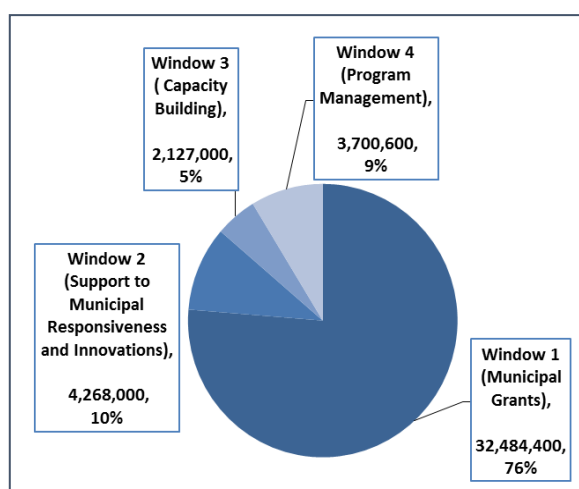
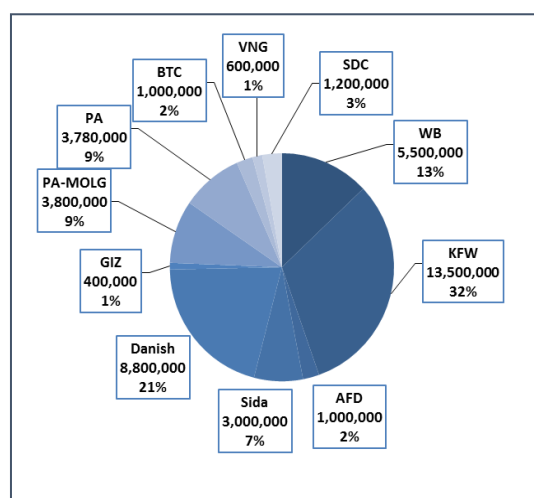


Chart 2: Distribution of MDP Fund Per Window (cycle 1)



1.3: The Grant Allocation Mechanism

The Grant Allocation Mechanism is the most important element of the MDP. This is the first time a performance-based formula has been used in conjunction with infrastructure grants in Palestine. The MDLF and the FPs agreed that the final allocation formula would be **50% performance, 20% needs and 30% population**, this new formula will be the basis for fund allocation for MDPII/ window 1.

In regards to the graduation ladder as well as the key performance indicators, and after having long discussions between MDLF, MOLG and the Funding Partners, it was agreed that the **graduation ladder will be 11 levels (E, D, C, C+, C++, B, B+, B++, A, A+, A++)**. Within each ranking level (E, D, C, B and A) specific key performance indicators were identified which reflect the municipal performance in financial management, planning, social accountability and municipal services provision.



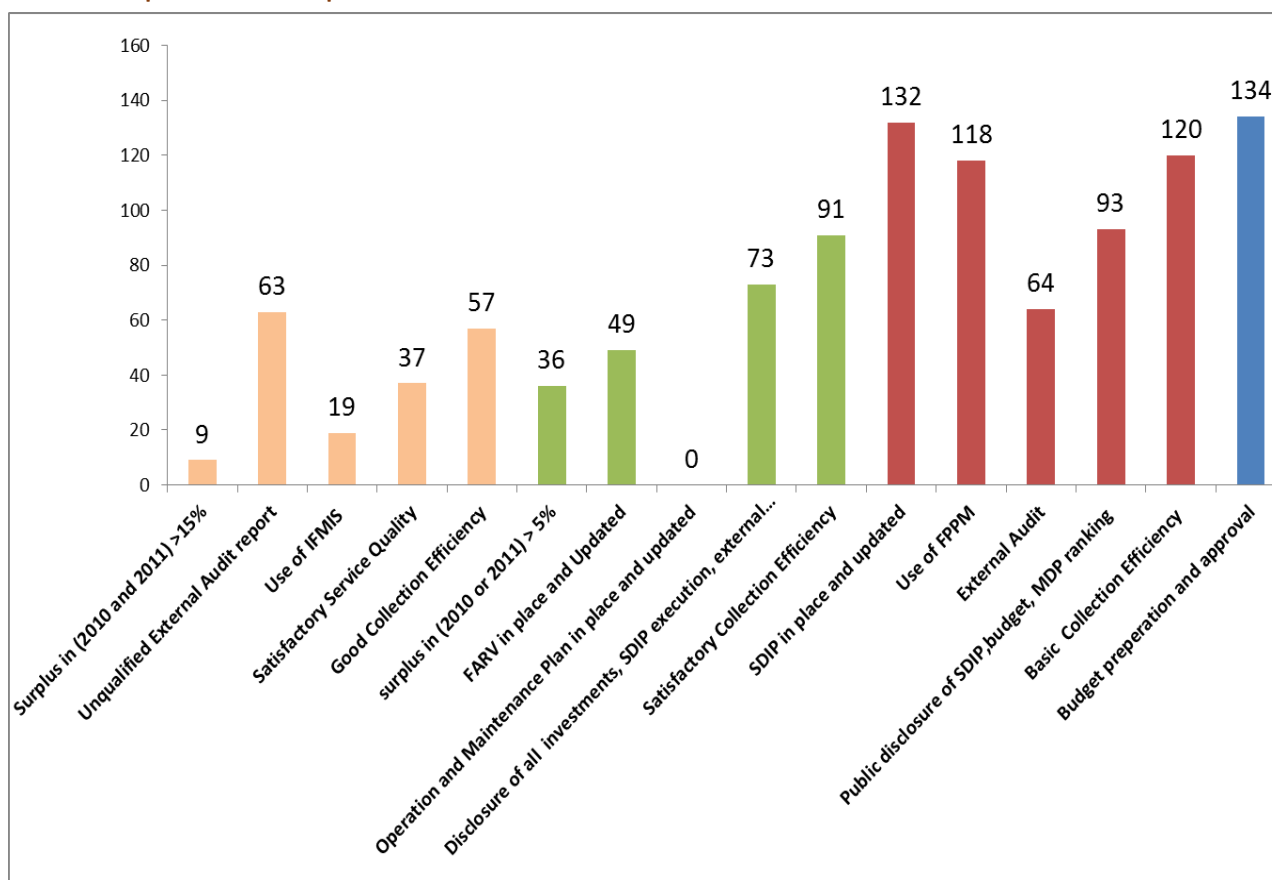
Funds are allocated based on ranks; municipalities with higher ranking will be eligible for more funding than those with lower ranking. Prior the start of MDPII and early 2013, a **base line survey** was conducted to assess the municipal performance in accordance to the new ranking system. The MDP works closely with municipalities through its capacity building packages to help them graduate from lower levels up to a higher ranking levels. Table 2 and Chart 3 show the municipal ranking and the compliance of municipalities with the KPI-16 before the launching of MDPII-cycle 1.

Table 2: Grants Allocation Performance Indicators

Rank	Performance Criteria)	Performance Criteria	No. of Municipalities per Rank
A++	<i>Fulfillment of all 16 KPIs</i>	1. Substantial Operation and Enterprise Account Surplus. (more than 15 %)	A++: none
A+	<i>Fulfillment of 4 out of 5 in addition to below indicators</i>	2. Unqualified External Audit	A+: none
A	<i>Fulfillment of 3 out of 5 in addition to below indicators</i>	3. Use of an Integrated Financial Management System IFMIS	A: none
B++	<i>Fulfillment of all 5 indicators in addition to all indicators below B</i>	4. Satisfactory Service Quality (Timely delivery of building licenses and clearances; Provided public green space per capita)	B++: none
B+	<i>Fulfillment of 3 or 4 out of 5 in addition to all indicators below B</i>	5. Good Collection Efficiency and own Revenue Generation (Specified own revenues > 100 NIS per capita or 10% above last two years' average)	B+: 19 municipalities
B	<i>Fulfillment of 2 out of 5 in addition to all indicators below B</i>	6. Substantial Operation and Enterprise Account Surplus (more than 5%).	B: 18 municipalities
C++	<i>Fulfillment of all 5 indicators in addition to all indicators below C</i>	7. Fixed Assets Register in place and updated	C++ : 3 municipalities
C+	<i>Fulfillment of 3 or 4 out of 5 in addition to all indicators below C</i>	8. Operation and Maintenance Plan in place and updated	C+: 87 municipalities
C	<i>Fulfillment of 2 out of 5 in addition to all indicators below C</i>	9. Public disclosure of all municipal investments, SDIP execution, and external audit reports	C: 6 municipalities
D	<i>Fulfillment of indicator in rank D</i>	10. Satisfactory Collection Efficiency and own Revenue Generation (Specified own revenues > 50 NIS per capita or 5% above last two years' average)	D: 1 municipality
E		11. Municipal Strategic Development and Investment Plan SDIP in place and updated.	E : 1 municipality
		12. Financial Accounting Policies, Procedures and Reports in place.	
		13. External Audit according to minimum standards	
		14. Public disclosure of budgets, SDIP plan and ranking	
		15. Basic collection efficiency and own revenue generation (Specified own revenues > 25 NIS per capita or above last two years' average)	
		16. Budget forecast and executed properly submitted and approved by MoLG	
		Minimum requirements not fulfilled	



Chart 3: Compliance of Municipalities with KPI-16



1.4 : MDP II - Implementation Status and Activities

Component/ (Window) 1: Municipal Grants for Capital Investment

This Component allocates performance-based grants for capital investments in municipal service provision and for operating expenditures specially for Gaza municipalities, and will be financed by the majority of FPs. It will be implemented in two cycles of approximately **18 months each**. The municipalities performance is determined by 16 good governance indicators, based on which municipalities are ranked from A through E, and the municipalities allocations were calculated using the new criteria for MDPII (**50% performance, 30% population, 20% needs**). Where the total allocated amount for this component is equal to **32,882,840 Euro**: (32,484,400 Euro) from MDPII and (398,440 Euro) from MDPI-KFW residual fund.

Based on the allocation formula, the majority of municipalities (**48 %**) were allocated less than **EUR 100,000**; around **16% was allocated EUR (100,000-150,000)**; around **12% was allocated EUR (150,000-200,000)**; around **14% was allocated EUR (200,000-400,000)**; around **6% was allocated EUR (400,000-1.0 million)** and around **5% was allocated more than EUR 1.0 million**. Chart 4 and Chart 5 bellow illustrate the distribution of municipal allocation per Donor and per Governorate.



Chart 4 : Distribution of MDPII-W1 Fund Per Donor (cycle 1)

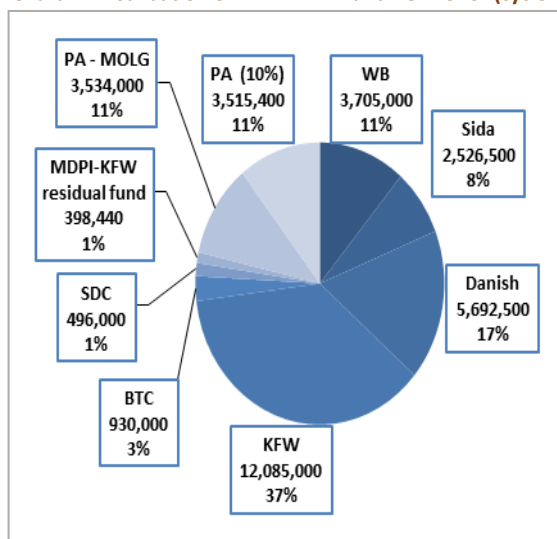
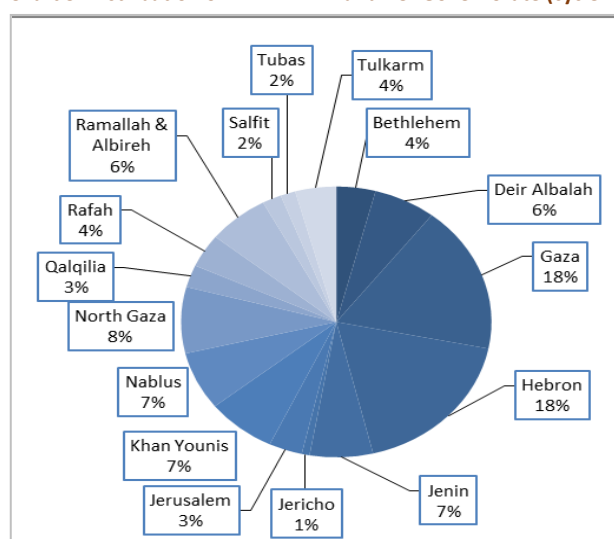


Chart 5: Distribution of MDPII-W1 Fund Per Governorate (cycle 1)



The municipalities were informed about their allocation in **August 2013** and they were asked to apply for their investment priorities using a standardized application form published on the web. The municipalities started filling out the application forms since September 2013 where MDLF had conducted **4 orientation workshops attended by all municipalities in WB&G**. During the workshops MDLF presented the updated ranking, infrastructure application forms, Environmental and social Management Framework (ESMF), Cost-Benefit Analysis and the Energy Efficiency manual. MDLF had also presented the lessons learnt from the MDPI implementation regarding the infrastructure priorities, procurement and bidding documents.

One of the major obligations of MDPII is to conduct site visits to the municipalities during the appraisal stage. A great effort from MDLF was made by conducting such visits on weekly basis. The executed site visits were conducted in the stage of request for application form where MDLF had the chance to meet with the municipalities' representatives, assist the municipalities in filling the standardized application forms, visit the projects sites and document that with photos.



ESMF Modification and Update

The Environmental and Social Safeguards "ESMF" was subject to modification and update to reflect the needs of having more focus on the environmental aspects in MDPII sub-projects as one of the lessons learned from MDPI as per the following:

- The ESMF must be included in the tender documents, so that potential bidders are aware of the environmental and social performance standards expected from them and are able to reflect that in their bids.
- The bidding documents should have section for ESMF compliance where a breakdown for the cost of noncompliance with mitigation measure should be attached.
- The ESMF became essential part of the works contracts upon its conclusion and their implementation is mandatory for the contractors. The Municipality, as an owner of the construction works, will be responsible for enforcing compliance of the contractors with the terms of the contracts, including adherence to the ESMF.
- For minor infringements and social complaints, the contractor will be given environmental and social note/ stop and alert to remedy the problem and to restore the environment. If the action done by the contractor is satisfactory to the supervisor engineer no further actions will be taken.
- If it is not done during a given time, the Municipality Engineer in cooperation with Local Technical Consultant will stop the work and give the contractor an environmental and social note and financial penalty according to the non-complied mitigation measure depicted in the bidding document. This penalty will be deducted from the contractor final invoice.
- If repeating the noncompliance to ESMF penalties approached (3-5) % of the contract value, the Municipality Engineer will raise the formal recorded environmental and social notes and the deduction history to MDLF in order to take a legal action.

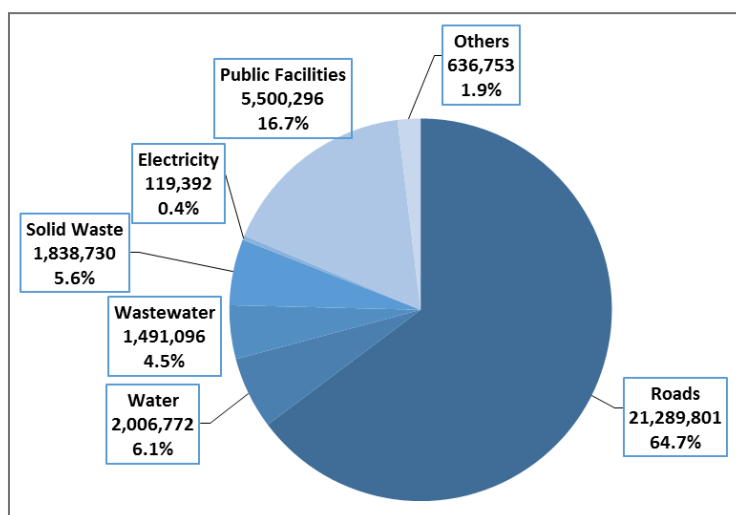


MDLF had received almost all the filled application forms from all municipalities late 2013, the applications/proposals were subject to revision and appraisal from the technical, social and the environmental point views to ensure the compliance with the regulations and guidelines as per the updated operational manual.

In the same context, **139 sub-projects proposals were received from 110 municipalities in the West Bank in a total allocation (EUR 18,676,527) and 188 sub-projects proposals from 25 municipalities in Gaza Strip in a total allocation (EUR 14,206,314).**

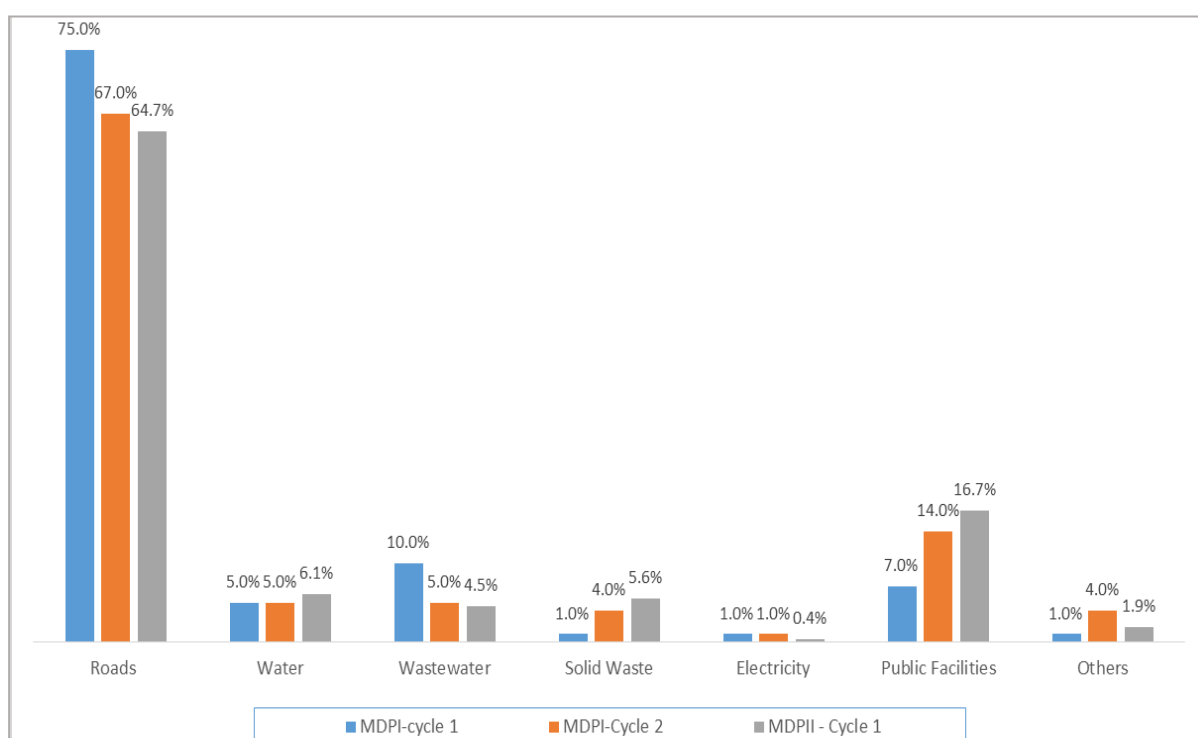
A quick look into the submitted sub-projects proposals reveals that **(64.7%)** of the W1 allocated fund is invested in road projects. The second sector is the public facilities **(16.7%)** including municipal buildings, libraries, community centers, and public parks. The third needed sectors are (water, solid waste and Wastewater) in a percentage **(4%-6%)**. Chart 6 illustrates the distribution of window 1 allocation by sector.

Chart 6: Distribution of MDPII-W1 Fund Per Sector (cycle 1)



It is worth mentioning that over the MDP cycles the percentage of invested amount in roads was declined (from 75% to 64.7%) whereas the percentage of the investments in public facilities was graduated (from 7% to 16.7%) as shown in chart 7 below:

Chart 7: Percentage of W1 Allocation per Sector over the MDP cycles





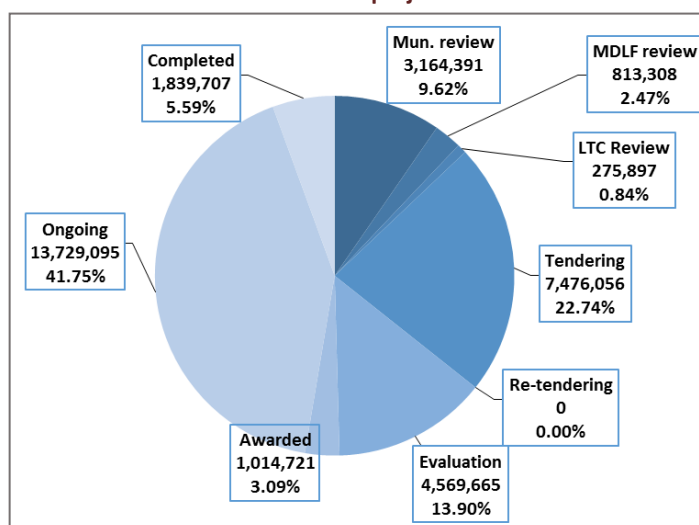
✓ Status of W1 sub-projects

The implementation of W1 – 1st cycle sub-projects in the West Bank and Gaza witnessed a noticeable progress where the overall status can be illustrated in table 3 and chart 8.

Table 3: Window 1 - Cycle 1 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	23	7%	3,164,391	9.62%
MDLF review	6	2%	813,308	2.47%
LTC Review	4	1%	275,897	0.84%
Tendering	40	12%	7,476,056	22.74%
Re-tendering	0	0%	0	0.00%
Evaluation	26	8%	4,569,665	13.90%
Awarded	14	4%	1,014,721	3.09%
Ongoing	150	46%	13,729,095	41.75%
Completed	64	20%	1,839,707	5.59%
Total	327	100%	32,882,840	100%

Chart 8: Status of W1 sub-projects in WB&G



- **64 sub-projects** out of **327** were completed with total allocations **(1,839,707 Euros)** amounting **(5.59%)** of the budget.
- **150 sub-projects** are ongoing with total allocations **(13,729,095 Euros)** amounting **(41.75%)**.
- **14 sub-projects** are awarded with total allocations **(1,014,721 Euros)** amounting **(3.09%)**.
- **26 sub-projects** are under evaluation with total allocations **(4,569,665 Euros)** amounting **(13.9%)** and expected to be awarded in August 2014.
- **40 sub-projects** are under tendering with total allocations **(7,476,056 Euros)** amounting **(22.74%)**
- **4 sub-projects** are under revision by the LTCs with total allocations **(275,897 Euros)** amounting **(0.84%)**
- **6 sub-projects** are under revision by the MDLF with total allocations **(813,308 Euros)** amounting **(2.47%)**
- **23 sub-projects** are under revision by the Municipalities with total allocations **(3,164,391 Euros)** amounting **(9.62%)**



Component / (Window) 2 : Municipal responsiveness – Support to Municipal Innovations and Efficiency.

2.1: Piloting Innovations

2.1.1: Introduction of e-governance:

This project will be financed by the WB and will be piloted into four selected municipalities for more citizen-responsive service provision. E-governance will promote knowledge sharing; enhance awareness and accountability in service delivery (specifically e-licensing, e-participation and e-payment) and revenue generation.

It is worth mentioning that this initiative will be implemented in two phases, a preparation phase for 3 months and an implementation phase for 12 months.

In this context, MDLF hired an individual consultant to support MDLF in managing the implementation of the e-governance in the four pilot municipalities, where the level of effort for the consultant will be expanded over the two phases. The consultant had submitted the inception report followed by the readiness assessment report. The consultant has recommended the four municipalities to pilot this initiative based on the in depth analysis of the E-survey published on the web-site and the field visits to a sample of 12 municipalities. The consultant has prepared the TOR along with the functional requirement for the E-Governance system which is still under revision by MDLF. It is anticipated to send the TOR to the FPs for their clearance early August 2014.

2.1.2: Renewable Energy– Solar Photovoltaic Pilot Project “REPP”

This projects will be funded by the WB and will be piloted in 8 municipalities in West Bank and Gaza. The renewable energy pilot project (REPP) aimed to install 100KWp of solar Photovoltaic on municipal buildings roof tops for the pilot municipalities in WB&G, where the piloted system is expected to reduce the municipal building electrical load in range of (20-90)% and minimize the operational expenses on energy. The pilot project is also considered an awareness and knowledge passing for municipalities and citizens.

A feasibility study for this initiative was prepared, its outputs shows that the project will be feasible to be conducted in west Bank by connecting the PV system on grid to produce 100KWH of electricity ranges between 5 and 20 KW according to the size of municipality, considering a payback of 6 years based on the best scenario of agreements with the electricity distribution companies, while the worst might exceed 8 years. On the other hand in Gaza Strip, due the current and continuous electricity outage the feasibility study has proved that Hybrid system (off-grid with option to use the grid as back feed to charge the system batteries when the solar input is offline) is feasible and the payback period of the system would be 8.4 years with RoR of 12.3%.

The project stages and progress

- Feasibility Study: had been accomplished within MDP phase I, and its results had been disseminated for municipalities in August 2013.



- Application form had been prepared and Municipalities were invited to submit their application until November 25th , 2013. **MDLF received 61 application in west Bank and 11 application in Gaza Strip.**
- The design, supply and installation and capacity building for municipalities was distributed over coherent assignments:
 - Individual Consultancy services to provide the technical support including technical evaluation of applications, verification of evaluation, design and prepare bidding documents in addition to support municipalities gaining license,... etc. Furthermore to provide capacity and awareness for municipal employees during the project period. This stage of consultancy service in West Bank has started since November 21st , 2013. However, the contract for Gaza was signed end of January 2014.
 - Supply and Installation of Solar Photovoltaic system in West Bank and Gaza Strip step is dependent on the progress on both West Bank and Gaza Strip; therefore it's expected to release the bidding document for West Bank on Mid July 2014, whereas the NCB of Gaza Strip component is expected to be released Mid-August to early September 2014.
- Further steps are: Monitoring and evaluation of the project components, awareness to the selected municipalities, in addition to result dissemination. Monitoring and Evaluation is expected to be executed by the end of 2014.

2.1.3: Local Economic Development:

This initiative will be implemented by the VNG in partnership with MDLF. In this context, the Memorandum of Understanding (MoU) between VNG and MDLF was signed on July 1st , 2013 which was the milestone to launch the implementation of the LED project. Prior to this step, the Grant Manual, Annexes, and Forms were developed to be used for the LED Grants.

The LED support will be piloted in a projected number of 12 municipalities in the West Bank. This will be done through various channels:

- Two open Calls for Proposals for municipal grants related to LED pilot projects, including technical assistance in project development and implementation. The two Calls for Proposals will align with the two 18-month cycles of MDPII. Twelve Grants (six per cycle) will be awarded to eligible Local Governments that have submitted a Concept Note with an average value of EUR70,000 (maximum EUR100,000 per grant).
- Regional Orientation Workshops on LED and the Calls for Proposals.
- On-the-job coaching and trainings on LED for target municipalities, including operationalization of LED strategies in line with SDIPs.
- Assistance in stakeholder identification and consultation, community participation, and business needs survey.
- Assistance in development of municipal profiles on the basis of SDIPs.
- Assistance in establishment of multi-stakeholder LED councils (e.g. Chambers of Commerce, MSMEs, civil society).



- Development of technical support packages for Window 3 on the basis of best practices and development of LED Manual / Guidelines. Cycle 1 will comprise pilot projects in 6 municipalities and include baseline surveys, the development of the Grants Manual, the elaboration of lessons learned during this Cycle, and a LED manual as a practical tool for municipalities on how to apply LED, on the basis of SDIPs and in line with municipal budgets. Cycle 2 will constitute of pilot projects in 6 other municipalities with continued piloting based on lessons learned in cycle 1, baseline surveys in grant municipalities, and at the end of cycle 2 the up streaming of packages into Window 3.

In this context, **37 municipalities were identified as eligible to apply to benefit from the grants.** Those municipalities were invited to attend workshops held in September 2013 to give them orientation and training on the concept and application. Consequently, they were asked to apply for LED concept notes regarding the possibilities of LED in their communities.

Following the concept notes evaluation, **a list of 13 municipalities with the highest scores from the technical point** view were subject to organizational capacity check by MDLF and VNG-consultant in November 2013. Those municipalities were invited to a call for proposal where only **5 out of 13** full proposals were selected for the implementation of LED in cycle 1.

The implementation has started since the beginning of 2014 by conducting such visits to the target municipalities and doing the budgeting, identifying the work packages and the action plans. On 6th of May 2014 the GIA was signed between the target municipalities and the MDLF to start the implementation. Five LED projects/municipalities were selected using project selection criteria in Feb. 2014 as per the following:

1. Ramallah municipality - Developing a LED Plan
2. Al Bireh municipality - Encouragement of Investment & Development in Albeireh
3. AL Samou' municipality -Improve capacity building department for LED
4. Birzeit municipality- Tourism Path
5. Tubas municipality- Improve capacity building department for LED (Industrial Zoon)

2.2: Strengthening Newly Amalgamated Municipalities :

This sub-activity will be funded by the MDTF (Danish fund) which provides support for post-amalgamation, e.g., for community development, social activities and capacity development in the amount of **(EUR 1.7 million)**. More specifically, **(EUR 1.5 million will be distributed among the newly amalgamated municipalities using the new allocation criteria and EUR 0.2 million will be invested in the capacity development activities for the target municipalities)**

In addition, this activity will provide **(EUR 0.4 million)** to support communities which were integrated into adjacent municipalities using the population criteria and will be invested in eligible sectors including road safety, sanitation, primary health care, culture and public parks.

9 municipalities will be covered (East Bani Zaid, Baqa Al Sharqeyya, Azzaytuna, Al Ittihad, Al-Kafriyyat, Al-Muttahida, Al-Yasiriyya, Marj Bin Amer, and Janata) . Specific projects will be identified for each municipality during the appraisal process under this sub-window. Projects are expected to reduce emergency needs raised during the amalgamation process. Interventions will build upon the experience of MDLF, indicating that citizen satisfaction has improved in line with the performance of amalgamated municipalities. While, in principle, the content of capacity building packages offered to the newly amalgamated municipalities follows the MDLF standard capacity building packages provided to other eligible municipalities, MDLF targets capacity building support under this sub-activity to match the level of municipal performance.

In this context, MDLF had finalized the calculations for the municipal allocations and sent a letter to the target municipalities informing them about their allocations and asked them to fill out the



application forms late May 2014. It is anticipated to receive the filled application forms by end of July 2014 where the appraisal stage is expected to be completed by late September 2014.

Component /(Window) 3:

Window 3.A: Capacity Building for Municipalities

This sub-component supports municipalities in improving their performance to graduate to a higher performance category in which they are currently classified; it supports consultant's services, training and equipment for municipalities in both West Bank and Gaza Strip. Applications for capacity building packages were received from municipalities and MDLF conducted the evaluation for the submitted forms along with the supporting documents late 2013. It is worth mentioning that Municipalities were also able to fill and submit their CB applications online. The Capacity packages were identified per municipality and municipalities were notified about the awarded packages.

The capacity building packages for the 1st cycle included:

- i. Improved financial management through rolling out of Financial Policies and Procedures Manual; Fixed Assets Registration and Valuation; Integrated Financial Management Information System, Training on Financial Management including (revenues generation, external audit, and budgets guidelines).
- ii. Support for improved planning capacity through rolling out Phase 1-3 of the Strategic Development and Investment Planning (SDIP) process to municipalities that do not have SDIPs.
- iii. Support for improved social accountability through establishing of Citizens Services Centers to enhance transparency and responsiveness towards citizens. And developing citizenship, communication and outreach guidelines.
- iv. Support for improving Operations and Maintenance (O & M) would assist municipalities in improving O&M for roads and public buildings.

Table 4 illustrates the distribution of capacity building packages of the 1st cycle by region per donor as well as its implementation status.



Table 4: Distribution of MDPII-W3 Capacity Building Packages

Capacity Building Package	No. of Municipalities	West Bank	Gaza	Financing Partner	Updated implementation status	Anticipated Activities
FARV	53	42	11	GIZ	<ul style="list-style-type: none"> - Term of Reference: it is done & no objection was received - Expression of Interest Evaluation was done, and the process of Request for Proposal has started in March 2014. - The technical proposals were evaluated for West Bank and Gaza waiting for the financial opening. 	Following up the implementation
SDIP	2	2	0	GIZ	<ul style="list-style-type: none"> - An amendment to an already existing contract from MDPI was set in place in order to accelerate the process of supporting the two remaining municipalities who do not yet have an SDIP in place. - An agreement was reached between the MDLF and the consultant regarding the amendment where the implementation has started early April 2014. - Work with the municipalities was initiated immediately. Consultant, MDLF, and municipality mayors met at the MDLF to discuss upcoming project. Field visits conducted mid-April. - The First Public meeting in both Nuba and Al-Ubaidiya conducted. Work in Nuba delayed due to inside issues at the municipality. 	Following up the implementation
CSC	23	18	5	MDTF, SDC	<ul style="list-style-type: none"> - The TOR for the individual consultant to do the institutional assessment and the business flow model was prepared and cleared by FP (one consultant for WB and one consultant for Gaza). - Both consultants (one in WB) and (one in Gaza) were contracted early June 2014. - Kickoff meeting and orientation workshops were conducted where the consultants has submitted the inception reports and conducted field visits to the target municipalities. 	<ul style="list-style-type: none"> - Review and develop the software requirement specifications (SRS). - Finalize the procurement arrangements for the software installation within the target municipalities. - MDLF will investigate/assess the physical locations for the CSC within the target municipalities



Capacity Building Package	No. of Municipalities	West Bank	Gaza	Financing Partner	Updated implementation status	Anticipated Activities
IFMIS	14	11	3	WB & KFW	<ul style="list-style-type: none"> - A concept note was prepared and agreed upon with MOLG. It was cleared by FPs. - Moreover, a TOR for merging the preparatory activities for implementing the IFMIS was prepared and sent to FPs for clearance. - The TOR for the financial software development was prepared and sent to FPs for clearance. 	<ul style="list-style-type: none"> - Getting the approval from FPs on the TORs for implementing the IFMIS. - Afterwards, the IT assessment for the target municipalities to identify the hardware requirements will be conducted. - The procurement arrangements for the hardware and equipment will be finalized.
O&M	0	0	0	KFW	<ul style="list-style-type: none"> - The concept of Phase three of the O&M package was changed as to be implemented in two parts rather than one as it was proposed in the old concept. * PART ONE is Developing the TOR along with the technical and functional Requirements for Operation and Maintenance (O&M) computerized System - * PART TWO is developing a computerized O&M system and test it on a pilot of municipalities. - The TOR for Developing Software Requirements and Specifications (SRS) for (O&M) computerized System was developed. - No objection on the TOR was received. - The EOI for developing Software Requirements and Specifications (SRS) for (O&M) computerized System was advertised and evaluated. 	<ul style="list-style-type: none"> - The consultant will be contracted. - The TOR along with the functional requirements will be developed.
Total Number of Municipalities	92	73	19			

Regarding the Citizenship and Communication & Outreach Guidelines, the TORs for the individual consultant were prepared and cleared by the FPs. MDLF has started the implementation of both assignments end of March 2014. The communication and outreach guidelines was prepared by mid of July 2014, however, the citizenship guidelines was still under development by the consultant and expected to be finalized by end of August 2014.



Component /(Window) 4: Project Management

❖ Local Technical Consultants (LTCs)

To better support the municipalities and build their capacity, the MDLF has utilized the services of LTCs firms to provide the needed technical support to the municipalities in West Bank and Gaza. The main objective of this consultancy assignment is to provide technical assistance to the municipalities for the implementation of subprojects approved by MDLF as follows:

- (i) Sub-project planning and Identification (Stage 1): from the planning and identification of eligible sub-projects, and preparation of applications to ensuring eligibility criteria (including environmental and social safeguards) per MDP procedures, including assisting in the preparation, review and comment on individual procurement plans, infrastructure and services maintenance, designs, specifications and bidding documents.
- (ii) Sub-project implementation and supervision: building the capacity of municipalities to implement the sub-projects and assisting them in the supervision including reporting on progress of implementation, monitoring of indicators, and compliance with the standards as delineated by the MDLF.
- (iii) Ensuring compliance with technical and fiduciary aspects: building the capacity and providing guidance to municipalities on technical and fiduciary aspects of sub-project preparation and implementation to ensure compliance with MDLF's procurement, financial, social and environment safeguards (including provision of mitigation measures) procedures.

The local technical consultants were distributed among 4 clusters (North West Bank, Middle West Bank, South West Bank, and Gaza). All the LTCs will be financed by the World Bank fund where the consultants have started their duties and responsibilities since November 2013.



Modification and Update of LTCs TOR

In response to the recommendations of technical audit and usability assessment which was conducted for a sample of sub-projects implemented under MDPI/W1, the TOR for the local technical consultant for MDPII-W1 sub-projects was subject to modification having more focus on the design and supervision as per the following:

- (i) *The LTCs are requested to conduct training to the municipal engineers concerning the following:*
 - *Roads evaluation (road conditions, types of distresses, causes, and treatments), so they will be able to prepare the required design, drainage system and the minimum drawings needed for different cases.*
 - *Quality Control as well as the technical and administrative issues including: (specifications, testing, interpretation of test reports, taking the proper decision, sampling procedures, the roles and responsibilities of testing labs, shop drawings and as-built drawings) .*
- (ii) *The LTCs are requested Prepare detailed supervision formats and templates applicable for all/each project sector(s)) to be used between the municipalities supervision and the contractor during all of stages of projects, namely, (the implementation, the maintenance period and the final handing over of the projects after maintenance period).*
- (iii) *The LTCs should conduct site visits for all projects, and should verify the designs, and the quantities and the estimated costs for the proposed projects and ensure the submitted drawings are technically correct, sufficiently detailed for implementation and acceptable.*



1.5: Financial Status

1st cycle Disbursement by during reporting period (1st half of 2014)

Financing Partner	WB		MDTF		KFW		VNG		AFD	
Window	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed			Allocated	Disbursed
Window 1	3,705,000	571,007	8,219,000	975,567	12,085,000	812,495	0	0	0	0
Window 2	600,000	69,473	2,110,000	27,410	0	0	558,000	0	700,000	0
Window 3	250,000	0	545,000	0	410,000	0	0	0	230,000	0
Window 4	945,000	351,183	926,000	136,530	1,005,000	97,241	42,000	0	70,000	0
Total	5,500,000	991,662	11,800,000	1,139,507	13,500,000	909,736	600,000	0	1,000,000	0

Financing Partner	PA		GIZ		SDC		BTC		Total		(%)
Window	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	
Window 1	7,049,400		0		496,000	175,812	930,000	42,827	32,484,400	2,577,708	8%
Window 2	0		0		0	0	0	0	3,968,000	96,883	2%
Window 3	0		372,000		620,000	6,051	0	0	2,427,000	6,051	0%
Window 4	530,600		28,000		84,000	55,036	70,000	0	3,700,600	639,989	17%
Total	7,580,000		400,000		1,200,000	236,899	1,000,000	42,827	42,580,000	3,320,632	8%

1.6: Challenges Encountered and Obstacles

Since the beginning of MDPII, the implementation has faced challenges and obstacles which can be listed as follows:

- There is a lack of commitment from the municipalities regarding the submission of the needed documents for MDLF appraisal and verification as requested which lead to such delays.
- The majority of municipalities started working on preparing the design and the needed permissions once they received the allocation letter from MDLF, however, they are capable to do that earlier as the selected sub-projects are all identified in their SDIPs, this lead to such delays prior the appraisal.
- There are still some gaps among the municipalities regarding their capacities especially in the ESMF requirements which lead to further works from MDLF and LTCs to ensure the compliance with standards and guiding procedures according to the MDLF operational manuals.
- There is a delay in signing the financing agreements with some FPs where MDLF is still waiting for signing those agreements to be able to move forward in implementing such activities, in particular window 1 sub-projects.



1.7: Lessons Learned and Recommendations

- It is recommended to minimize the gap between municipalities regarding their capacities in procurement and the ESMF by concentrating the effort from the LTCs towards those municipalities with low capacities.
- It is recommended to activate the communication with MDPII stakeholders from the initial stages of the implementation to ensure the effective management and to avoid the miss communication.
- It is recommended to have a unified approach for implementing the pilot innovative under window 2 to maximize the benefit and to ensure the possibility of rolling out these initiatives under window 3 in the future, in particular, the E-governance and the LED.



II: Local Development Programme (LDP III)

2.1: *Background*

The Palestinian local government system is in a development process that involves, increased decentralization, strengthened fiscal, organizational and management capacity, increased citizen participation, and improved efficiency and viability of service provision, where the new amalgamation policy adopted by MoLG serves these local governance concepts.

In January 2007, MDLF with Danish support implemented a Local Development Program (Phase I & Phase II) in Jenin Governorate targeting the two newly amalgamated municipalities (Al-Muttaheda & Marj Ben Amer). Phase I of the program led to be as a pre-amalgamation phase for the two areas, and the second phase of the program (LDP II) aims to strengthen the requirements of the sustainability of the amalgamation of local bodies in both regions through improving the level of services provided by the municipalities Marj Ibn Amer and Al-Muttahida.

A programme review for LDP was undertaken in April 2011 that recommended, in recognition of the continued need of support to amalgamation, the priority given to amalgamation by MoLG and achievements from the LDP (I-II), to design a new and final phase of Local Development Programme (LDP III) to upscale support for LGU amalgamation in new, needy geographical areas.

A programme identification mission conducted in (June 2011) and a programme formulation mission in (July 2011) subsequently worked with MoLG, MDLF and the Danish Representative Office (DRO) to design a new programme reflected in the present document.

The LDP Review (April 2011) noted many achievements including the formalization of the new municipalities and establishment of various community and joint infrastructures to form a basis for the further development of the two new municipalities and contributing to the improvement of livelihoods in the communities. However, the review also noted some areas that could be improved upon in future support to amalgamation including:

- Clarification of amalgamation procedures and improved communication of these to all stakeholders including LGU staff, politicians and community members,
- The amalgamation process should be more systematic – following a clear plan based on the (updated) Amalgamation Manual,
- Initial step of amalgamation process should be assessment of technical, financial and social viability of the amalgamation,
- An initial plan for the process should be clearly agreed upon with local political leadership and communities and clearly documented/disseminated,
- This should be followed by a planning process for the new Municipality: outlining the future vision and broad priorities and forming the initial elements of a SDIP prior to investments in infrastructure,
- The identification, selection, and planning of individual projects for funding should be further improved upon to ensure that they contribute to the viability of a new municipal council by providing sustainable joint services,



- Projects in support of local economic development (LED) should be highlighted as a particular relevant area for LGU intervention in their SDIP,
- The governance aspects of the entire process should generally be strengthened – in particular, issues related to women's and youth's participation in the interim municipal council structures and later permanent municipal council.

2.2: (LDP III) Description

The overall aim of the Local Development Program phase III is to assist the Local Government Units (LGUs) in each of three areas to amalgamate into a municipality and strengthen mechanism for improved local governance through involvement of women, youth and action research on local governance issues. The LGU amalgamation will be achieved through institutional development of the local administrations and through implementation of joint projects (infrastructure and community development projects). The program approach is based on the experiences from support to LGU amalgamation in Jenin Governorate (LDPI and II) that developed a best practice model for the MoLG to promote amalgamation of small local councils into municipalities throughout the Palestinian territory.

The LDP III will support amalgamation of smaller, unviable local government units in **three clusters** in the West Bank into new municipalities with potential for delivery of more cost effective and sustainable services to its residents. The identified clusters include one in Hebron Governorate (Dura cluster), One in Nablus Governorate (South East Nablus Cluster), and one in Salfeet Governorate (Salfeet cluster).

The overall development objective is ***'Improved service delivery and governance for citizens through LGUs in the West Bank'***.

The immediate objective is ***'Strengthened base for better service delivery of LGUs through sustained processes of LGU amalgamation and improved local governance'***.

The program will be implemented and managed by the MDLF working through the Joint Service Council or joint committees of the LGUs in the **selected three clusters**. A program Steering committee, chaired by the MoLG will guide implementation on the policy level. The Danish Representative Office (DRO) will follow implementation closely through the program steering committee.

The Steering Committee (SC) is the formal mechanism for joint decision-making concerning LDPIII between the MoLG, MDLF, relevant local stakeholders and the Danish Representative Office (DRO).

2.3: Financing Partners Contributions

The Government of Denmark provides a total grant of up to DKK 42 million (approx. USD 7.6 million) in 36 months, the agreement for the LDPIII program was signed in November 16, 2011.



2.4: Implementation Status and Progress

Assessment of the development of the national environment, including the strategic framework, since the last report:

As a result of the interaction of citizens with the amalgamation process that have taken place in the year 2010, the Ministry of Local Government reviewed the amalgamation policy and start to establish new strategy for the amalgamation, the policy unit in MOLG finished the strategy paper and submit it to the cabinet for approval, the cabinet did not take a decision yet.

Immediate Objective	Progress since the beginning of the Programme	Progress during the reporting Period	Challenges and Obstacles
<i>Strengthened base for better service delivery of LGUs through sustained processes of LGU amalgamation and improved local governance.</i>	Work has been done regarding the formation of the services councils or local committees for amalgamation representing the target communities.	The services council for SE Nablus cluster was formulated.	<ul style="list-style-type: none"> - The amalgamation strategy has not yet approved by MOLF - Apprehensive of the target communities from the merging process due to the dilemmas faced in the previous experiments of amalgamation.



Output	Output target	Output result (accumulative)	Accomplished Activities	Anticipated Activities for the next six months	Key Challenges
<u>Output 1:</u> Participatory amalgamation process/Local communities support the amalgamation process	Active participation and interaction of all community groups in the amalgamation process are ensured	Participation of the local councils members and the representatives of the civil institutions as well as the local community in the amalgamation process	<ul style="list-style-type: none"> - Study on feasibility and willingness to amalgamate for Salfit & South East Nablus clusters was accomplished. - The social activities were identified for all clusters. - The communication plan was prepared for all clusters. 	<ul style="list-style-type: none"> - Start the implementation for the Communication and awareness raising for all clusters. - The implementation of Joint Social activities (including the local study tours) for the target three clusters is anticipated to take place in the coming months. 	<ul style="list-style-type: none"> - The formation of the joint services councils for amalgamation in SE Nablus and Dura clusters. - Lack of capacity within the target services councils to follow up the implementation of social activities. - There is a need for SC endorsement of the identified social activities which always takes time.



<u>Output 2:</u> The institutional development of emerging municipalities is technically strengthened	Accomplishment of the institutional arrangements regarding the (SDIPs, Physical plans, asset registration and valuation)	The target is not yet achieved, however all the TORs for these institutional arrangements were all prepared	The TORs for the preparing the SDIPs, physical plans, and the fixed assets registration and valuation were all prepared.	The direct implementation of the mentioned assignments is anticipated to take place in the coming months	
<u>Output 3:</u> Joint projects are implemented with a potential for sustainability	Paving 20km of connection & Internal Roads and construct 1500 square meter of public buildings	This target is not yet achieved, The joint projects in Salfeet & South East Nablus and Dura clusters were identified to be implemented during the coming months.	- The joint projects were identified through an investment study for SE Nablus and Salfeet clusters. However, the projects were identified through a community participation in Dura cluster.	- Preparing the design and the bidding documents for the identified projects and start the implementation accordingly.	- There is a need for SC endorsement of the identified joint infrastructure and community development projects which always takes time. Even though the



			<ul style="list-style-type: none"> - The Expression of interest for the consultancy firm to do the design and supervision was advertised and evaluated, and contracted. 		
Output 4: Local governance (and community empowerment) mechanisms are strengthened (cross cutting component)	Clear and approved amalgamation strategy and manuals are all endorsed.	This target is not yet achieved However, a new amalgamation strategy was suggested by the MOLG/Policy Unit waiting for the approval from the Cabinet.	Effective coordination between MDLF and the MOLG/Policy Unit took place during the reporting period to identify the activities under this output.	<ul style="list-style-type: none"> - Action plan for the activities under this output is anticipated. - Starting the direct implementation of the activities under this output. 	Not clear approach and policy for amalgamation



Status of outstanding issues and follow-up on decisions made by the Steering Committee (or similar body)

Issue	Decision (incl. timeframe agreed for follow-up)	Responsible	Status on follow-up
The Work plan	- The SC approved the work plan for implementation.	MDLF	Start preparation for implement the approved issues.
List of joint projects for Salfit & South East Nablus clusters were	- The SC approved 18 joint project for South East Nablus & Salfit Clusters, and bonding four projects needs waiting for more details from the technical committee	MDLF	Start preparation for implement the approved issues.
Re allocation Budget	- The SC approved the re allocation of the budget.	MDLF	Start preparation for implement the approved issues.



2.5: Financial Status

Component	Allocated in US\$	Disbursed Amount During the 1 st half of 2014	Total Disbursed by end of June 2014	% of Disbursement
Output 1: Participatory amalgamation process	456,030	0	0	0%
Output 2: Institutional Development of New Municipalities	729,649	0	45,953	6%
Output 3: Joint Projects Implemented	4,742,717	0	54,133	1%
Output 4: Strengthened Local Governance	660,332	0	0	0%
5. Programme Management	995,971	0	0	0%
5.1 Technical Assistance (Local/International)	259,025	15113.55	15665.55	6%
5.2 Reviews (mid-term and annual)	200,653	0	0	0%
5.3 MDLF management fee (*)	536,292	150000	150026	28%
Unallocated (1%)	76,613	0	0	0%
Total	8,657,282	165,114	265,778	3%

2.6: Challenges Encountered and Obstacles

The LDPIII faced challenges and obstacles where the implementation progress was subjected to delays due to the following:

- Problems which have occurred in the amalgamated municipalities and its impact on local communities in the targeted clusters.
- The local election hampered the implementation of the project 6 months due to the preparations for the election process and deliver the elected councils.
- The Ministry of Local Government has not yet finished a clear strategy for the amalgamation process.
- The contradiction between Program documents & MoLG decision for Dura Cluster.

2.7: Lessons Learnt and Recommendation

- Large participation of communities in the program activities is essential.
- The communication strategy by the cluster and its citizens should be improved.
- More efforts should be exerted to coordinate with all ministries involved at the local level.



III: Local Government Reform and Development Programme (LGRDP)

3.1: Background

Belgium has accepted to consider local governance as a priority sector for the Belgian-Palestinian Cooperation. Therefore, Belgium accepted to support the Ministry of Local Governance reform by a 5-year programme “Support to Local Government Reform and Development Programme” (LGRDP). The programme will support the government’s decentralization efforts by strengthening the smaller and non-viable local governments into more sustainable and effective structures through the government policy of Local Government Units (LGU) amalgamation and the creation of joint service arrangements for LGUs. In addition, the program will support the institutional development of selected departments of MoLG and contribute to the joint donor funded Municipal Development Program (MDP).

3.2: LGRDP Description

The general objective of the programme is to strengthen the institutional and management capacities of the local government system. The specific objective is to support institutional reform through improved capacities and services of selected clusters of smaller LGUs, and to improve the institutional capacity of MoLG. The proposed programme will have three components as follows:

The LGRDP has three components supporting five key results as follows:

Component 1 – Support for MoLG Capacity Development

The first component of the intervention is oriented towards capacity development of the MoLG. As described in the previous section, several steps have been taken towards the development of a coherent capacity development strategy for the Ministry, primarily at the level of assessments, diagnostics and goal setting. However, as mentioned in the Ministry’s Strategic Framework 2010-2014 and its associated Development Initiatives, the development of an administrative and organizational structure, including clear job description, titles, job classifications, guides and manuals, and performance evaluation system is one of the goals for 2010, and therefore, is currently an outstanding challenge; since a clear administrative and organizational structure is highly desirable to engraft a coherent and sustainable capacity development plan could upon.

Result 1 - Selected departments of MoLG capacitated to implement the MoLG strategic plan

Component 2 – Reform and improved capacities and services of smaller LGUs

The programme will support reform and improved capacities and services of smaller LGUs in four selected clusters as shown in table 5 below:



Table 5: LGRDP Targeted Clusters

No.	Cluster	Geographical Area	Governorate	Localities
1	Beita	North “West	Nablus	Audala , Beita , Ausreen , Za’tara
2	Beit liqya	Middle “West Bank” Cluster	Ramallah	Beit leqya , Kharbatha al Musbah Beit seera, Beit nuba
3	Jort eshama’	South “West Bank” Cluster	Bethlehem	Jort eshama’ Um salamona Wadi ennis , Marah m’ala Marah rabah , Al ma’sarah Khalet Elhadad , Al mansheeyah Wad rahal
4	Karmel	South “West Bank” Cluster	Hebron	Karmel , Main, Khalet saleh Hadedeyah

The LGUs will receive four broad areas of support:

1. Institutional development: studies, information campaign and consultations for facilitation of appropriate amalgamation process including development of SDIP and physical plans.
2. Capacity Building of LGUs: through temporary support for staff employment, training, equipment, manuals, software etc. as well as support for office construction.
3. Infrastructure and services: financial support for implementation of local priority projects including water, waste, roads, electricity etc. Emphasis will be on investments that will facilitate joint provision of services for selected clusters of smaller LGUs; eligibility of sectors shall be defined by the Programme Steering Committee
4. Socio-economic development: social activities, public awareness campaigns, LED studies, one stop shop in LGU etc that will enhance citizen engagement and downwards accountability of the LGUs,

Initially smaller LGUs which formally have a LG status as village councils or project committees will supported, but it is expected that their formal status will be changed into municipalities. The decision to amalgamate will be demand driven – i.e. selection of clusters for possible support will be based on expressed local demand for LGU restructuring. Alternative arrangements for provision of joint services may also be supported – but it is likely that the vast majority of smaller LGUs will opt for formalization of their new LGU-status as Municipal Councils.

Result 2 - Smaller LGUs in selected clusters have developed appropriate joint institutional arrangements for joint services and amalgamation

Result 3 - Capacities of the selected LGUs are enhanced for improved planning, HRM, financial management, service delivery and accountability

Result 4 - LGUs service delivery is improved through sustainable infrastructure development in the four clusters



Component 3 – Support for newly amalgamated municipalities (MDP-aligned)

The aim of Component 3 is to ensure that newly created municipalities – not yet incorporated in an on-going MDP planning cycle – are provided with access to financial means (grants for capital investment) on the basis of clear, performance-based criteria (i.e. Aligned with the modus operandi of Window 1 of the MDP). The Belgian contribution under Component 3 should also be seen as an indication of Belgium's commitment to donor harmonization in this sector, where MDP to date is the only joint donor financed initiative.

More specifically, the Belgian intervention will, from January 2011 onwards, enable newly amalgamated municipalities to access MDP-like funding through its window 1. From January 2013 onwards, an additional financial contribution for newly amalgamated municipalities is planned for. The municipalities benefiting from Component 3 will be identified according to formal amalgamation processes being accomplished, as described, and planned for, in the 'Homestretch to Freedom - The Second Year of the 13th Government Program' document, where merging and amalgamation initiatives for the different governorates have been identified.

Result 5 - Newly amalgamated municipalities are continuously progressing their performance
The Municipal Development and Lending Fund (MDLF) is the implementation agency for components 2 and 3 of the programme.

Description of Beneficiaries

The following main beneficiaries can be identified at local and national level:

- **At the decentralized level:**
 - ✓ Staff and politicians in the selected clusters of LGUs,
 - ✓ Staff at the district level,
 - ✓ Residents in the selected clusters of LGUs – on the basis of the initial list from MoLG of six priority areas this amount to approximately 83,000 persons.
- **At the national level:**
 - ✓ Ministry of Local Government (MoLG) in its capacity of key actor for delivering policy formulation, providing a regulatory framework, setting quality standards, technical assistance & advice, M&E, and sector coordination. Particular attention will be given to the following units:
 - ✓ Complaints Directorate;
 - ✓ Internal Control Directorate;
 - ✓ Department of Formulation and Merging.



3.3: Financing Partners Contributions

The program will be implemented over five-years period with total budget of **(Euro 15 million)**, where the agreement between the Belgian Development Agency and the MoP was signed on October 28th, 2010. Table 6 illustrates the budget breakdown.

Table 6: LGRDP Budget Break Down

Component	Allocated Budget (Euro)	Implementing Agency
Component 1: CB of MoLG	1,824,140	MoLG
Component 2: Support for amalgamation in 6 areas (incl.equivalent of 7% management fee)	9,000,000	MDLF
Component 3: MDP Contribution (incl.7% management fee)	2,900,000	MDLF
General Means (International TA salaries, administrative and financial officer, reviews, etc) and budgetary reserve	1,275,860	
Total	15,000,000	





3.4: Implementation Status

During the reporting period, the following activities and accomplishments regarding the 2nd and 3rd components have taken place as illustrated below:

Component 2: Support for reform and improved capacities and services in smaller LGUs.		
<p>Result 2: Smaller LGUs in selected clusters have developed appropriate joint institutional arrangements for joint services and amalgamation</p>	<p>Activity 2.1: An initial survey of the technical and financial viability as well as social acceptability of the proposed future institutional arrangements</p>	<p>Sub-Activity 2.1.1:</p> <ul style="list-style-type: none"> - The 1st and the 2nd phases of awareness campaign assignment were completed whereas the 2nd phase is still in progress. (100% completion) <p>Tasks completed in the 1st phase of awareness campaign :</p> <ul style="list-style-type: none"> - Revision of the data collected by the consultant. - Revision of the LGUs assessment and the citizen's survey questionnaire. - Conducting a visit to a successfully example of amalgamation "Al-Kafriyyat municipality". - Distribution of brochure. - Conducting a public meetings in each cluster. - Revision of the data collected by the consultant regarding the (post survey after the awareness campaign) - Identifying the social and infrastructure projects. - Revision and approval of the final report for the awareness campaign assignment. <p>Tasks completed in the 2nd phase of awareness campaign :</p> <ul style="list-style-type: none"> - Preparation of Communication Action Plans. - Drafting of 4 communication action plans for the 4 JSCs - Review and revisit of the action plans with the JSCs - Finalizing the contents of the action plans with cost estimates - Preparation of specifications for all the sub activities in the action plans. - awareness Camping implemented - The bidding documents, advertising, RFQ evaluation and the request orders were accomplished regarding the (Supply of Printing and Advertising Materials for JSCs) and the (Supply of Logistic services and Materials for JSCs). - Part of the printing and advertising materials were supplied. - logistic services and materials for social activities were provided. - Completion of Wall Art Painting in Jort eshama' Cluster, including 9 drawings in selected sites. - Awareness Camping was conducted



	<p><u>Activity 2.2:</u> In cooperation with the LGUs, a valuation will be made of the each local council's assets that would be incorporated in the new municipality</p>	<p><u>Sub-Activity 2.2.1:</u> The Fixed Assets Registration and Valuation assignment was completed (100% completion).</p> <p><u>Tasks completed:</u></p> <ul style="list-style-type: none"> - Technical Proposals Evaluation. - Financial Proposal Opening. - Negotiation with the high ranked firm. - Signing the Contract. - Conduct Kick-off meetings. - Review of Inception report. - Work Plan with LGUs. - Gathering of fixed asset sheets. - Investigation of data. - Carry out physical inspection of fixed assets. - Coordinate with MDLF, MoLG, and local committees for standards and regulations. - Preparation of the final fixed asset register.
	<p><u>Activity 2.3:</u> The LGU will be supported with consultants hired under the project and technical staff from MDLF to develop a comprehensive development plan in line with the national guidelines.</p>	<p><u>Sub-activity 2.3.1:</u> The Strategic Development and Investment Plans were completed whereas the physical planning is still in progress. (100% completion).</p> <p><u>Tasks completed regarding the SDIPs:</u></p> <ul style="list-style-type: none"> - Follow up the diagnosis of the current status. - Follow up the formulation of the vision and objectives. - Setting integrated operation plans and evaluation plan. - Preparation of the draft SDIP. - Follow up with Municipal Council to Approve the SDIP - Conduct The Second Public Meeting - Prepare the final SDIP <p><u>Tasks completed regarding the Physical Planning:</u></p> <ul style="list-style-type: none"> - Review the planning framework report. - Determining the possibilities and challenges. - Supervise the sectorial assessment. - Approving the Spatial Development Framework Plan SDFP. - Submission the negative of the aerial photos. - Final digitized aerial photogrammetry maps were submitted. - Land Use Plan, zoning & building regulations were prepared and approved by the District Planning Commission . - Final Report was submitted.



	<p>Activity 2.4: The LGUs will be supported to develop a comprehensive capacity development plan that inter alia will include recommendations for organizational structures staffing, office facilities, training programmes and minor equipment.</p>	<p>Sub-Activity 2.4.1: The institutional capacity assessment and development assignment is in progress. (75% completion)</p> <p>Tasks completed:</p> <ul style="list-style-type: none"> - Technical Proposals Evaluation. - Financial Proposal Opening. - Negotiation and signing the contract with the high ranked firm. Where the implementation of the assessment is in progress. - LGUs Assessment Questionnaire was prepared - The local government laws were reviewed - Workshops with the concerned communities were conducted. - A draft by-laws was prepared - SWOT analysis was prepared - The municipalities' objectives and main duties were reviewed - The organizational structures proposed by MoLG was reviewed - Jobs descriptions and jobs classifications were prepared. - Departments functions and duties description were prepared - Human resources development plan was prepared - Procedural manual for the municipalities' operations was prepared. <p>Tasks completed regarding the Technical Assistance to the Common Water Department (CWD) " of the Joint Service Council for Planning and Development (JSCPD) / Beit Liqya Cluster.</p> <ul style="list-style-type: none"> - Technical Proposals Evaluation. - Financial Proposal Opening. - The implementation is progress
<p>Result 3: Capacities of the selected LGUs are enhanced for improved planning, HRM, financial management, service delivery and accountability</p>	<p>Activity 3.1 capacity development programme will be implemented</p>	<p>Sub-activity 3.1.1: The Equipment and Furniture were supplied within the targeted clusters. (100% completion)</p> <p>Tasks completed:</p> <ul style="list-style-type: none"> - Supply of IT Equipment for JSCs. - Supply of Furniture for JSCs. - Supply of Total Station for JSCs. - Supply of Stationery for JSCs.



		<p><u>Sub-Activity 3.1.2:</u> The office building (extension or renovation) activity is in progress. (20% completion)</p> <p><u>Tasks completed:</u></p> <ul style="list-style-type: none"> - Assess the current needs for JSCs buildings. - Preparing the bidding documents. <p><u>Sub-Activity 3.1.3:</u> The financial support for 12 months initial employment of staff activity is in progress (60% Completion)</p> <p><u>Tasks completed:</u></p> <ul style="list-style-type: none"> - JSCs need assessment. - Announcing the vacancies (Engineer,) for each JSC. - CVs Shortlisting. - Interview shortlisted candidates. - Recruitment and contracting. - Follow up with recruited staff.
<p><u>Result 4:</u> LGUs service delivery is improved through sustainable infrastructure development in the clusters</p>	<p><u>Activity 4.1:</u> Provision of funding for infrastructure development that enhance the new institutional status of the LGU (amalgamated into municipal council or as JSC).</p>	<p><u>Sub-Activity 4.1.1:</u> Engage Consultant or Technical Team to assist LGU's (65%)</p> <p><u>Tasks completed:</u></p> <ul style="list-style-type: none"> - Preparing the TOR, and finalizing the procurement arrangements to sign the contract with the winner. - Preparing the TOR and starting the procurement arrangements to contract a Local Technical Consultant-Water Network Rehabilitation in Beit liqya Cluster. - contract a Local Technical Consultant-Water Network Rehabilitation in Beit liqya Cluster. - Consultant submitted the first report, and following up the implementation of the project. - Approving the shop-drawing of the project <p><u>Sub-Activity 4.1.2:</u> Implementation and follow up of the approved infrastructure sub- projects. (63% completion)</p> <p><u>Tasks completed:</u></p> <p><u>The First Phase of infrastructure projects (connection roads). was completed. (100%)</u></p> <p><u>Second phase infrastructure (social infrastructure) (70%)</u></p> <ul style="list-style-type: none"> - Review the infrastructure projects identified with public participation within the awareness campaigns.



		<ul style="list-style-type: none"> - Getting the approval of the SC. - Contract consultant for design, bidding preparation and follow up. - Projects designed and advertise in the newspaper. - Implementation in progress <p>Third Phase infrastructure (20%)</p> <ul style="list-style-type: none"> - Review the infrastructure projects identified with public participation within the awareness campaigns. - Getting the approval of the SC. - Contract consultant for design, bidding preparation and follow up. - Projects are under design.
<p>Component 3: Support for newly amalgamated municipalities (MDP-aligned).</p> <p>The BTC financial contribution under this component is going to be distributed among the amalgamated municipalities through MDP, starting from the 2nd cycle. Noting that, during the reporting period, MDP- 1st cycle was under implementation where the 2nd cycle planning started by the end of 2011. Consequently, the BTC contribution under (MDP-Window 1- 2nd cycle), was distributed among (10) amalgamated municipalities where MDLF informed the municipalities about their allocations and received their projects priorities.</p>		
<p>Result 5:</p> <p>Newly amalgamated municipalities are continuously progressing their performance</p>	<p>Activity 5.1:</p> <p>Undertake regular assessments of municipalities and provide general oversight and guidance to the concerned LGUs (by MDLF staff)</p>	<p>Sub-Activity 5.1.1:</p> <p>Municipal Ranking Assessment was completed. (100% completion)</p> <p>Tasks completed</p> <ul style="list-style-type: none"> - Evaluate the new amalgamated municipality to decide their performance category in accordance to the municipal performance criteria used by MDLF.
	<p>Activity 5.2:</p> <p>Provide fiscal transfers to municipalities that is linked to their performance during the assessments. In this manner the municipalities will be provided with incentives for continuous improvements in their performance.</p>	<p>Sub-Activity 5.2.1:</p> <p>Fiscal Transfers to the amalgamated municipalities is in progress. (90% completion)</p> <p>Tasks completed</p> <ul style="list-style-type: none"> - Inform the municipalities about their allocated budget. - Nominate projects for implementation according to their SDIPs or by conducting public participation sessions in case they don't have SDIP. - Projects appraisal phase. - Bidding documents preparation phase - The projects were completed.



3.5: Financial Status

Component	Allocated in Euro	Disbursed Amount During the 1 st half of 2014	Total Disbursed by end of June 2014	% of Disbursement
Support for amalgamation in 4 areas (incl. equivalent of 7% management fee)	9,000,000	117,455	2,213,381	25%
Total	9,000,000	117,455	2,238,575	25%

3.6: Challenges Encountered and Obstacles

During the reporting period the implementation process was subject to such delays due to the following:

- More than one assignment and activities were carried out in each cluster confusing the targeted clusters.
- The formulation of the Joint Service Councils as well as the clusters identification process were delayed.
- Limited resources in the clusters.

3.7: Lessons Learnt and Recommendations

- The awareness campaigns should start before any assignments such physical planning and Fixed assets...etc. Moreover, the awareness should be conducted continuously throughout the programme life cycle.
- The LGRDP technical committee should include the JSCs representatives to compliment and reflect the local needs.
- Having a National Working Group consists of all those in charge of amalgamation such as MoLG/ Policy Unit, MoLG, MDLF/ LGRDP team, MDLF, LDP and the relevant donors will contribute to tackle the issues and current challenges in addition to come up with solutions and mitigation measures if needed.
- The financial planning should be more realistic while the operational plans should cover all the durational activities.



IV: Local Government Policy Development Programme (LGPD)

4.1: Background

The “Local Government Policy Development Programme” LGPD, aims at supporting the Palestinian National Authority (PNA) policies and programs on its way to state building. This program is funded by the Danish Government and executed through the Municipal Development and Lending Fund (MDLF) on behalf of the Ministry of Local Government MOLG. This program supports the on-going efforts of the Palestinian National Authority to reform the local government system at the national level. The Local Government Policy Development Programme (LGPD) was formulated in October and December 2010 in close cooperation with the Ministry of Local Government (MoLG) and the Municipal Development and Lending Fund (MDLF). In April 2011 an agreement signed between the MoLG and the Danish Representative Office (DRO) specifying MDLF’s responsibility for the LGPD implementation and the management of the programme.

4.2: LGPD Description

The overall objective of the programme is to “support the building of a sovereign, democratically viable Palestinian state, guaranteeing basic human rights and security for its population, creating the framework for economic growth and delivering basic services by contributing to the establishment of a viable strategic framework for municipal development.

The Programme is composed of the following three components:

- ***Component 1: Support to Policy and Strategy Unit in MoLG***

The main objective of this component is for MoLG to have a fully functioning policy and strategy unit, capable of formulating and monitoring MoLG policies and strategies being implemented in the local government sector.

- ***Component 2: Support to Municipal Development and Lending Fund (MDLF)***

The objective of this component is to strengthen MDLF to implement its working programme with enhanced efficiency, effectiveness and quality including implementation of policies for the LG sector.

- ***Component 3: Support to the Association of Palestinian Local Authorities***

The objective of this component is to strengthen APLA in its ability to voice the interest of LGU members in policy issues.



4.3: Financing Partners Contributions

The grant of DKK 4.8 million (equivalent to around US\$862,940) was received from the Kingdom of Denmark for the benefit of MoLG, MDLF and APLA where the fund will be managed by MDLF.

4.4: Progress of Outputs

Component 1: Support to Policy and Strategy Unit in MoLG

Objective: MoLG have a fully functioning Policy and Strategy Unit, capable of formulating and monitoring MoLG policies and strategies to be implemented in the local government sector.

Output 1.1 (MOLG): Support to contracting staff and setting up working stations	<u>Key Achievements</u> <ul style="list-style-type: none"> ▪ Job descriptions for all six PSU positions are developed. ▪ Announcement of positions for the (Head of Unit and Monitoring and Documentation Director), and head hunting of the secretary. ▪ Selection and hiring of PSU staff to be finalized late February 2012. ▪ Purchasing computers and furniture for the PSU office spaces: three IT tenders were made, and one furniture tender.
Output 1.2. Support to prioritization of key areas for policy and strategy development by PSU	<u>Key Achievements</u> <ul style="list-style-type: none"> ▪ Conduction of a PSU Work Plan seminar/ work session was made and the PSU was presented for the higher planning council. ▪ A list of prioritized policies were identified by the PC.
Output 1.3: Support to awareness raising and integration of the PSU in MoLG work	<u>Key Achievements</u> <ul style="list-style-type: none"> ▪ Orientation meetings were made to clarify the roles and duties of the PSU, and to present their work, through the regular meetings of the planning council. ▪ Focal points within different directorates were established.
Output 1.4: Support to development of concrete MoLG policies, strategies and action plans in accordance with the PSU Work Plan	<u>Key Achievements</u> <ul style="list-style-type: none"> ▪ A second contract was signed with LGDK to support to plan the process of developing concrete policies, strategies and action plans: LGDK introduced the policy and strategy framework to the PSU, and an inception report and orientation was made, two missions were scheduled of which the first was conducted in Oct-Nov 2011 and Feb 2012. ▪ Support to the actual development of the selected concrete policies, strategies and action plans: as a first phase two examples were chosen: City beatification and HR Policy framework, which were translated to English, reviewed and discussed with the staff and related departments. The recommendation then was made to work with priority policies of: <ul style="list-style-type: none"> - Municipal fulfilment of their service obligations and other



	<p>duties: a draft study was made based on a survey conducted among municipalities and several workshops were conducted with municipalities to get their feedback.</p> <ul style="list-style-type: none"> - Amalgamation: several workshops were made and lessons-learned were documented, a draft modified strategy is prepared but yet not endorsed. - Decentralization: workshops to assess the current practices started ▪ Training of PSU staff on specific subjects stemming from the working processes: the first training is 60 hour tailored English Course for four staff members of PSU, policy making, introduction to similar experiences. PMP training, monitoring and evaluation training including the last training for the two researchers in Egypt.
Output 1.5: Support to development of general methodologies, guidelines etc. regarding development of policies, strategies and action plans and regarding monitoring methodologies, approaches and procedures.	<ul style="list-style-type: none"> ▪ PSU with the assistance of LGDK prepared "steps to formalize a policy" ▪ Action plan for preparing policies is drafted.
Output 1.6: Development of communication strategy (internal and external).	<ul style="list-style-type: none"> ▪ The PSU is recognized as the address to coordinate for LG policies and has been participating for the review of the LG cross sectoral strategy, anti-corruption policy, public participation policy, PPP policy, amalgamation etc.
<p>Component 2: Support to Municipal Development and Lending Fund (MDLF)</p> <p>Objective: MDLF strengthened to implement its working programme with enhanced efficiency, effectiveness and quality including implementation of policies for the MD&LG sector.</p>	
Output 2.1 (MOLG): MDLF prepared for implementation of Lean culture	<p><u>Key Achievements</u></p> <ul style="list-style-type: none"> ▪ Introduction meeting to Lean with the MDLF was made by KL team.
Output 2.2. Training and Lean application	<p><u>Key Achievements</u></p> <ul style="list-style-type: none"> ▪ Selection of MDLF staff to be educated as ILCs. ▪ A meeting with Gaza via video conference was made to MDLF employees about "lean". ▪ Conducting the first lean training in May 2012 ▪ Conducting the second lean training in December 2012 ▪ Conducting the 3d lean training in March 2013 ▪ Conducting the 4th lean training in May 2013 ▪ Conducting 5th lean training in June 2013 ▪ Conducting the 6th lean training in December 2013



Output 2.3: Follow-up and consolidation	<u>Key Achievements</u> <ul style="list-style-type: none"> ▪ The lean trainers are working on specific cases of work flow with MDLF departments
<i>Component 3: Support to the Association of Palestinian Local Authorities</i> <i>Objective: APLA strengthened in its ability to voice the interest of LGU members in policy issues.</i>	
Output 3: to be identified by APLA	<u>Key Achievements</u> <ul style="list-style-type: none"> ▪ This component is pending: as a prior requirement is: APLA should have the newly elected mayors and councils on board to insure democratization processes are pursued and the policies formulated included the voice of LGUs. Election of the new executive board was made in June 2013. ▪ The suggested interventions are: <ul style="list-style-type: none"> - TA (LGDK support) on preparing position papers, lobbying for policies, exposure to KL experience - Seminars among the LGUs regarding LG laws and policies. - Local consultancy: opinion surveys etc. ▪ The suggested interventions are to be discussed in the coming steering committee of the program.

4.5: Implementation Status

❖ Component 1: Support to Policy and Strategy Unit in MoLG

The primary purpose of the establishment of a Policy and Strategy Unit (PSU) in MoLG is to enhance the ministry's capability to prepare coherent policies and strategies in the field of the local government sector and to transform these policies and strategies into action plans which can subsequently be implemented. The capacity of the PSU is considered to

be much higher than when the Programme started, but PSU is, according to observers, yet to prove its role and expertise in development of policies.





Support to awareness raising and integration of the PSU in MoLG:

The integration of the Policy and Strategic Unit (PSU) to the Ministry of Local Governments (MoLG) is probably the most visible result of the support being provided. From Programme onset, the PSU has been strengthened in its capacity to relate with other departments and to involve them in monitoring. PSU has established links with focal points in other 11 departments (in the MoLG at national level) and 11 directorates (throughout West Bank). The focal points also had the opportunity to participate in two training sessions including monitoring & evaluation and policy formulation. The departments fill in data on progress and submit reports to the PSU. LGDK has also presented information on indicators in the training which has further strengthened and confirmed the importance of having a monitoring system. Some of the indicators from the workshop are being used in the monitoring system.

Support to development of concrete MoLG policies, strategies and action plans

MoLG has prepared a prioritized list of policies to be prepared. It is the intension to initially work with the support of the programme and LGDK with the two policy areas at the top of the list. Initially an 'internal HR policy for MoLG' and 'City beautification' were chosen as concrete examples for study and comments by LGDK; to enable the PSU unit and related departments to fully understand the needed framework for formulating policies and what might be missing in the on-going practise. Then MoLG planning council selected the following policies to be formulated with the programme support:

- ✓ Municipal fulfilment of their service obligations and other duties
- ✓ Amalgamation
- ✓ Decentralization

Among other issues, the Programme has supported training for other MoLG staff on the formulation of working processes for policies, strategies and action plans. In September 2012, LGDK gave training on "identification of indicators for monitoring the strategic framework for MoLG 2010-2014." The presentation points toward possibilities for revising the sectoral strategic objectives and sectoral goals. Likewise, it presents the log frame approach (objectives, results, activities, indicators), in which the MoLG operates using a language of goals, objectives, sub-objectives, initiatives and activities. The PSU has contributed to the update of the MoLG's Strategic Plan and its action plan. The knowledge offered by the TA being provided has yet to be applied to this process. The MoLG has decided to maintain the present goals and objectives. Likewise, the AP indicates the main department in charge of an activity and the allocated budget. A local consultant, financed by CHF, in coordination with the deputy assistant and the PSU, had reviewed the strategic plan and the overall action plan after consultation with each



department. In the future, and under ideal circumstances, the PSU may prepare a review of the strategic plan without having to use a local consultant.

While this case shows that PSU in general has been strengthened in terms of overall coordination, the MoLG has not yet decided to implement LGDK's suggestions of revising objectives/goals. It may be argued that it also would be difficult to adapt the LGDK in the "middle of the 2010-2014 period" when it could be used for future plans.

Development of concrete policies:

Some progress has taken place regarding the actual preparation of policies, particularly, the amalgamation/classification and decentralization process.

The preparatory studies (diagnosis) have been made, and the legal department has identified 18 areas where local governments have their own competences. Likewise, a "reality-check" with municipalities took place, showing that they in fact still must deal with national regulations even in areas where they have competences.



Regarding amalgamation, a gradual process involving several steps has been suggested, as opposed to a more rapid merger of the LGUs.

The PSU is waiting for green light from the Minister and the Planning Council for the considerations spelt out in these diagnoses before they can move forward with the preparation of the policy for amalgamation and classification. The situation of having prepared a diagnosis or working paper shows the need for a "how to make policies" note from the PSU, so that it is clear to everyone – including the Planning Council – exactly where in the process the preparation of a working paper fits in (it is first step before actually preparing any draft policies).

It will be important to coordinate with – and support – other departments which are working on strategies linked to amalgamation (e.g. joint service council), and to collect and take into account amalgamation experiences from the donor-supported programmes. The policies are very important. Possible impact of such policies would mean that i) conflicts may be avoided if the amalgamation process is carried out according to clear steps; ii) amalgamation may imply



better services, because of large-scale advantages for the new municipalities; and iii) municipalities may be encouraged to provide more services through incentives.

During the reporting period, the following activities took place as per the following:

✓ **Amalgamation Strategy:**

- ***A Meeting with amalgamated municipalities to discuss outstanding problems and solutions.***
- ***Through the conference of local government: a session on amalgamation was conducted that aim at consolidation of policies and strategies of the Ministry of Local Government.***
- ***A Workshop of the joint councils and ways to support the amalgamation process through the joint councils.***



Main observations and recommendations regarding the amalgamation

- ***The need for an evaluation study of the merged local bodies and gaps/ problems occurred during the amalgamation process.***
- ***Preparation for joint assessment with civil society organizations in the amalgamated areas.***
- ***MoLG not to back down and to support the process on the ground and the need for a unified position regarding the merger (a decision or choice).***
- ***There is an urgent need to develop a clear law that defines the mechanics of mergers and annexation, elections and representation structures, budgets and debt in the merged bodies.***
- ***There is an urgent need for the Ministry of Local Government diagnosis and determine the legal requirements, the financial and service sectors of the merged bodies.***
- ***There is need for the Ministry of Local Government to lobby and conduct awareness campaigns about introductory steps before the merger and adopt persuasion rather than imposition of amalgamation***



✓ **Decentralization Policy:**

- *The conference of local government that aims at consolidation of policies and strategies of the Ministry of Local Government towards LG sector was held in February 2013 where the decentralization was the main theme of discussions.*
- *A workshop to discuss financial policies at the local sector was held in May 2013*



Main observations and recommendations regarding the requirements for decentralization

- 1- *Provide legal environment: the ministry is working in consultation and participation with all the actors in the sector to amend the local authorities Law No. 1 of 1997, with a clear vision of the essence of the required amendments. The ministry is concentrating on the development of regulations and instructions provided by law, the ministry has worked in this direction to:*
 - *Revise the by-laws and LG practices.*
 - *Develop budget call: where standards of budgets were developed with partnership with the local authorities and the ministry's role is clarified as oversight and guidance.*
 - *The development of unified accounting system, which aims at enabling the management of accounts according to international standards and allowing the Ministry to focus on guidance, control and non-interference in detail with the finance of local authority.*
- 2- *Enable and capacitate local authorities: Decentralization requires the presence of local bodies able and competent to carry out their responsibilities and duties in providing the best services to citizens.*
- 3- *Sustainable local authorities that are able of development: the requirements of decentralization is the presence of strong bodies that are active both at the level of representation or the provision of services and is able to achieve development: In order to achieve this requirement to move toward decentralization, the ministry embraced a number of policies and strategies, such as: policy of annexation, merger, which aims to build local bodies that are able to function and self sustain.*
- 4- *Participation and accountability as basis for decentralization: an emphasis in providing the right environment for decentralization, the conviction of the ministry and the best practices of international experience suggest that the development of participation and accountability community is the basis of decentralization, which include to the accountability of LGUs towards the citizens, and the role of the central authority is the oversight and support.*
- 5- *Expanding the authorities of LGUs in local economic development and investment: the decentralization requires expanding the role of local authorities to include LED tasks in addition to the services.*



✓ **public private partnership policy**

- ***Workshop on feedback of "public private partnership policy" was conducted with participation of private sector representatives and municipal decision makers to discuss the five pillars of the policy.***

❖ **Component 2: Support to Municipal Development and Lending Fund (MDLF)**

As the “lean approach” is a combination of increased customer value and better quality, increased job satisfaction and improved efficiency. MDLF decided to invest in its staff by introducing them to these concepts through training a group of employees from diverse departments in West Bank and Gaza.

The workshops on indicators and the LEAN methodology have provided inspiration and some of the trained staff members have initiated internal



processes where they apply their new skills. The LEAN methodology is intended to increase efficiency, among other issues, by identifying bottlenecks in management (“waste” of procedures, time, etc.). The General Director clearly stated the institution’s will to use and implement the LEAN methodology. After the first introduction to LEAN, the MDLF staff was organized in four groups, each of which is to visit another department in order to initiate a LEAN process. The second training session has focused on lessons learned from this first exercise. However, due to other workloads, including other donor requirements, the third training session was postponed to early March 2013.

The third training session was carried out early March 2013, followed by a workshop in Egypt for Gaza staff 13th -16th of May 2013, and a workshop in Ramallah 10th -14th of June 2013 for west bank team concentrating on value stream mapping. A special session for lean to managers was also conducted to evaluate and assess the way ahead for MDLF lean process. Distribution of 15 certificates were made to participants by the end of the last training course.

Finally, the last training session was conducted in December 2013 where the participants had the chance to present their projects and receive feedback from the trainer regarding their case studies.



❖ ***Component 3: Support to the Association of Palestinian Local Authorities***

The objective of this component is “*strengthening its ability to voice the interest of LGU members on policy issues*” through active participation of Palestinian Local Authorities (APLA), and since election of the executive committee had not taken place in APLA since 2006, the component had deliberately not been finalized, but left “open” until APLA was “ready” to receive support. The main indicator for the component objective is: *APLA strengthened in its ability to voice the interest of LGU members in policy issues*. By the end of 2012, there are still considerable frictions between municipalities/LGUs governed by the different political parties, and in particular between municipalities in Gaza and the West Bank. The General Assembly of APLA was held in December 2012 following the local elections in West Bank, and a new executive committee and board of directors are to be elected before February 2013. In any case, within the present Programme the focus could be on involving municipalities and APLA in policy formulation processes and arrangements would be included through the program in 2013 to insure the voice of LGUs included in the policy formulation.

Within the present Programme the focus could be on involving municipalities and APLA in policy formulation processes and arrangements would be included through the program in 2013 to insure the voice of LGUs included in the policy formulation. For that reason a meeting with the executive director of APLA was made in the 18th of April 2013 at MDLF with the participation of the policy unit to agree on the program involvement, and after seeking the temporary executive committee of APLA through the executive manager, the following activities were approved:



Item	Intervention
TA support from LGDK (KL)	<p>The TA support to cover <i>but not limited to</i>:</p> <ul style="list-style-type: none"> - How to develop Position Papers on Policies. - How to Lobby for certain policies/ policy modifications <p>To be exposed to Denmark Experience in LG (relation between LGDK and municipalities)</p>
Seminars	<ul style="list-style-type: none"> - Specific seminars to discuss (legal aspects of LGUs mandates etc.) - Seminars might include seminar logistics, accommodations, printing materials etc. <p>Seminars <i>in the presence of KL experts</i> (to be exposed to LGDK experience-see above comments)- parallel with MoLG – KL missions</p>



Translation & Interpretation	Logistics for seminars in the presence of KL experts
Local consultancies	Hiring advisors, studies/opinion surveys etc.

The election of the executive committee took place on the 8th of June 2013. This was the first time after the last elections of APLA in 2006. yet it's worth mentioning that it included west bank LGUs only with reserving seats to Gaza, and that elections witnessed the withdrawal of Hebron governorate LGUs due to disputes on representation criteria. Although this was partial elections, it still carries out an important factor of the possibility of revitalizing this important LG institution.

Two workshops were organized by APLA. One of them focused on the role of APLA for local government policies development, whereas the other focused on the participatory role of APLA in LG policies development. Another activity under this component during the reporting period is the study tour for the Palestinian mission to Denmark to get the benefit from the Danish experience in the LGUs development.



LGDK Contribution

The technical assistance (TA) applied by (LGDK) is based on the learning-by-doing principle combined with coaching and with specific training on selected subjects. LGDK carried out one mission during the reporting period in connection with the programme and the components (3rd -7th March 2013). A report was prepared for this visit, covering all components. LGDK consulted the PSU on information and material needed. Workshops were organized with participation by the PSU, the focal points in the departments and the directorates. A number of Power Point presentations have been prepared, including the following activities:

- *Amalgamation Strategies: Field visit to Jenin, revision of amalgamation paper*
- *Meeting with joint service councils.*
- *Participation in the preparation for 2013 activities (decentralization policy).*



4.6: Financial Status

Component	Allocated in US\$	Disbursed Amount During the 1 st half of 2014	Total Disbursed by end of June 2014	% of Disbursement
Support to Policy and Strategy Unit in MoLG	515,293	27,667	511,743	99%
Support to Municipal Development and Lending Fund (MDLF)	102,391	0	105,998	104%
Support to the Association of Palestinian Local Authorities	64,598	0	19,643	30%
Mid Term Review	36,000	0	0	0%
Audit	52,200	0	10,000	19%
Management Fees	53,934	43.31	11,814	22%
Contingencies	38,524	0	0	0%
Total	862,940	27,711	659,198	76%

4.7: Challenges Encountered and Obstacles

- The nature of the programme and its objectives to establish and introduce policy making at the national level for the local government sector, needs high commitment and change management process at the Ministry of Local Government, and APLA. Changes in the interests of MoLG can affect the process of policy making negatively.
- There are several risks envisaged as follows:

Political:

- The PNA avoids introducing / passing new laws and the Legislative Council is not working. This may affect the Programme's result, as necessary changes to new policies may not take place.
- LGU and PNA lack a democratic mandate, as local and national elections have been postponed (conducted in WB, still pending in Gaza). This may be a risk for Component 3 in particular (the need for APLA to have legitimacy).

Security

- The general security risk on the West Bank and Gaza is a potential risk for the Programme and affects both implementation and coverage (it has materialized in Gaza in November 2012).
- The capacity and the lack of sufficient PSU staff at the start of the programme resulted delays in some activities.



- MDLF is involved in many other programmes and may not be sufficiently involved, thus this might affect the implementation of "lean-six sigma" improvements.

4.8: Lessons Learnt and Recommendations

- **Policy development:** It's important to increase ownership of different MOLG departments towards implementing policies and strategies through their yearly plans.
- The importance of strengthening the M&E system at MoLG especially in setting indicators.
- For MDLF to be able to make use of the "lean approach" in enhancing the effectiveness and efficiency. Lean culture techniques should be implemented including periodic Kaizen meetings and Value streaming workshops.

Annexes



ANNEX A

Municipal Development

Program – Phase 2

(MDP-II)



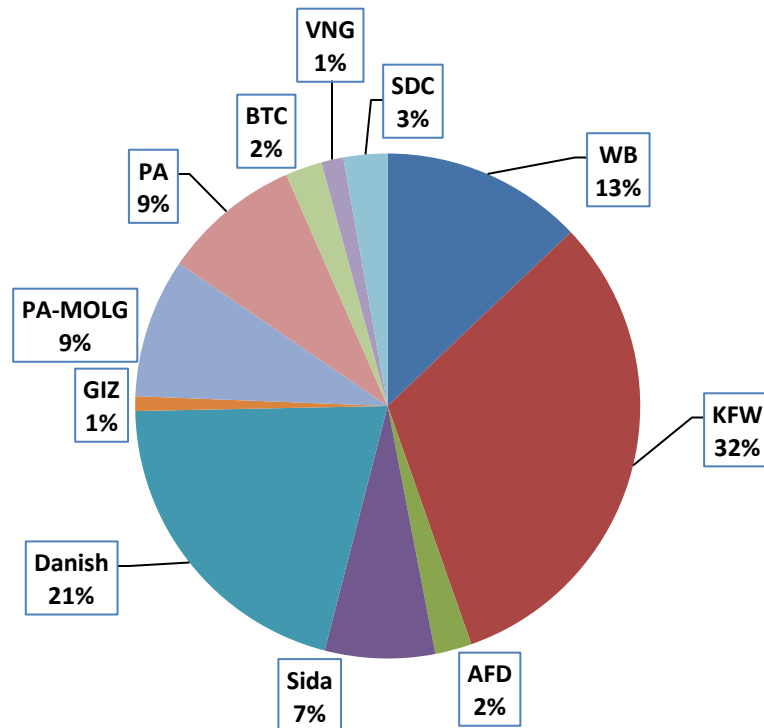
MDPII - 1st cycle estimated cost

		Total - PP	WB	KFW	AFD	<i>Sida</i>	<i>Danish</i>	GIZ	PA-MOLG	PA	BTC	VNG	SDC	Total (Euro)
		Euro	Euro	Euro	Euro	<i>Euro</i>	<i>Euro</i>	Euro	Euro	Euro	Euro	Euro	Euro	
1	Window 1: Municipal Grants	32,484,400	3,705,000	12,085,000	0	<u>2,526,500</u>	<u>5,692,500</u>	0	3,534,000	3,515,400	930,000	0	496,000	32,484,400
2	Window 2: Support to Municipal Responsiveness and Innovations	3,968,000	600,000	0	700,000	<u>0</u>	<u>2,110,000</u>	0	0	0	0	558,000	0	3,968,000
2.1	<u>Piloting Innovations</u>	<u>1,858,000</u>	<u>600,000</u>	<u>0</u>	<u>700,000</u>			<u>0</u>		<u>0</u>	<u>0</u>	<u>558,000</u>	<u>0</u>	<u>1,858,000</u>
2.1.1	E-governance	325,000	325,000											325,000
2.1.2	Renwable Solar Energy	275,000	275,000											275,000
2.3.3	Local Economic Development	1,258,000			700,000							558,000		1,258,000
2.2	<u>Post Amalgamation Support</u>	<u>2,110,000</u>				<u>0</u>	<u>2,110,000</u>							<u>2,110,000</u>
3	Category 3 (W3): Capacity Building	2,127,000	250,000	410,000	230,000	<u>163,500</u>	<u>381,500</u>	372,000	0	0	0	0	620,000	2,427,000
3.1	<u>Capacity Building for Municipalities</u>	<u>1,897,000</u>	<u>250,000</u>	<u>410,000</u>	<u>0</u>	<u>163,500</u>	<u>381,500</u>	<u>372,000</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>620,000</u>	<u>2,197,000</u>
3.1.1	Improved Financial managemnet	866,000	250,000	265,000	0	<u>0</u>	<u>45,000</u>	306,000		0	0	0	0	866,000
3.1.1.1	Integrated Financial Management Information System (IFMIS)	515,000	250,000	265,000										515,000
3.1.1.2	Fixed Assets Registration and Valuation (FARV)	291,000					<u>45,000</u>	246,000						291,000
3.1.1.3	Training on financial management including: (revenues generation, external audit, budgets,FPM manuals)	60,000						60,000						60,000
3.1.2	<u>Strategic Development and Investment Plans (SDIP)</u>	<u>236,000</u>	<u>0</u>	<u>0</u>	<u>0</u>			66,000		0	0	0	0	66,000
3.1.2.1	Develop SDIPs for Municipalities	236,000		0				66,000						66,000
3.1.3	<u>Citizen Service Center</u>	<u>620,000</u>		<u>0</u>		<u>163,500</u>	<u>336,500</u>						590,000	1,090,000
3.1.4	<u>Operation and Maintenance</u>	<u>145,000</u>		<u>145,000</u>				0						145,000
3.1.5	<u>Citizenship, communication and outreach guidelines</u>	<u>30,000</u>											30,000	30,000
3.2	<u>Capacity Byuilding for MDLF as of strategic plan</u>	<u>230,000</u>	<u>0</u>	<u>0</u>	<u>230,000</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>230,000</u>
3.2.1	Informative Researches	100,000	0		100,000									100,000
3.2.3	Coordination on LED and lending initiatives	100,000			100,000									100,000
3.2.4	E-MDLF	30,000			30,000									30,000
4.	Window 4: Program Management	3,700,600	945,000	1,005,000	70,000	<u>310,000</u>	<u>616,000</u>	28,000	266,000	264,600	70,000	42,000	84,000	3,700,600
4.1	<u>MDLF Management Fee (7%)</u>	<u>2,980,600</u>	<u>385,000</u>	<u>945,000</u>	<u>70,000</u>	<u>210,000</u>	<u>616,000</u>	<u>28,000</u>	<u>266,000</u>	<u>264,600</u>	<u>70,000</u>	<u>42,000</u>	<u>84,000</u>	<u>2,980,600</u>
4.2	<u>Technical Supervison and Assistance (LTC)</u>	<u>460,000</u>	<u>460,000</u>	<u>0</u>	<u>0</u>									<u>460,000</u>
4.3	<u>Monitoring and Evaluation</u>	<u>100,000</u>	<u>40,000</u>	<u>60,000</u>	<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
4.4	<u>Outreach and communication campaign</u>	<u>160,000</u>	<u>60,000</u>			<u>100,000</u>								<u>160,000</u>
	<u>Total</u>		<u>5,500,000</u>	<u>13,500,000</u>	<u>1,000,000</u>	<u>3,000,000</u>	<u>8,800,000</u>	<u>400,000</u>	<u>3,800,000</u>	<u>3,780,000</u>	<u>1,000,000</u>	<u>600,000</u>	<u>1,200,000</u>	<u>42,580,000</u>

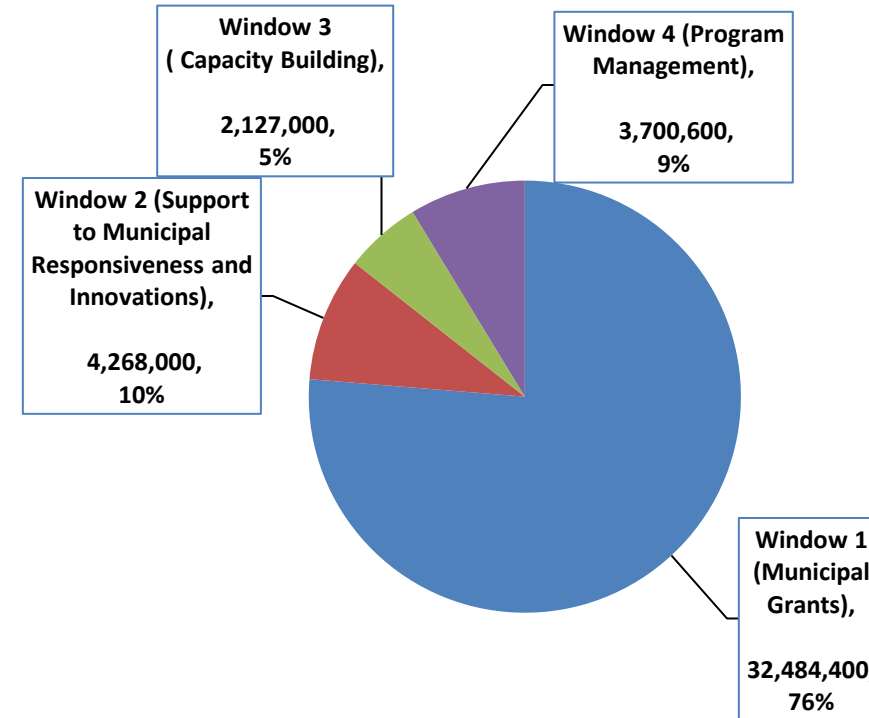
Distribution of MDPII-Cycle 01 - by Donor Per window

	WB	KFW	AFD	Sida	Danish	GIZ	PA-MOLG	PA	BTC	VNG	SDC	Total (Euro)
	Euro	Euro	Euro	Euro	Euro	Euro		Euro	Euro	Euro	Euro	
Window 1: Municipal Grants	3,705,000	12,085,000	0	2,526,500	5,692,500	0	3,534,000	3,515,400	930,000	0	496,000	32,484,400
Window 2: Support to Municipal Responsiveness and Innovations	600,000	0	700,000	0	2,110,000	0	0	0	0	558,000	0	3,968,000
Window 3): Capacity Building	250,000	410,000	230,000	163,500	381,500	372,000	0	0	0	0	620,000	2,427,000
Window 4: Program Management	945,000	1,005,000	70,000	310,000	616,000	28,000	266,000	264,600	70,000	42,000	84,000	3,700,600
Total	5,500,000	13,500,000	1,000,000	3,000,000	8,800,000	400,000	3,800,000	3,780,000	1,000,000	600,000	1,200,000	42,580,000

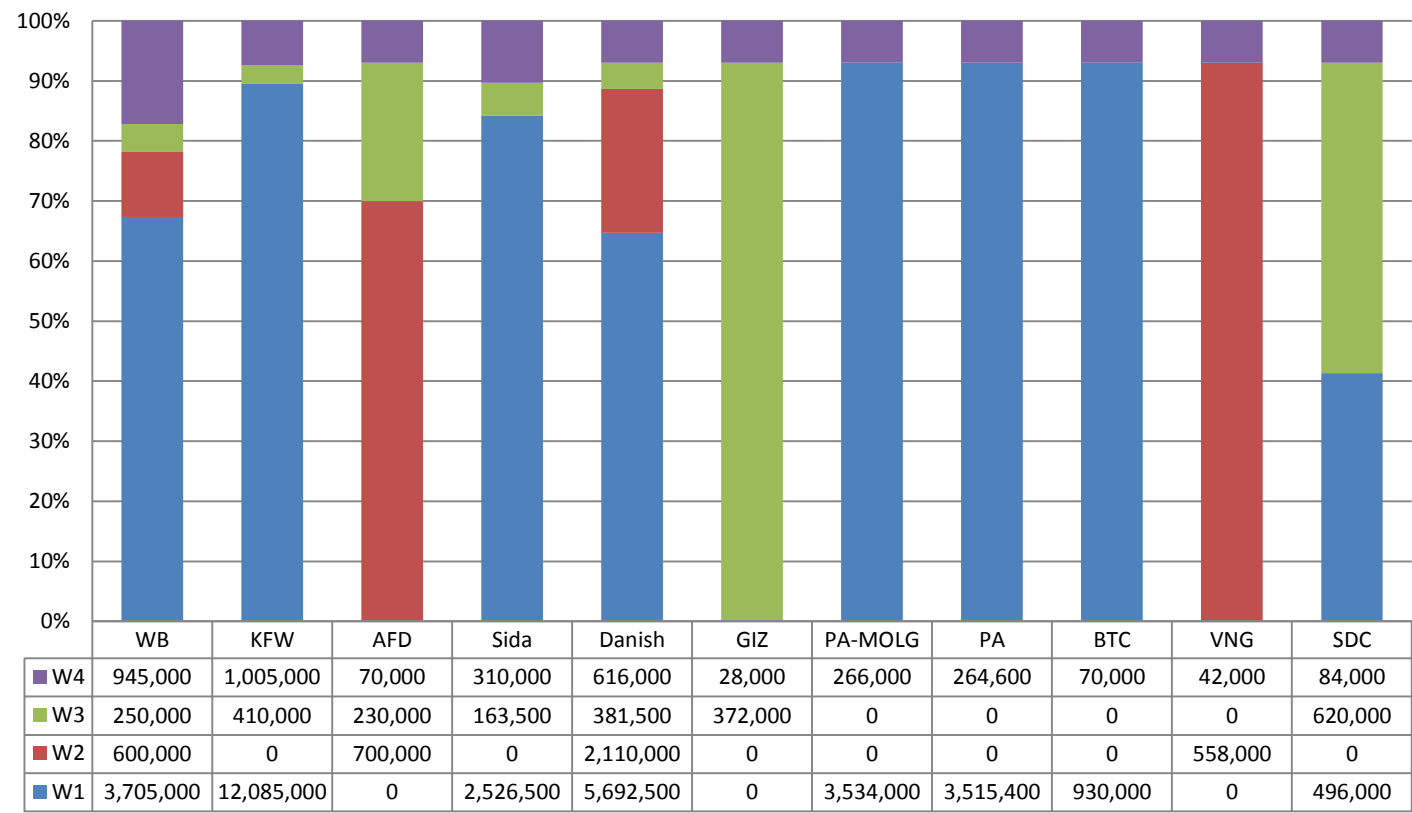
Distribution of MDPII-cycle 1 Per Donor



Distribution of MDPII-cycle 1 Per window



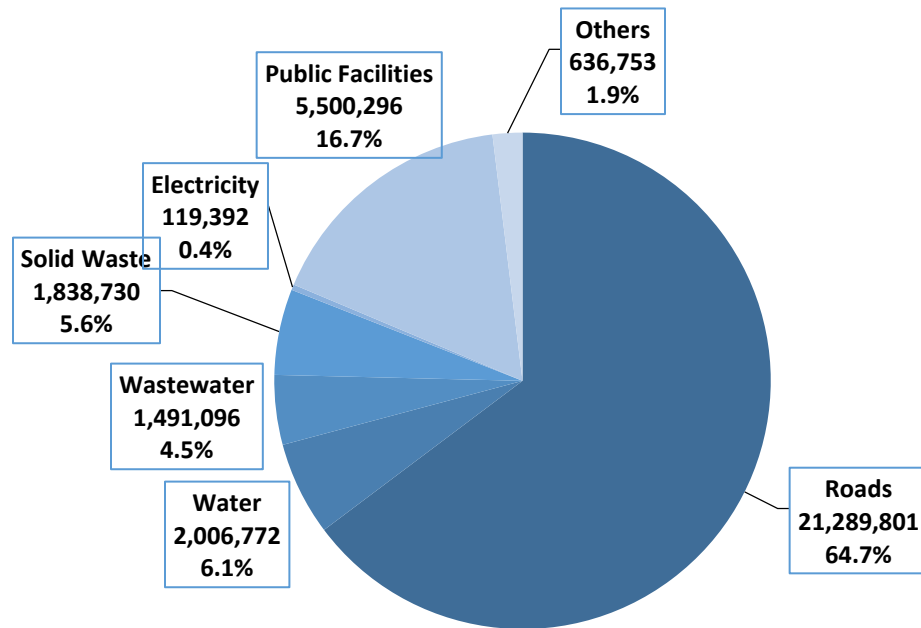
Distribution of MDPII-cycle 1 by Donor Per Component



Disytribution of MDPII/Cycle 1 Allocation Per Sector (in Euro)

	Roads	Water	Wastewater	Solid Waste	Electricity	Public Facilities	Others	Total
West Bank	12,887,319	1,212,736	535,551	239,803	119,392	3,136,231	545,495	18,676,527
%	69%	6%	3%	1%	1%	17%	3%	100%
Gaza	8,402,482	794,036	955,545	1,598,927	0	2,364,065	91,258	14,206,314
%	59.1%	5.6%	6.7%	11.3%	0.0%	16.6%	0.6%	100.0%
West Bank & Gaza	21,289,801	2,006,772	1,491,096	1,838,730	119,392	5,500,296	636,753	32,882,841
%	64.7%	6.1%	4.5%	5.6%	0.4%	16.7%	1.9%	100.0%

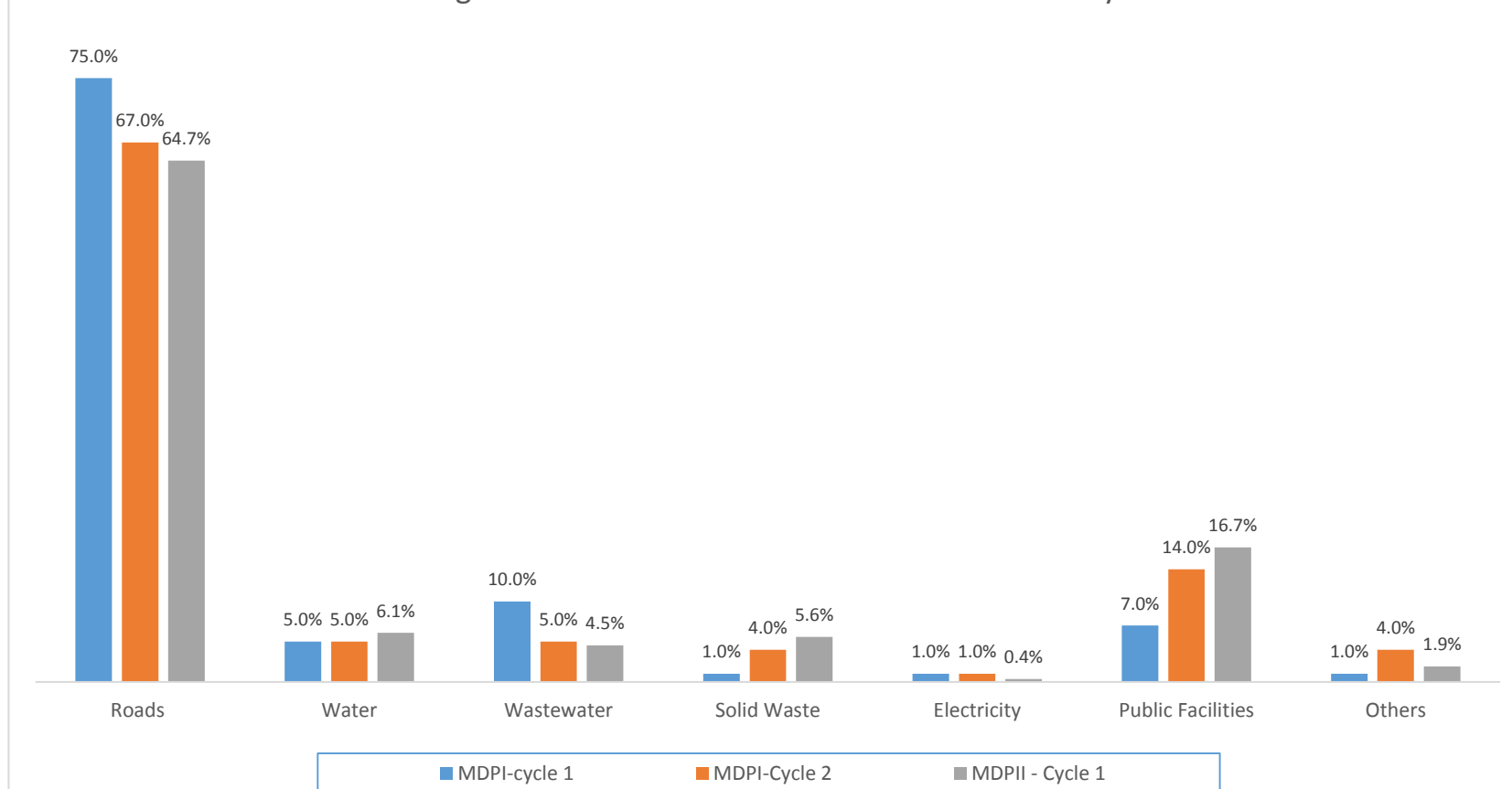
Distribution of MDPII/ Cycle 1 / Window 1 Allocation Per Sector



Percentage of W1 Allocation Per Sector over the MDP Cycles

	Roads	Water	Wastewater	Solid Waste	Electricity	Public Facilities	Others
MDPI-cycle 1	75.0%	5.0%	10.0%	1.0%	1.0%	7.0%	1.0%
MDPI-Cycle 2	67.0%	5.0%	5.0%	4.0%	1.0%	14.0%	4.0%
MDPII - Cycle 1	64.7%	6.1%	4.5%	5.6%	0.4%	16.7%	1.9%

Percentage of W1 Allocation Per Sector Over the MDP cycles



Window 1 - Cycle 1 / West Bank

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
MUN Review	6	4%	1,311,376	7%
MDLF review	4	3%	760,053	4%
LTC review	1	1%	23,083	0%
Tendering	7	5%	1,304,839	7%
Evaluation	26	19%	4,569,665	24%
on going	82	59%	9,650,336	52%
Completed	13	9%	1,057,175	6%
Total	139	100%	18,676,527	100%

Window 1 - Cycle 1 / Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	17	9%	1,853,015	13.0%
MDLF review	2	1%	53,255	0.4%
LTC review	3	2%	252,814	1.8%
Tendering	33	18%	6,171,217	43.4%
Re-tendering	0	0%	0	0.0%
Awarded	14	7%	1,014,721	7.1%
Ongoing	68	36%	4,078,759	28.7%
Completed	51	27%	782,532	5.5%
Total	188	100%	14,206,313	100%

Window 1 - Cycle 1 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	23	7%	3,164,391	9.62%
MDLF review	6	2%	813,308	2.47%
LTC Review	4	1%	275,897	0.84%
Tendering	40	12%	7,476,056	22.74%
Re-tendering	0	0%	0	0.00%
Evaluation	26	8%	4,569,665	13.90%
Awarded	14	4%	1,014,721	3.09%
Ongoing	150	46%	13,729,095	41.75%
Completed	64	20%	1,839,707	5.59%
Total	327	100%	32,882,841	100%

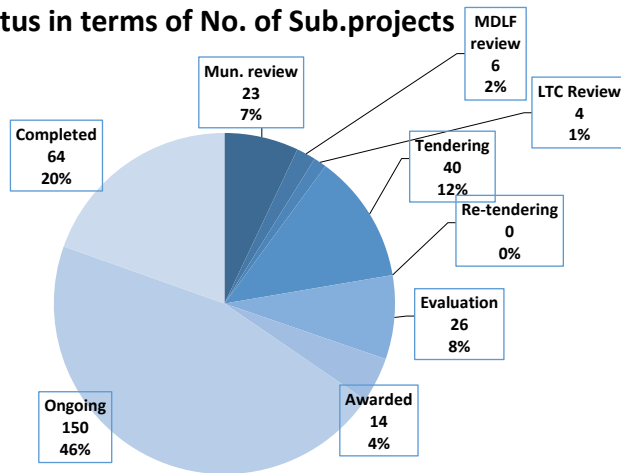
notes:

mun. review: preparing the desing, specifications and bidding documents, getting the approvals from inline ministries (if needed)

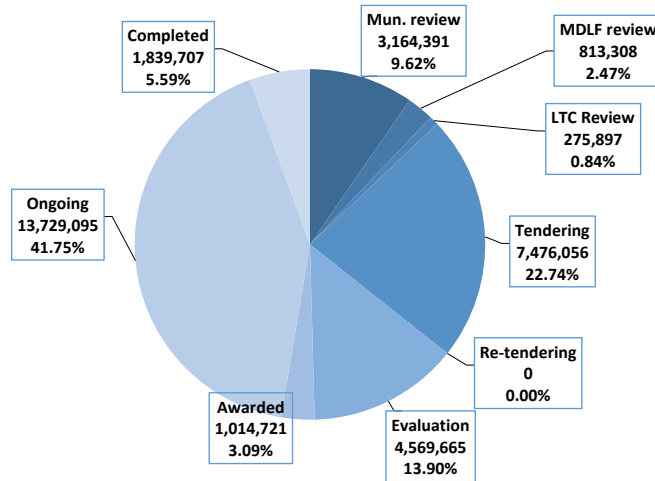
LTCs review: verify the desing, the specification and the bidding documents

MDLF review: final verification prior the approval on the tendering.

Status in terms of No. of Sub.projects



Status in terms of Sub.projects Allocation



MDPII-1st Cycle - CB packages

Municipality	Package
Abasan Al Kabira	CSC
Al Eizariyya	
An Nseirat	
Anata	
Arraba	
Bedia	
Beit Hanun	
Beit Ummar	
Beta	
Bir Nabala	
Deir Al Balah	
Deir Debwan	
East Bani Zeid	
Idna	
Qatanna	
Rafah	
Silwad	
Surif	
West Bani Zeid	
Azzun	
Kafr Dan	
Deir Al Ghosoun	
Abasan Al Jadeeda	
Abwein	
Al Fokhari	
Al Masdar	
Al Mazra'a Ash Sharqeyya	
Al Moghraqa	
Al Naser	
Al Newe'emeh	
Al Oja	
Al Shokeh	
Al Tayybeh	
Al Zahra	
Al Zawayda	
Al Zawyeh	
Al-Kafriyyat	
Allar	
Aqqaba	
As Sawahreh Ash Sharqiyya	
Aseera Ash Shamaliyya	

Municipality	Package
Ash Shoyukh	FARV
Atara	
Az Zababedah	
Bal'aa	
Baqa Al Sharqeyya	
Beit Awwa (Al-Yasiriyya)	
Beit Foreek	
Beit Leed	
Beit Ula	
Borqin	
Bruqin	
Deir Ballut	
Hableh	
Howwara	
Jammaein	
Janata	
Jayyus	
Kafr Al Labad	
Kharas	
Kufor Al Deek	
Ne'lin	
Qarawat Bani Hassan	
Sabastya	
Seelet Ad Daher	
Seelet Al Hartheyya	
Sinjel	
Tammun	
Tarqumia	
Turmosayya	
Um Al Naser	
Wadi Al Salqa	
Wadi Gaza	
Se'ier	FARV + CSC
Ad Doha	IFMIS
Al Bireh	
Al Braij	
Al Ittihad	
Al Qarara	
Al Ram	
Aqraba	
Beit Fajjar	
Beit Jala	
Beit Lahia	

Municipality	Package
Beitunia	
Gaza	
Marj Bin Amer	
Salfit	
Al Ubeidiyya	SDIP
Nuba	SDIP + FARV