



صندوق تطوير وإقراض البلديات
Municipal Development & Lending Fund

SEMI-ANNUAL REPORT 2016



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Municipal Development & Lending Fund



Semi Annual Report 2016

Covering the period from January 1st to June 30th , 2016

Municipal Development and Lending Fund

(MDLF) - Palestine

August, 2016



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

KFW





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Glossary

AFD:	French Development Agency
APLA:	Association for Palestinian Local Authorities
BOD:	MDLF Board of Directors
COA:	Chart of Account
DCF:	Donor Consultation Forum
EC	European Commission
ESMP:	Environmental and Social Management Plan
ESMF:	Environmental and Social Management Framework
EOI:	Expression of Interest
FPPM	Financial Policies and Procures Manual
GD:	Government of Denmark
GIZ:	German Technical Cooperation
IFMIS:	Integrated Financial Management Information System
JSCs:	Joint Service Councils
KFW:	German Development Bank
LGUs:	Local Government Units
LTCs:	Local Technical Consultants
MDLF:	Municipal Development and Lending Fund
MIS:	Management Information System
MOLG:	Ministry of Local Government
MOF:	Ministry of Finance
MOPAD:	Ministry of Planning and Administrative Development
NDP:	National Development Plan
PCU:	Project Coordination Unit
PGMIS:	Project Grant Management Information System
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 is our promise to invest in our Municipalities to help them to succeed and help them to develop their skills for better management, to provide better services for a **better life for citizens**.



Achievements

Since the introduction of MDLF programs whose purposes were to improve the municipal services and to enhance the municipal performance capacities. We believe our work contributes to the building of our Palestinian State through improving the quality and quantity of vital services at Local Government Units. The following are the accumulated accomplishments achieved until the end of June 2016:

Roads	<u>765</u>	<i>kilometer of roads were paved, developed and rehabilitated,</i>
	<u>4.6</u>	<i>kilometer of street lighting networks were rehabilitated,</i>
	<u>15,455</u>	<i>lighting units were supplied,</i>
	<u>12.7</u>	<i>kilometer of retaining walls were constructed,</i>
	<u>81.65</u>	<i>kilometer of sidewalks were constructed.</i>
Water	<u>39.6</u>	<i>kilometer of water networks were rehabilitated/constructed ,</i>
	<u>31,459</u>	<i>L.m of pipes were supplied,</i>
	<u>2,135</u>	<i>water meters were installed ,</i>
	<u>3</u>	<i>water pumps were installed.</i>
Wastewater	<u>72.595</u>	<i>kilometer of wastewater networks were rehabilitated/constructed,</i>
	<u>7,498</u>	<i>L.m pipes were supplied,</i>
	<u>6</u>	<i>wastewater pumps were installed</i>
	<u>11</u>	<i>kilometer of electrical networks were rehabilitated,</i>
Electricity	<u>1,647</u>	<i>pre-paid meters were installed.</i>
Public	<u>45,609</u>	<i>Sq. meter of public buildings were constructed,</i>
Facilities	<u>91,558</u>	<i>Sq. meter of parks and public gardens were constructed.</i>
Solid Waste	<u>1,717</u>	<i>solid waste containers were provided,</i>
	<u>2</u>	<i>tractors were provided</i>
	<u>4</u>	<i>trailers were provided</i>
	<u>2</u>	<i>garbage trucks were provided</i>

Particularly , the achieved outputs during the reporting period can be illustrated as follows:

113 km of roads were rehabilitated/ constructed
1.422 km of retaining walls were constructed
119 lighting units were supplied
2.53 km of water networks were constructed
12.94 km of sewerage networks were constructed
3,529 sq.m of public buildings were constructed
6,000 sq.m of public gardens were constructed
127 solid waste containers were installed



Board of Director (BOD)

<i>Dr. Husein Al-A'raj</i>	<i>Chairman of the Board, Minister Local Government</i>
<i>Dr. Daoud Al Zatari</i>	<i>Board Member, Mayor of Hebron Municipality</i>
<i>Mr. Fayeq Al-Deek</i>	<i>Board Member, Representing Ministry of Public Works and Housing</i>
<i>Mr. Mahmoud Nofal</i>	<i>Board Member Representing Ministry of Finance</i>
<i>Mr. Nabil Diab</i>	<i>Board Member Representing Association of Banks in Palestine (ABP)</i>
<i>Mr. Majdi Saleh</i>	<i>Board Member Representing Engineers Association</i>
<i>Eng. Musa Hadid</i>	<i>Board Member Representing Association of the Palestinian Local Authorities (APLA)</i>
<i>Mr. Nitham Ayoub</i>	<i>Board Member Representing Ministry of National Economy</i>
<i>Ms. Zahera Kamal</i>	<i>Board Member Representing Palestinian Women's Research and Documentation Center (PWRDC)</i>

Dr. Tawfiq Bdeiri

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 towards the local government sector in Palestine. MDLF had implemented hundreds of projects exceeding the amount of "US\$ 310 million" in the form of municipal infrastructure services, capacity development, and innovative initiatives at the municipal level. The total disbursed amount during 1st half of 2016 reached around US\$ 15 million.

The core business of MDLF 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. 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.

The 1st half of 2016 witnessed a noticeable progress in the implementation of MDPII- component 1, namely the capital investment for municipal infrastructure under cycle 1. The majority of municipal sub-projects (90.3%) are completed, (1%) of the sub-projects are under implementation, (1.1%) are under tendering, (0.3%) was transferred to the 2nd cycle, and only (7.3%) are still in the pre-tendering phase particularly those sub-project financed by the PA for the benefit of Gaza municipalities. Furthermore, the implementation status for infrastructure sub-projects under cycle 2 has recorded noticeable progress, (58%) are either under implementation or completed, (17.5%) of the sub-projects are under procurement and only (24.5%) are still in the pre-tendering phase where the municipalities are working in preparing the design and the bidding documents for tendering.

Regarding the implementation of component 2, MDLF has kept the momentum of piloting the E-Municipality, LED and the renewable energy. MDLF succeeded in implementing the E-Municipality on 4 municipalities in the West Bank and accomplished the LED piloted package on 12 municipalities in the West Bank. However, the renewable energy is still under implementation and expected to be accomplished within few months. Additionally, the support to the newly amalgamated municipalities under this component is progressing where the implementation of the 42 community development sub-



projects serving those localities are either ongoing or completed except 3 sub-projects under tendering and one sub-projects under design .

Under Component 3, namely the Capacity Development (CD) packages, the reporting period witnessed progress in the implementation of these packages under Cycle 1. More specifically, 53 municipalities were supported in registering and valuating their assets (FARV), 22 municipalities has been supported in establishing citizens services centers (CSC), and two municipalities were supported in preparing their (SDIPs). However, the IFMIS package was subject to delays during 2014 and 2015 where the software is still under evaluation. In addition to that the Operation and maintenance package is still under piloting where the software company was contracted to develop the O&M software on 4 municipalities. It is expected to finalize the pilot phase by end of 2016 and then to roll out the software on 50 municipalities as planned in cycle 2.

Regarding the (CD) packages for the 2nd cycle, also during the reporting the period the packages were well identified and the related TORs were prepared and shared with financing partners for clearance. MDLF has started the procurement arrangements to hire the individual consultants and firms to support the municipalities in implementing the packages, particularly the CSCs for 19 municipalities, the community development plans for the newly formed municipalities and the FARV for two municipalities.

In addition to the four components of MDPII, a new components was designed in response to Gaza emergency needs following the 51-day War on Gaza, which erupted on July 7th and lasted until August 26th, 2014. The additional financing from WB, Danish Government, KFW, the Belgian Government, and the SDC in a total of US\$22 Million were to be invested to restore municipal services and alleviate the dire situation of Gaza municipalities after nearly two months of continuous war resulting with both direct and indirect damages on the municipal sector estimated at around US\$ 58.6 million.

The municipalities sub-grants were distributed among all Gaza municipalities for the (WB, MDTF, KFW and Belgian Government). During the reporting period, MDLF has continued the implementation of window 5 where the majority of municipal sub-projects (94%) are completed, (5%) of the sub-projects are under implementation, and (1%) are still under tendering. Regarding the SDC fund for window 5, the agreement was signed late 2015, where the implementation is expected to start in September 2016.

Furthermore, MDLF has kept the momentum in implementing the ongoing Programs/Projects including: the (Local Government Reform Development Programme – “LGRDP” funded by the Belgian Government, the (Local Development Programme phase III – “LDPIII”), the (Development of Marginalized Communities in the WB&G – HIMI funded by the SDC), the (Development of Area C in the West Bank funded by the EU), and the Gaza solid waste management project – “GSWMP” funded by the WB, Sida, AFD and EU.

Regarding the LDPIII, it was designed in line with MOLG policies and initiatives to decrease the number of LGUs through the process of amalgamation into larger, efficient and more effective ones. Since 2013, MDLF has started the implementation of LDPII, where the study of feasibility and willingness to amalgamate and the study of Investment needs were finalized for the two clusters in the north WB. The work plan and the identification of the joint projects for all clusters were done and the implementation of joint infrastructure projects in the north WB clusters was completed by end of 2015.



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.

The 1st half of 2016 witnessed noticeable progress in the implementation of the HIMI project which was designed to target the marginalized communities in the west Bank and Gaza. The majority of the identified sub-projects in area C in the West Bank and the sub-projects in Gaza strip were either completed or under implementation. However, the additional sub-projects for Gaza Strip under this fund are ongoing and expected to be accomplished within two months. It is worth noting that the projects was amended until October 31st, 2016.

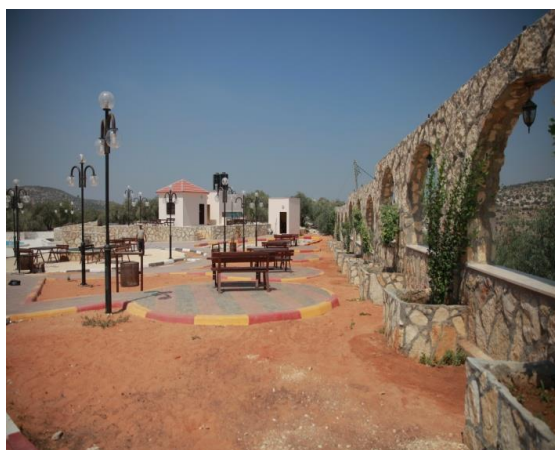
In the same context, and particularly the project entitled “Development of Area C in the West Bank which is funded by the EU” was progressing during the reporting period. The projects are either ongoing or completed. It is worth mentioning that this project was amended until January 15th 2017.

The 1st half of the year 2016 witnessed progress in Solid Waste Management Program (GSWMP), which is considered one of the biggest investment in Palestine aiming at improving the solid waste management services in Gaza Strip. This project is funded by the WB, Sida, AFD and the EU in a total of US\$ 35.26 M, where more than 46% of Gaza inhabitants are expected to benefit from the project. In January 2016, the international consortium concluded the design revision for the new landfill and introduced changes that would significantly utilize the available resources with the existing conditions. Topographic surveys were performed for Dair El-Balah Landfill which will be replaced by Sofa-Al-Fukhari Landfill in preparation for the closure of the existing dumping site. In the first half of 2016 a consultant joined the effort to formulate the final alternative livelihood options for the group of 17 waste pickers. Additionally, the JSC-TOU key staff recruitment procedure had been completed with the recruitment of the last member of the team as part of the Institutional Strengthening component of the program and a contract was signed to supply 11 collection and hauling vehicles to the JSC-KRM.

This report presents the activities and achievements of the MDLF programs and projects carried out between January 1st until June 30th, 2016. It intends to keep the Palestinian Government and other MDLF Partners informed about the various programs and projects, as well as to highlight the future plans to reform and improve Local Government Units for better quality of life for the citizens of Palestine.

Programs / Projects

- ✓ ***I: Municipal Development Program – Phase II (MDPII)***
- ✓ ***II: Local Development Program - Phase III - (LDP III)***
- ✓ ***III: Local Government Reform Development Program (LGRDP)***
- ✓ ***IV: Development of Marginalized Communities in West Bank and Gaza***
- ✓ ***V: Development of Area C in the West Bank***
- ✓ ***VI: Gaza Solid Waste Management Project (GSWMP)***





I. The Municipal Development Program MDP II

In 2009 the PA developed the Municipal Development Program through the Municipal Development Program phase1 – MDP 1 which was supported by seven Donors to operationalize the local government goals of the Palestinian Reform and Development Plan (PRDP) aimed to strengthen local government through greater fiscal and administrative autonomy. The MDP II was designed to align with the National Development Plan (NDP 2011-2013), 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 to improve municipal management practices for better services delivery and municipal transparency. The development objective of MDPII built on the MDPI achievements and introduced a focus on service delivery, which is a sector level goal of the MDP.

The MDPII adhered to the laid-out the national objectives of 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 provided infrastructure grants to Palestinian municipalities and combines this with improved performance and improved capacity in operations, planning, and financial capacity. Its cornerstone was 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 was 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 (excluding the emergency component to Gaza Strip)

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 for MDPII–Cycle1.

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)).**

Table 1 below illustrates the funding amounts, the signature dates and the completion dates for the MDPII agreements.



Table 1: MDPII Financing Partners Contribution for the MDPII

Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
GIZ Agreement (for cycle 1)	€ 400,000	June 27 th , 2012	March 31 st , 2015	This fund will be utilized in MDPII-1 st cycle
KfW Financing Agreement (for cycle 1)	€ 13,500,000	December 19 th , 2013	December 19 th , 2016	This fund will be utilized in MDPII-1 st cycle
AFD Financing Agreement (for cycle 1)	€ 1,000,000	December 15 th , 2014	December 31 st , 2016	This fund will be utilized in MDPII-1 st cycle
World Bank Agreement (for cycle 1 and cycle 2)	\$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 (for cycle 1 and cycle 2)	\$ 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 (for cycle 1 and cycle 2)	€ 1,900,000	---	<i>This contribution to MDP is allocated under the 3rd component of the ongoing programme "Local Government Reform & Development Programme", in a total amount of (Euros 2 million)</i>	This fund will be utilized in both cycles of MDPII
SDC Agreement (for cycle 1 and cycle 2)	€ 2,500,000	September 4 th , 2013	March 31 st , 2016	This fund will be utilized in both cycles of MDPII
VNG Agreement (for cycle 1 and cycle 2)	€ 1,200,000	July 1 st , 2013	December 31 st , 2016	This fund will be utilized in both cycles of MDPII
PA-MOLG for cycle 1	NIS 20,000,000	---	---	This fund will be utilized in MDPII-1 st cycle
GIZ Agreement (for cycle 2)	€ 400,000	January 15 th , 2016	March 31 st , 2018	This fund will be utilized in MDPII-2 nd cycle
KfW agreement for cycle 2	€ 8,000,000	January 15 th , 2016	January 15 th , 2018	This fund will be utilized in MDPII-2 nd cycle
KfW additional financing for cycle 2	€ 10,000,000	---	--	Not yet signed
EU through KfW for cycle 2	€ 6,974,110	December 13 th , 2014	March 30 th , 2018	This fund will be utilized in MDPII-2 nd cycle
Multi donors Trust Fund – Additional Financing for cycle 2	\$ 6,900,000	----	---	Not yet signed



In addition to the above listed agreements, 10% of the total fund excluding the share of (*the BTC contribution and the AFD 1st cycle fund*) will be funded by the Palestinian Authority and will be invested in window 1 in a total of **8.59 million Euros**.

The total cost for MDPII reaches **EUR 96,391,669**– (excluding the additional financing for Window 5) -from which **42.58 million Euros** will be invested in the 1st cycle, and (EUR 53,811,669) will be utilized for cycle II. Chart 1 and Chart 2 below, illustrate the distribution of MDPII fund by donor and by window for both cycles.

Chart 1: Distribution of MDPII fund by Donor per Cycle

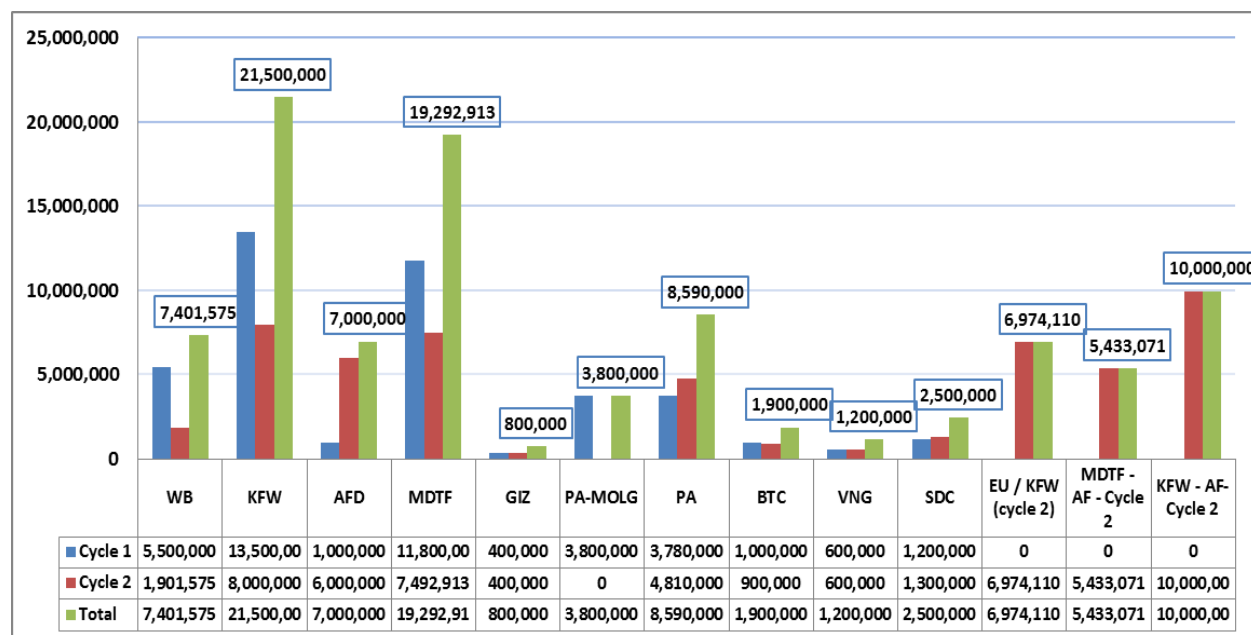
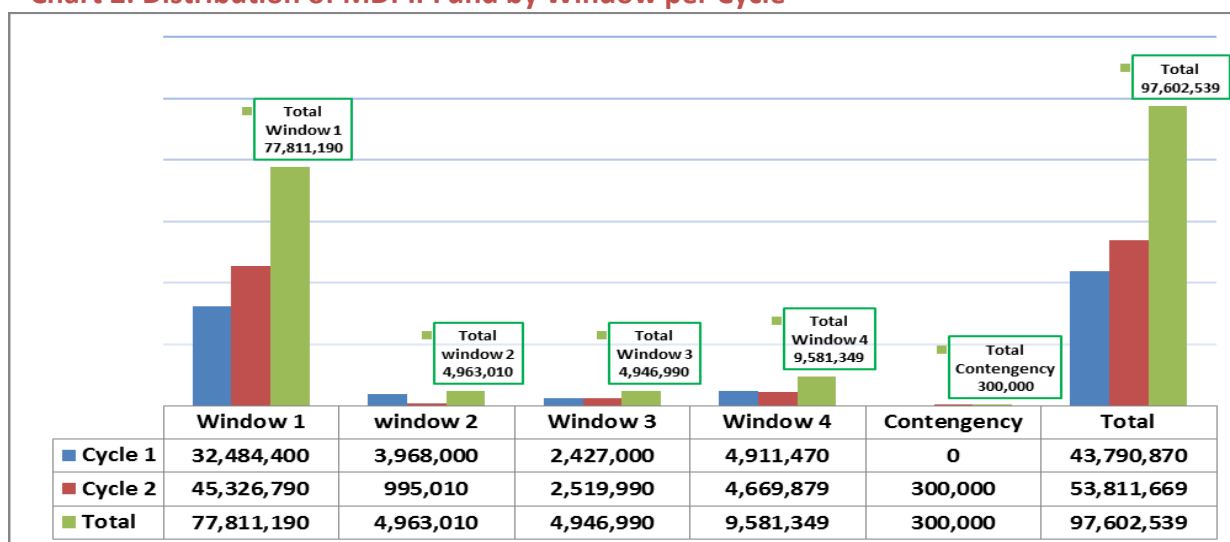


Chart 2: Distribution of MDPII Fund by Window per Cycle





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 level. Table 2, Chart 3 and Chart 4 show the municipal ranking and the compliance of municipalities with the KPI-16 before and after MDPII-cycle 1.

Table 2: Grants Allocation Performance Indicators

Rank	Performance Criteria)	Performance Criteria	No. of Municipalities per Rank 2012 (before cycle 01)	No. of Municipalities per Rank 2012 (end of cycle 01)
A++	<i>Fulfillment of all 16 KPIs</i>	- Substantial Operation and Enterprise Account Surplus. (More than 15 %) - Unqualified External Audit - Use of an Integrated Financial Management System IFMIS - Satisfactory Service Quality (Timely delivery of building licenses and clearances; Provided public green space per capita) - Good Collection Efficiency and own Revenue Generation (Specified own revenues > 100 NIS per capita or 10% above last two years' average)	A++: none	A++: none
A+	<i>Fulfillment of 4 out of 5 in addition to below indicators</i>		A+: none	A+: none
A	<i>Fulfillment of 3 out of 5 in addition to below indicators</i>		A: none	A: none
B++	<i>Fulfillment of all 5 indicators in addition to all indicators below B</i>	- Substantial Operation and Enterprise Account Surplus (more than 5%). - Fixed Assets Register in place and updated - Operation and Maintenance Plan in place and updated - Public disclosure of all municipal investments, SDIP execution, and external audit reports - Satisfactory Collection Efficiency and own Revenue Generation (Specified own revenues > 50 NIS per capita or 5% above last two years' average)	B++: none	B++: none
B+	<i>Fulfillment of 3 or 4 out of 5 in addition to all indicators below B</i>		B+: 19 municipalities	B+: 71 municipalities
B	<i>Fulfillment of 2 out of 5 in addition to all indicators below B</i>		B: 18 municipalities	B: 18 municipalities
C++	<i>Fulfillment of all 5 indicators in addition to all indicators below C</i>	- Municipal Strategic Development and Investment Plan SDIP in place and updated. - Financial Accounting Policies, Procedures and Reports in place.	C++ : 3 municipalities	C++ : none



C+	<i>Fulfillment of 3 or 4 out of 5 in addition to all indicators below C</i>	13. External Audit according to minimum standards 14. Public disclosure of budgets, SDIP plan and ranking	C+: 87 municipalities	C+: 48 municipalities
C	<i>Fulfillment of 2 out of 5 in addition to all indicators below C</i>	15. Basic collection efficiency and own revenue generation (Specified own revenues > 25 NIS per capita or above last two years' average)	C: 6 municipalities	C: 1 municipalities
D	<i>Fulfillment of indicator in rank D</i>	16. Budget forecast and executed properly submitted and approved by MoLG	D: 1 municipality	D: none
E		Minimum requirements not fulfilled	E: 1 municipality	E: none

Chart 3: Municipal Ranking (before and after MDPII – Cycle 01)

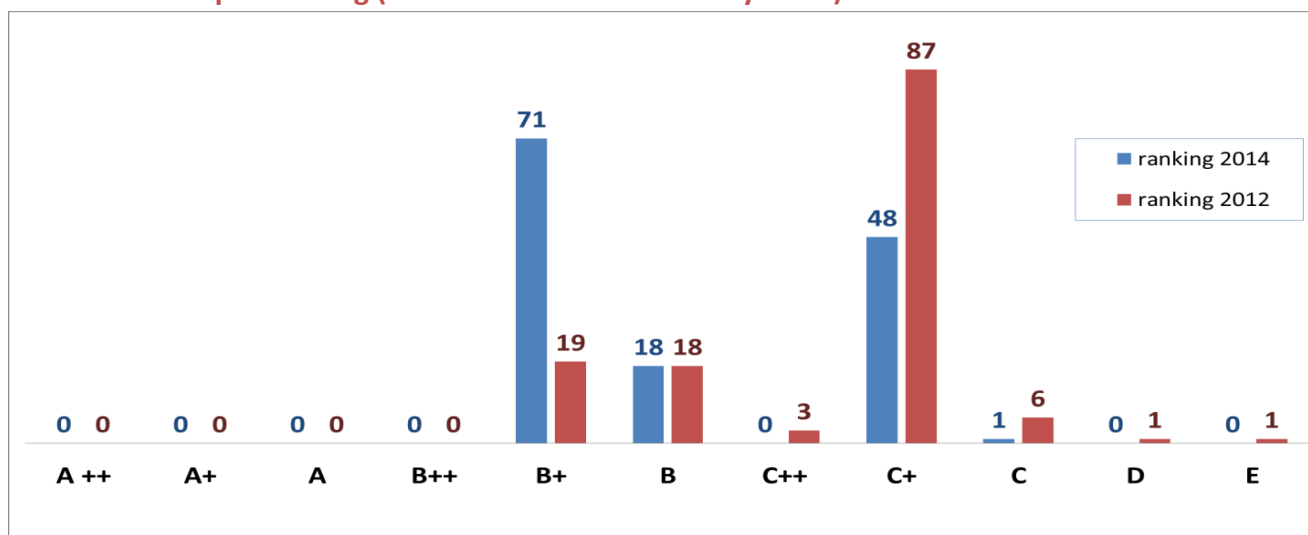
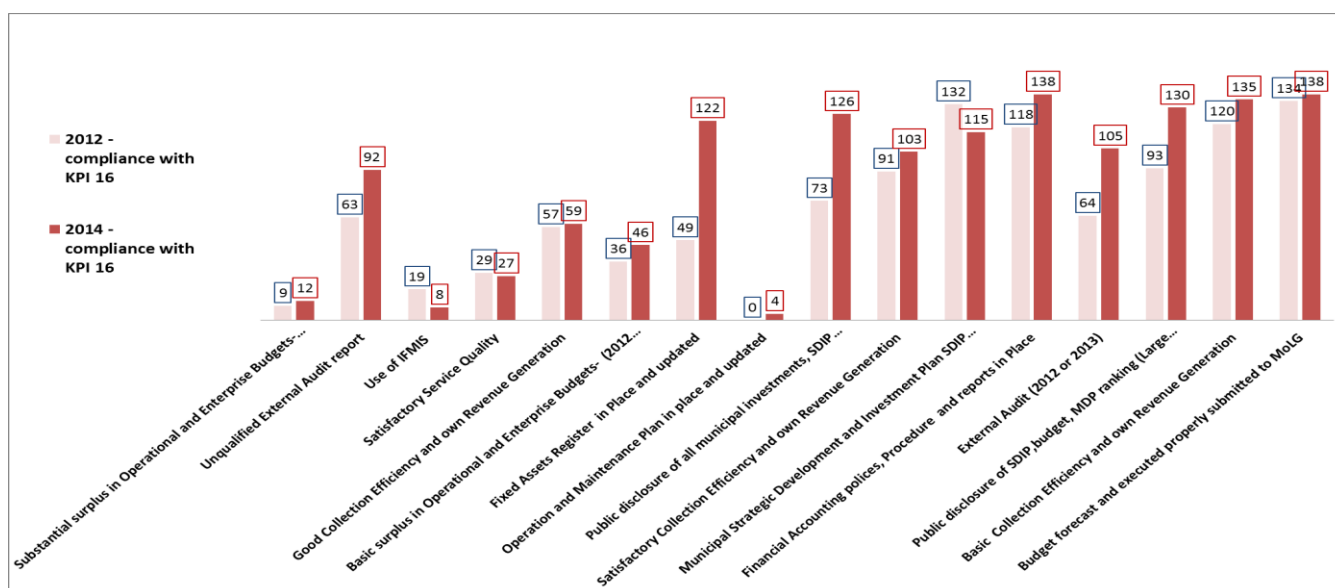


Chart 4: Compliance of Municipalities with KPI-16





✓ Municipalities Allocation (1st cycle)

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.

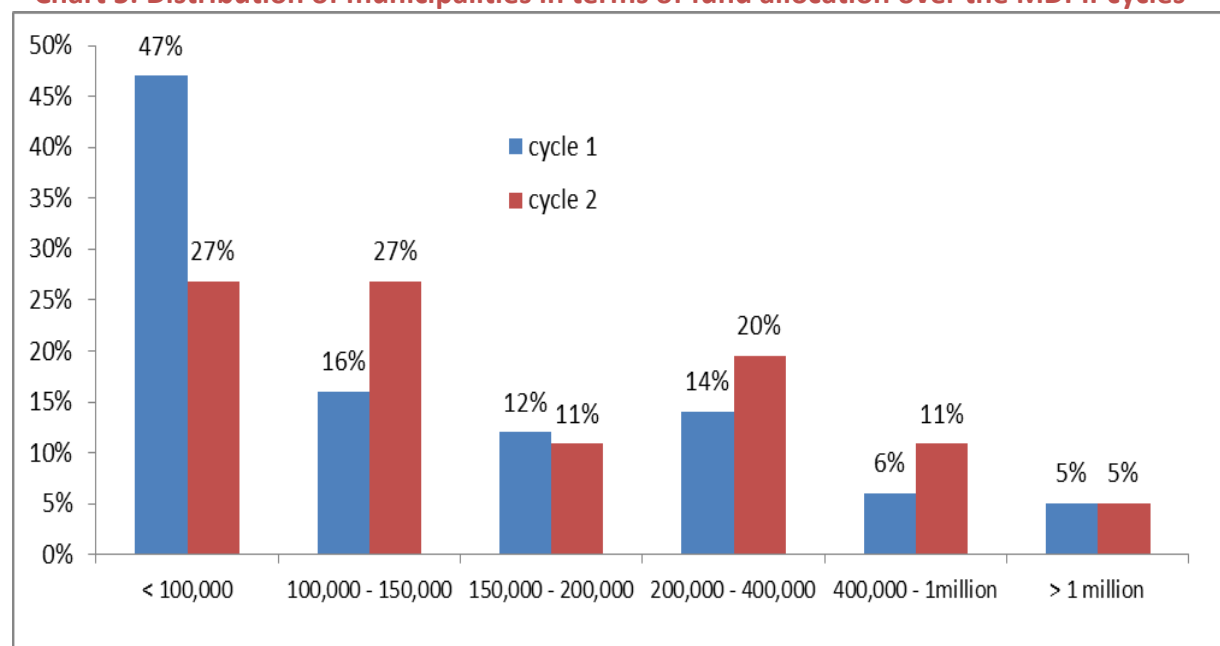
Based on the allocation formula, the majority of municipalities (**48 %**) were allocated less than EUR 100,000; around **16% was allocated EUR (100,000-150,000)**; around **12% was allocated EUR (150,000-200,000)**; around **14% was allocated EUR (200,000-400,000)**; around **6% was allocated EUR (400,000-1.0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

✓ Municipalities Allocations (2nd cycle)

Where the total allocated amount for this component under Cycle 2 is equal to **46,377,630 Euro** including the fund allocated for W1-cycle 2 in a total (EUR 45,356,790) and the savings due to currency exchange from the WB and the MDTF financing agreement in a total (EUR 179,724) and (EUR 871,116) respectively.

Based on the allocation formula, (**27%**) of the municipalities were allocated less than EUR 100,000; around **27% were allocated EUR (100,000-150,000)**; around **11% was allocated EUR (150,000-200,000)**; around **20% were allocated EUR (200,000-400,000)**; around **11% was allocated EUR (400,000-1.0 million)** and around **5% was allocated more than EUR 1.0 million**. Chart 5 bellow illustrates the distribution of municipal allocation over the MDPII cycles. **Chart 5 illustrates the distribution of window 1 allocations for both cycles.**

Chart 5: Distribution of municipalities in terms of fund allocation over the MDPII cycles





1.4: MDP II - Implementation Status and Activities

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

This Component allocates performance-based grants for capital investments in municipal service provision and for operating expenditures especially for Gaza municipalities, and will be financed by the majority of FPs. It will be implemented in two cycles of approximately **18 months each**. 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. **Chart 6 and Chart 7 illustrate the distribution of (window 1- cycle 1) allocation by donor and by governorate.**

Chart 6: Distribution of MDPII-W1 Fund per Donor (cycle 1)

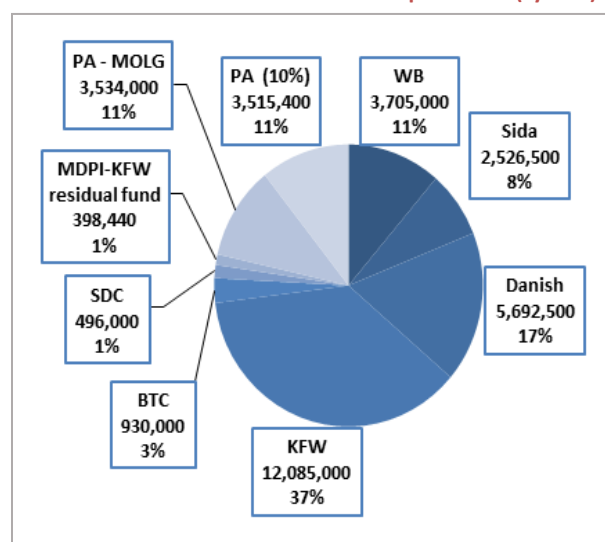
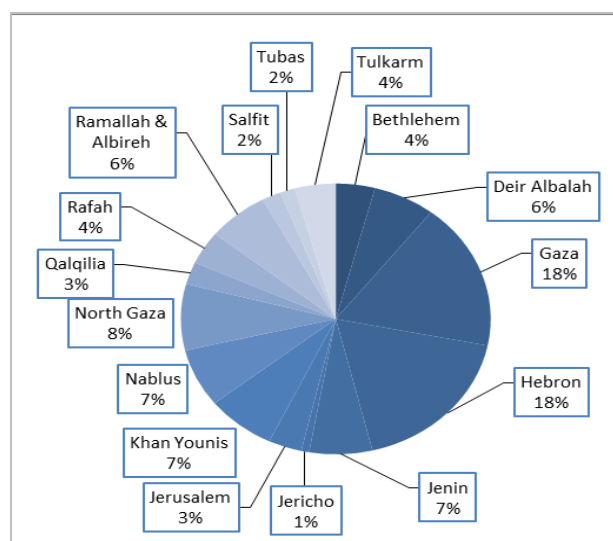


Chart 7: Distribution of MDPII-W1 Fund per Governorate (cycle 1)



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 (EMSF), 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.

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



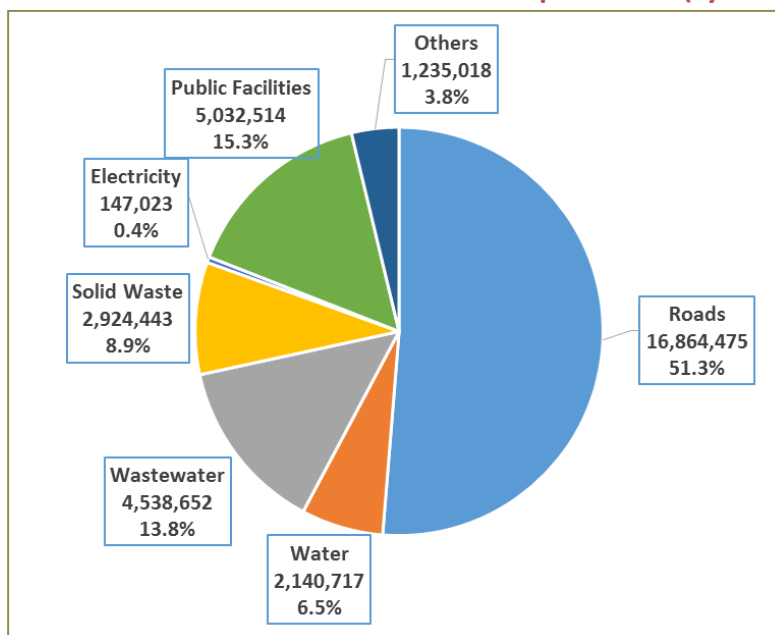
environmental point views to ensure the compliance with the regulations and guidelines as per the updated operational manual.

✓ Analysis per Sector (cycle 1)

In the same context, **143 sub-projects proposals were received from 110 municipalities in the West Bank in a total allocation (EUR 18,676,526) and 239 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 **(51.3%)** of the W1 allocated fund will be invested in road projects. The second sector is the public facilities **(15.3%)** including municipal buildings, libraries, community centers, and public parks. The third needed sectors is Wastewater in a percentage **(13.8%)** followed by solid waste **(8.9%)** and water **(6.5%)**. **Chart 8** illustrates the distribution of **(window 1- cycle 1)** allocation by sector.

Chart 8: Distribution of MDPII-W1 Fund per Sector (cycle 1)



✓ Status of W1 sub-projects (cycle 01)

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 9**.



Table 3: Status of Window 1 sub-projects - Cycle 1 / West Bank & Gaza

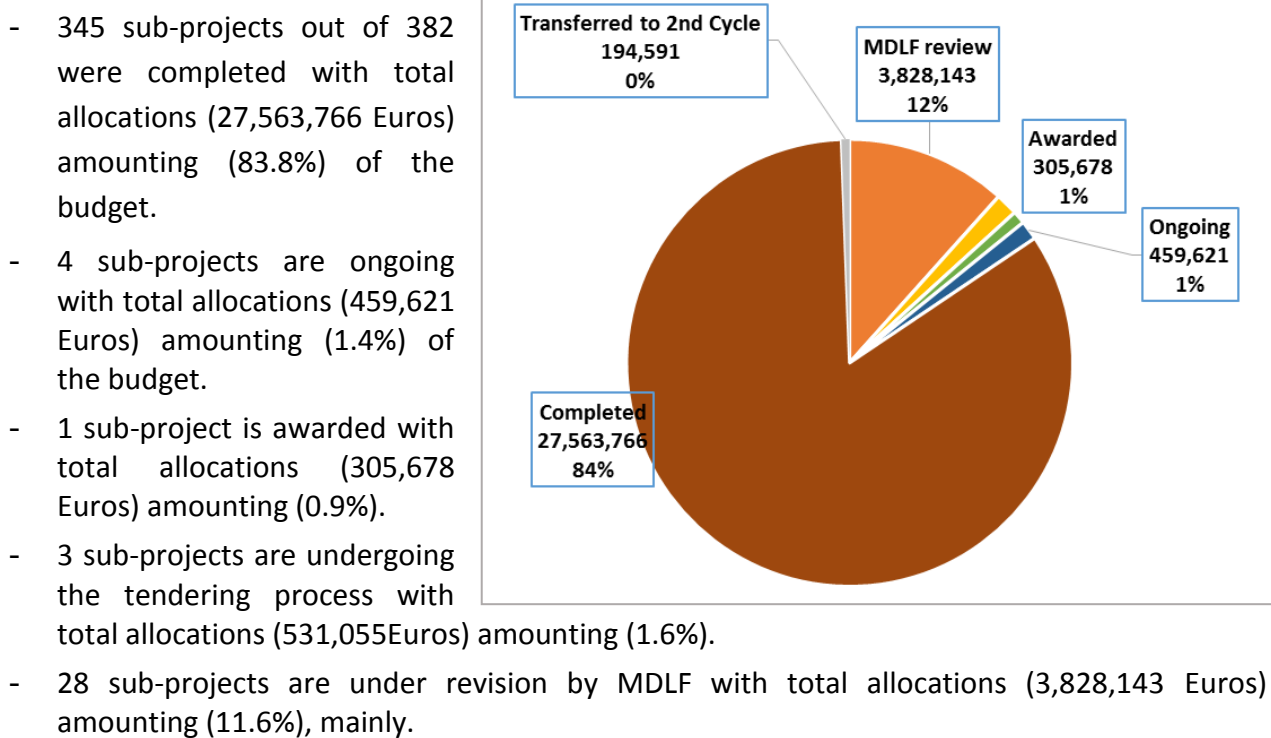
Window 1 - Cycle 1 / West Bank				
Status	No. of projects	Percentage	Allocation (Euro)	Percentage
MUN Review	0	0%	0	0%
MDLF review	1	1%	375,198	2%
LTC review	0	0%	0	0%
Tendering	2	1%	488,440	3%
Evaluation	0	0%	0	0%
Awarded	1	1%	305,678	2%
on going	1	1%	200,000	1%
Completed	137	96%	17,112,620	92%
Transferred to 2nd Cycle	1	1%	194,591	1%
Total	143	100%	18,676,527	100%

Window 1 - Cycle 1 / Gaza				
Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	0	0%	0	0.0%
MDLF review	27	11%	3,452,945	24.3%
LTC Review	0	0%	0	0.0%
Tendering	1	0%	42,615	0.3%
Evaluation	0	0%	0	0.0%
Awarded	0	0%	0	0.0%
Ongoing	3	1%	259,621	1.8%
Completed	208	87%	10,451,146	73.6%
Transferred to 2nd Cycle	0	0%	0	0.0%
Total	239	100%	14,206,327	100%

Window 1 - Cycle 1 / West Bank & Gaza				
Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	0	0.0%	0	0.0%
MDLF review	28	7.3%	3,828,143	11.6%
LTC Review	0	0.0%	0	0.0%
Tendering	3	0.8%	531,055	1.6%
Evaluation	0	0.0%	0	0.0%
Awarded	1	0.3%	305,678	0.9%
Ongoing	4	1.0%	459,621	1.4%
Completed	345	90.3%	27,563,766	83.8%
Transferred to 2nd Cycle	1	0.3%	194,591	0.6%
Total	382	100%	32,882,854	100%



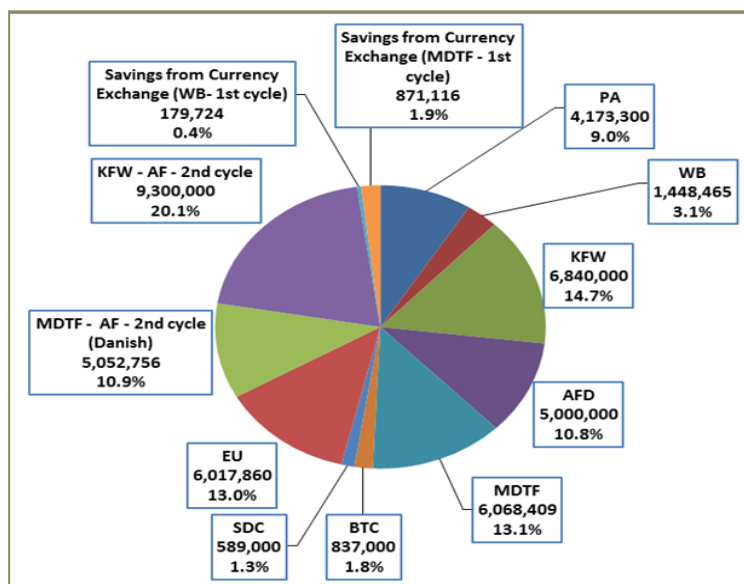
Chart 9: Status of W1 sub-projects in WB&G



Component/ (Window) 1: Municipal Grants for Capital Investment (2nd Cycle)

Chart 10: Distribution of MDPII-W1 Fund per Donor (cycle 2)

The total allocated amount for this Component under cycle 2 is equal to **46,377,630 Euros** including the fund allocated for W1-cycle 2 in a total (EUR 45,356,790) and the savings due to currency exchange from the WB and the MDTF financing agreement in a total (EUR 179,724) and (EUR 871,116) respectively. **Chart10** illustrates the distribution of **window 1-cycle 2** allocation by donor.



The municipalities were informed about their allocation in **June 2015** 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 July 2015.

MDLF had received all the filled application forms from all municipalities by end of September 2015, 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.

It is worth mentioning that an orientation workshop was conducted by MDLF to the municipalities and the contractors to better understand the MDLF procurement procedures and the environmental and social requirements during implementation stage.

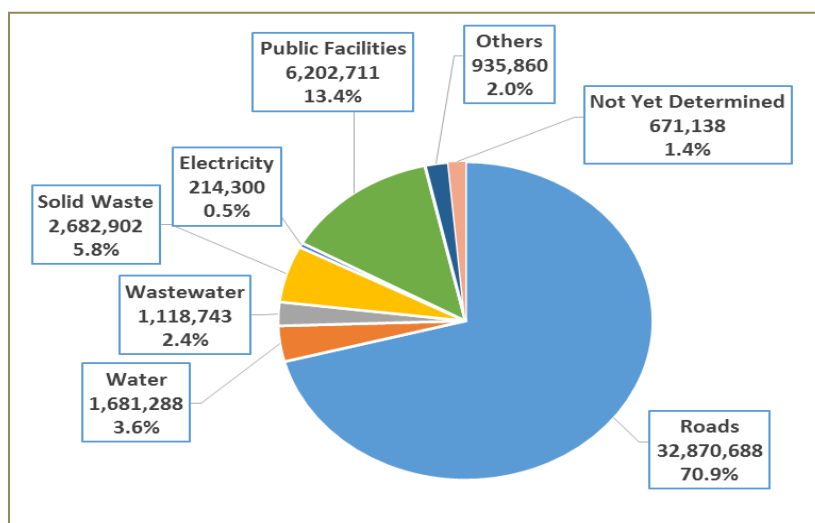
Additionally, MDLF with assistance from the local technical consultants had conducted training sessions to the technical staff of all municipalities in West Bank and Gaza to enhance their knowledge and capacities on the roads projects and quality control issues. This is one of the recommendations from the technical audit and usability assessment conducted by end of cycle 1.

✓ Analysis per Sector (cycle 2)

In the same context, **150 sub-projects proposals were received from 113 municipalities in the West Bank in a total allocation (EUR 26,150,945) and 200 sub-projects proposals from 25 municipalities in Gaza Strip in a total allocation (EUR 20,226,686).**

A quick look into the submitted sub-projects proposals reveals that **(70.9%)** of the W1 allocated fund will be invested in road projects. The second sector is the public facilities **(13.4%)** including municipal buildings, libraries, community centers, and public parks. The third needed sectors are the solid waste in a percentage **(5.8%)** followed by water **(3.6%)**, wastewater **(2.4%)** and electricity **(0.5%)**. **Chart 11** illustrates the distribution of **window 1- cycle 2** allocation by sector.

Chart 11: Distribution of MDPII-W1 Fund per Sector (cycle 2)



✓ Status of W1 sub-projects (cycle 2)

The implementation of W1 – 2nd cycle sub-projects in the West Bank and Gaza witnessed a noticeable progress where the overall status can be illustrated in **table 4 and chart 12**.



Table 4: Window 1 - Cycle 2 / West Bank & Gaza

Window 1 - Cycle 2 / West Bank

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved (PMU)	24	16%	4,742,095	18%
Pre-Approved (PMR)	3	2%	160,632	1%
Tendering + Retendering	9	6%	1,288,507	5%
Evaluation	31	21%	6,076,965	23%
Awarded	8	5%	1,772,819	7%
on going	64	43%	10,300,845	39%
Completed	11	7%	1,809,081	7%
Total	150	100%	26,150,944	100%

Window 1 - Cycle 2 / Gaza

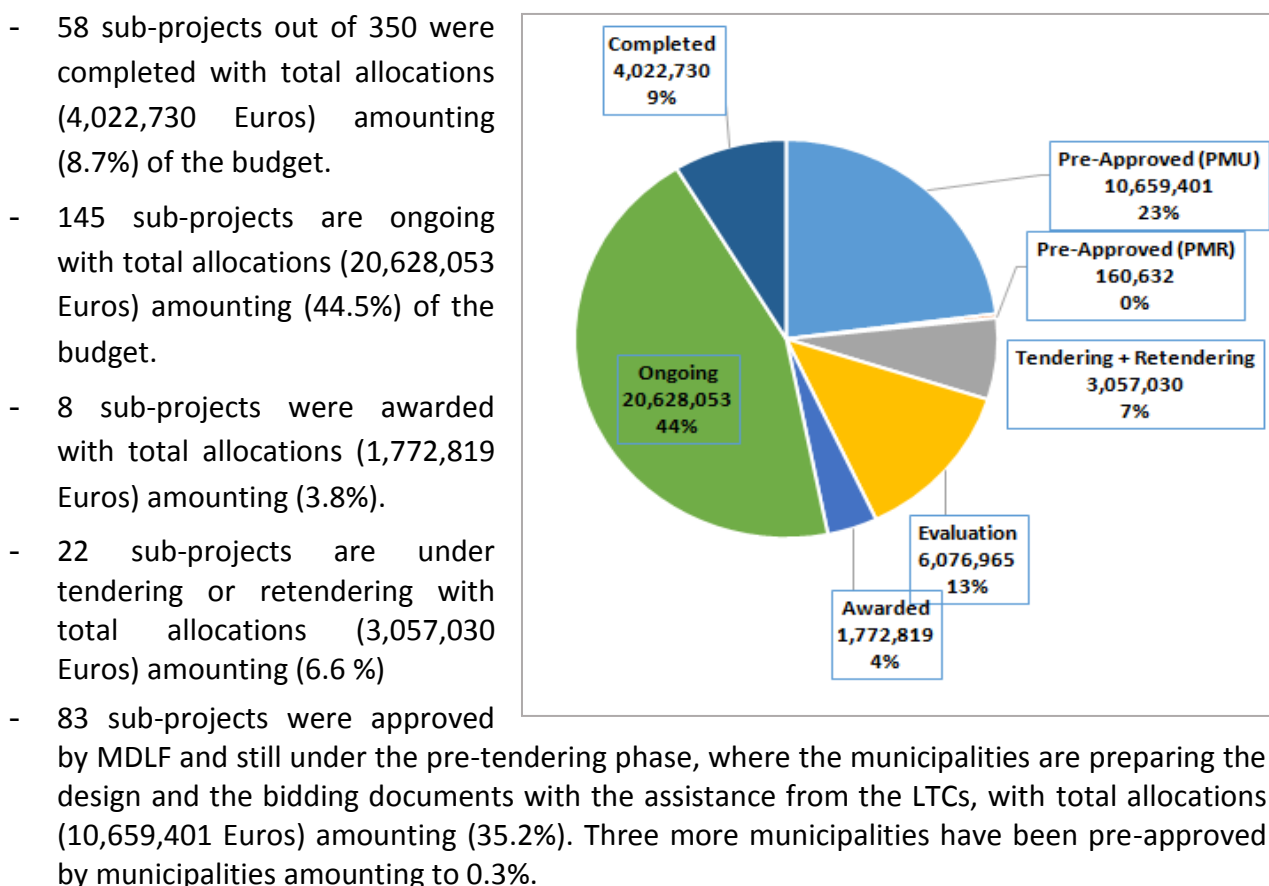
Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved (PMU)	59	30%	5,917,306	29.3%
Pre-Approved (PMR)	0	0%	0	0.0%
Tendering + Retendering	13	7%	1,768,523	8.7%
Evaluation	0	0%	0	0.0%
Awarded	0	0%	0	0.0%
Ongoing	81	41%	10,327,208	51.1%
Completed	47	24%	2,213,649	10.9%
Total	200	100%	20,226,686	100%

Window 1 - Cycle 2 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved (PMU)	83	23.7%	10,659,401	23.0%
Pre-Approved (PMR)	3	0.9%	160,632	0.3%
Tendering + Retendering	22	6.3%	3,057,030	6.6%
Evaluation	31	8.9%	6,076,965	13.1%
Awarded	8	2.3%	1,772,819	3.8%
Ongoing	145	41.4%	20,628,053	44.5%
Completed	58	16.6%	4,022,730	8.7%
Total	350	100%	46,377,630	100%



Chart 12: Status of W1 sub-projects in WB&G (cycle 2)



Component / (Window) 2: Municipal responsiveness – Support to Municipal Innovations and Efficiency. (Cycle 1 and cycle 2)

2.1: Piloting Innovations (this sub-window will be implemented over the two cycles)

2.1.1: Introduction of e-governance:

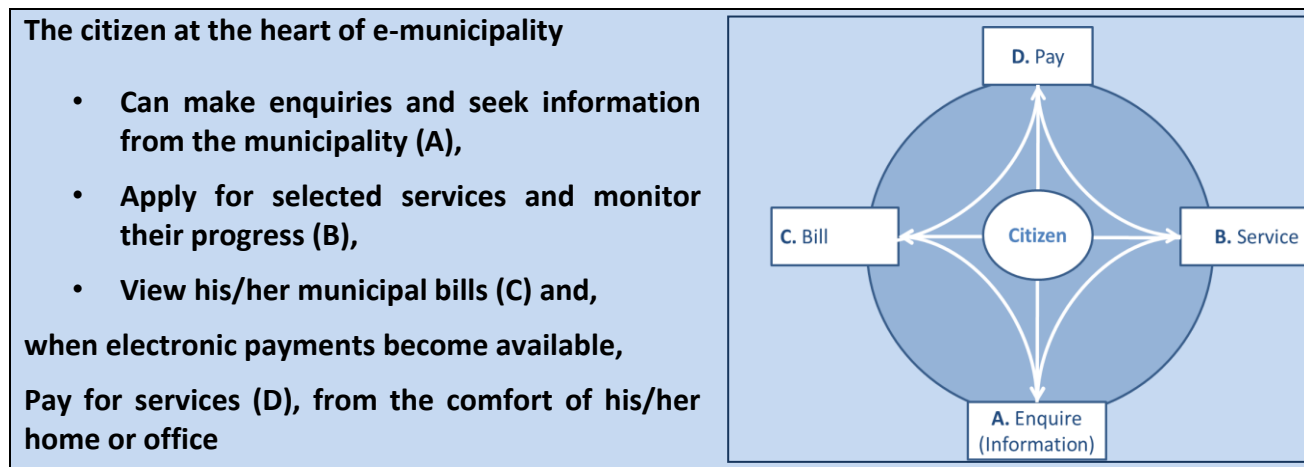
The purpose of e-Governance is to utilize advanced information and telecommunication technology (ICT) to deliver services and information to citizens and to integrate the municipality internal systems together to deliver quality service to citizens.

The benefits from this approach include but not limited to:

- Improve efficiency and quality of public services.
- Reduced cost and overheads for both citizens and municipalities.
- Improved transparency regarding the municipal services delivery.



The E- Municipality will employ the Internet for delivering services and information to citizens. It promotes knowledge sharing; enhances awareness and accountability in service delivery (specifically e-licensing, e-participation.....etc.).



This project will be financed by the WB and will be piloted in four selected municipalities in the West Bank (BeitJala, Halhul, Anabta and Beitunia). It is worth mentioning that this initiative will be implemented as per the following:

- **Phase I:** is the preparation for the E-municipality which includes:
 - Initial screening, web application survey, field investigation, readiness assessment.
 - Pilot selection (4 pilot municipalities in West Bank).
 - Requirement capture and TOR preparation.
 - Vendor selection.

Regarding the implementation status of phase I, the readiness assessment was done, the pilot municipalities were identified (Beit Jala, Halhul, Anabta and Beitunia), the TOR along with the functional requirements was developed and cleared by the WB, the procurement arrangements for vendor selection was accomplished.
 - **Phase II:** the development of the e-Municipality software (EMS) is almost done by selected vendor at the target municipalities. MDLF had contracted the software company to develop the EMS mid-May 2015, where the company started the inception phase by conducting field visits to the target municipalities to better understand the business needs for the proposed EMS concerning the integration with other available systems within the municipalities (financial, OSS, citizens database,....etc).
- EMS was developed and deployed into the target municipalities in an iterative way and deployed & tested successfully by MDLF; MDLF ensured the full compliance with the functional requirements in the MDLF test. And still in the testing phase per municipality, each municipality has its own integration customization, and they need to perform their own tests and got municipality acceptance to ensure that delivered data information by EMS portal and Citizen



Service Center is identical before going live to avoid mismatch, all activities in this phase will be complete on proposed date by July 1st, 2016.

- **Phase III:** A promotional activities and awareness will be conducted during the 4th quarter of 2016, including the booklet (Arabic and English), and the orientation workshops to disseminate the results of the EMS.

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

This projects will be funded by the WB and will be piloted in 9 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 the capacity building for the target municipalities were 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.
- Under this consultancy assignment the evaluation of applications has been accomplished considering the following Selection criteria resulting the selection of municipalities for this pilot:
- The penetration factor,
 - The space availability,
 - The shade,
 - The building use,
 - Separate Electrical meter,





- Working hours,
- Technician availability, and Load separation for Gaza Strip.

Selected Municipalities:

✓ West Bank:

No.	Municipality	Governorate	Scale	PV system capacity
1-	Ad Daheriyya municipality	Hebron	Large municipality	Up to 20 KWp
2-	Hebron municipality	Hebron	Large municipality	Up to 20 KWp
3-	Nablus	Nablus	Large municipality	Up to 20 KWp
4-	Al- Ittihad	Ramallah	Small municipality	Up to 5 KWp
5-	BaqaAlsharqiya&alnazlat	Tulkarem	Small municipality	Up to 5 KWp
6-	Qabalan	Nablus	Small municipality	Up to 5 KWp
7-	Anata	Al-Quds	Small municipality	Up to 5 KWp

✓ Gaza Strip:

No.	Municipality	Governorate	Scale	PV system capacity
1.	Deir El Balah municipality	Deir El Balah	Large municipality	Up to 15 KWp
2.	Abasan – Elkabera municipality	Khan Younis	Small municipality	Up to 5 KWp

- Solar Photovoltaic system in West Bank has been installed and operating in Anata, Alttihad, AlThahryeh, BaqaAlShaqyeh, Hebron, Nablus and Qabalan municipalities.
- Regarding the Supply and Installation of Solar Photovoltaic system in Gaza Strip: the systems has been installed and operating for Deir AlBalah and Abbassan Elkebereh. Although contract was signed in April 2015, works has not really been executed in October 2015 due Israeli obstruction of material entry.
- Monitoring and evaluation, and Results Dissemination of the project components in West Bank is under progress,
- Monitoring and evaluation and Results Dissemination for Gaza Strip Municipalities Component is under evaluation.

2.1.3: Local Economic Development:

This initiative is financed by the VNG and the AFD by introducing the LED concept on three different complimentary themes:

➤ Institutionalizing LED in municipalities (VNG)

- Reviewing current structure and legal.
- Institutionalize LED Departments in the municipalities by initiating new LED department or integrating LED in an existing department in the structure of the municipality. The choice will depend on the size existing structure of the Municipality.
- Developing LED Plans for 4 municipalities: Ramallah, Al-Bireh, Tubas, Al-Samou' (VNG),

➤ Capacity Building for the municipality in handling LED projects (VNG)

- Orientation Workshops for the Mayors' of the selected municipalities on the LED concept.



- Training sessions for the municipalities' Employees on LED; how to handle LED in their municipalities and How to implement LED projects.
- Under increasing the capacity building for MDLF staff, training sessions regional (Amman) and international (Netherlands).
- Under this theme, 5 municipalities will be supported in cycle 1 as per the following:
 - **Ramallah municipality** - Developing LED Plan
 - **Al-Bireh municipality** - Encouragement of Investment & Development in Al-Bireh
 - **Assamou municipality** -Improve capacity building department for LED
 - **Birzeit municipality**- Tourism Path
 - **Tubas municipality**- Improve capacity building department for LED (Industrial Zone - *cancelled*)
- 8 municipalities will be supported in cycle 2 in institutionalizing LED Department and LED plans for the following municipalities:
 - **Taffuh municipality**
 - **Yatta municipality**
 - **Dura municipality**
 - **Jericho municipality**
 - **Qalqilia municipality**
 - **Qabalan municipality**
 - **Kufr Rai municipality**
 - **Hebron municipality** – Institutionalizing a Business One-stop-shop/Unit
- Currently, the municipalities are working with the MDLF on several activities which include making films that support the LED initiatives, developing media plans which include PR and printing, as well as festivals.
- It is worth mentioning that the MDLF supported municipalities in carrying public festivals most notably Al-Samou and Kufor Raie, soon in other municipalities, to a great media success.
- The MDLF signed contracts to develop LED Plans for cycle 2, distributing municipalities into two clusters.

➤ **Feasibility Studies for economic projects (VNG,AFD)**

Under this theme the following feasibility studies will be conducted:

- Tubas Municipality: Economic consultant is currently being hired through the common procurement process for Tubas Industrial Zone. (VNG) (*Cancelled*)
- Ramallah Municipality: will conducted 2 feasibility studies for 2 different projects (result of LED Plan /VNG).
- Ramallah Municipality : Al Manara Complex Project (AFD)
- Al Bireh Municipality : Al Bireh Touristic Canal Project (AFD)
- Al Thahriyeh Municipality : International Football Stadium Project (AFD)
- Jenin Municipality: Parking Garage (taxis & buses) with commercial center (AFD).
- Hebron Municipality: solar energy project (AFD).



Progress and Deviations from Plan

In order to expedite the process of implementing LED activities, MDLF decided to carry out the procurement work in-house for several sub-activities which included: Writing specifications for IT equipments, printing, developing media plans, and exhibitions.

Nonetheless, while MDLF offered to procure the Media & Outreach activities for the 13 municipalities, few municipalities preferred to do their media activities by on their own: Ramallah, Taffouh, and partially Hebron, Jericho and Qalqilya, to be exact. MDLF is following up the implementation regularly.

Deviation from Plan:

VNG agreed with MDLF to finalize all projects payments by 30/6/2016:

- LED Institutionalization North: Although the contract end date is 30/6/2016, delays are expected to occur due to Ramadan that will start end of May, which will affect the work progress. Same applies to LED Institutionalization South as contract was signed recently and the project duration is four months, though it is planned to be finalize it in 30/7/2016.
- Three feasibility studies:
 - *Establishment of "Commercial Shopping Mall" in Ramallah City;*
 - *Establishment of "Commercial Mall" in the Industrial Zone of Ramallah City;*
 - *Establishment of "Warehouse for Cooling, storage and packaging or Food processing/Manufacturing" in Kufr Rai Village. (Kufur Rai decided to go with the food processing facility feasibility study recently).*





Cycle	No. of Municipalities	West Bank	Financing Partner	Updated implementation status	Anticipated Activities
LED Phase I	5	5	VNG	- Business Needs Assessment was conducted for Five (5) municipalities. It was introduced to the municipalities and stakeholders, and feedback was reflected. - Four (4) LED plans were developed at Four (4) different municipalities according to the municipalities' request. - LED was institutionalized at Five (5) municipalities. This includes institutionalizing a unit at each municipalities concerned with LED, all units were furnished and equipped. - Depending on each municipality's LED project requirements, most sub-projects were finalized and paid for. This includes conducting exhibitions, purchasing needed specified equipment such (GIS), conducting Capacity Building training in various subjects related to LED, installing various supporting software for LED. Specific for Al-Samou Municipality, two One-Stop-Shops were inaugurated in support of the municipality's efforts to facilitate the lives of their residents, and encourage further transactions between residents and municipality, and to enhance the services that the municipality provides the private sector, to save time and effort. - Instead of conducting LED plans, Birzeit municipality uniquely conducted and implemented a tourism map, supporting the Local Economic sector of tourism. The project is expected to introduce Birzeit as a new tourism destination. Promotion material (including maps, guides, signs...etc.) were printed. A launching event was carried out under the patronage of the Minister of Local Government, and the MDLF. - MDLF and VNG partnered in enhancing the capacity of LED understanding for the municipalities. This was achieved through an LED tour of all target municipalities to several Dutch municipalities (The Netherlands) for an entire duration of 10 days. The experience is expected to set the ground for further participation between the Netherlands and Palestine in issues related to LED, and was deemed as perfectly educational which increased understanding and improved the perspective of LED for each municipality. - Remaining Media, Film and Printing for all municipalities were finalized late June 2016.	- MDLF and VNG will provide further LED Capacity Building training for all targeted municipalities. - Ramallah will be conducting a Media project consisting of events and a promotional film.
LED Phase II	8	8	VNG	- Business Needs Assessment was conducted for Eight (8) municipalities. It was introduced to the municipalities and stakeholders, and feedback was reflected. The methodology used to conduct the studies was enhanced based on the lessons learned from the previous phase. - During July of 2016, the LED plans and institutionalizing of LED processes for all 8 municipalities will be done. - All municipalities were successful at inaugurating their LED units, furnish and equipment was provided.	- MDLF and VNG will provide further LED Capacity Building training for all targeted



				- MDLF and VNG were partners in enhancing the capacity of LED understanding for the municipalities. This was achieved thru an LED tour of all target municipalities to several Dutch municipalities (The Netherlands) for an entire duration of 10 days. The experience is expected to set the ground for further participation between the Netherlands and Palestine in issues related to LED, and was deemed as perfectly educational which increased understanding and improved the perspective of LED for each municipality. - Media, Film and Printing for all municipalities were finalized during the first half of 2016. - As part of LED two exhibitions were held in the North and South in support of LED efforts. The exhibitions were held during the second quarter of 2016.	- municipalities.
LED Feasibility Studies	6	6	AFD (4) & VNG (2)	- Since October 2015, funded by AFD, a contract was signed with an external consultancy firm to conduct a feasibility study for the establishment of a multi-story car parking and shopping complex in the city of Ramallah In the West Bank. The final feasibility study report is under modification and updating by Consultancy Firm. - Since October 2015, and funded by AFD, a contract was signed with an external consultancy firm to conduct a feasibility study for the establishment of al-Dahrieh International Football Stadium. The final feasibility study report have been approved by MDLF - Since December 2015, funded by AFD, a contract was signed with an external consultancy firm to conduct a feasibility study for the establishment of al-Bireh Tourism Canal project. MDLF has terminated the contract with the consultancy firm as a result of the decision of Al Bireh Municipality to redesign the canal. - During the final quarter of 2015, funded by AFD, the procurement process was conducted for the project titled "Conducting Feasibility study for "Installation of (On-Grid) connection Solar Photovoltaic (SPV) renewable Energy System" in the city of Hebron. The study is expected to be initiated in 2016. All reports have been delivered and subject to review by MDLF. - During the final quarter of 2015, and funded by VNG, TORs for three remaining studies for Ramallah (2) and Kufr Rai (1) were being prepared. - MDLF in the process of signing a contract with an consultancy firm to conduct two feasibility studies for "Establishment of Multi-Story Shopping Mall in City of Ramallah" and "Establishment of Food Processing/Manufacturing Factory in Village of Kufr Rai" (VNG 2)	- The studies are expected to be finalized



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 2.1 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).

Projects under this sub-component are expected to:

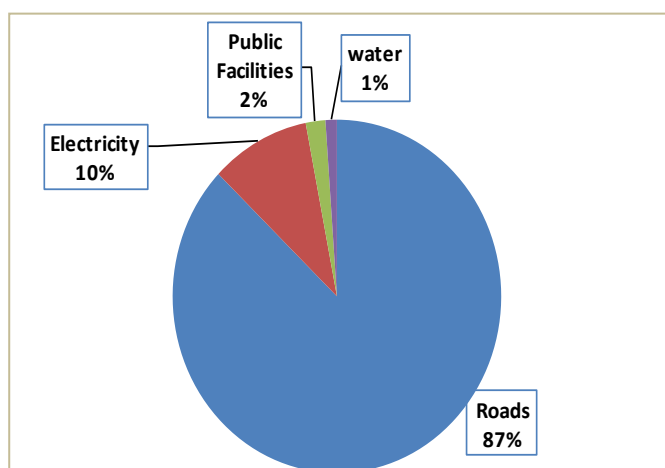
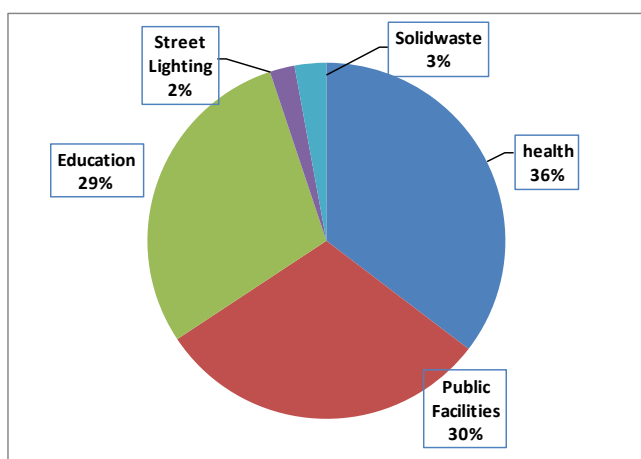
- Reduce the emergency needs raised from amalgamation process.
- Improve the citizen's satisfaction with the performance of the amalgamated municipalities.
- Reduce the services gap between the LGUs formed the amalgamated Municipalities.
- Enhance the Sustainability of the amalgamated Municipalities.

MDLF had sent a letter to the target municipalities informing them about their allocations and asked them to fill out the application forms late May 2014. MDLF received the filled application forms by end of July 2014 and finalized the appraisal stage late September 2014.

17 sub-projects proposals were received from 9 amalgamated municipalities in a total allocation (EUR 1.5 M) and 25 sub-projects proposals from annexed/ integrated Communities in a total allocation (EUR 0.4 M).

A quick look into the submitted sub-projects proposals from the 9 amalgamated municipalities reveals that **(36%)** of the allocated fund will be invested for health sub-projects. The second sector is the public facilities **(30%)**. The third needed sectors is education in a percentage **(29%)** followed by solid waste **(3%)** and street lighting **(2%)**. However, the majority of the submitted sub-projects proposals from the annexed communities are roads sub-projects in a percentage **(87%)** as indicated in Chart 13 and Chart 14 respectively.

Chart 13: Distribution of EUR 1.5M per sector Chart 14: Distribution of EUR 0.4 per sector





Regarding the status of the approved sub-projects, it is illustrated in **Table 5** below.

Table 5: Status of sub-projects under the post amalgamation sub-component

Status of sub-projects within the Newly amalgamated Municipalities				Status of sub-projects within the Annexed/Integrated Communities			
Status	No. of Projects	Amount (EUR)	%	Status	No. of Projects	Amount (EUR)	%
Under Design	1	80,000	5%	Under Design	0	0	0%
Appraisal	0	0	0%	Appraisal	0	0	0%
Tendering	3	100,000	7%	Tendering	0	0	0%
Evaluation	0	0	0%	Evaluation	0	0	0%
Ongoing	6	846,666	56%	Ongoing	7	84,343	21%
Completed	7	473,334	32%	Completed	18	315,657	79%
Total	17	1,500,000	100%		25	400,000	100%

Component /(Window) 3:

Window 3.A: Capacity Building for Municipalities – Cycle 01

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:

- 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).
- 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.
- 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 6.a illustrates the distribution of capacity building packages of the 1st cycle by region per donor as well as its implementation status.

Table 6.a: Distribution of MDPII-W3 Capacity Building Packages – 1st cycle

Capacity Building Package	No. of Municipalities	West Bank	Gaza	Financing Partner	Updated implementation status	Anticipated Activities
FARV	53	42	11	GIZ	- The fixed assets registration was finalized for WB&G including the coaching of municipalities on FARV updating by end of April 2015.	
SDIP	2	2	0	GIZ	- An amendment to an 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, contract was signed and assignment activities commenced. - The First, second Public meeting and first and second workshops in both Nuba and Al-Ubaidiya were conducted. - Activities were accomplished and now municipalities have SDIPs in place.	- TOR currently under review for developing SDIPs in two LGUs (Kufr Dan and Surda Abu Qash)
CSC	22	17	5	MDTF, SDC	- Citizens Service Centers (CSCs) (Target municipalities: 17 in West Bank, 5 in Gaza) - West Bank and Gaza: The documentation and analysis of the current stage phase was completed for work procedures of the services, which were adjusted to their optimal capacity. - Rehabilitation of the physical space of the Citizen Service Centers: - o The rehabilitation of the physical space in all the municipalities of Gaza has been completed.	- Complete the construction and rehabilitation works of the CSCs' physical space. - Implement the Software at the benefited municipalities. - The implementation in all municipalities will be



					○ The rehabilitation of the physical space in all the municipalities in the West Bank. Gaza has been completed. - Supply Furniture: ○ Supply of furniture in all municipalities in Gaza has been completed ○ Supply of furniture in the municipalities in West bank has been completed - Supply Hardware: ○ A firm was contracted to provide CSC hardware to municipalities. ○ Hardware delivered to the target municipalities. ○ Hardware installation has been completed on each municipality network. ○ HW Assignment has been completed for WB and 90% Gaza. - Supply of computerized software: ○ A firm was contracted to provide the computerized system to supply municipalities with CSC has been completed ○ The preparation, configuration, and installation of the software in the municipalities of the West Bank & Gaza have been completed (17 in west bank & 5 in Gaza) ○ The implementation, integration and training have been completed in all municipalities (17 in west bank & 5 in Gaza). ○ All target municipalities (17 in west bank & 5 in Gaza) have operational software; the next step will be getting "Certificate of Acceptance COA" on the software per municipality. - Print Services Chart for targeted municipalities in the West Bank and Gaza¹ has been completed. - Cycle 1 completed in terms of	- completed by the end of February 2016, and the rest will be to get acceptance and go alive before mid of March 2016. - Official opening ceremony for all the CSCs will start in January 2016 and will be completed before end of March 2016. - The implementation in 5 municipalities in Gaza will be completed by end of March 2016 - Official opening ceremony for CSCs in Gaza will start in March 2016 and will be completed before end of April 2016. - MDLF will sign a contract soon with a local design firm to design and supervise the physical space of the CSC/s
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					- Furnish, printing, and ACs. - Cycle 2: MDLF signed a contract with an LTC to develop Business Process Reengineering and institutional civil service charter	
IFMIS	14	11	3	WB & KFW	- Integrated Financial and Management Information System (IFMIS) (Target municipalities: 10 in West Bank, 4 in Gaza) - Institutional Assessment phase prior to implementation (three months phase) - o A contract was signed with a consultancy firm to accomplish this phase on June 28th, 2015. The project was accomplished in October 2015. - Coaching Municipalities in Implementing IFMIS” In West Bank. Contracts were signed during June 2016. Duration of the assignment will be 12 months. - IFMIS Software: - o Evaluation of Bids of the Software providers	- Software provider contract to be signed during 3rd Quarter of 2016.
O&M	4	4	0	KFW	1. Developing Software Requirements and Specifications (SRS) for Operation and Maintenance (O&M) computerized System • The investigation phase: - o Feedback workshop was conducted attended by the consultant, the consulting firm that prepared the O&M manual and the pilot municipalities that implemented the O&M manual. - o Site visits were conducted to municipalities that implemented the O&M manual • The system analysis: - o Meetings were conducted with MDLF team and the consultant who prepared the	o Support MDLF in supervising the Development of the O&M software and the deployment at the pilot municipalities. <i>Expected Accomplishment date is late October, 2016</i> Developing (O&M) computerized



					O&M manual to further clarify working process regarding the assets valuation, registration and update and the O&M processes. ○ The workflow of the process, responsibilities, authorities of processing, and requirements of processing were clearly defined . - The optimized working processes were presented and discussed with all stakeholders. - A comparative statement was prepared. Based on the recommendations concluded in the comparative statement - MDLF took the decision to go for a tailor made package - The SRS document and the TOR were prepared and sent to donors for no-objection. - The pilot municipalities were identified (four municipalities). - Selecting phase for firm was finalized.	System • Upcoming activities: - Negotiations with firm to be assigned to do the O&M computerized system
Total Number of Municipalities	95	76	19			

In addition to the above packages, W3 provided further support to municipalities in the following aspects as illustrated in table 7,

- Planning capacity by providing orientation workshops on SDIP update methodology for all municipalities in West Bank and Gaza.
- Printing municipalities updated SDIP document.
- Financial Management including training on (call for budgets, modified chart of account and the importance of budget disclosure).
- Social accountability, transparency and responsiveness through developing communication and outreach guidelines in addition to the Citizen Service Centers (CSC).



Table 7: Additional support provided to municipalities under W3

Activity	No. of Municipalities	Financing Partner	Updated implementation status	Anticipated Activities
SDIPs update orientation workshops	All municipalities	GIZ	- MDLF along with other stakeholders conducted orientation workshops to all municipalities in West Bank and Gaza about the SDIP update methodology. - The workshop highlighted the importance of linking the development projects with the annual budget using the new budget format. - MDLF officially notified 11 municipalities to initiate the preparation of new SDIPs as their SDIPs have expired by the end of 2014.	-----
Printing of the SDIP	38 municipalities	AFD (savings from MDPI)	- Technical specifications were prepared. - The procurement process was completed The SDIP document was printed for the targeted municipalities	-----
Call for Budgets	All municipalities	MDTF	- Two days' Training on call for budgets, modified chart of account and budget disclosure was conducted targeting all municipalities in West Bank and Gaza. - The training was conducted in eight Governorates in West Bank and through VC for Gaza municipalities.	-----
Develop Citizenship Guideline	All municipalities	SDC	- TOR was prepared and cleared from the FP. - Contract was signed and assignment activities commenced. - A Citizenship Guideline was developed. - A feedback workshop was conducted for the sample municipalities with the participation of the MoLG. - The project was accomplished.	- Printing and ceremony expect on May 5 th .
Develop Communication and Outreach Guidelines	All municipalities	SDC	- TOR was prepared and cleared from the FP. - Contract was signed and assignment activities commenced. - A communication guideline had been developed. - The Project was accomplished.	- Printing and ceremony expect on May 5 th .



Component /(Window) 3:

Window 3.A: Capacity Building for Municipalities (2nd Cycle)

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 municipalities were informed of the current packages for the current cycle through workshops in the West Bank and Gaza, and how the implementation of each package affects the ranking scale.

The applications were submitted electronically, and were immediately evaluated. The municipalities were informed of the results, which are as follows:

Number of Target Municipalities	Number of Submitted Applications	Number of Municipalities which Declined to Submit	Number of Newly Assigned Municipalities	
138	131	4	3	
Package	SDIP	O&M	IFMIS	CSC
Number of Benefiting Municipalities	2	50	15	19
Total Number of Benefiting Municipalities	87			

Regarding the Citizens Service Centers (CSCs) under MDPII-Cycle 2; 14 municipalities in West Bank and 5 municipalities in Gaza are targeted where the progress is summarized as follows:

1) Institutional Assessment for Introducing Citizen Service Centers (One Stop Shop) Assignment:

MDLF signed a firm contract to develop Business Process Reengineering and institutional civil service chart, A firm was contracted to provide many reports, The contracted firm is already delivered the Inception Report and ICT and Human Resources Assessment Report completely, he is now in the process of Mapping and Optimizing municipal service delivery processes and procedures at the selected municipalities to be ready for CSC Citizens' guidelines as final stage.

2) Rehabilitation of the physical space of the Citizen Service Centers Assignment:

A firm was contracted to provide physical space design the Citizen Service Center for selected municipalities, he conduct field visits with MDLF to gather the space information to design the CSC offices, firm delivered the Inception Report and Draft 2D design of physical space in selected



municipalities completely, after technical confirmation, firm will prepare draft final design to prepare for procurement process.

Additionally, 2 municipalities will be targeted by the Fixed Assets Registration and Valuation package. The TOR was prepared and cleared from the FP.

In addition to the above mentioned packages, MDLF will pilot two new packages that will be financed by the EU fund through the KFW. These packages are:

- Technical assistance tool for municipal revenue enhancement: this package is still under development and will be based on the concept note which was discussed with FPs late 2015, MDLF developed a TOR for this package and sent to the KFW for none objection.
- Technical assistance tool for participatory monitoring and evaluation: this assignment was contracted early January 2016. The consulting firm submitted the inception report late January 2016 and submitted the framework for the manual. This assignment is expected to be completed by end of 2016.

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.



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.*

The local technical consultants were distributed among 4 clusters (North West Bank, Middle West Bank, South West Bank, and Gaza).

The LTCs for the 1st cycle were financed by the World Bank and the LTCs for the 2nd cycle are financed by the Multi-Donors Trust Fund (MDTF) where the consultants have started their tasks and responsibilities.



❖ **Monitoring and Evaluation**

Under this sub-component, there are set of surveys which were planned to be conducted for MDPII mid-term evaluation in accordance to the MDPII results framework.

Survey	Financing Partner	Objective, Scope and Description of the Assignment	Implementation Status
Municipal Ranking update (end of cycle 1)	KFW	To update the municipal ranking in accordance to MDPII ranking system using the 16 KPIs as indicated in the MDPII – Transfer Mechanism. This assignment was implemented by an outsourced consulting firm. The consultant was requested to review and verify the supporting documents received from the municipalities, in site inspection at municipalities, document the results with the municipalities and then update municipal ranking using the criteria of MDP-II ranking system (16 KPIs). The results of this assignment was used as a mid-term evaluation of MDPII.	- This assignment was completed. - Municipalities were informed about their ranks early May 2015 and were given an appeal period until 20th of May. - The updated Ranking after appeals was used to calculate the municipal allocation of cycle 02.
Technical audit and Usability assessment	KFW	This audit was carried out in both West Bank and Gaza Strip through two individual consultants one in the West Bank and the other in Gaza. The study aimed at evaluating a representative sample of infrastructure sub-projects implemented in MDPII-cycle 1. The sample of sub-projects was randomly selected by the two individuals in coordination with MDLF to cover the implemented sub-projects in cycle 1. The assessment focused on the technical quality and structural soundness, and the compliance of implemented sub-projects with technical specifications. Furthermore, the audit assessed the approaches and processes during the implementation of sub-projects and provided recommendations for future improvements.	This assignment was completed by mid-August 2015. 30 sub-projects were audited (12 in Gaza and 18 in WB). 28 out of 30 audited sub-projects, are fully/partially completed, those sub-projects are functioning suitably and utilized efficiently by the beneficiaries. The other two sub-projects were audited by the in terms of implementation arrangements, and, technical soundness, ...etc. and were not audited in terms functionality or usability since they were not yet completed. It is worth noting that MDLF had assessed the functionality and usability of those two sub-projects once completed and found they were fully utilized by the beneficiaries.



Clients and Citizens satisfaction assessment	WB	The objective of this consultancy was to conduct a Beneficiaries, Clients and Citizens Satisfaction Assessment as a mid-term evaluation of the MDP-II by combining three surveys: (1) Beneficiaries satisfaction assessment of MDPII-W1 sub-projects (2) MDLF clients' satisfaction survey with municipalities and (3) citizens satisfaction survey with municipalities' performance. In particular, the aims of the assignment were to: - Assess the satisfaction of municipalities with the performance of the MDLF - Assess the satisfaction of citizens with the performance of municipalities - Performing comparative analysis between the situation before MDPII and after the MDPII-cycle1, i.e. between the 2013 baseline and the 2015 survey - Develop recommendations and lessons learned, based on the empirical findings, to address the identified performance concerns (with 1) and (with 2) - that are within the realm of both entities. This study was utilized specifically for midterm evaluation purposes of the ongoing program "MDP-phase II". MDLF had contracted a consultancy firm to conduct the assessment using both quantitative - (questionnaires for beneficiaries satisfaction and citizens satisfaction)- and qualitative methods -(focus groups, key informants interviews for LTCs, SDIP committees, and municipal staff).	This assignment was completed by July 2015.
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Component /(Window) 5: Additional Financing for Gaza Emergency Response

This component was designed under MDPII in response to Gaza emergency needs following the 51-day War on Gaza, which started on July 7th and lasted until August 26th, 2014. MDLF and Gaza municipalities in addition to the financing partners exercised a proactive effort in observing, documenting, and analyzing the damages incurred by the war producing the "Rapid Assessment of Gaza Municipal Sector Damage" report in September 12nd, 2014 endorsed by the Ministry of Local government (MoLG) forming the basis for the design of this window. The AF will be invested to restore municipal services and alleviate the dire situation of Gaza municipalities after nearly two months of continuous war producing both direct and indirect damages on the municipal sector that was already in a fragile state due to the extended blockade imposed on Gaza. The damage assessment estimates total damages to around US\$ 58.6 million. In addition to the physical damages, municipalities' ability to sustain basic services provision has been seriously affected by the war's impact on their financial situation. This component will be financed by the World Bank, Danish Government under the MDTF (administered by the WB), KFW and the Belgian Government through BTC as illustrated in table 8 below:



Table 8: Additional Financing to Gaza per Donor

Financing Partner	Committed Amount	Committed Amount in EUR	Implementation Status
WB	US\$ 3,000,000	EUR 2,173,913	- The implementation has started since October 2014 - A total of (EUR 2,021,739) were distributed among Gaza municipalities.
MDTF	US\$ 12,000,000	EUR 8,695,652	- The implementation has started since October 2014 - A total of (EUR 8,086,957) were distributed among Gaza municipalities.
KFW	EUR 5 M	EUR 5,000,000	- A total of (EUR 4,550,000) was distributed among Gaza municipalities and the municipalities started preparing the application forms supported with the needed documents.
BTC	EUR 0.35 M	EUR 350,000	- The sub-projects under this fund are completed
SDC	EUR 0.833 M	EUR 833,000	- MDLF asked the municipalities to prepare their priority needs based on the damage assessment and achievement made up to date, - The LTC was contracted to update the damage assessment and identify the list of sub-projects to be implemented under this fund. - The municipalities sub-projects were identified

1 EUR = 1.38 \$

➤ **Allocation mechanism**

Gaza Emergency AF (W5) will allocate grants to Gaza municipalities for capital investment service provision, per mandate of municipalities defined in the Local Councils Law No.1 of 1997, for sectors described as eligible in the MDP II Operations manual (OM) as well as for operating expenditures similar to W1. Allocation under W5 has been allocated proportionally to Gaza municipalities based on the emergency needs identified in the Municipal Damage Assessment Report prepared in September 2014 following the damages and service interruptions insured during the Gaza War in July-August 2014. Emergency needs will reflect critical repairs and response funds required to address service interruptions affecting population in the beneficiary municipalities.

Based on the proportional allocation, municipalities will then propose priority sub-projects out of their emergency needs identified in the damage assessment report. Minimum allocation to each



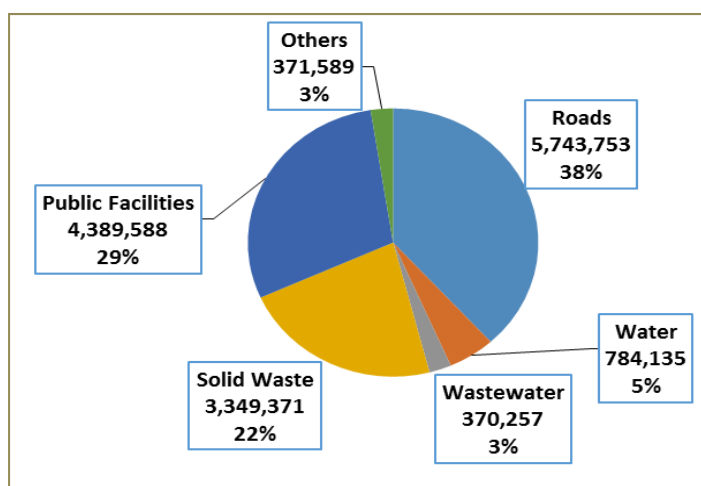
Municipality is to be sufficient enough to ensure restoring the critical repair of basic municipal services in need based on the number of beneficiaries. Sub-project appraisal of identified interventions will reflect the following criteria:

- maximum number of beneficiaries in immediate needs addressed;
- efficiency of the type and nature of proposed sub-projects to restore the services and
- Functions to beneficiaries in the municipality; and alternatives considered, if applicable”.

➤ Analysis Per Sector:

A total of **EUR 15,008,696** from WB, MDTF, KFW and Belgium grants were allocated to Gaza municipalities, 271 sub-projects proposals were received from 25 municipalities. Those proposals were subject to screening and appraisal in accordance to MDLF operational manual. A quick look into the submitted sub-projects proposals reveals that **(38%)** of the W5 allocated fund will be invested in roads maintenance and rehabilitation. The second sector is the public facilities **(29%)** including the maintenance of municipal buildings, libraries, community centers, and public parks. The third needed sectors is solid waste in a percentage **(22%)** followed by water **(5%)** and wastewater **(3%)**..

Chart 15: Distribution of MDPII-W5 Fund Per Sector



➤ Status Analysis of W5

The implementation of W5 sub-projects witnessed a noticeable progress since the effectiveness date and the overall status can be illustrated in table 9 and chart 16.

- **259 sub-projects** out of **274** were completed with total allocations **(12,099,045Euros)** amounting **(80.6%)** of the budget.
- **13 sub-projects** are ongoing with total allocations **(2,333,692Euros)** amounting **(15.5%)** of the budget.
- **2 sub-projects** are under tendering with total allocations **(523,496Euros)** amounting **(3.5%)** of the budget.
- **1 sub-projects** is in the pre-tendering phase with total allocations **(52,462Euros)** amounting **(0.3%)** of the budget.

Chart 16: Status of MDPII-W5 sub-projects

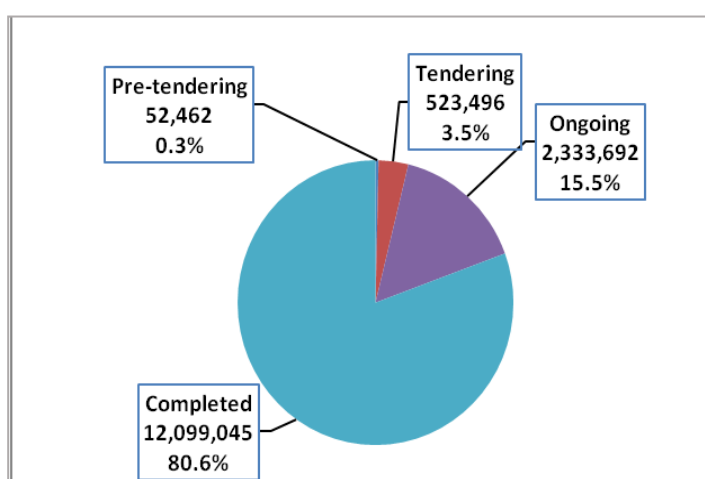




Table 9: Status of Window 5 sub-projects

Status	No.	Percentage	Allocation in Euro	Percentage
Pre-tendering	1	0%	52,462	0.3%
Tendering	2	1%	523,496	3.5%
Awarded	0	0%	0	0.0%
Ongoing	13	5%	2,333,692	15.5%
Completed	259	94%	12,099,045	80.6%
Total	275	100%	15,008,695	100%

1.5: Challenges Encountered (Obstacle, delays, and causes of delays):

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

Window 1:

- 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 was a delay in signing the financing agreements with some FPs where MDLF was unable to proceed in implementing such activities/or awarding the contracts before signing the agreements.

Window 3:

- Low level of Municipal responsiveness, as well as miscommunication within the municipal staff.
- Limited human resources at municipalities.
- Low level of buy-in and actively support the implementation of the capacity building packages compared to the infrastructure projects.

1.6: Lessons Learnt 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.
- Eventhough the renewable energy law has not yet approved, the advancement in calling for similar projects is visible.
- The renewable energy project is easy to be implemented among municipalities which can be replicated with effort from municipalities if trained employees are available.
- A kick off meeting should be conducted per contract attended by the municipal council, municipal operational meager (where applies) and the technical team. In this meeting, the communication plan and the action should be will illustrated.
- There is a need to include penalties and incentives accompanied with the level of municipal responsiveness.
- There is a need to develop indicators that reflects the performance of municipalities regarding the implementation sub-projects eirther infrastructure of capacity building.
- There is a need to study the possibility to add penalties to the lump-sum contracts.
- A Black list for the contactors is needed.
- Institutionalizing the references for the Consultants (individuals /Firms) per assignment and the result to be used to the evaluation criteria.
- MDLF past experience should be translated within the evaluation criteria.





II: Local Development Program (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 and Phase II) in Jenin Governorate targeting the two newly amalgamated municipalities (Al-Muttaheda and 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 (LDPII) 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 Program 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 Program (LDP III) to upscale support for LGU amalgamation in new, needy geographical areas.

A Program identification mission conducted in (June 2011) and a Program formulation mission in (July 2011) subsequently worked with MoLG, MDLF and the Danish Representative Office (DRO) to design a new Program 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 to ***‘Improve service delivery and governance for citizens through LGUs in the West Bank’***.

The immediate objective is to ***‘reinforce the basis for better service delivery of LGUs through sustained processes of LGU amalgamation and improved local governance’***.

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

The Steering Committee (SC) regulates the LDPIII joint decision-making 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. The agreement has been extended until 31, March, 2016.

2.4: Implementation Status and Progress

During the reporting period the following activities were conducted and/or concluded:

- The work plan for the ongoing projects for Q1 of year 2016 for all outputs was accomplished.
- The final list of the ongoing joint-projects for all clusters under output 3 was done and all projects were completed as schedule.
- 22 kilometers of roads were rehabilitated and asphalted at all clusters within the program.





- 2000 square meters consisting of public building, public facilities and schools were constructed and finished.
- One excavator, one electrical lifting and electrical equipments for network were purchased for at 180,700 USD.
- Output (4) subprojects conducted with MoLG were completed.
- The Local Technical Consultant LTC for the south area (Dura Cluster) completed all his tasks in accordance with ToR. Also, the individual consultants accomplished their tasks with the ongoing joint projects
- The two Local Technical Consultants LTCs were able to successfully finalize the ongoing SDIP and Physical Planning projects with all three clusters.
- More than 32 site visits were conducted to follow up with the implementation of the ongoing joint projects at all clusters.
- 12 Technical committee meetings were conducted at all clusters.

During the coming months, the MDLF will prepare the final report As well as to close the program.

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 approve it by the cabinet..





Immediate Objective	Progress since the beginning of the Program	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>	- Formation of the services councils or local committees for amalgamation representing the target communities. - Identification of the intervention for all LDPIII outputs. - Starting the implementation for the activities under all outputs.	- The implementation of the ongoing joint projects and the social activities has been completed.	- The amalgamation strategy was approved by MoLG - Apprehension shared among target communities from the amalgamation process due to dilemmas and experiences faced previously by other communities. - Some targeted localities are located in Area "C".





Output	Output target	Output result (accumulative)	Accomplished Activities	Anticipated Activities for the next six months	Key Challenges
Output 1: 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	- Study on feasibility and willingness to amalgamate for Salfit and South East Nablus clusters was accomplished. - All of the social activities were accomplished for all clusters. - The communication plans were accomplished for all clusters.	----	- Limited capacity of the target services councils to follow up with the implementation of social activities. - Lack of operational budgets for the new JSCs
Output 2: 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 was achieved for the institutional arrangements regarding the SDIPs, Physical plans. However, asset registration and valuation have not been reached.,	- The assignments of preparing the SDIPs and physical plans were implemented and completed. - The fixed assets registration and valuation components were cancelled	-----	



Output 3: Joint projects are implemented with a potential for sustainability	Pavement of 20 km of connection Internal Roads and construction of 1700 square meter of public facilities including: buildings, playground and public gardens, as well as purchasing an electrical platform and one excavator	- This target has been achieved, throughout the last six months. Five (5) km of roads were completed and 1000 square meters of public building were constructed. - In total 22 kilometres of roads were rehabilitated and asphalted at all clusters within the program, and 2000 square meters consisting of public building, public facilities and schools were constructed and finished.	- The joint projects were identified through an investment study for SE Nablus and Salfeet clusters. - The projects were identified through a community participation in Dura cluster. - The design and implementation of all joint projects for all clusters were completed.	-----	- Lack of staff and limited capacity of the new JSCs. - Some of the target localities are located in Area "C". -
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Output 4: Local governance (and community empowerment) mechanisms are strengthened (cross cutting component)	- Clear and approved amalgamation strategy and manuals were endorsed. - Improve the capacity building for the JSCs	All approved activities under this output were completed and targets were achieved.	During the last steering committee meeting, a list of activities under this output for the benefit of MoLG was approved (the activities attached).	- All the approved activities under this output were completed by 31, March, 2016 -	Amalgamation policy and approach were unclear.
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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 2015.	MDLF	Work plan was accomplished.
List of joint projects for Salfeet South East Nablus clusters were	- The SC approved the joint projects for all clusters	MDLF	Joint projects were completed
Re allocation Budget	- The SC approved the budget adjustment for LDPIII.	MDLF	The budget adjustments were finalized and attached.



2.5: 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 and MoLG decision for Dura Cluster.

2.6: Lessons Learned 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 Program (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 Program “Support to Local Government Reform and Development Program ” (LGRDP). The Program 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 Program 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 Program 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 Program will support reform and improved capacities and services of smaller LGUs in four selected clusters as shown in table 10 below:



Table 10: LGRDP Targeted Clusters

No.	Cluster	Geographical Area	Governorate	Localities
1	Beita	North “West	Nablus	Audala , Beita , Ausreen ,
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 Hadedeiyah

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 Program 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 Program .

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 11 illustrates the budget breakdown.



Table 11: 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.

Result 2: Smaller LGUs in selected clusters have developed appropriate joint institutional arrangements for joint services and amalgamation	Activity 2.1: An initial survey of the technical and financial viability as well as social acceptability of the proposed future institutional arrangements	Sub-Activity 2.1.1: - The 1st and the 2nd phases of awareness campaign assignment were completed whereas the 2nd phase is still in progress. (100% completion) Tasks completed in the 1st phase of awareness campaign : - 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. Tasks completed in the 2nd phase of awareness campaign : - 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
	Activity 2.2: 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	Sub-Activity 2.2.1: The Fixed Assets Registration and Valuation assignment was completed (100% completion) . Tasks completed: - 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 registers.
	<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.	<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). <u>Tasks completed regarding the SDIPs:</u> - 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 <u>Tasks completed regarding the Physical Planning:</u> - 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.
	<u>Activity 2.4:</u> 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 programs and minor equipment.	<u>Sub-Activity 2.4.1:</u> The institutional capacity assessment and development assignment was completed. (100% completion) <u>Tasks completed:</u> - 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. - Capacity Development Strategy Plan was prepared. - A final report was prepared . <u>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.</u> - Assessment of the existing water service in the area. - Assistance to the legal establishment of the CWD. - Fixed assets identification, registration, and valuation. - Preliminary training for the Board of Director. - Material and equipment needs' assessment - Organisational structure, job descriptions and management procedures for Human Resources - Proposed tariff structure and business plan - Training needs assessment - Preparation of operation and maintenance procedures - Preparation of customers' services procedures and billing system - Preparation of financial procedures - Preparation of communication and internal reporting regulations - Support to the CWD for awareness of the population



		- Procurement of equipment - Recruitment of personnel - Implementation of the set of procedures - Supervision of external activities - On-the-job training - Benchmarking - Performance monitoring tools - Long term assistance
Result 3: Capacities of the selected LGUs are enhanced for improved planning, HRM, financial management, service delivery and accountability	Activity 3.1 capacity development Program will be implemented	Sub-activity 3.1.1: The Equipment and Furniture were supplied within the targeted clusters. (100% completion) Tasks completed: - Supply of IT Equipment for JSCs. - Supply of Furniture for JSCs. - Supply of Total Station for JSCs. - Supply of Stationery for JSCs. Sub-Activity 3.1.2: - The office building (extension or renovation) activity is (postponed) Sub-Activity 3.1.3: The financial support for 12 months initial employment of staff activity was completed (100% Completion) Tasks completed: * 1st phase : (Engineer, Secretary, Urban Planner and Accountant) for each JSC were recruited for one year. * 2nd phase: (Engineer,) for each JSC was recruited for one year. * 3rd phase: - Recruiting of (Engineer) for each JSC (in Progress) : Extension the contracts of the Engineers - Recruiting of executive Manager of each JSCPD for one year.
Result 4: LGUs service delivery is improved through sustainable infrastructure development in the clusters	Activity 4.1: Provision of funding for infrastructure development that enhance the new institutional status of the LGU (amalgamated into municipal council or as JSC).	Sub-Activity 4.1.1: Engage Consultant or Technical Team to assist LGU's (95%) Tasks completed: - <u>Local Technical Consultant - West Bank Clusters (2013) was contracted. (on-going)</u> - <u>Supervision for Water Network Rehabilitation in Beit leqya Cluster was contracted and (completed).</u> - <u>Study and design for Water Supply Network in Beita and Al-Karmel Clusters was (cancelled)</u> - Local Technical Consultant - South Bank Clusters (2015) was contracted. (ongoing)



		<u>Sub-Activity 4.1.2:</u> Implementation and follow up of the approved infrastructure sub-projects. (95% completion) <u>Tasks completed:</u> <u>The First Phase of infrastructure projects (connection roads) was completed. (100%)</u> <u>Second phase infrastructure (social infrastructure) (100%)</u> - Review projects identified within public participation (Completed) - Get steering committee approval (Completed) - Bidding phase (completed) Preparing tender documents announce the invitation for bids (IFB) Bids Opening and evaluation Awarding and contracting - Implementation (In Progress) * Rehabilitation of Beit Leqya, Beit Seera, Beit Nuba & Kharbatha Al-Misbah Water Supply System - PHASE 01 project, (completed) <u>Third Phase infrastructure (80%)</u> - Review projects identified within public -participation (Completed) - Get steering committee approval (completed) - Bidding phase (completed) - Implementation (In Progress)
Component 3: Support for newly amalgamated municipalities (MDP-aligned). 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.		
<u>Result 5:</u> Newly amalgamated municipalities are continuously progressing their performance	<u>Activity 5.1:</u> Undertake regular assessments of municipalities and provide general oversight and guidance to the concerned LGUs (by MDLF staff)	<u>Sub-Activity 5.1.1:</u> Municipal Ranking Assessment was completed. (100% completion) <u>Tasks completed</u> - Evaluate the new amalgamated municipality to decide their performance category in accordance to the municipal performance criteria used by MDLF.



	Activity 5.2: 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.	Sub-Activity 5.2.1: Fiscal Transfers to the amalgamated municipalities is in progress. (100% completion) Tasks completed - 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 for the MDPII-1st cycle and still under implementation for MDPII-2nd cycle.
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****Note: For more details on LGRDP please see annex B*

3.5: Challenges Encountered and Obstacles

During the reporting period the implementation process was subject to 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.

3.6: Lessons Learned and Recommendations

- The awareness campaigns should start before any assignments including physical planning and Fixed assets...etc. Moreover, the awareness should be conducted continuously throughout the Program 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 finding solutions and mitigation measures as needed.
- The financial planning should be more realistic while the operational plans should cover all the durational activities.



IV: Development of Marginalized Communities in the West Bank and Gaza

4.1: Background:

Briefing on Area C: According to the Interim agreement (OSLO II of the year 1995), the Palestinian territory was divided into areas A, B and C, designating various levels of control, and while Area A, designates Palestinian Authority complete autonomy over administrative and security issues; Area B, granted Palestinians only civil/ administrative responsibilities; while in Area C, Israel has full control over this area.

Area C represents over 60% of the West Bank. It is the area where Israel retains almost exclusive control over law enforcement, planning and construction. According to the latest figures provided by OCHA there are an estimated 297,000 Palestinians living in 533 residential areas throughout Area C.

In 1972, there were some 1000 settlers in the West Bank. This population grew exponentially and at the end of 2012 there were an estimated 341,000 Israeli settlers living in 135 settlements and 100 outposts in Area C. Palestinian access, movement and use of land in Area C is restricted by a complex system of physical and administrative rules and regulations. The settlements are physically occupying 11% of Area C but the territory actually under their control is much higher. 70% of Area C is included within the boundaries of the regional councils of Israeli settlements and therefore off-limits for Palestinian use and development. Palestinian construction is heavily restricted in 29% of the remaining area, so that less than 1% has been planned for Palestinian development.¹ Palestinian population in Area C are among the most vulnerable and marginalized in the West Bank. Demolitions of housing and livelihood and forced evictions are causing severe poverty. 24% of the households in Area C are food insecure². Over 70% of communities located entirely or mostly in Area C are not connected to the water network and rely on rainwater or on tanked water at vastly increased cost.³ The Israeli Civil Administration (ICA) takes action to disrupt the supply of water that residents try to obtain from alternate sources⁴.

Area C is a very resource rich area. The restrictive planning and permitting systems imposed by the ICA prevent Palestinians to have access to the land and the resources in Area C. The World Bank published a comprehensive study in October 2013 assessing the impact of the inaccessibility of Palestinian populations to the agricultural land and natural resources in Area C, on the Palestinian economy. The potential impact of this 'withheld land' sets the loss to the Palestinian economy at about US\$ 3,4 billion⁵, or 35% of the Palestinian GDP in 2011. Under this context, development in Area C is

¹ OCHA, Area C of the West Bank: key humanitarian concerns, January 2013

² PCBS, UNRWA, FAO, WFP, Socio-Economic & Food Security Survey, 2012

³ OCHA, Area C of the West Bank: key humanitarian concerns, January 2013

⁴ B'Tselem, Acting the Landlord: Israeli Policy in Area C, the West Bank, 2012 - Between 2000 and 2012, the Israeli Civil Administration (ICA) destroyed 90 cisterns, 61 wells and 17 reservoirs belonging to Palestinians

in Area C. In recent years the ICA has begun confiscating water containers purchased by residents of the Jordan

valley for watering their herds. The supply of electricity that Palestinian communities in Area C receive from

wind or solar power systems is also disrupted by demolitions and demolition orders.

⁵ World Bank, Area C and the Future of the Palestinian Economy, October 2013.



undermined and the resilience of the Palestinian communities in Area C is strongly affected.

Briefing on marginalized communities in Gaza strip: In Gaza strip there are marginalized areas, where according to the recent records, no basic services are available there. Those areas are inhabited for more than 15 years. The reasons behind the delay in providing municipal basic services to those areas are attributed to the following:

- Those areas are located within small border municipalities and relatively newly established municipalities (such the case of Al Shuka Municipality), where the funds for municipal infrastructure channeled to those localities are relatively small and not enough to reach the faraway parts of the municipality's inhabitants especially the border areas.
- Those areas are inhabited randomly and illegally due to socio-economic reasons since decades and were left without basic services (for example: the cases of Al Zawayda and Beit Hanoun).
- Those areas are located outside the jurisdiction borders of a municipality and already inhabited since decades, (for example: the case of Beit Lahia) and left without basic services for years.

4.2: Financing Partner Contribution

The Municipal Development and Lending Fund "MDLF" has received a grant from the Swiss Development Agency "SDC" towards the cost of "Development the Marginalized Communities in West Bank and Gaza " in a total of **(US\$ 2.1 million)**. This project is located under the umbrella of the "High Impact Micro-Infrastructure Project – HIMI" funded by the SDC. The agreement was signed on November, 1st 2014 until October, 30th 2015.

It is worth noting that this project was amended on November 19th , 2015 until June 30th, 2016. The project was amended with additional financing in a total **(US\$ 450,000)** to implement additional three sub-projects in Gaza, accordingly, the total amended budget for the project is **(US\$ 2,743,263)** as shown in table 12 below.

Table 12: Budget Breakdown

No.	Item	Initial Cost (\$)	Revised Budget (\$)
1	Infrastructure (WB)	934,000	1,079,000*
2	Infrastructure (Gaza)	900,000	900,000 (original) 450,000 (additional cost)
3	LTC for design and supervision (WB & Gaza)	115,000	120,263
4	Audit	4,000	4,000
5	Management fees (7%)	147,000	190,000
Total Budget		2,100,000	2,743,263

4.3: Objectives, expected results

A. Objectives

The main objective of this project is to support the marginalized communities in West Bank and Gaza Strip with basic services including "Community development projects, small scale infrastructure & social infrastructure projects". More specifically, **the**



project has targeted 7 localities in area C in the West Bank and 8 localities in Gaza strip.

Those localities are urgently in need to get the basic services including: “access to roads, access to water and wastewater networks, Kindergartens and schools”.

The suggested sub-projects are all related to the urgent needs of those marginalized communities as prioritized in the consultation meetings between the Local Government units and their local communities. Most importantly, those priorities were also emphasized on during the field visits conducted by MDLF and the MOLG where the people there had a chance to present their needs for the mentioned basic services.

B. Expected Results:

By the completion of the proposed sub-projects, it is expected to achieve the following targets **“5.4 km of roads rehabilitation, construction and rehabilitation of 150 m2 of school, construction and finishing of 150 m2 of Kindergarten, construction of 9.725 km of wastewater networks, construction of small wastewater treatment plant”**, where the estimated number of direct/indirect beneficiaries from the proposed project is about **11,671 inhabitants** in the West Bank and **34,300 inhabitants** in Gaza.

It is worth mentioning that the implementation of those sub-projects will affect positively the life conditions of those marginalized people in Area C in the West Bank who are fully controlled by the Israeli occupation, subjected to the restrictions including access to land, resources, as well as limitations on planning, construction and development of their infrastructure. Additionally this intervention will enhance the life conditions for the marginalized communities in Gaza Strip given the vulnerability with higher risk of poverty, low standard of livings, and lack of basic services given the fact that all Gaza citizens became vulnerable due to the latest Israeli Attack in July-August 2014. The expected outcomes of the proposed intervention mainly the roads and wastewater sub-projects can be summarized as per the following:

Roads sub-projects:

- Facilitate the movement of children to their schools.
- Improve the socio-economic and environmental conditions of the residents (especially children and women)
- Decrease the health risks resulting from the unpaved roads
- Improve the economic situation of the farmers through allowing for better access to their fields

Wastewater sub-projects:

- Dispose of health risks resulting from the random wastewater disposed in the area.
- Assist farmers in the area to protect their crops and fields from the impact of the wastewater.



4.4: Sub-Projects Identification and Description

The selected sub-projects in area C in the West Bank were identified based on bottom up approach through the community participation in drafting the Master plans for their localities. Those master plans were approved by MOLG and submitted by the villages councils to the Israeli Civil Administration (ICA) for more than 18 months which are considered tacitly approved by the Israeli as no major objection has been raised within 18 months.

The selected sub-projects in area C were visited by MDLF staff in collaboration with the MOLG where the concils members as well as the local communities there have emphasized on the importance and vitality of those projects to their localities

Regarding the selected sub-projects in Gaza Strip, the projects were selected by the municipalities based on the community complaints regarding the lack of basic services within their areas. Those sub-projects were visited by MDLF staff for further analysis and detection of the importance of these sub-projects for the target areas.

As for the sectors of the sub-projects included under this fund, these are classified into roads, water, wastewater and public facilities. **Table 13** shows the percentage of the allocation of budget per sector. It is noticed that roads projects form the majority of projects, forming 86.9% of total allocations in Area C in the West Bank. However, 77.8% of the Gaza sub-projects allocation are categorized under the wastewater sector.

Table 13. The Distribution of the Allocated Budget by Sector.

Region	Sector	Revised Allocation (\$)	Percent of Total
West Bank (Area C)	Roads	938,011	86.9%
	Water	0 (cancelled)	0%
	Public Facilities	140,989	13.1%
	Sub-Total	1,079,000	100.0%
Gaza Marginalized Communities (original fund)	Wastewater	900,000	77.8%
Gaza Marginalized Communities (Additional fund)	Wastewater	150,000	
	Roads	300,000	22.2%
	Sub-Total	1,350,000	100.0%
Total		2,429,000	

4.5: Implementation Status

Since the signature of the agreement between MDLF and the SDC, MDLF has started the coordination with the key stakeholders effectively (SDC, the MOLG and the target LGUs) to meet the planned targets and to avoid any miss communication during the implementation. In this regards MDLF had conducted several meetings with the MOLG and the target LGUs to make sure that all the preparatory activities were done regarding



the permits and approvals from the inline ministries such as, getting the needed approval from the Ministry of Education for adding class rooms, getting the approval from the Palestinian Water Authority for expansion or construction of water networks among other activities..

In parallel to effective communication with the key stakeholders, MDLF had started the procurement arrangements to contract a Local Technical Consultant in West Bank and Gaza for design and supervision. In this context, MDLF had prepared a clear TOR for the consultancy service of the design and the supervision work package where the MDLF is responsible for technical review of the LTCs deliverables and to ensure that the project is moving on the right track according to the implementation plans prepared from the beginning.

The LTC for the West Bank was contracted in March 2015. However, it was agreed by the SDC to contract the EMCC as a single source to conduct the design and supervision of Gaza sub-projects. The local Technical consulting firm (EMCC) has been contracted by MDLF on December 2014, to conduct the design of the selected projects and to provide the technical assistance to municipalities in monitoring the implementation and then report to MDLF.

Following the contract with the LTCs, a kick off meetings were conducted with the LTCs to ensure the clear understanding from the consultant on the scope of work and the main tasks he/she is responsible for. Upon the kick off meeting, the LTCs were requested to start communicating with the target LGUs and conduct the field visits to projects locations to verify the description and the costing of sub-projects as well. It is worth mentioning that upon the field visits to the target LGUs, there have been changes to the scope of work and the extent of some of the sub-projects.

It is worth mentioning that

Regarding the implementation status of West Bank/Area C sub-projects, **table 14** shows a summary of the sub-projects progress and the verified description of the sub-projects as well. The implementation status can be illustrated as follows:

- **Eight (8)** sub-projects are completed in a total **\$ 894,030**.
- One of the sub-projects, namely the Expansion of Water Network in Arab Abu Farda was cancelled as the same sub-project is being implemented by the Palestinian Hydrology Group (PHG), its allocation was utilized to amend the scope of other sub-projects upon the recommendation from the LTC to increase the coverage of those sub-projects for better services of those marginalized communities.
- One sub-project, namely, the construction of Al-Rashayda Kinder Garden is still under implementation in a total **\$ 165,000** and expected to be completed within two months. It should be noted that this sub-project was subject to delays due to the following:
 - o The bid was retendered as the lowest price in the first time exceeded the cost estimate.
 - o Additionally, there were unforeseen technical issues that surfaced during the excavation of footings, where the soil investigation identified the needs for re-design of the footings and the construction of additional Underground floor.



Table 14: Summary of the Status of sub-projects / West Bank –Area C

No.	Governorate	LGU	Sector	Project Name	Estimated Cost (\$) as per the amended agreement	Final Estimated Cost /Contracted ((\$)	No. of Beneficiaries/ Population	Brief Description		Status
								As per the grant proposal	Upon the field visit by the LTC	
1.	Qalqilia	Arab Abu Farda	Water	Rehabilitation of water network	80,000	0	134	Installation of 1000 m (3/4") water line (HDBE) and 900 m (3") transition line (HDBE)	Installation of 840m (3") (HDBE) 476 (3/4") (HDBE) + manholes	The project was cancelled as the same project is being implemented through the Palestinian hydrology group (PHG)
2.	Qalqilia	Arab Al-Ramadeen	Roads	Rehabilitation of internal roads	82,000	80,000	256	Rehabilitation of 1000 m, 5m width	Rehabilitation of 603m, 5m width	Completed
3.	Jerusalem	Al-Nabi Samweel	Roads	Rehabilitation of internal roads	90,000	70,000	286	Rehabilitation of 700 m, 5m width	Rehabilitation of 566.5m, 5 m width.	Completed
4.	Jerusalem	Al-Nabi Samweel	Public Facilities	Rehabilitation of Existing School	20,000	10,989		Rehabilitation of 150 Sq. m school	N.A.	Completed
5.	Jericho	Fasayel	Roads	Rehabilitation of internal roads	93,000	95,257	1,258	Rehabilitation of 700 m access road, 5 m width. The work includes pipe culvert (1m diameter).	Rehabilitation of 905m access road, 5 m width.	Completed
6.	Hebron	Southern Tarqumia	Roads	Rehabilitation of internal roads	214,000	228,364	2,000	Rehabilitation of two roads segments (Al-Zaytoun road 800 m, Abu Al-Reesh road 200 m), 5m width. The work also includes the construction of stone walls (150 m), concrete shoulders (200 m), and the installation of pipe culvers (1m Diameter)	1606 m, 5m width replacement sub grade 5 m asphalt, and 80 cm concrete shoulders	Completed



7.	Salfeet	Bruqin	roads	Rehabilitation of Bruqin entrance (Al-Buq'an area)	165,000	188,168	3,674	Rehabilitation of Bruqin entrance (4500 m ²). The work includes excavation, base course, asphalt, retaining walls and curbstone.	Rehabilitation of Bruqin entrance with 722m length, 8m asphalt width, 12 m base course 2m sidewalk from each side.	Completed
8.	Jericho	Al-Rashayda	Roads	Rehabilitation of internal roads	75,000	79,347	1690	Rehabilitation of 500 m of roads, 5 m width.	429.58m, 5 m width Box culvert 2*2 m ²	Completed
9. A	Jericho	Al-Rashayda	Public Facilities	Construction of kindergarden	130,000	150,000		Construction and finishing of 150 m ² kindergarden	194 m ² building	The project was subject to delays due to the following: - The bid was retendered as the lowest price in the first time exceeded the cost estimate which resulted delays of 30 days. - Additionally, there were unforeseen technical issues that surfaced during the excavation of footings, where the soil investigation identified the needs for re-design of the footings and the construction of additional Underground floor. Thus additional 30 days were required to complete these unforeseen activities.
9.B	Jericho	Al-Rashayda	Public Facilities	Supplying Games for the Kindergarten	----	15,000		Supply of games for the Kindergarten	Supply of games for the Kindergarten	Preparation for tendering Progress (0%)



10.	Bethlehem	Al-Walaja	Roads	Rehabilitation of internal roads (schools street)	130,000	141,905	2,373	Rehabilitation of 800 m of roads, 7 m asphalt width. The work includes base course, excavation and backfilling, retaining walls construction and culverts.	Rehabilitation of 1,139m of roads, 5 m asphalt width. The work includes base course, excavation and backfilling, boulders and Irish crossing.	Completed
	Total				1,079,000**	1,059,030	11,671			





Regarding the implementation status of Gaza sub-projects; **Table 15** below shows the updated progress of the subprojects, where the status can be illustrated as follows:

- Six (6) sub-projects are completed in a total of **\$900,000** with no major obstacles recorded during the implementation period except in Beit Lahia Project, a delay was recorded due to prolonged discussions on the final design between the municipality, the LTC and the CMWU. In general, the materials needed for the sub-projects implementation in Gaza have been mostly secured from the local market, particularly (pipes as all the projects are waste water projects). However, the needed cement has been provided through the coordination mechanism of material entry, namely the Gaza Reconstruction Mechanism (GRM) wherever is needed.
- One sub-project project for AL-Musadar Municipality was cancelled as the Municipality at a late stage informed MDLF of receiving fund from the CMWU as part of CMWU intervention to conduct repairs of damaged water facilities as a result of the 2014 War. The saved fund in a total of “\$ 30,000” was re-distributed to both Bani Suuhila and Beit Lahia Projects to cover the needs of those sub-projects.
- The last Three additional sub-projects are still under implementation in a total of **\$ 416,258** and will be completed within the coming few months. The implementation progress of those sub-projects is severely affected by the restrictions on the import of construction materials to Gaza Strip through the Gaza Reconstruction Mechanism (GRM). It is worth noting that the progress in Al Moghraqa sub-Project is estimated at 85 % while the progress in the other two roads sub-projects in Un-Al-Naser and Rafah is 10% and 30% respectively.

Table 15: Status of Gaza sub-projects

NO.	Municipality	Description - (Project Name)	Allocation (USD)	Contract Amount (USD)	Percentage of completion	Status
1	Al-Shouka	Construction of wastewater network in Al Shoukah	160,000	159,998	100%	The project is completed
2	Al-moghraqa	Construction of wastewater network in Al Iman Area and North Area	150,000	149,980	100%	The project is completed



3	Beit lahia	Construction of wastewater network in Al Berka Area	165,000	167,723	100%	The project is completed
4	Bani Suhaila	Construction of wastewater network and pump in Abu Sruor Area And Jamal abdulnaser street	165,000	164,998	100%	The project is completed
5	Al-Zawayda	Construction of wastewater network in Al Qu'ann Area	140,000	137,311	100%	The project is completed.
6	Beit Hanoun	Construction of wastewater network in Ezbit Bait Hanoun area- Beit Hanun-North Gaza	120,000	119,990	100%	The project is completed.
7	Al Musadar	Rehabilitation of water reservoir-Al Msaddar-Dair Al Balah	0	0	0	The project was canceled as the project received financing from other donor as per the information provided by municipality.
8	Al Moghraqa	Construction of Waste Water Network in Street No. 14 (AL Malahe Street) in Al Moghraga	150,000	143,725	85%	On Going
9	Um Al Naser	Pavement of interior streets in Abu Edhail Neighborhood – Um um al Nuaser Municipality	150,000	150,000	10%	On Going
10	Rafah	Pavement of interior streets in Amer Mashro' – Rafah municipality	150,000	122,533	30%	On Going



It should be noted that the project was planned to be accomplished by end of June 2016, however, the project implementation has faced certain challenges due to several circumstances and were subject to delays during the last period as described above. Based on that it was amended until 31/10/2016.

4.6: Obstacles and Challenges

- Lack of readiness to start the implementation, particularly, projects sites readiness and the coordination between the LGUs with line ministries.
- Access restrictions to most of the locations which are located behind the separation wall.
- Insufficient capacities of the LGUs staff to deal with the procurement arrangements and to communicate with the line ministries to get the needed approvals if needed.
- Access restrictions of materials and goods to some of the target localities which caused delays, particularly Al-Nabi Samweel, Arab Al-Ramadeen and the restriction of entering the construction material to Gaza through the GRM.
- There was a challenge for MDLF and the LTC to have a solid quality control on the implemented sub-projects, specifically where there were access restrictions for the MDLF and the LTC staffs.

4.6: Lessons learned And Recommendation

- It is recommended that more coordination efforts are needed to coordinate with the MOLG, and SDC, (to facilitate reaching the site by the LTC staff and MDLF and granting them the needed permits).
- It is recommended to conduct training for the LGUs during the preparation phase to avoid delays and to ensure the readiness of the sub-projects sites for implementation.
- It is recommended to have a data base for the contractors who have previous experience in the projects implementation in area C, this will minimize the risks of working within special circumstances in area C.
- It is recommended having a good balance between the quality control and the efficient implementation of the sub-projects.
- It is recommended to align the MDLF procurement arrangements with the special needs for area C, particularly, the simplification of the bidding documents and the selection process of the contractors.
- It is recommended to construct a database for the prices of sub-projects in area C, to be considered for the cost estimates of the future interventions in area C.



V: Development of Area C in the West Bank

5.1: Background

Under the interim Oslo Accords negotiated by the Israelis and Palestinians in the mid-1990s, land in the West Bank was divided into three areas: Areas A, B, and C. In Area A, the Palestinian Authority (PA) assumed full control for civil affairs and security; in Area B, the PA would similarly administer civil affairs but share security control with the Israelis; and in Area C, Israel assumed responsibility for most civil affairs and has full security control. This arrangement was considered temporary pending a final status agreement on Palestinian statehood.

In the West Bank, Area C represents more than 60 percent of the land including the economically strategic area of the Jordan Valley. It is the only major contiguous area of territory in the West Bank and is home to more than 250 Palestinian communities. Most of Area C in the West Bank is still inaccessible to large-scale Palestinian investment and economic enterprise. Given its economic importance, the expanded development of Area C by Palestinians, as foreseen by the interim Oslo Accords, is critical for the future viability of the Palestinian economy.

Israel retained full building and planning authority in Area C, which encompasses some 60% of the West Bank. Israel strictly limits Palestinian settlement, construction and development in this area, while ignoring the needs of the Palestinian population. This policy means Palestinian residents must subsist in very rudimentary living conditions. They are denied any legal means to build homes or develop their communities, so they face the constant fear that their homes might be demolished, and that they may be expelled and lose their livelihood.

The Israeli Civil Administration prohibits Palestinian construction in vast areas of Area C, citing various rationales, such as defining these areas as state land, survey land, firing zones, nature reserves and natural parks, or by incorporating lands into the jurisdiction of settlements and regional councils.

Given the Civil Administration's policy, the prospects for receiving a building permit outside the scope of the master plans are very slim. Therefore, most Palestinians feel it is futile to apply and do not even submit an application. The Civil Administration refuses to grant building permits even for public buildings, such as schools and medical clinics and to infrastructure such as roads.

In addition, the authorities prevent Palestinians from building even on lands that are enclosed between the Green Line and the Separation Barrier. After deducting for overlap among the various areas described above, Palestinians are prohibited from building on some 70% of Area C.

Moreover, the Palestinian access, movement and use of land in Area C is restricted by a complex system of physical and administrative rules and regulations. The settlements are physically occupying 11% of Area C but the territory actually under their control is much higher. According to recent statistics by the United Nations in (2013) the following facts should be highlighted:



- Approximately 297,000 Palestinians live in area C⁶ including Bedouin in more than 250 Palestinian Communities
- Approximately 325,000 Israeli Settlers currently live in Area C
- 70% of Area C is off-limits for Palestinian Construction of which 30% is heavily restricted
- Most of Area C has been designated as military zones and for expansion of Israeli settlements
- There has been a marked increase in demolitions in Area C
- 42% of Area C is defined by Israel as “STATE LAND”.

The Palestinian National Authority (PA) wants to counteract the pressure from these actions on Palestinian people living in Area C to leave and find a livelihood in other sectors, elsewhere.

With the assistance from the international community and particularly the EU, the PA aims to support the recovery and continued existence of different activities in the West Bank through financial support to eligible localities.

A new approach for implementing projects in Area C has been used by the EU. The first step of the new approach is to engage Palestinian communities in Area in the development of urban planning by identifying their private, social and public build-up areas for the next 20 years. The statutory outline plans are then submitted to the PA and to the Israeli Civil Administration (ICA) and complemented with detailed planning packages for transport, water and wastewater networks.

5.2: Description

This program is based on the signed agreement between the European Union and the Palestinian National Authority in March 2013 2012/023-776 *Land Development and Access to Basic Infrastructure in Area C*. As preparatory activities for this action, coordinated efforts took place by the EU and the PA to support Palestinian communities in Area C in the development of statutory outline plans. Those plans were developed in an inclusive participatory approach (including women, youth and people suffering from disabilities). The developed plans were submitted and registered at the Israeli Civil Administration (ICA), where they were discussed and complemented with detailed planning packages for roads, water and wastewater networks.

The development of nine plans has so far been completed. These nice plans were published in Palestinian and Israeli newspapers for a 60-day public objection period. Only two of those plans have so far received full authorization. In order to prevent endless discussions and delays of the planning process by the ICA the EU and PA have agreed on the following approach for implementing infrastructure projects in localities in Area C engaged in the planning process. Implementation of infrastructure projects in communities in Area C may start once a statutory outline plan has been formally approved by the Israeli authorities or is considered as tacitly approved if no major objection has been raised within 18 months following the submission of the plan by the Village Councils to the ICA. This approach was agreed upon between the PA and

⁶OCHA – Area C Vulnerability Profile 2013
http://www.ochaopt.org/documents/ocha_opt_fact_sheet_5_3_2014_En_.pdf



the EU in the Financing Agreement 2012/023-776 *Land Development and Access to Basic Infrastructure in Area C*.

The statutory outline plans and the action plans were prepared for a set of villages in area C taking into consideration the demographic and socioeconomic needs including the priorities for such development per each sector. Accordingly, a set of sub projects was suggested and identified by the local communities to be implemented within the boundaries of the statutory outline plans. All proposed projects are public and social infrastructure aimed at improving the quality of life for the inhabitants within those localities.

In accordance with the strategic preferences of the PA in the target area, the grant proposal will focus on sustaining and further developing infrastructure facilities within different localities in Area C.

➤ **Objectives and Expected Results (as per the agreement)**

The overall objective of this program is to improve the social and economic conditions of Palestinian communities in Area C which is critical for maintaining Palestinian presence in Area C and for the development of the Palestinian economy.

The specific objective of the action is to improve access to basic infrastructure in Area C through supporting the communities there with basic services including “Community development projects, small scale infrastructure & social infrastructure projects”.

This program will be implemented in nine localities in Area C. The target localities are as follows:

- Dab'a & Ras Tira and Ezbit Al-Tabeeb in Qalqilia Governorate
- Imnaizel, Twaneh in Hebron Governorate
- Ras Al-Wad in Bethlehem Governorate
- Abdallah Al-Younis and T'innikin Jenin Governorate.
- Um Al-Lahim in Jerusalem Governorate.

The approved sub-projects were identified based on the community needs in response to the urgent needs for improving the services delivery. These sub-projects will focus on covering the basic services for the target communities such as “rehabilitation/construction of water networks, building schools/ adding classrooms, parks and recreation, electricity services, roads construction and rehabilitation”.

➤ **Target Areas and Beneficiaries**

This program will be implemented in nine localities in Area C. The target localities are as follows:

- Dab'a & Ras Tira and Ezbit Al-Tabeeb in Qalqilia Governorate
- Imnaizel, Twaneh in Hebron Governorate
- Ras Al-Wad in Bethlehem Governorate
- Abdallah Al-Younis and T'innik in Jenin Governorate.
- Um Al-Lahim in Jerusalem Governorate.



The selected sub-projects were identified based on the community needs in response to the urgent needs for improving the services delivery. These sub-projects will focus on covering the basic services for the target communities such as “rehabilitation/construction of water networks, building schools/ adding classrooms, parks and recreation, electricity services, roads construction and rehabilitation”.

The expected direct beneficiaries from the proposed action are around 3,700 inhabitants distributed among the nine targeted localities.

5.3: Sub- Projects Identification and Description

The selected projects in the target localities were identified based on the outline plans and the action plans developed by the IPCC. The outline plans were validated by the communities through community participation workshops in the field, involving a broad spectrum of the affected communities, including the women, boys and girls and the elderly in the community, and then endorsed by the Ministry of Local Government.

The selected projects were visited by MDLF staff in collaboration with the MOLG where the council’s members as well as the local communities there have emphasized on the importance and vitality of those projects to their localities.

There is one component that would be supervised in this assignment which is directed to supporting the selected LGUs services and rehabilitation sub-projects. The total amount of Funds allocated for sub-projects in the targeted LGUs in the West Bank is (Euros 1,723,035).

5.4: Implementation Status

Since the signing of the agreement between MDLF and the EU, MDLF has started the coordination with the key stakeholders effectively (EU, the MOLG and the target LGUs) to meet the planned targets and to avoid any miss communication during the implementation. In this regards MDLF had conducted several meetings with the MOLG and the target LGUs to make sure that all the preparatory activities were done regarding the permits and approvals from the inline ministries such as, getting the needed approval from the Ministry of Education for adding class rooms, getting the approval from the Palestinian Water Authority for expansion or construction of water networks,.....etc.

In parallel to effective communication with the key stakeholders, MDLF had started the procurement arrangements to contract a local technical consultant in West Bank for design and supervision. In this context, MDLF had prepared a clear TOR for the consultancy service of the design and the supervision work package where the MDLF is responsible for technical review of the LTCs deliverables and to ensure that the project is moving on the right track according to the implementation plans prepared from the beginning.

The LTC was contracted on 18th of March 2015. Following the contract with the LTCs, a kick off meeting was conducted to ensure the clear understanding from the consultant of the scope of



work and the main tasks he/she is responsible for. Upon the kick off meeting, the LTC was requested to start communicating with the target LGUs and conducting the field visits to projects locations to verify the description and the costing of sub-projects as well.

More focus on the works conducted during the reporting period, it could be summarized as per the following:

✓ **Preliminary Stage:**

- A kick-off meeting with LTC representatives and EU engineer was conducted on March 24th, 2015 to discuss the project components, allocations and other issues.
- Field visits had been conducted to the target LGUs in all Governorates by MDLF's Engineers and the LTC in order to know each other and to introduce the team and start collecting the needed data.
- The field survey was carried out including the projection of all structures, manholes, poles, walls and any underground facilities if any within the affective corridor of the road project and within the affective area of the public facilities.
- Following the field investigation, MDLF and the LTC had communicated effectively with the planning department/MOLG to make sure that all the projects sites are located within the master plans boundaries.
- A procurement plan (PP) was prepared for all the work packages where some of them are consultancy, non-consultancy services, works and goods. The PP was sent to the EU for their feedback and comments.
- A communication and visibility plan for the program was prepared by MDLF and cleared by the EU.

5.5: Implementation Status

✓ **Design Stage :**

In order to prepare a complete design for each single sub-project the following steps were taken:

- The needed design data were collected and the site investigation was conducted to decide and verify the steps needed in each single project.
- The collected data was represented in the format that would assist in preparing environmental risk assessment and social impact and social risk assessment.
- Direct consultation was conducted with the target LGUs concerning the legal status and license for each project and also consult the LGUs as well as with the in line ministries to verify the required standards and design criteria.



- The LTC with a direct support from MDLF instructed the LGUs to create and organize an independent project file for each single project.
- The needed soil and structural investigations and tests was conducted for some projects.
- The project license for some projects from the concerned inline ministries was obtained.
- The LTC has completed the design phase of the majority of sub-projects, where the tender documents were prepared in accordance to the MDLF procurement manual. Table 5 below, illustrates the status of the sub-projects.



Finishing of Public Hall / Ezbit Al – Tabeeb / Qalqilia



Rehabilitation of Internal Roads/ Um Al Lahim / Jerusalem



Rehabilitation of internal roads / Twaineh – Hebron



Rehabilitation of Roads / Izbet Al Tabeeb - Qalqilya



Construction of Service Center / Abdallah Al Younis - Jenin



Construction and Finishing of Kinder Garden / Ti'nik–Jenin



Table 16: Implementation Status for the infrastructure sub-projects

No.	Project Name	Brief Description	Original Estimated cost	Procurement method	Verified estimated cost (revised by the LTC)	Lowest responsive bidder Contracted	Implementation Status
1	Construction and finishing of kindergarten - Dab'a&Ras Tira	Kindergarten will serve almost 30 children from the area. The building is newly constructed with an area of 142 m², which consists of two class rooms, an administration room, a restroom, a kitchen, toilets and outdoor playing area as well as few playing equipment.	55,600	Shopping - Works	88,260	117,488	The project is under implementation and 85% of the works were completed, however, delays occurred due to variation order. (Ongoing)
2	Expansion of water network -Dab'a	The total length of the network on ground is around 700 meter long, this will serve the whole population of Dab'a.	37,000	Shopping - Works	75,000	63,060	(Ongoing)
3	Supply of transformer - Dab'a	The preliminary description of the projects is aimed to supply a transformer, a panel, galvanized frame and fuse. During the design period it was deemed that in order for the transformer to be functional there is a need for a cable to connect (around 200 meters long). A fact that increased the cost estimate nine folds.	10,500	Shopping - Goods	93,000	<i>Cancelled</i>	The Project was cancelled.



4	Construction of public play ground in Ras Tira	There is no existing playground in the area. The area of the playground is around 1000-square meters, project is expected to serve the population of Ras Tira and the surrounding areas.	56,000	Shopping - Works	61,129	77,224	The project was completed
5	Finishing of public hall- Ezbit Al-Tabeeb	A public hall already exists but needs finishing works. The entire population of Ezbit al Tabeeb and the surrounding areas will benefit from the project	11,400	Shopping - Goods	13,115	13,759 + 10,935 for furniture and equipment. (4,175) furniture and (6,760) Equipment	The project was completed. Furniture and Equipment to the hall will be provided within one month.
6	Rehabilitation of internal roads-Ezbit Al-Tabeeb	Rehabilitation of 778 meters of roads and 496 meters of sidewalks (1.5m each side), including 32 lighting units.	344,000	Shopping - Works	285,320	140,033	- The outline plans and the transportation plans indicated that these plans were developed to be achieved in 20 years (the target year), i.e the plans were set to be implemented gradually. Hence, the implementation of this project is considered a phase towards achieving the full target of the master plan. The Project was recently completed.



7	Construction of Kindergarten - Imnaizel	This Kindergarten will serve about 30 children from the area, the building is a newly constructed building of an area 142 m ² , consisting of two class rooms, administration room, rest room, kitchen, toilets and outdoor playing area with some playing equipment. The plot is below the street level of about Three meters, thus, there is a need to ramp to the level of the plot, and erect retaining walls.	62,500	Shopping - Works	96,189	167,517	The project is under Implementation with 67% of the works completed. A delay was caused due to change of location of the project. The Construction of Kinder Garden in Immaizel was subject to delay, where the location of the sub-project was changed due to the land ownership. Consequently, additional time was needed to communicate with the village council to ensure the compliance with the social safeguards.
8	Development of Existing Clinic - Imnaizel	The Current clinic services is working once a week, the project aims to develop the clinic services to function full time, but following discussions with stakeholders it was determined that the facility will operate four days a week. All Immaizel population and the surrounding areas are expected benefit from this Clinic	10,000	Shopping - Goods	10,000	10,000	The project was almost completed where the equipment's will be installed within a week.



9	Rehabilitation of internal roads - Twaneh	Rehabilitation of 300 meter length, with 300 meter sidewalks (1.5m each side). The ROW of the road to be designed is 12m , but the road lies in a cliff area , which needs the construction of Retaining structures (168 m) in order to construct the road on the full width of the ROW.	262,150	Shopping - Works	221,540	180,000	- The outline plans and the transportation plans indicated that these plans were developed to be achieved in 20 years (the target year), i.e the plans were set to be implemented gradually. Hence, the implementation of this project is considered a phase towards achieving the full target of the master plan. The project is under implementation with 75% of the works completed.
10	Construction of additional floor for Twaneh basic school - Twaneh	The Existing school does not have grade 12, the students have to look for other schools in the surrounding areas. The school also needs computer labs, sports room and additional facilities. Additional first floor to the existing building was designed with an area of 289 m ² , consisting of three classrooms, computer lab and staircase.	98,200	Shopping - Works	83,368	100,000	The project is under implementation with 66% of the works completed. The Construction of additional floor for Twaneh basic school, was subject to technical obstacles related to the lab test of the concrete slab. The work stopped on site waiting for the tests results verification which may create dispute and technical discussions among the involved key stakeholders.
11	Construction of Kindergarten - Ras Al-Wad	This Kindergarten will serve about 30 children from the area, the building is a newly constructed building of an area 142 m ² , consisting of two class rooms, administration room, rest room, kitchen, toilets and outdoor playing area with few playing equipment.	46,400	Shopping - Works	86,759	127,765	The project is under implementation with 96% of the works completed.



		The plot level is under the street level of about 3m, where the need to ramp to the level of the plot, and retaining walls.					
12	Construction and finishing of multipurpose center - Abdallah Al-Younis	A new building with an area 265 m ² already designed, consisting of a local council offices (two offices, kitchen and toilets), clinic (a clinic room and a nurse room), kindergarten (two classrooms, administration room, rest room, kitchen, toilets and outdoor playing area).	88,000	Shopping - Works	153,827	211,581	The project is under implementation with 30% of the works completed.
13	Construction of Kindergarten - T'innik	Kindergarten will serve about 60 children from the area. There are currently no kindergartens in the area, the building is a newly constructed building of an area of 142 m ² , consisting of two class rooms, administration room, rest room, kitchen, toilets and outdoor playing area as well as few playing equipment.	61,600	Shopping - Works	122,835	138,849	The project is under implementation with 95% of the works completed.
14	Rehabilitation of internal roads - Um Al-Lahim	Rehabilitation of Um Al-Lahem main road with total length of (1,100 m), that passes through the village and connects it with adjacent communities. - Pavement of 1,100 m road segment (the first segment	454,650	Shopping - Works	347,490	337,325	- The outline plans and the transportation plans indicated that these plans were developed to be achieved in 20 years (the target year), i.e. the plans were set to be implemented gradually. Hence, the implementation of this projects is considered a phase towards achieving the full target of the master plan.



		560 m with 7 m asphalt width) and (the remaining segment 440 m with 4 m asphalt width). - Construction of 560 m sidewalks (1.5 m per each side) - Construction of 170 m retaining gravity walls \Construction of 900 m stone walls . - Construction of 500 m street lighting network (including 23 lighting unit)					The project was recently completed.	
15	External works for the multipurpose center - Um Al-Lahim	The existing Multi-Purpose Center needs some minor external works such as safety hand rails and rain shelters, the entire population of Um Al Lahim will benefit from this project.	12,000	Shopping - Works	11,966	12,400	The project was completed.	



5.6: Obstacles and Challenges

- The low capacity of the LGU's generally and in relation to procurement procedures, preparation of bidding documents and procurement plans.
- The need of permits to enter certain areas such as Abdallah Al –Younis has hindered the smoothness of the performance of the projects, this was especially true in case where staff were denied access to these areas.
- There is a major challenge regarding the implementation of the roads sub-projects in accordance to the specified right of way (ROW) as stated in the outline plans. This means that the Right of Way (ROW) could not be achieved in some locations within the outline plans boundaries.
- The coordination with the MOLG took more time than expected, especially for the verification of projects locations (with and without of the existence of the outline plans).
- The continuous preventing of the free access and free movement in the West Bank imposed by the Israeli occupation, often mounting to full closure of some areas, obstructs the real development of Area C. This has proven especially true in the last few months due to the escalating security conditions.

5.7: Lessons Learnt and Recommendations

- The lack of the capacity and needed skills of most LGU's to design their sub-project and to prepare ESMP. In order to overcome this challenge, on-job training and site visits are encouraged. This will enable the LGU's to be efficient and sustained institution.
- Focus on training and workshops specifically those with social and environmental components.
- Further attention has to be ensured from early stages of the projects identification and description, especially infrastructure and roads sub-projects.



VI: Gaza Solid Waste Management Project

6.1: Background

The Gaza Solid Waste Management Project is a comprehensive strategic infrastructure and capacity building project, where MDLF is managing the southern component of the project covering 3 of 5 governorates in Gaza Strip, namely the Middle Area, Khan Younis, and Rafah Governorates comprising approximately 64% of Gaza Strip's total geographic area inhabited by 46% of the total Gaza Strip's population⁷, or approximately 800,000 people according the 2014 Palestinian Central Bureau of Statistics (PCBS) projections. The figure (down-right) provides map of Gaza Strip with project target area. The GSWMP is aiming at improving solid waste management services in the Gaza Strip through the provision of efficient and environmentally- and socially-sound waste disposal schemes, and initiating measures to improve overall solid waste management systems. Through the GSWMP, a sanitary landfill will be constructed in the southern region of Gaza Strip with capacity to serve the 3 governorates until year 2025, and to serve the entire Gaza Strip until the year 2040. This major construction effort will be implemented in phases on an overall area of 47.2 hectares with immediate land area needed for first three cells of 21.5 hectares. The new facility will be equipped to operate at high standard and it will be complemented by a system of solid waste transfer stations in each governorate in addition to comprehensive capacity building programme to improve service provision at the different stages of solid waste management, including the supply of new solid waste collection vehicles to the newly expanded JSC-KRM and its member municipalities accompanied by institutional strengthening measures and training. Through the GSWMP, studies and investments in recycling and resource recovery will take place encouraging the participation of private sector, in addition to further involvement and participation of the population through broad public outreach and public awareness activities.

6.2: Project Description

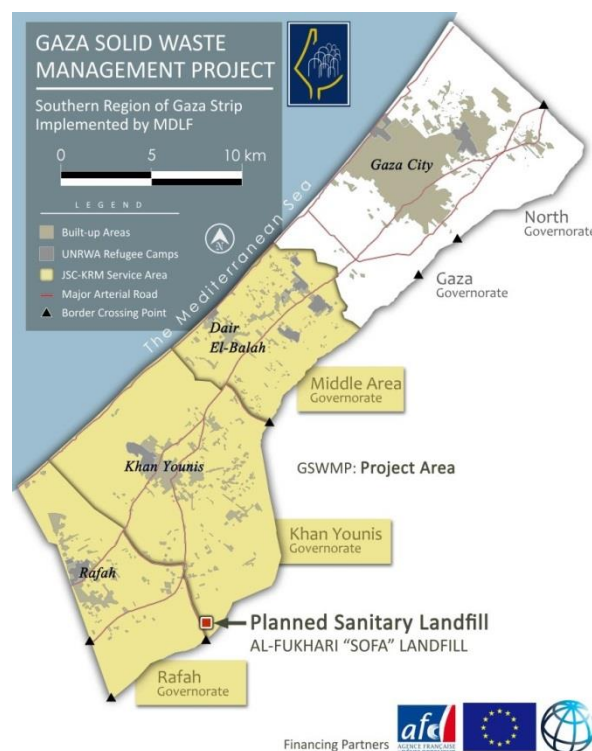
Project Development Objective

The objective of the project is to improve solid waste management services in the Gaza Strip. This objective would be met through the provision of more efficient, environmentally and socially sound waste disposal systems, and by initiating measures to improve Gaza and the West Bank's overall solid waste management system.

Project Development Objective (PDO) Level Results

Indicators

- Percentage of solid waste collected from the targeted population, disposed in a new sanitary landfill developed under the project.
- Percentage of increase in fees collected annually within the member municipalities forwards cost recovery.
- Number of people in urban areas with access to regular solid waste collection under the project.



⁷PCBS projected population by Governorate for 2012: North Gaza (322,126), Gaza (569,715), Middle (238,807), Khan Younis (310,868), and Rafah (202,777).



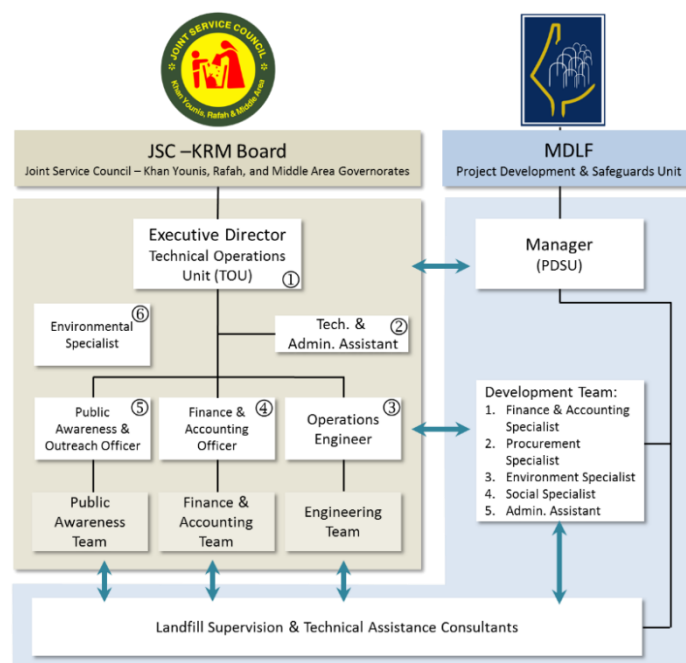
- Number of waste pickers whose lives depend on the existing solid waste context and who are integrated into livelihood and social inclusion programs under the project.
- Contaminated land or dump-sites closed and rehabilitated under the project (in hectares (ha)).
- Direct project beneficiaries (number) of which females (percentage).

Project Components

- Component 1: Solid Waste Transfer and Disposal Facilities
- Component 2: Institutional Strengthening
- Component 3: Primary Collection and Resource Recovery
- Component 4: Project Management

Implementation Team

GSWMP is implemented by MDLF through the Project Development and Safeguards Unit (PDSU) based together with the Joint Service Council's Technical Operations Unit (JSC-TOU). Both units are stationed in the same premise allowing smooth flow of information across all team members, thus ensuring the cooperation and constructive implementation of project activities. The chart – to the right - illustrates project team structure.

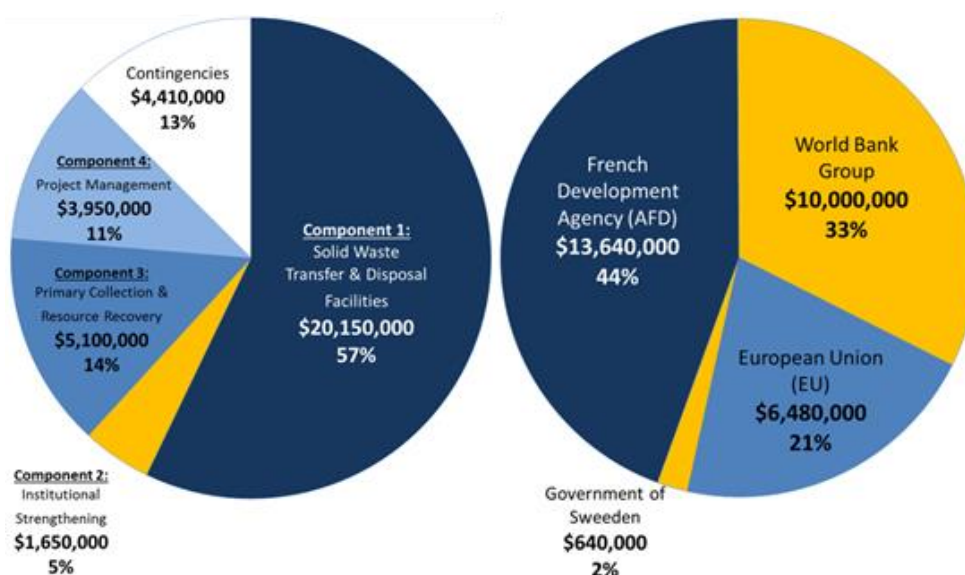


6.3: Financing Partners' Contribution

The project is financed by the French Development Agency (AFD) and the European Union (EU) via AFD, and by the World Bank Group (WBG) and the Government of Sweden via (WBG). The contributions are divided as follows:

AFD/EU Euro 14,750,000

WBG/SW.....USD 10,000,000





The allocated budget is well illustrated in table 17 by donor per component.

Table (17): Total Allocated Budget per Component Activity and Financing Partner

PAD Comp. Ref.	Procurement Plan Ref.		Description	Amount Million USD		
	No.	Category		AFD EU*	WB SW	TOTAL
<u>Component 1: Infrastructure Development</u>						
C1a	1.1.1	Works	Construction of Sanitary Landfill	6.75	5.25	12.00
C1b	1.1.4	Works	Construction of Transfer Stations (TS) – Rafah & Middle	0.40		0.40
C1c	2.1.1	Goods	Supply & Installation of TS and LF Equipment	2.50		2.50
C1d	1.1.2	Works	Access Roads to Landfill and TS		1.15	1.15
C1e	1.1.3	Works	Closure of Existing Dump Site		0.60	0.60
C1f	ARAP Implementation (via UNDP-DEEP)					
C1g	Land Acquisition for Landfill and TS (via PNA)					
<u>Component 2: Institutional Strengthening</u>						
C2a	4.1.2	Consultants Services (CS)	Capacity Building of JSC-KRM	0.75	0.10	0.85
C2b	4.1.2		Capacity Building of Municipalities	0.50		0.50
C2c	4.1.3		Public Awareness Campaign (Citizen Engagement)		0.30	0.30
<u>Component 3: Primary Collection & Resource Recovery</u>						
C3a	4.1.4	CS	Studies for Optimization of Waste Collection	0.50		0.50
C3b	2.1.1	Goods	Supply of Waste Collection Equipment	3.50		3.50
C3c	4.1.4	CS	Studies for Waste Recovery (Rec. & Comp.)		0.10	0.10
C3d	Pilot for Rec. and Comp. Facility (via UNDP)					
<u>Component 4: Project Management</u>						
C4a	MDLF Fee			1.20	0.75	1.95
C4b	4.1.1	CS	Design Revision, Const. Supervision & Cont. Management	0.60		0.60
C4c	3.1.1	Non-Cons.	Operational Management Contract for LF and TS		0.60	0.60
C4d	4.1.5	CS	Independent Consultancies: including independent monitoring of EMP and Beneficiary assessments		0.80	0.80
Total				16.70	9.65	26.35



PAD Comp. Ref.	Procurement Plan Ref.		Description	Amount Million USD		
	No.	Category		AFD EU*	WB SW	TOTAL
			Contingency	3.42	0.99	4.41
			Total	20.12	10.64	30.76
			Contribution from PA (up to 2.10), UNDP (1.60), and IsDB (0.80)			4.50
			TOTAL			35.26

* Amount allocated in Euro for AFD/EU contribution; USD amounts correspond to the exchange rate as 24th July, 2012.

6.4: Implementation Status

Reference to the above table, the following section provides updated status of implementation of the 4 components:

Component 1: Solid Waste Transfer and Disposal Facilities

During the 1st half of 2016, the following items were initiated:

- Construction of Sofa “Al-Fukhari Landfill”: Bidding documents were published as part of an International Competitive Bid (ICB) on 11 April, 2016. Number of local/international construction companies submitted bids; awarding of contract and mobilization is expected in 3rd quarter of 2016. Furthermore, JSC-KRM had reached an agreement with neighbouring landowners to allocate nearby sites to receive the excess of soil resulting from the new landfill excavation operations, which is expected to yield large amounts of soil. In this context, the new landfill will have a maximum depth of 20m.
- Closure of Existing Dump Site: topographic survey was performed for Dair El-Balah Landfill. This activity will provide an accurate measurement of landfill’s height and volume, and it will help the JSC better plan his landfilling operations in D.B. Landfill which was constructed in 1995 and had reached its full capacity. The GSWMP will finance the closure of D.B. Landfill as the new landfill in Sofa: Al-Fukhari” will be constructed and operated as part of major infrastructure activities of the Project. The topographic survey comes as an initial step for the preparation of the closure plan.
- ARAP Implementation: in line with WBG safeguards policy (OP 4.12) addressing involuntary resettlement, an Abbreviated Resettlement Action Plan (ARAP) was conducted in 2012 addressing Project Affected People (PAP), two categories of PAPs were identified whom will be affected by the infrastructure development (landfill construction); (i) landowners, and (ii) waste pickers:
 - a) Land Acquisition: the JSC-KRM had completed the land acquisition process with one final step to be fulfilled; the compensation of the last owner by the Ministry of Finance. The below table provides an update on the status of compensation of landowners.
 - b) Waste Pickers: the Project’s social specialists updated the status of waste pickers in late 2015, and in the first half of 2016 a Consultant joint the effort to formulate the final alternative livelihood options for the group of 17 waste pickers. Final livelihood options will be coordinated with UNDP-DEEP (Deprived Families Economic Empowerment Program) to finance the selected projects. The below photos



document the meetings with waste pickers as part of the update/implementation of the ARAP.

Table 18: Land Acquisition Status per Land Owner

Owner Last name, first name	Size of Lot (x1000m ²)	Status
1. Abu Raida, Sulaiman	90.00	Complete
2. Al-Shaer, AbdelKareem (Zeyad)	57.00	Pending Last Payment per Council of Ministers' Decision.
3. Al-Shaer, Abdallah (Munir)	57.00	Complete
4. Abu Sneima Family	11.360	Complete
5. Shubair, Salaheddin	19.840	Complete



**Meeting with Sofa Landfill Waste Pickers
as part of updating PAPs information**

Component 2: Institutional Strengthening

- a. JSC-TOU key staff recruitment procedure had been completed with the recruitment of the last member of the JSC-TOU team (no. 5 below), following is overall status of contracting JSC-Key Staff (5 positions) – in addition to the head of JSC-TOU, who joint earlier in the capacity of head of TOU and Executive Director:
 - (1) Executive Director and head of JSC-TOU: started on 01st September, 2014
 - (2) Operations Engineer: started on 01st of November 2015.
 - (3) Finance and Accounting Manager: started on 01st July, 2015.
 - (4) Public Information and Outreach Officer: started on 01st July, 2015.
 - (5) Administrative and Technical Assistant: started on 01st July, 2015
 - (6) Environmental Specialist: started on the 1st April, 2016.
- b. Consultancy Services: The following ToRs were planned and consultants services shall take effect during the 2nd half of 2016:
 - (1) Capacity Building for JSC- KRM Public Awareness Team: to provide training package to the JSC- KRM public awareness team by hiring consulting firm to



provide training courses in ICDL, communication and networking, social media, report writing.

(2) Public Engagement and Community Outreach:

- **Social Committee:** The JSC-KRM continued the reinforcement of the relationship with local communities, where number of meetings were held with the central social committee which represents the three governorates: Khan Younis, Rafah, and the Middle Area. Furthermore, site visits were organized for members of the social committee to oversee the progress of the construction of Khan Younis Transfer Station (implemented by UNRWA from financing by IsBD).
- **World Environment Day 2016:** On 01 June, the GSWMP celebrated the World Environment Day, 2016 and JSC received a certificate of appreciation from UNEP (United Nations Environmental Program) for taking part in the international festivities. The event was attended by member LGUs of the JSC (17 municipalities) in addition to community leaders and school children. During the event, a slideshow was displayed on GSWMP activities and history of the JSC. A presentation was provided on the importance of sustainable development in the SWM sector. Theatre play was performed by youth, and finally certificates/souvenirs were awarded to the participants.
- **School Awareness Program:** the JSC established a new area for cooperation with the Ministry of Education and UNRWA targeting school students as part of the school awareness program. A workshop was held to introduce GSWMP and increase the visibility of project activities and JSC services.



The cover of printout produced by Project Team on the Roles and responsibilities of the Social Committees



Central Social Committee at JSC/GSWMP Office



School Health Workshop
Discussion Group on Defining Needs and Activities



Celebration of the World Environment Day 2016
"Play Performance by Tamer Institute on Community Hygiene"



Component 3: Primary Collection and Resource Recovery

- a. Studies for Optimization of Waste Collection: contract was signed with international consortium to investigate existing solid waste collection systems and conduct pilot activities for proposed systems recommending the optimum operations and management of primary collection. This major study will cover the entire Gaza Strip and it is the considered the first of its kind in terms of scale and details.
- b. Studies for Optimization Waste Recovery: contract is expected to be awarded and signed during the 3rd quarter of 2016. In this activity, an assessment of any current, ongoing and proposed solid waste sorting, recycling and reuse project, and a comprehensive proposals for pilot projects will be produced encouraging the participation of private sector in Gaza.
- c. Solid Waste Collection Vehicles: a contract was signed to supply 11 collection and hauling vehicles to the JSC-KRM. The experience of the JSC-Hebron and Bethlehem was very useful in the equipment category, where the project team had met with JSC-H&B and JSC-Jenin and benefited from the experience in the West Bank solid waste management projects. These trucks will greatly contribute to the improvement of solid waste collection replacing part of the old fleet that has been in service for long time and imposed high maintenance and repair expenses on the JSC.
- d. JSC Service Vehicles: NCB tender was announced to acquire service vehicles to the JSC. Service vehicles shall improve the administrative and field management of the JSC by strengthening the day-to-day work of the JSC with geographic coverage of approximately 60% of Gaza Strip.

Component 4: Project Management

- (1) Design Revision, Construction Supervision and Contract Management: In January, 2016, the international consortium concluded the design revision for the new landfill and introduced changes that would significantly utilize the available resources with the existing conditions. The re-design incorporated changes to the leachate collection system and provided more stable design for the cells during the first period of operations.
- (2) Beneficiary Impact Assessment (BIA): contract was signed in 2nd quarter of 2016. This study will establish a baseline for the project to measure the impacts of the project on the public and on policy makers, in addition to the service providers.
- (3) EIA/ESMP Individual Consultant: to perform Environmental and Social Management Plan (ESMP) for three transfer station locations in Khan Yunis, Rafah, and Middle Area in addition to the short term measures at Sofa Landfill. Output of this service will complement the overall project's ESIA study, which was concluded in 2012.
- (4) Siting and Design of Rafah and Middle Area TS: contract is expected to be signed in 3rd quarter of 2016. This study will provide detailed design for the Rafah transfer station, and shall assist in finalizing the location for the Middle Area transfer station; where one potential option is the Dair El-Balah Landfill subject to closure as part of the infrastructure development component. This activity will interdepend with/on the previous activity (EIA/ESMP), where the latter will follow through the process of siting and design to ensure compliance with environmental safeguards.
- (5) Design of Sofa Access Road: this activity will be initiated in the second half of 2016. The exiting road leading to the landfill is located in a regional area and it stretches for 2.2km. The Central Planning Committee had approved the dimensions of the access road in the 1st half of 2016 and MDLF will provide the



detailed design of the road which constitutes a major improvement to the area and to the services of the JSC once the new landfill's operation takes effect.

6.5: Challenges Encountered and Obstacles

Overall, the GSWMP is proceeding with no major obstacles after all project preparation milestones were completed; that took more time than initially anticipated. The movement ability and accessibility of international experts in and out of Gaza can pose a challenge in the upcoming period, where significant number of contracts requires presence of experts on the ground providing much needed expertise first hand to the JSC and municipalities.



Success Stories



SUCCESS STORY

Municipal Development Program – Phase II

Illar Park



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.

Objectives:

Development Objective: to improve the municipal management/governance practices and to ensure the better coverage of services with better quality.

Long Term Objective: to contribute in strengthening municipal governance to enable municipalities to become creditworthy and thereby access resources from the market for investments that will enhance municipal service delivery.

Funding Partners:

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).

Program Windows:

Window 1: infrastructure Investment

Window 2: Innovative Projects

Window 3: Capacity Building

Window 4: Program Management

Windows 5: Gaza Municipal Emergency Grants.

About 17 KMs North East of Tulkarm lies the municipality of Illar, standing over ancient Canaanite artifact and Roman remnants of these civilizations that once inhabited the area. With its limited social services, yet having a central location in the center of the northern West Bank, the Municipality was becoming a service center provider for surrounding villages. Not necessarily having significant competitive advantages that stood out in comparison with Palestinian towns of similar nature and size of population, the best that the town could offer was its central location and warm yet pleasant atmosphere.

Having already started to attract residents of surrounding villages for services provided at the municipality as well as other businesses, Illar Municipality needed to improve its services and further attract more people to visit the town and extend the duration of their stay for all the economic and social benefits that are to be reaped. The municipality decided to establish a multi-purpose park in Illar that hosts sports playgrounds, children parks, swimming pool, family areas, picnic areas, with convenient facilities and excellent views that utilize the natural beauty of Illar.

The park was established in several phases, the first phase which was completed perches over 50 Dunums, boasts 1200 seating areas, playgrounds for Volley ball and basketball as well as other sports, children's park, and a semi-Olympic swimming pool. The park was an instant success, welcoming and influx of people from the surrounding villages known collectively as *Sha'rawiyeh*, Jenin and Nablus Governorates, as well as visitors from the nearby 48 areas.

The municipality decided to make entrance to the park free of charge, yet chose to charge a nominal fee for the use of playgrounds and swimming pools in order to maintain the park's facility and support its 13 workers, possibly also help enlarge the park during the next phases. The extension of the park will increase the seating areas to 3000, and will host a "Bird's Zoo", a first of it's kind in Palestine" according to a Sufian Shadid, Mayor of the municipality.

"We were amazed by the number of visitors from Tulkarm, Nablus, Jenin and the *Sha'rawiyeh* villages" the mayor added, emphasizing the importance of providing this service by the municipality as part of the municipality's duties and obligations for its residents and visitors.

Today, the park still attracts a large number of visitors, specifically over the weekends. Many residents call it their own backyard and spend a significant amount of time there with friends and families. The Illar Park is a successful example to be examined and copied elsewhere on different scales, in order to provide better life for the residents of municipalities and to compliment their sense of pride in their own towns.



SUCCESS STORY

Municipal Development Program – Phase II Deir Al balah Beach Play ground



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.

Objectives:

Development Objective: to improve the municipal management/governance practices and to ensure the better coverage of services with better quality.

Long Term Objective: to contribute in strengthening municipal governance to enable municipalities to become creditworthy and thereby access resources from the market for investments that will enhance municipal service delivery.

Funding Partners:

The MDPII is supported by the Palestinian National Authority along with the Agence Française de Development (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).

Program Windows:

Window 1: infrastructure Investment

Window 2: Innovative Projects

Window 3: Capacity Building

Window 4: Program Management

Windows 5: Gaza Municipal Emergency Grants.

During and after the assault on Gaza in the summer of 2014, the MDLF received an additional financing through Window 5 in response to the urgent needs of the municipalities in Gaza Strip. The proposed *Additional Funding* would finance and support the emergency response efforts in Gaza following the damages incurred and service interruptions; also, to provide funding for investment grants for Gaza municipalities to assist them in restoring critical municipal service provision.

Not only were the service sectors at the municipalities enraptured, but also the psychological life and the behavior of the people were distressed, thus was the need for urgent interventions in Gaza to alleviate the suffering of the people.

A project to establish the Beach Park in Deir Al Balah municipality was launched. Deir Al Balah is the main municipality in the Middle Governorate. The project was meant for the rehabilitation and development of a large section of the shore of the sea of Deir al-Balah by removing rubble and debris which was accumulated on the beach area, also to build concrete retaining walls, as well as the establish a football stadium (beach play ground). A stadium of this sort is the first of its kind in the Gaza Strip, located immediately on the beachfront, serving most of the people in the middle governorate.

Umm Youssef, a resident of Khan Younis who was visiting the Park complimented the services the park offered, *“with only one ticket we can get the entire family in, the children enjoy it, we find a peaceful place to relax”*, when asked about the reasons that would encourage her to make the drive from Khan Younis to Deir Al-Balah she responded by saying that *“it is worth the ride, it is a relaxing place for the whole family, we needed places of this nature in Gaza [Strip]”*. With a lack of recreational areas in this region, the beach play ground added a touch of aesthetic appeal to the city of Deir Al Balah, becoming an instant landmark on the shore of the central area of Gaza Strip, attracting a large number of people who wished to practice sports or wanted to play football, a favorite sport among the young people.

The cost of the project was 150,000 Euros, which included many activities that were implemented within the project, the largest of which was to construct the beach play ground.

Today, this play ground is the most active in the region, serving more than 25,000 inhabitants of the area. Furthermore, the financial rewards for the municipality were improved due to the construction of this facility.

Because of the great rush of sports clubs to rent the stadium, the municipality of Deir Al Balah currently intends to invest more into this facility by expanding recreational facilities on the beachfront, perhaps also create a safe playground for children.



Annexes

- ✓ **Annex A: MDPII**
- ✓ **Annex B: LGRDP**
- ✓ **Annex C: Financial Data**



Annexes



ANNEX A

Municipal Development

Program – Phase 2

(MDP-II)



MDPII - 1st cycle estimated cost

No.	Financing Partner	WB	WB-AF-Gaza	KFW	KFW-AF-Gaza	AFD	MDTF	<i>Sida</i>	<i>Danish</i>	MDTF-AF-Gaza	GIZ	PA-MOLG	PA	BTC	BTC-AF-Gaza	VNG	SDC	Total (Euro)
		Euro	Euro	Euro	Euro	Euro	Euro	<i>Euro</i>	<i>Euro</i>	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	
1	Window 1: Municipal Grants	3,705,000	0	12,085,000	0	0	8,219,000	<u>2,526,500</u>	<u>5,692,500</u>	0	0	3,534,000	3,515,400	930,000	0	0	496,000	32,484,400
2	Window 2: Support to Municipal Responsiveness and Innovations	600,000	0	0	0	700,000	2,110,000	<u>0</u>	<u>2,110,000</u>	0	0	0	0	0	0	558,000	0	3,968,000
<u>2.1</u>	<u>Piloting Innovations</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>700,000</u>	<u>0</u>			<u>0</u>	<u>0</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-governence	325,000	0		0		0			0								325,000
2.1.2	Renwable Solar Energy	275,000	0		0		0			0								275,000
2.1.3	Local Economic Development		0		0	700,000	0			0						558,000		1,258,000
<u>2.2</u>	<u>Post Amalgamation Support</u>		<u>0</u>		<u>0</u>		<u>2,110,000</u>	<u>0</u>	<u>2,110,000</u>	<u>0</u>					<u>0</u>			<u>2,110,000</u>
3	Category 3 (W3): Capacity Building	250,000	0	410,000	0	230,000	545,000	<u>163,500</u>	<u>381,500</u>	0	372,000	0	0	0	0	0	620,000	2,427,000
<u>3.1</u>	<u>Capacity Building for Municipalities</u>	<u>250,000</u>	<u>0</u>	<u>410,000</u>	<u>0</u>	<u>0</u>	<u>545,000</u>	<u>163,500</u>	<u>381,500</u>	<u>0</u>	<u>372,000</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>620,000</u>	<u>2,197,000</u>
<u>3.1.1</u>	<u>Improved Financial managemnet</u>	250,000	0	265,000	0	0	0	<u>0</u>	<u>0</u>	0	306,000		0	0	0	0	0	821,000
3.1.1.1	Integrated Financial Management Information System (IFMIS)	250,000	0	265,000	0		0			0								515,000
3.1.1.2	Fixed Assets Registration and Valuation (FARV)		0		0		0			0	246,000							246,000
3.1.1.3	Training on financial management including: (revenues generation, external audit, budgets,FPM manuals)		0		0		0			0	60,000							60,000
<u>3.1.2</u>	<u>Strategic Development and Investment Plans (SDIP)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>			<u>0</u>	<u>66,000</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,000</u>
3.1.2.1	Develop SDIPs for Municipalities		0	0	0		0			0	66,000							66,000
<u>3.1.3</u>	<u>Citizen Service Center</u>		<u>0</u>	<u>0</u>	<u>0</u>		<u>545,000</u>	<u>163,500</u>	<u>381,500</u>	<u>0</u>							<u>590,000</u>	<u>1,135,000</u>
<u>3.1.4</u>	<u>Operation and Maintenance</u>		<u>0</u>	<u>145,000</u>	<u>0</u>		<u>0</u>			<u>0</u>	<u>0</u>							<u>145,000</u>
<u>3.1.5</u>	<u>Citizenship, communication and outreach guidelines</u>		<u>0</u>		<u>0</u>		<u>0</u>			<u>0</u>							<u>30,000</u>	<u>30,000</u>
<u>3.2</u>	<u>Capacity Byuilding for MDLF as of strategic plan</u>	<u>0</u>	<u>0</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>0</u>	<u>0</u>	<u>0</u>	<u>230,000</u>
3.2.1	Informative Researches	0	0		0	100,000	0			0								100,000
3.2.2	Coordination on LED and lending initiatives		0		0	100,000	0			0								100,000
3.2.3	E-MDLF		0		0	30,000	0			0								30,000
4.	Window 4: Program Management	945,000	152,174	1,005,000	450,000	70,000	926,000	<u>310,000</u>	<u>616,000</u>	608,696	28,000	266,000	264,600	70,000	0	42,000	84,000	4,911,470
<u>4.1</u>	<u>MDLF Management Fee (7%)</u>	<u>385,000</u>	<u>152,174</u>	<u>945,000</u>	<u>350,000</u>	<u>70,000</u>	<u>826,000</u>	<u>210,000</u>	<u>616,000</u>	<u>608,696</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>4,091,470</u>
<u>4.2</u>	<u>Technical Supervison and Assistance (LTC)</u>	<u>460,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>			<u>0</u>								<u>560,000</u>
<u>4.3</u>	<u>Monitoring and Evaluation</u>	<u>40,000</u>	<u>0</u>	<u>60,000</u>		<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>	<u>100,000</u>
<u>4.4</u>	<u>Outreach and communication campaign</u>	<u>60,000</u>	<u>0</u>				<u>100,000</u>	<u>100,000</u>		<u>0</u>								<u>160,000</u>
5	Window 5: Gaza Emergency Response - Additional Financing	0	2,021,739	0	4,550,000	0	0	<u>0</u>	<u>0</u>	8,086,957	0	0	0	0	350,000	0	0	15,008,696
	<u>Total</u>	<u>5,500,000</u>	<u>2,173,913</u>	<u>13,500,000</u>	<u>5,000,000</u>	<u>1,000,000</u>	<u>11,800,000</u>	<u>3,000,000</u>	<u>8,800,000</u>	<u>8,695,652</u>	<u>400,000</u>	<u>3,800,000</u>	<u>3,780,000</u>	<u>1,000,000</u>	<u>350,000</u>	<u>600,000</u>	<u>1,200,000</u>	<u>58,799,565</u>

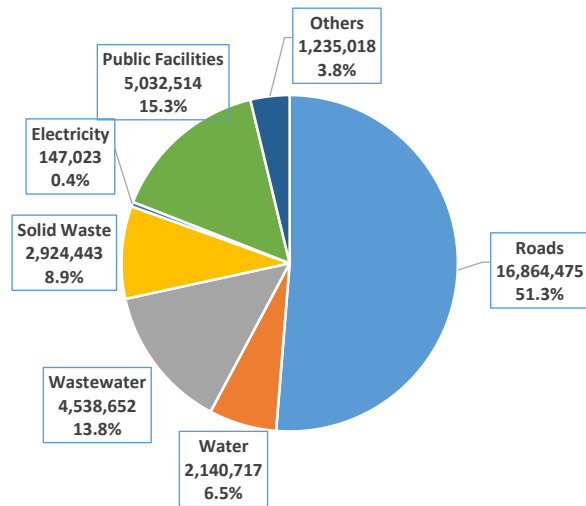
MDPII - 2nd cycle estimated cost

		WB	German FC /KFW (original fund for cycle 02)	AFD	MDTF (original fund for cycle 02)	<i>Sida</i>	<i>Danish</i>	GIZ	PA	BTC	VNG	SDC	EU / KFW	MDTF - (Additional fund- 2nd cycle (Danish)	German FC / KFW (additional fund for Cycle 02)	Total (Euro)
		Euro	Euro	Euro	Euro	<i>Euro</i>	<i>Euro</i>	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	
1	Window 1: Municipal Grants	1,448,465	6,840,000	5,000,000	6,068,409	1,085,591	4,982,819	0	4,173,300	837,000	0	589,000	6,017,860	5,052,756	9,300,000	45,326,790
2	Window 2: Support to Municipal Responsiveness and Innovations	0	0	345,000	0	0	0	92,010	0	0	558,000	0	0	0	0	995,010
2.1	<i>Piloting Innovations</i>	0	0	345,000	0	0	0	92,010	0	0	558,000	0	0			995,010
2.1.1	E-governance							92,010								92,010
2.1.2	Renwable Solar Energy															0
2.3.3	Local Economic Development			345,000							558,000					903,000
2.2	<i>Post Amalgamation Support</i>															0
3	Category 3 (W3): Capacity Building	220,000	540,000	170,000	190,000	0	190,000	279,990	0	0	0	620,000	500,000	0	0	2,519,990
3.1	<i>Capacity Building for Municipalities</i>	220,000	540,000	170,000	150,000	0	150,000	279,990	0	0	0	620,000	500,000	0	0	2,414,990
3.1.1	<i>Improved Financial managemnet</i>	220,000	240,000	0	0	0	0	30,000	0	0	0	0	0			490,000
3.1.1.1	Integrated Financial Management Information System (IFMIS)	220,000	240,000													460,000
3.1.1.2	Fixed Assets Registration and Valuation (FARV)							15,000								15,000
3.1.1.3	Complementary package for financial management							15,000								15,000
3.1.2	<i>Strategic Development and Investment Plans (SDIP)</i>	0	0	0	0	0	0	10,000	0	0	0	0	0			10,000
3.1.2.1	Develop SDIPs for Municipalities		0					10,000								10,000
3.1.2.2	Quality Assurance for SDIPs		0													0
3.1.3	<i>Citizen Service Center</i>			170,000	150,000		150,000	174,990				590,000				1,084,990
3.1.4	<i>Operation and Maintenance</i>		300,000										340,000			640,000
3.1.5	<i>Citizenship, communication and outreach guidance</i>											30,000				30,000
3.1.6	<i>Technical Assistance Tool for Municipalities for Service Quality</i>	0	0	0	0	0	0	0	0	0	0	0	160,000			160,000
3.1.6.1	Development, testing and finalization of a Technical Assistance Tool "Participatory Municipal Monitoring and Evaluation"												110,000			110,000
3.1.6.2	Preparation, Review of Pilot Experiences and Incorporation of Successful "Revenue Enhancement Capacity Development" Tools into the IFMIS TA Package within the Municipal Development Programme MDP												50,000			50,000
	<i>Social Accountability</i>							65,000								
3.2	<i>Capacity Byuilding for MDLF as of strategic plan</i>	0	0	0	40,000		40,000	0	0	0	0	0	0			40,000
3.2.1	Informative Researches															0
3.2.2	Coordination on LED and lending initiatives			0												0
3.2.3	Technical Assistance to MDLF				40,000		40,000									40,000
4	Category 4 (W4): Program Management	233,110	620,000	485,000	1,234,504	221,496	1,013,008	28,000	336,700	63,000	42,000	91,000	456,250	380,315	700,000	4,669,879
4.1	<i>MDLF Management Fee (7%)</i>	133,110	560,000	420,000	524,504	91,496	433,008	28,000	336,700	63,000	42,000	91,000	456,250	380,315	700,000	3,734,879
4.2	<i>Technical Supervison and Assistance</i>	0	0	0	610,000	130,000	480,000	0	0	0	0	0	0			610,000
4.2.1	<i>Local Technical Consultant</i>				580,000	130,000	450,000									580,000
4.2.2	<i>Lab Test for Quality Control on window 1 sub-projects</i>				30,000		30,000									30,000
4.3	<i>Monitoring and Evaluation</i>	40,000	60,000	65,000	0			0	0	0	0	0	0			165,000
4.4	<i>Outreach and communication campaign</i>	60,000			100,000	0	100,000	0	0	0	0	0	0			160,000
4.5	<i>Contengency</i>								300,000							300,000
	<i>Total</i>	1,901,575	8,000,000	6,000,000	7,492,913	1,307,087	6,185,827	400,000	4,810,000	900,000	600,000	1,300,000	6,974,110	5,433,071	10,000,000	53,811,669

Distribution of MDPII/Cycle 1/ W1 Allocation Per Sector (in Euro)

Sector	Roads	Water	Wastewater	Solid Waste	Electricity	Public Facilities	Others	Total
West Bank	12,854,660	1,212,736	535,551	342,554	147,023	3,141,259	442,744	18,676,527
%	69%	6%	3%	2%	1%	17%	2%	100%
Gaza	4,009,816	927,980	4,003,101	2,581,889	0	1,891,255	792,274	14,206,314
%	28.2%	6.5%	28.2%	18.2%	0.0%	13.3%	5.6%	100.0%
West Bank & Gaza	16,864,475	2,140,717	4,538,652	2,924,443	147,023	5,032,514	1,235,018	32,882,841
%	51.3%	6.5%	13.8%	8.9%	0.4%	15.3%	3.8%	100.0%

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



Window 1 - Cycle 1 / West Bank

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
MUN Review	0	0%	0	0%
MDLF review	1	1%	375,198	2%
LTC review	0	0%	0	0%
Tendering	2	1%	488,440	3%
Evaluation	0	0%	0	0%
Awarded	1	1%	305,678	2%
on going	1	1%	200,000	1%
Completed	137	96%	17,112,620	92%
Transferred to 2nd Cycle	1	1%	194,591	1%
Total	143	100%	18,676,527	100%

Window 1 - Cycle 1 / Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	0	0%	0	0.0%
MDLF review	27	11%	3,452,945	24.3%
LTC Review	0	0%	0	0.0%
Tendering	1	0%	42,615	0.3%
Evaluation	0	0%	0	0.0%
Awarded	0	0%	0	0.0%
Ongoing	3	1%	259,621	1.8%
Completed	208	87%	10,451,146	73.6%
Transferred to 2nd Cycle	0	0%	0	0.0%
Total	239	100%	14,206,327	100%

Window 1 - Cycle 1 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	0	0.0%	0	0.0%
MDLF review	28	7.3%	3,828,143	11.6%
LTC Review	0	0.0%	0	0.0%
Tendering	3	0.8%	531,055	1.6%
Evaluation	0	0.0%	0	0.0%
Awarded	1	0.3%	305,678	0.9%
Ongoing	4	1.0%	459,621	1.4%
Completed	345	90.3%	27,563,766	83.8%
Transferred to 2nd Cycle	1	0.3%	194,591	0.6%
Total	382	100%	32,882,854	100%

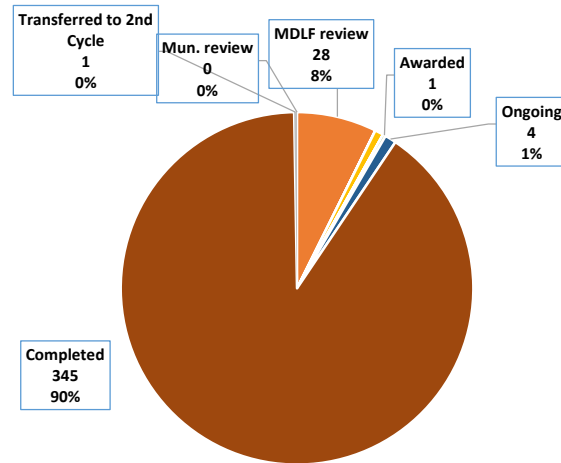
notes:

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

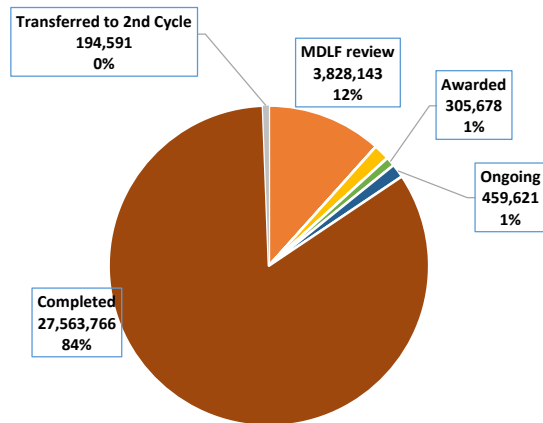
LTCs review: verify the desing, the specification and the bidding documents

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

Status of W1-1st cycle - in terms of No. of Sub.projects



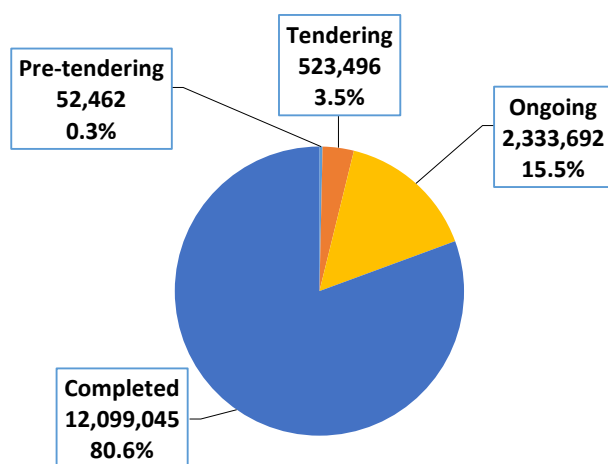
Status of W1- 1st cycle - in terms of Sub.projects Allocation



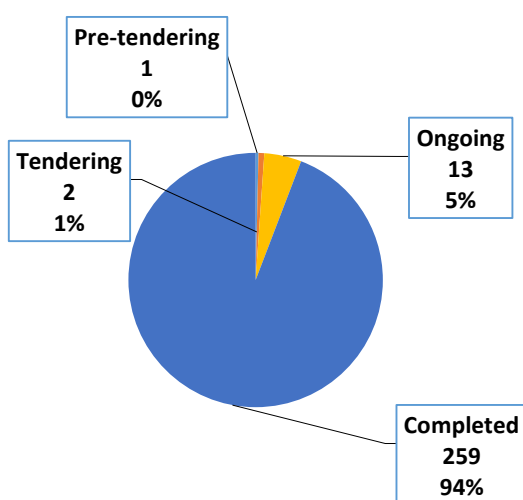
Status of Window 5 sub-projects

	No.	Percentage	Allocation in Euro	Percentage
Pre-tendering	1	0%	52,462	0.3%
Tendering	2	1%	523,496	3.5%
Awarded	0	0%	0	0.0%
Ongoing	13	5%	2,333,692	15.5%
Completed	259	94%	12,099,045	80.6%
Total	275	100%	15,008,695	100%

Status of W5 interms of allocation

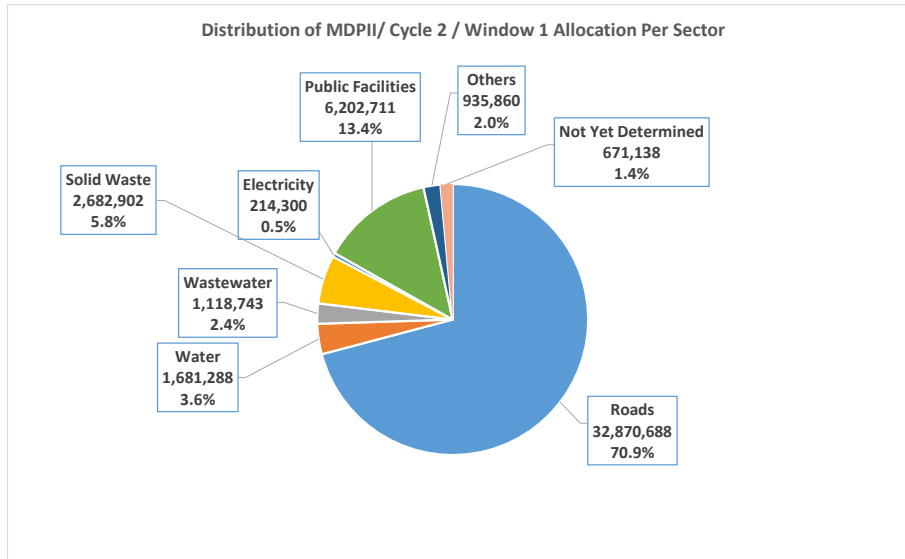


Status of W5 interms of No. of sub-projects



Distribution of MDPII/Cycle 2/ W1 Allocation Per Sector (in Euro)

Sector	Roads	Water	Wastewater	Solid Waste	Electricity	Public Facilities	Others	Not Yet Determined	Total
West Bank	21,779,990	466,821	159,386	107,967	214,300	2,248,461	657,881	516,138	26,150,944
%	83%	2%	1%	0%	1%	9%	3%	2%	100%
Gaza	11,090,698	121,446	959,357	2,574,935		3,954,250	277,979	155,000	20,226,686
%	54.8%	6.0%	4.7%	12.7%	0.0%	19.5%	1.4%	0.8%	100.0%
West Bank & Gaza	32,870,688	1,681,288	1,118,743	2,682,902	214,300	6,202,711	935,860	671,138	46,377,630
%	70.9%	3.6%	2.4%	5.8%	0.5%	13.4%	2.0%	1.4%	100.0%



Window 1 - Cycle 2 / West Bank

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved (PMU)	24	16%	4,742,095	18%
Pre-Approved (PMR)	3	2%	160,632	1%
Tendering + Retendering	9	6%	1,288,507	5%
Evaluation	31	21%	6,076,965	23%
Awarded	8	5%	1,772,819	7%
on going	64	43%	10,300,845	39%
Completed	11	7%	1,809,081	7%
Total	150	100%	26,150,944	100%

Window 1 - Cycle 2 / Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved (PMU)	59	30%	5,917,306	29.3%
Pre-Approved (PMR)	0	0%	0	0.0%
Tendering + Retendering	13	7%	1,768,523	8.7%
Evaluation	0	0%	0	0.0%
Awarded	0	0%	0	0.0%
Ongoing	81	41%	10,327,208	51.1%
Completed	47	24%	2,213,649	10.9%
Total	200	100%	20,226,686	100%

Window 1 - Cycle 2 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved (PMU)	83	23.7%	10,659,401	23.0%
Pre-Approved (PMR)	3	0.9%	160,632	0.3%
Tendering + Retendering	22	6.3%	3,057,030	6.6%
Evaluation	31	8.9%	6,076,965	13.1%
Awarded	8	2.3%	1,772,819	3.8%
Ongoing	145	41.4%	20,628,053	44.5%
Completed	58	16.6%	4,022,730	8.7%
Total	350	100%	46,377,630	100%

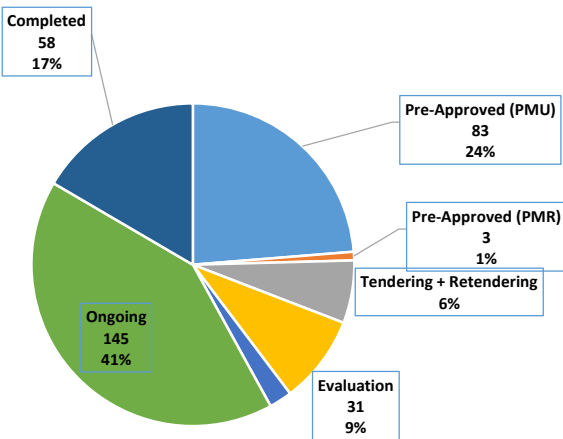
notes:

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

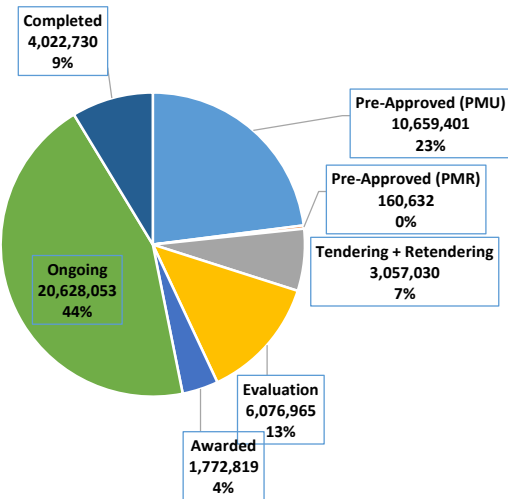
LTCs review: verify the desing, the specification and the bidding documents

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

Status of W1-2nd cycle - in terms of No. of Sub.projects



Status of W1 - 2nd cycle - in terms of Sub.projects Allocation



**Summary of Environmental and Social Issues within MDPII Cycle 1
Implementation Stage**

▪ **Environmental and Social Notes / Environmental Penalties**

Municipality	Notice Number	Date	Mitigation Measure Violated	Final Payment (Euro)
Al-Itihad	(1)	5/5/2014	Not committed to public safety measures	0
Al-Itihad	(2)	15/5/2014	Not committed to public safety measures	40
Al-Itihad	(3)	3/6/2014	Not committed to public safety measures	40
Al-Itihad	(4)	8/7/2014	Not committed to public safety measures	40
Al-Ram	(1)	11/9/2014	Not enough watering	0
Marj Ben Amer	(1)	3/6/2014	Not using traffic signs	0
Seelet Ad Daher	(1)	11/6/2014	Not enough separation around the culvert area	0
Aqqaba	(1)	21/7/2014	Not enough watering	0
Jayyus	(1)	22/7/2014	Dumping of waste in the street	0
Kufor Tholoth	(1)	19/7/2014	Dumping of construction waste in the school yard	0
Baqa AlSharqyeh	(1)	1/6/2014	Not using warning and traffic signs	0
Baqa AlSharqyeh	(2)	2/6/2014	Not using warning and traffic signs	35.83
Baqa AlSharqyeh	(3)	3/6/2014	Not using warning and traffic signs	35.83
Baqa AlSharqyeh	(4)	8/7/2014	Not using warning and traffic signs	35.83
Deir AlGhouson	(1)	4/6/2014	No water spraying of dust	0
Deir AlGhouson	(2)	11/6/2014	No water spraying of dust	48.92
Jammaen	(1)	2/7/2014	No stairs provided to reach first floor	0
Nablus	(1)	2/9/2014	Not committed to public safety measures	0
Ad Daheriyya	(1)	12/11/2014	Dust emission	0
Ad Daheriyya	(1)	12/11/2014	Hindering people movement in the road (social)	0

Municipality	Notice Number	Date	Mitigation Measure Violated	Final Payment (Euro)
Ad Daheriyya	(2)	13/11/2014	Dust emission	114.1
Ad Daheriyya	(2)	13/11/2014	Hindering people movement in the road	0
Ad Daheriyya	(3)	16/11/2014	Dust emission	114.1
Halhul	(1)	7/12/2014	The lack of warning signs	0

▪ **Social Complaints**

Municipality	Compliant	Solution	Complaint Method	Duration
Jayyus	Shift of pavement of 14.9m2 out of masterplan	This area was excluded of the project	Written	1.5 Month
AlSaqahreh AlSharqyeh	Partial destruction of an external wall	Wall has been built after agreement between the citizen, municipality and contractor	Verbal	10 days
AlZababdeh	Cesspit was found in the road	Municipality couldn't solve the issue with the citizen considering that cesspit shall be removed from the road, though works has hindered and municipality has selected different road	Verbal	2 months, considering that a letter was issued by municipality on this regard on 1/11/2014 even it was verbal complaint

MDPII/Cycle 1 - Capacity Development Package

No	Municipality	CD Package
1	Abasan Al Kabira	CSC
2	Al Eizariyya	
3	An Nseirat	
4	Anata	
5	Arraba	
6	Bedia	
7	Beit Hanun	
8	Beit Ummar	
9	Beta	
10	Seir	
11	Deir Al Balah	
12	Deir Debwan	
13	East Bani Zeid	
14	Idna	
15	Qatanna	
16	Rafah	
17	Silwad	
18	Surif	
19	West Bani Zeid	
20	Azzun	
21	Kafr Dan	
22	Deir Al Ghosoun	

MDPII/Cycle 1 - Capacity Development Package

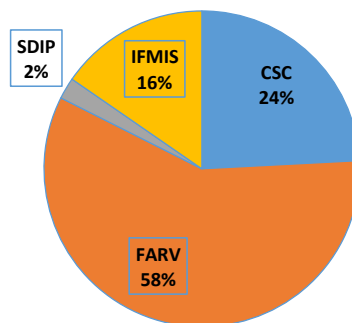
No	Municipality	CD Package
1	Abasan Al Jadeeda	FARV
2	Abwein	
3	Al Fokhari	
4	Al Masdar	
5	Al Mazra'a Ash Sharqeyya	
6	Al Moghraqa	
7	Al Naser	
8	Al Newe'emeh	
9	Al Oja	
10	Al Shokeh	
11	Al Tayybeh	
12	Al Zahra	
13	Al Zawayda	
14	Al Zawyeh	
15	Al-Kafriyyat	
16	Allar	
17	Aqqaba	
18	As Sawahreh Ash Sharqiyya	
19	Aseera Ash Shamaliyya	
20	Ash Shoyukh	
21	Atara	
22	Az Zababedah	
23	Bal'aa	
24	Baqa Al Sharqeyya	
25	Beit Awwa (Al-Yasiriyya)	
26	Beit Foreek	
27	Beit Leed	
28	Beit Ula	
29	Borqin	
30	Bruqin	
31	Deir Ballut	
32	Hableh	
33	Howwara	
34	Jammaein	
35	Janata	
36	Jayyus	
37	Kafr Al Labad	
38	Kharas	
39	Kufor Al Deek	
40	Ne'lin	
41	Qarawat Bani Hassan	
42	Sabastya	
43	Seelet Ad Daher	
44	Seelet Al Hartheyya	
45	Sinjel	
46	Tammun	
47	Tarqumia	
48	Turmosayya	
49	Um Al Naser	
50	Wadi Al Salqa	
51	Wadi Gaza	
52	Nuba	
53	Se'ier	

MDPII/Cycle 1 - Capacity Development Package

No	Municipality	CD Package
1	Ad Doha	IFMIS
2	Al Bireh	
3	Al Braij	
4	Al Ittihad	
5	Al Qarara	
6	Al Ram	
7	Aqraba	
8	Beit Fajjar	
9	Beit Jala	
10	Beit Lahia	
11	Beitunia	
12	Gaza	
13	Marj Bin Amer	
14	Salfit	
1	Al Ubeidiyya	SDIP
2	Nuba	

Package	No. of Municipalities
CSC	22
FARV	53
SDIP	2
IFMIS	14

Distribution of CD packages- MDPII/Cycle 1



MDPII - Cycle 2 - Capacity Development Packages

No.	Municipality	Governorate	CD Package
1	Beit Ummar	Hebron	O&M
2	Kufor Tholoth	Qalqilia	
3	Salfit	Salfit	
4	Birzeit	Ramallah & Albireh	
5	Aqraba	Nablus	
6	Al Ram	Jerusalem	
7	Nablus	Nablus	
8	Abu Dees	Jerusalem	
9	Al Bireh	Ramallah & Albireh	
10	Ramallah	Ramallah & Albireh	
11	Gaza	Gaza	
12	Beit Lahia	North Gaza	
13	Qabalan	Nablus	
14	Anabta	Tulkarm	
15	Tubas	Tubas	
16	Hebron	Hebron	
17	Bani N'eim	Hebron	
18	Jammaein	Nablus	
19	Al Qarara	Khan Younis	
20	Ya'bad	Jenin	
21	Jenin	Jenin	
22	Abasan Al Kabira	Khan Younis	
23	Qabatya	Jenin	
24	Al Zawayda	Deir Albalah	
25	Al Ubeidiyya	Bethlehem	
26	Atteel	Tulkarm	
27	An Nseirat	Deir Albalah	
28	Beit Sahur	Bethlehem	
29	Beit Ula	Hebron	
30	Bedia	Salfit	
31	Bethlehem	Bethlehem	
32	Se'ier	Hebron	
33	AL Samu'e	Hebron	
34	Halhul	Hebron	
35	Tulkarem	Tulkarm	
36	Dura	Hebron	
37	Yatta	Hebron	
38	Deir Al Balah	Deir Albalah	
39	Khan Yunis	Khan Younis	
40	Rafah	Rafah	
41	East Bani Zeid	Ramallah & Albireh	
42	beit Fajjar	Bethlehem	
43	Jabalia	North Gaza	
44	Taffuh	Bethlehem	
45	Bani Sheila	Khan Younis	
46	Al Eizariyya	Jerusalem	
47	Beit Foreek	Nablus	
48	Beit Jala	Bethlehem	
49	Al Yamun	Jenin	
50	Kharas		

MDPII - Cycle 2 - Capacity Development Packages

No.	Municipality	Governorate	CD Package
1	As Sawahreh Ash Sharqiyya	Jerusalem	IFMIS
2	Kufor Al Deek	Salfit	
3	Qarawat Bani Hassan	Salfit	
4	Beit Hanun	North Gaza	
5	Anata	Jerusalem	
6	Tammun	Tubas	
7	Sabastya	Nablus	
8	Ne'lin	Ramallah & Albireh	
9	Meithalun (Al-Muttahida)	Jenin	
10	Baqa Al Sharqeyya	Tulkarm	
11	Janata	Bethlehem	
12	Az Zababedah	Jenin	
13	AdDaheriyya	Hebron	
14	Beit Awwa (Al-Yasiriyya)	Hebron	
1	Al Braij	Deir Albalah	CSC
2	Beit Liqia	Ramallah & Albireh	
3	Ad Doha	Bethlehem	
4	Al Zahra	Gaza	
5	Tarqumia	Hebron	
6	Al Shokeh	Rafah	
7	Khaza'aa	Khan Younis	
8	Al Maghazi	Deir Albalah	
9	Borqin	Jenin	
10	Taqu'a	Bethlehem	
11	Ash Shoyukh	Hebron	
12	A I Khader	Bethlehem	
13	Al-Kafriyyat	Tulkarm	
14	Al Zawyeh	Salfit	
15	Nuba	Hebron	
16	Kafr Al Labad	Tulkarm	
17	Aqqaba	Tubas	
18	Howwara	Nablus	
19	Aseera Ash Shamaliyya	Nablus	

Results Framework and Monitoring

Country: West Bank and Gaza

Project Name: GZ-Second Municipal Development Project (P127163)

Results Framework

Project Development Objectives

PDO Statement

The objective of the project is to improve municipal management practices for better service delivery and municipal transparency.

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Update as of June 2016
				YR1	YR2	YR3	YR4	End Target				
Affected population in Gaza with access to restored municipal services	☐	Number	0.00					100,0000	End of MDPII	Municipal Application forms	MDLF/Local Technical Consultants	1,147,133
Number of municipalities that graduate up the performance category in which they are currently classified, by the end of MDP-II	☐	Number	0.00			25.00		40.00	End of each Cycle	Ranking criteria, Municipal Ranking surveys, Published municipal data	MDLF, Independent Consultants	70 municipalities were graduated by end of cycle 01
Number of municipalities that graduate to A ranking, by the end of MDP-II	☐	Number Sub-Type Breakdown	0.00					5.00	End of each Cycle	Ranking criteria, Municipal Ranking surveys, Published municipal data	MDLF, Independent Consultants	No municipality was graduated to rank A by end of cycle 01.

Number of Municipalities that graduate to B ranking	☐	Number Sub-Type Breakdown	0.00					20.0	End of each Cycle	Ranking criteria, Municipal Ranking surveys, Published municipal data	MDLF, Independent Consultants	54 municipalities were graduated to rank B by end of cycle 01. 12 mun. to rank B 42 mun. to rank B+
Percentage of municipalities that apply social accountability measures, specifically, at least two public disclosure mechanisms, by the end of MDP-II.	☐	Percentage	68.00			75.00		80.00	End of Each Cycle	Municipal Ranking survey, Published Municipal data, Citizen Satisfaction survey (for verification)	MDLF, Independent Consultancy (for verification)	94% had applied at least two public disclosure mechanism by end of cycle 01.
Municipalities publically disclosing external audit reports with minimum standards, and with unqualified opinion	☐	Number Sub-Type Supplemental	0.00					55.0	End of Each Cycle	Municipal Ranking surveys, Published Municipal data	MDLF, Independent Consultancy	72% (76 mun. out of 105 mun had disclosed their external audit reports).
Municipalities publically disclosing participatory SDIP execution and updates.	☐	Number Sub-Type Supplemental	0.00					90.0	End of Each Cycle	Municipal Ranking surveys and mapping, Published municipal data, Citizen Satisfaction Surveys (for verification).	MDLF, Independent Consultancy (for verification)	95.5% (129 mun. out of 135 mun. had disclosed the SDIP execution)
Municipalities establishing service quality standards for tracking in Citizen Service Support Centers	☐	Number Sub-Type Supplemental	8.00					16.00	End of Each Cycle	Municipal Ranking Survey, Published Municipal data, Citizen Satisfaction Survey (for verification)	MDLF, Independent Consultancy (for verification)	22 municipalities (18 in WB and 5 in Gaza) have a functional CSCs.

Percentage of investments financed under the Project that are operational and in an adequate state of usability, according to technical audits.	☐	Percentage	0.00				90.00	90.00	End of Each Cycle	Technical Audits, Sample of infrastructure sub-projects, site visits, Citizen Satisfaction Surveys (for verification)	MDLF, Independent Consultancies	30 sub-projects were audited (12 in Gaza and 18 in WB). 28 out of 30 audited sub-projects, are fully/partially completed, those sub-projects are functioning suitably and utilized efficiently by the beneficiaries. The other two sub-projects were audited by the in terms of implementation arrangements, and, technical soundness, ...etc. and were not audited in terms of functionality or usability since they were not yet completed. It is worth noting that MDLF had assessed the functionality and usability of those two sub-projects once completed and found they were fully utilized by the beneficiaries
Direct project beneficiaries	☒	Number	0.00					3,000,000	End of Each Cycle	Municipal Application forms	MDLF/Local Technical Consultants	W1 – (WB : 1,171,055) (Gaza: 964,698) W5: (1,147,133) Total Direct Beneficiaries: (3,282,886) <i>Note: there might be a multiple count, particularly for Gaza, where the beneficiaries of W1 might be the same beneficiaries of W5.</i>
Female beneficiaries	☒	Percentage Sub-Type Supplemental	0.00					49.00				49% * 3,282,886 = 1,608,614

Beneficiaries from roads and public parks established/rehabilitated, by the end of MDP-II	☐	Number	0.00					1,200,000	End of Each Cycle	Municipal Application forms	MDLF, Local Technical Consultants, Municipalities	W1- WB : roads 707,618 Gaza roads : 156,128 W5 roads : 82,943 Total = 948,689
Intermediate Results Indicators												
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	
				YR1	YR2	YR3	YR4	End Target				
Share of identified priority damages repaired by Gaza municipalities.	☐	Percentage	0.00					30	End of MDPII	Damage assessment report, application forms	MDLF/Local Technical Consultants	- The total allocated fund to Gaza emergency component is (\$21 Million) from WB, MDTF, KFW and BTC. - The total estimated damage is (\$ 72 million including the cost of recurrent expenditures needed to restore the basic services) - % of W5 contribution to restore the basic services = $\frac{21}{72} = 29\%$
Affected population in Gaza with access to restored municipal services	☐	Number	0.00					1000,000	End of MDPII	Municipal Application forms	MDLF/Local Technical Consultants	1,147,133
Number of people in urban areas provided	☒	Number	0.00					260,000	End of Each Cycle	Municipal Application forms	MDLF, Local Technical	W1- WB : roads 707,618 Gaza roads : 156,128

with access to all-season roads within a 500 meter range under the project											Consultants, Municipalities	W5 roads : : 82,943 Total = 948,689
Roads rehabilitated, by the end of MDP-II	☐	Kilometers	0.00					200.00	End of Each Cycle	Municipal Application forms, Municipal Infrastructure Database	MDLF, Local Technical Consultants, Municipalities, PCBS	W1 – West Bank : 148 Km W1 – Gaza : 14 Km W5: 25 Km Total = 187 Km
Number of municipalities that have succeeded in implementing one of the following innovative ideas under Component 2 (renewable energy, E-Municipality, and Local Economic Development)	☐	Number	0.00					8.00	By the End of MDP-II	MDLF Evaluation/Verification	MDLF	- E-Municipality: the MDLF is currently piloting the E-Municipality on 4 municipalities in West Bank, where the pilot is expected to be completed by end of March 2016. Renewable Energy: the MDLF is currently piloting the renewable energy on 8 municipalities (6 in WB and 2 in Gaza) LED: MDLF is currently piloting the LED approach on 5 municipalities in WB under cycle 01-funded by the VNG. Another 7 municipalities are anticipated to be supported with LED projects during the 2 nd cycle.
Direct Beneficiaries from social infrastructure projects implemented in merged municipalities	☐	Number	0.00					40,000	End of MDP-II	Municipal Application Forms	MDLF, Local Technical Consultants, Municipalities	The total no. of beneficiaries from social infrastructure sub-projects is equal to 113,731
Number of municipalities that have updated their fixed assets and valuation database	☐	Number	0.00			25.00		50.00	End of Each Cycle	Municipal Ranking surveys	MDLF, Independent Consultancy	122 mun. had updated their fixed assets

Number of municipalities that have updated their Strategic Development and Investment Plans (SDIPs) through applying participatory approach	☐	Number	0.00			30.00		60.00	End of each Cycle	Municipal Ranking Surveys	MDLF, Independent Consultancy	115 mun. had updated their SDIPs
Number of municipalities where the Operations and Maintenance Manual is rolled out and being applied, by the end of MDP-II.	☐	Number	10.00			30.00		50.00	End of Each Cycle	Municipal Ranking Surveys, Technical Audit, MDLF Verification	MDLF	A manual was developed under MDPI. MDLF is currently working on developing a software for O&M to be piloted and rolled out in MDPII. It is expected to apply the software on 50 mun in MDPII-cycle 02.
Percentage of municipalities that recorded at least 20% reduction in processing time for at least two of the defined set of services in Citizen Service Centers.	☐	Percentage	0.00			90.00		100.00	End of each Cycle	Citizen and Client Beneficiary Satisfaction Surveys, Municipality records, MDLF verification	MDLF, Independent Consultancy	To be measured once the CSC is in operation (expected by end of January 2016)

Annex B

LGRDP



LGRDP - List of 1st phase of infrastructure projects

Cluster	Project	Profile
Beita	Asphalting of Internal Roads in Beita, Audala, Ausreen and Za'tara	4.85 Km
Beit leqya	Paving of Link Road (Beit Leqya-Beit seera)	1.81 Km
	Link Roads rehabilitation (Beit Leqya-Kharbatha almisbah), (Kharbatha almisbah-Beit seera) & (Beit Leqya-Beit nuba)	4.38 Km
Jort eshama'	Paving of Link Road (Jort eshama'-Wad rahal)	2.51 Km
Karmel	Rehabilitation of Al-Karmel Entrance Road	2.25 Km
Total		15.8 Km

LGRDP - List of 2nd phase of infrastructure projects **

Cluster	Locality	Project Name	Project and work Description	Approx. Area
Beita	Beita	Expansion of the existing Public Health Clinic.	The existing building consists from one floor (130 m ²). The expansion will be by adding one floor and staircase of approximately (190 m2).	190 m ²
		Construction and finishing of 6 additional classrooms in Beita Secondary Girls School.	The existing building is concrete and consists from two floors (350 m2 each floor). The construction for the 6 classrooms will be on the third floor.	350 m ²
	Audala	Construction and finishing of 2 additional Classrooms in the Boys School.	The existing building is concrete and consists from two floors, 4 classes (250 m2). The construction for the 2 classrooms will be on the third floor.	80 m ²
		Construction and finishing of additional Multipurpose Hall to the Co-od School.	The existing building is concrete and consists from three floors, 8 classes (430 m2). The constructions for the additional hall with utility units will be on the fourth floor.	200 m ²
	Ausareen	Maintenance of the Secondary Girls School- third floor –and construction and finishing of canteen.	The existing building consists from three floors, 18 classrooms (500 m2 each floor). The maintenance will includes roof isolation, third floor internal plaster repairing and painting due to roof leakage and walls humidity. In addition to construction and finishing of canteen (3 x 3 m) in the school yard.	500 m ²
		Construction and finishing of Women Center.	The construction for the Women Center (140 m2) will be on exiting donated land.	140 m ²
	Za'tara	Tiling of internal street sidewalks.	Sidewalks tiling with interlock blocks for internal street. Curbstones are existing and the sidewalk will be (600 x 1 m).	600 m ²
		Construction of children garden.	The construction of the garden will be on land located in the center area of Za'tara (1500 m ²). The construction will includes leveling, fencing walls, gate, seats, lighting and kid games.	1500 m ²

Beit leqya	Kharbatha al misbah	Construction and finishing of 5 additional classrooms in the Boys' Secondary School.	The existing building is stone and consists from 2.5 floors (320 m ² for each floor). The construction for the 5 classrooms will be on the second floor.	320 m ²
	Beit leqya	Rehabilitation and equipping two computer centers in both Secondary Boys and Girls Schools.	The work is to rehabilitate the girl's school computer lab and to renovate new room in the boy's school to be the lab. The labs need to be equipped with (50 computer, 50 desks, 100 chairs, 2 TVs). In addition to installing related networks.	
		Construction and finishing of additional floor and rehabilitation of the Public Health Center.	The existing building is concrete and consists from one floor (200 m ²) area suffer from humidity and water leakage in the courtyard. The constructions for the additional floor will depend on the building's structural and physical condition and the ministry requirements.	200 m ²
	Beit nuba	Tiling and lighting of internal roads.	Tiling with interlock blocks for internal roads (550 x 3 m). Works may include 1 m concrete sidewalks. In addition to installing 15 lighting units (lamp and arm) on the existing Electrical poles.	1650 m ²
	Beit seera	Rehabilitation of the Primary Boys School.	The existing building is concrete and consists from three floors (350 m ² for each floor). Rehabilitation will include painting the whole school, replacing stairs tiling, renovate 6-8 utility units, construction of (4 x 5 m) canteen, and construction of drinking fountain and install metal cantilever (30 x 4 m).	140 m ²
		Tiling of kindergarten entrance road.	Tiling with interlock blocks for internal roads (300 x 4.5 m). Works may include 1 m concrete sidewalks.	1350 m ²

Cluster	Locality	Project Name	Project and work Description	Approx. Area
	Jort eshama'	Raising the electricity power of Girls and Boys secondary Schools.	The existing Boys Secondary School building consists from two floors (1000 m ²). Raising the electricity power will be done by converting the internal electricity network from 1 phase to 3 phase and connect the school to the electricity source by 3 phase cable. The existing Girls Secondary School building consists from three floors (1200 m ²). Raising the electricity power will be done by connecting the school to the electricity source by 3 phase cable.	
		Rehabilitation of Jort eshama' Cemetery yard.	The work will be done by construction of cantilever (20x5 m) inside the existing cemetery yard.	100 m ²
	Um salamona	Construction of Public Garden.	The construction of the public garden will be on available land (3000 – 5000 m ²). The required design will be for the whole public garden while the construction will be for first phase to include leveling, seats, lighting, cafeteria, utility units and kid games.	3000 m ²
	Marah m'ala	Finishing works of the Multipurpose Hall and Women Center inside the Village Council building.	The existing building consists from three floors. Finishing works will be for: finishing works for the existing Multipurpose Hall on the first floor (120 m ²) and finishing works for the Women Center on the second floor (70 m ²).	190 m ²
	Marah rabah	Construction and finishing of Multipurpose Hall.	The construction for the Multipurpose hall (200 m ²) will be on the first floor of exiting Village Council building.	200 m ²
	Al ma'sarah	Raising the electricity power of Al-Zawahra' Secondary School.	The existing building consists from two floors (600 m ² for each floor). Raising the electricity power will be done by converting the internal electricity network from 1 phase to 3 phases.	

		Rehabilitation of Al ma'sarah kindergarten yard.	The existing building consists from one floor (100 m ²) with side yard (80 m ²). The rehabilitation will include supplying of grass, sand area, mobile seats, outdoor games, fencing the yard and construction of mobile cantilever.	80 m ²
	Khalet Elhaddad	Construction, finishing and equipping 2 labs for Khalet El Haddad Primary Co-ed School.	The existing building consists from one floor, 5 classrooms (500 m ²). The construction for the 2 computer and scientific labs (100 m ²) will be besides the existing building. In addition to equipping the 2 labs.	100 m ²
	Al mansheeyah	Construction and finishing of Multipurpose Hall.	The construction for the Multipurpose Hall (120 m ²) will be on available land located in C area.	120 m ²
	Wad rahal	Connecting Thabra Primary Co-ed School to electricity and water source.	The existing building is under final stages of construction. Works to be done is to connect the school to the electricity source by 3 phase cable and installation of 5 electricity poles. In addition to connect the school to the water source.	
		Raising the electricity power of the Girls Secondary School.	The existing building consists from two floors (600 m ²). Raising the electricity power will be done by converting the internal electricity network from 1 phase to 3 phase and connect the school to the electricity source by 3 phase cable.	
	9 LGUs (Cluster)	Lighting of the Cluster internal roads.	Installing 550 lighting units (lamp and arm) on the existing Electrical poles distributed in the internal roads of the 9 Villages of the Cluster.	600 units
Al-Karmel	Al-Karmel	Rehabilitation of Al Karmel Primary Co-ed School Garden and Rehabilitation of the school entrance road.	The existing building consists from two floors (550 m ² for each floor). The rehabilitation of the garden will be on land (450 m ²) located inside the school boundary. The work will include supplying seats, lighting, kid games and construction of metal cantilever (30x4 m). In	120 m ²

			addition to rehabilitation of the school entrance road (250x4 m).	
		Equipping the computer center in Al Karmel Secondary Girls School.	The existing lab room needs to be equipped with (20 computer, 20 desks, 40 chairs, TVs). In addition to installing related networks.	
		Rehabilitation of the Public Health Clinic and equipping the clinic lab.	The existing building consists from one floor (160 m ²). The existing lab room needs to be rehabilitated and equipped. The equipment will be upon the cluster needs and the ministry requirements.	100 m ²
	Main	Rehabilitation of Main Primary School yard.	The existing building consists from four rental class rooms with side yard. The rehabilitation will include supplying of mobile seats, outdoor games, fencing the yard and construction of mobile cantilever (12.5x4 m).	50 m ²
	Khalet saleh	Construction and finishing of additional floor in Khalet Saleh Co-od School.	The existing building is stone and consists from 1.5 floors (450 m2), 2 classrooms in the out yard and 2 rented classrooms outside the school boundary. The construction for the 4 classrooms, computer and scientific labs will be on the first floor. In addition to paving the school yard (600 m2) and rehabilitate existing utility units.	200 m ²

Note/ **: The list of projects is subject to change during the LTC assignment. The work description for each project is for guiding purposes that will be finalized according to the LTC final recommendations after coordinate with JSCs, LGUs, MDLF and line ministries.

LGRDP - Description of the Co-financed Water Infrastructure Project**

Cluster	Locality	Project Name	work Description
Beit leqya	Beit leqya	Rehabilitation of Beit Leqya, Beit Seera, Beit Nuba & Kharbatha Al-Misbah Water Supply System - PHASE 01	Partial renewal of the small diameters pipes of Beit Liqya, Beit Nuba and Kharbata Al Misbah and related private house connections.
	Kharbatha al misbah		
	Beit nuba		
	Beit seera		Complete renewal of the existing pipes of Beit Sira and related private house connections renewal.

** : The Palestinian Authority (PA) has received a grant from the co-financiers: Agence Francaise De Developpement (AFD), City of Montreuil-France and Government of the Kingdom of Belgium acting through Belgian Development Agency (BTC) towards the cost of the project in line with "Support to Local Government Reform and Development Programme" (LGRDP).

CO-FINANCED PROJECT DESCRIPTION

1) Summary

The project aims at improving living conditions of the cluster inhabitants through a better supply in water thanks to the renewal of the distribution network and the creation and support of a Common Water Department within the Joint Service Council.

2) Objectives of the Project

- Improving and developing the quality of water services
- Strengthening the implementation of a Common Water Department within the Joint Service Council to optimise a sustainable water management
- Supporting the amalgamation process of the four villages
- Accompanying the water sector reform by helping concretely the implementation of the local governance policy in Palestine

3) Components, of the Project

The project would consist of the following 2 components:

Component 1 – Water infrastructures in Beit Sira Cluster:

In accordance with the preliminary design, the project includes the following works:

- the renewal of the totality of the existing water supply pipes in Beit Sira;
- the renewal of up to 15 000 linear meter of pipes with a diameter equal or inferior to 50 mm in Beit Liqya, Beit Nuba and Kharbata Al'Misbah;
- the renewal of the private connections related to the new pipes

→ **This component will be financed by the three co-financiers.**

Component 2 – Capacity building of CWD:

The Joint Water Service will benefit from a long term support as part of the amalgamation project financed by the BTC. Its capacity to operate and maintain water networks, its technical and financial display will continue to be strengthened by building capacities activities during and after the implementation of the project. These activities, financed by the BTC and supported by the City of Montreuil, will cover:

- Equipments: priority needs will be financed based on the performance assessment to handle the technical and administrative management of the service (car, electro-fusion tools, spare parts, safety equipments, computers...)
- Capacity building services (internal control procedures, commercial and accounting monitoring softwares...);
- Trainings (leakage detection, water quality analysis...).

→ This soft component has been, is and will be financed by the BTC and the City of Montreuil through its decentralized cooperation agreement.

4) Main Project Stakeholders

The MDLF as the beneficiary of the retrocession of the funds will be in charge of the Implementation of the project and supervision of the works (procurement, financing management, quality control, reporting...). The Joint Service Council for Development and Planning (JSCDP) as the final beneficiary of the works will lead the project with the support and control of the MDLF, lead the institutional development of a Common Water Department and be in charge of the operation and maintenance of the water system. The LGRDP, funded by the BTC will support the CWD and contribute to the funding.

Parallel Financing by Co-Financiers

The joint Montreuil/AFD's and BTC's contributions to the project will be through parallel financing. This means that each co-financier will disburse its funds through a separate Designated Account (DA) opened by the MOF (under the Central Treasury System) and operated (managed) by the MDLF. Funds are deposited into and disbursed from each DA on a proportional basis regarding the contribution. The BTC is in charge of validating payment requests. The DA will be audited annually by an independent office hired by a tendering process (led by MDLF) and approved by AFD.

CO-FINANCED FINANCING PLAN

The project component 1 cost is estimated in the order of about €1.975 million and will be financed in parallel by an amount of 700 000€ from the BTC, 275 000 € from the French city of Montreuil (funds delegated to AFD's management), 1 million € from the French Development Agency (AFD) – for a combined 1.275 million € Montreuil and AFD contribution. This financing plan will be updated at the contracts signatures.

The component 2 (soft activities) will be financed through BTC and Montreuil funds and is not part of this financing agreement.

Indicative Project financing Plan	Total €	co-financiers		
<u>Water Supply infrastructure</u>		AFD	CTB	Montreuil
- complete renewal of the existing pipes of Beit Sira and related private house connections renewal	709 000	434 000	0	275 000
- partial renewal of the small diameters pipes of Beit Liqya, Beit Nuba and Kharbata Al Misbah and related private house connections	982 000	351 000	631 000	
Total of Works	1 691 000	785 000	631 000	275 000
<u>Consulting firm</u>				
- assistance to the procurement procedures (MDLF – 7% of the works)	119 000	75 000	44 000	0
- works supervision (local consultant)	25 000	0	25 000 ¹	0
Total for consultancy services	144 000	75 000	69 000	0
Miscellaneous (8% of the total)	140 000	140 000	0	0
TOTAL	1 975 000	1 000 000	700 000	275 000

¹ Includes the 7% for MDLF management fees.

LGRDP - List of 3rd Phase of infrastructure projects

Cluster	Project Name	Project and work Description
Beita	Construction of Spring Park.	The construction of the park (phase 1) will be on Tourist and archeological area located in Beita. The construction will includes leveling, retaining and boundary walls, seats, lighting, services building, canteen, walkways, grass and sand yards, car parking, Theater stage and kid games.
	Supply of Garbage containers.	The Garbage containers will be distributed in the whole cluster with total of 250 units (150 in Beita, 50 in Audala and 50 in Ausreen).
	Asphalting of Internal Roads in Beita, Audala, Ausreen and Za'tara	Asphalting will be for unpaved internal roads in the whole cluster with total of 1.35 km (0.50 km in Beita, 0.44 km in Audala and 0.41 km in Ausreen).
	Furnishing Beita main road.	The existing main road in Beita is 2.5 km two sides with four lanes separated by median island. The works include pavement marking lines, cat eyes, bus stations on sidewalks, Afforestation, traffic signs and traffic circles enhancement.
Al-Karmel	Construction and finishing of Joint Services Center.	The new building will be on available land (2000 m2) located in Al-Karmel. The construction will be stone and consists from three floors, 750 m2 total area.
Jort eshama'	Construction AN Amphitheater to wad al-Ness stadium	The existing stadium needs an Amphitheater where the existing playground is furnished with First Phase, and the Amphitheater will offer on its underneath with (players room, meeting room, and toilets).
	Administrative building	Jourt eshama is consist of nine villages, and during the last four years the village council of jourt eshama were hosting them, and since they are offering land with 3000 meter to building the future Municipality.

Construction of additional class room to Jort Eshmaa boys school.	The existing building is concrete and consists from three floors, 8 classes (500 m2). The construction for the 3 classrooms will be an additional section to the building
Construction and finishing of additional classroom in al Maasara Girl school.	The existing building is concrete and consists from two floors, 4 classes (250 m2). The construction for the 3 classrooms will be on the third floor

LGRDP - List of additional projects in Al-Karmel cluster project

Cluster	Project Name	Project and work Description
Al-Karmel	Construction and rehabilitation of al- Karmel Public Health Clinic Garden	The existing building needs to be rehabilitate (painting, doors, and entrance), The construction of the garden will includes leveling, boundary walls, seats, services building,, walkways, trees, Wall paling and cantilever
	Water Tank Track	Al Karmel cluster (Main, Kalet alhadad, Kaleit Saleh and alkarmel) is facing the lach of water infrastructure supplay system (water Lines), and using rental water tanks for distributing water costing them around (40,000 Euro) Yearly, So in the time of joining the water service under the JSCPD and parallel with their needs of such service and based on the feasibility study, Water Tank with size of (10M2) will lead to merge the 4 JSC in this service and will make an income among the JSCPD.
	Garbage collector car	Car with capacity of 8m3 to collect garbage from the whole cluster and unify the waste garbage collection among the JSCPD, which will lead for merging services of the 4 villages together.
	Supply of Garbage containers.	The Garbage containers will be distributed in the whole cluster with total of 100 units (25 in al-Karmel, 25 in Kalet salaeh ,25 in kalet elhadad and 25 in Main).
	Rehabilitation of Al-Karmel main road	1.5 KM connecting Al-Karmel with Main, rehabilitation
	Rehabilitation Of al- Hodaidia school	Existing building with two floor needs to be rehabilitate and equipped to be used as school.

ANNEX C

Financial Data



MDPII Disbursement by end of June 2016 - (excluding Emergency Component to Gaza) in EURO

Financing Partner	WB		MDTF		KFW		VNG		AFD		PA & MOLG		GIZ		SDC		BTC		Total		
Window	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	(%)
Window 1	5,153,465	4,032,515	14,287,409	10,524,474	12,085,000	11,240,977	0	0	0	0	11,222,700	2,879,648.57	0	0	1,085,000	642,136	1,767,000	1,655,818	45,600,574	30,975,569	68%
Window 2	600,000	338,378	2,110,000	1,217,569	0	0	953,250	512,012	700,000	66,377	0	0	0	0	0	0	0	0	4,363,250	2,134,336	49%
Window 3	470,000	14,950	735,000	522,655	410,000	21,153	0	0	230,000	70,198	0	0	372,000	277,000	1,240,000	514,505	0	0	3,457,000	1,420,461	41%
Window 4	1,178,110	817,987	2,160,504	1,022,260	1,005,000	942,861	71,750	71,750	70,000	4,000	867,300	170,260.58	28,000	28,000	258,000	93,584	133,000	58,803	5,771,664	3,209,506	56%
Total	7,401,575	5,203,830	19,292,913	13,286,958	13,500,000	12,204,991	1,025,000	583,762	1,000,000	140,575	12,090,000	3,049,909	400,000	305,000	2,583,000	1,250,225	1,900,000	1,714,621	59,192,488	37,739,871	64%

Note: the WB, MDTF, SDC,VNG, agreements are utilized for both cycles.

MDPII Additional Financing to Gaza Strip - Disbursement by end of June 2016 in Euro

Financing Partner	WB		MDTF		KFW		BTC		Total		Percentage
	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	(%)
Window 4	177,019	177,019	634,007	634,007	450,000	360,805	0	0	1,261,026	1,171,831	93%
Window 5	2,041,443	2,041,443	8,086,957	6,749,994	4,550,000	3,824,622	350,000	293,385	15,028,400	12,909,444	86%
Total	2,218,462	2,218,462	8,720,964	7,384,001	5,000,000	4,185,427	350,000	293,385	16,289,426	14,081,275	86%

MDPII Disbursement by end of June 2016 - (2nd cycle Agreements) in EURO

Financing Partner	KFW 8000		KFW 10000		AFD 6000		MDTF Additional Financing for Cycle 2		GIZ		KFW Eu		Total	
Window	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed
Window 1	6,840,000	513,752	10,000,000	130,649	5000000	212,813	5052755.896	0	0	0	6,017,860	226,443	27,857,860	1,083,657
Window 2	0	0	0	0	345,000	0			92010	44,200	0	0	437,010	44,200
Window 3	540,000	0	0	0	170,000	11,248			279,990	0	500,000	15,005	1,489,990	26,253
Window 4	620,000	20,075	700,000	0	485,000	20,000	380,315	0	28,000	78	456,250	78	2,289,250	40,231
Total	8,000,000	533,827	10,700,000	130,649	6,000,000	244,061	5,433,071	0	400,000	44,278	6,974,110	241,526	32,074,110	1,194,341

LDPIII Disbursement by end of June 2016 in US\$

Component	Allocated in US\$	Revised Allocated in US\$	Disbursed Amount During the 1st half -2016	Total Disbursed by end of June 2016	% of Disbursement
Output 1: Participatory amalgamation process	456,030	378,784	94,255	375,793	99%
Output 2: Institutional Development of New Municipalities	729,649	215,135	173,840	214,139	100%
Output 3: Joint Projects Implemented	4,742,717	4,770,645	1,690,090	4,661,602	98%
Output 4: Strengthened Local Governance	660,332	385,930	335,825	335,825	87%
5. Programme Management	995,970	674,781	136,324	667,421	99%
5.1 Technical Assistance (Local/International)	259,025	272,494	52,324	273,309	100%
5.2 Reviews (mid-term and annual)	200,653	0	0	0	0%
5.3 MDLF management fee (*)	536,292	402,287	84,000	394,112	98%
Unallocated (1%) / Returned Budget	76,613	882,245			0%
Total	7,661,311	7,307,520	2,430,334	6,254,780	86%

LGRDP Disbursement by end of June of 2016 in EURO

Component	Allocated in Euro	Disbursed Amount During the 1st half of 2016	Total Disbursed by end of June 2016	% of Disbursement
Support for amalgamation in 4 areas (incl. equivalent of 7% management fee)	8,650,000	1,720,336	6,897,871	80%
Total	8,650,000	1,720,336	6,897,871	80%

Disbursement of Area C Development Program - EU (by end of June 2016)

Item	Budget (Euro)	Disbursement by end of June 2016 (Euro)	Percentage
1- MDLF management fees (indirect cost) = 7% of direct eligible cost	128,100	0	0%
2- Total Direct Eligible Cost	1,830,000	0	0%
2.1 Other Costs and Services	55,000	0	0%
- Expenditure Verification/Audit	5,000	0	0%
- Evaluation Cost	20,000	0	0%
- Visibility Actions	30,000	0	0%
2.2 Other	1,775,000	574,180	32%
- Legal Fees	50,000	0	0%
- Cost of Infrastructure Sub-Projects	1,610,000	513284.23	32%
- Local Technical Consultancy for Design and Supervision (Approximately 7% of cost of infrastructure sub-projects)	115,000	60,896	53%
3- Provision for contingency reserve (indirect cost)	41,900	0.00	0%
Total Cost of the Action	2,000,000	60,896	3%

GSWMP Disbursement by end of June 2016 in Euro

WB

Description	Allocation EUR	Actual EUR 2013	Actual EUR 2014	Actual EUR 2015	Actual EUR 2016	Total by end of June 2016	Remaining
Com. 1: Solid Waste Transfer and Disposal Facilities	4,927,536	0	0	2,084	0	2,084	4,927,536
Com. 2: Institutional Strengthening	289,855	0	23,285	69,613	870	93,768	288,985
Com. 3: Primary Collection and Resource Recovery	72,464	0	0	0	27,412	27,412	45,052
Com. 4: Project Management	1,355,072	0	100,000	0	0	100,000	1,355,072
Contingencies	601,449	0	0		0	0	601,449
Total uses of Funds	7,246,377	0	123,285	71,697	28,282	223,264	7,218,095
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>7,246,377</u>	<u>0</u>	<u>123,285</u>	<u>71,697</u>	<u>28,282</u>	<u>223,264</u>	<u>7,218,095</u>

GSWMP Disbursement by end of June 2016 in Euro

AFD

Description	Allocation EUR	Actual EUR 2013	Actual EUR 2014	Actual EUR 2015	Actual EUR 2016	Total by end of June 2016	Remaining
Com. 1: Solid Waste Transfer and Disposal Facilities	7,074,428	0	0	21,900	140,613	162,513	6,933,815
Com. 2: Institutional Strengthening	916,377	0	0	26,545	27,900	54,445	888,477
Com. 3: Primary Collection and Resource Recovery	2,932,406	0	0	0	0	0	2,932,406
Com. 4: Project Management	1,319,583	0	62,840	0	106,630	169,469	1,212,953
Contingencies	2,507,207	0	0	0	0	0	2,507,207
Total uses of Funds	14,750,000	0	62,840	48,445	275,143	386,427	14,474,857
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>14,750,000</u>	<u>0</u>	<u>62,840</u>	<u>48,445</u>	<u>275,143</u>	<u>386,427</u>	<u>14,474,857</u>

Disbursement of HIMI -SDC - (by end of June 2016)

No.	Item	Cost (\$)	Disbursement by end of June 2016 (\$)	Percentage
1	Infrastructure (WB)	1,079,000	704,455	65%
2	Infrastructure (Gaza)	1,350,000	974,008	72%
3	LTC for design and supervision (WB)	120,263	66,313	55%
4	Audit	4,000	0	0%
5	Management fees (7%)	190,000	115,079	61%
Total Budget		2,743,263	1,859,855	68%