



صندوق تطوير وإقراض الهيئات المحلية
Municipal Development & Lending Fund

Annual Report 2019

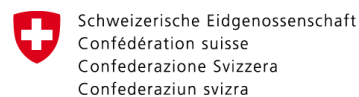


لحياة أفضل



Annual Report 2019

Municipal Development and Lending Fund (MDLF) - Palestine February 2020





Our Vision

Efficient and effective local government units contributing to achieve a better life for citizens

Our Mission

MDLF is a national organization that strives to empower the local government units to implement national programs and projects that are derived from the local government policies by managing the funds for 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

- Empowerment of Local Government Units
- Strengthening MDLF Institutional Development
- Translating the Local Government National Policies to National Programs and Projects

To Our LGUs

It is our promise to demonstrate our persistence to help create more efficient and effective local government units, and improve the lives of our citizens.



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
FARV:	Fixed Assets Registration and Valuation
FAO:	Food and Agriculture Organization at the United Nations
FPPM:	Financial Policies and Procures Manual
GD:	Government of Denmark
GIZ:	German Technical Cooperation
GSWMP:	Gaza Solid Waste Management Project
HIMI:	High-Impact Micro- Infrastructure Project
ICUD:	Integrated Cities and Urban Development Project
IFMIS:	Integrated Financial Management Information System
JEDCO:	Jerusalem District Electricity Company
JSCs:	Joint Service Councils
KFW:	German Development Bank
LDP:	Local Development Program
LGRDP:	Local Government Reform Development Program
LGUs:	Local Government Units
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
RHC:	Regeneration of Historical Centres
SDIP:	Strategic Development and Investment Plan
Sida	Swedish International Development Cooperation Agency
SMDN:	Support to Municipal Development for Northern West Bank
TOR:	Terms of References
UPFI:	Urban Project Finance Initiative
WBG:	West Bank & Gaza



Board of Director (BOD)

Mr. Magdi Al-Saleh	Chairman of the Board, Minister of Local Government
Mr. Fadi Al-Sharif	Board Member, Representing Palestinian Monetary Authority
Mr. Faisal Fraihat	Board Member, Representing Ministry of Public Works and Housing
Ms. Laila Sbaih	Board Member Representing Ministry of Finance and Planning
Mr. Ammar Al-Dwaik	Board Member Representing Civil Society Organizations
Dr. Jalal Al-Dabbik	Board Member Representing Engineers Association
Mr. Musa Hadid	Board Member Representing Association of the Palestinian Local Authorities (APLA)
Mr. Mohammad Abu Ghali	Board Member Mayor of Jenin Municipality (Representing the Municipalities)
Mr. Jihad Khair	Board Member Mayor of Beit Sahour Municipality (Representing the Municipalities)





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Achievements

Since the initiation of MDLF with the aim of improving the municipal services and enhancing the municipal performance. We believe that our work contributes to the building of our Palestinian State through improving the quality and quantity of vital services at the Local Government Units. The following are the accumulated accomplishments achieved until the end of 2019:

Roads	<u>1,285</u> <u>39,397</u> <u>35</u> <u>368</u>	kilometer of roads were paved, developed and rehabilitated, lighting units were supplied, kilometer of retaining walls were constructed, kilometer of sidewalks/shoulders were constructed.
Water	<u>147</u>	kilometer of water networks were rehabilitated/constructed ,
Wastewater	<u>201</u>	kilometer of wastewater networks were rehabilitated/constructed,
Electricity	<u>20</u> <u>1,647</u>	kilometer of electrical networks were rehabilitated, pre-paid meters were installed.
Public Facilities	<u>124,963</u> <u>150,894</u>	Sq. meter of public buildings were constructed, Sq. meter of parks and public gardens were constructed.
Solid Waste	<u>18,525</u>	solid waste containers were provided,





Key Achievements 2019

Work Progress:

- A new agreement (totaling EUR 10 million) was signed with AFD as a contribution to the 2nd cycle of MDPIII.
- A new agreement (totaling US\$ 15 million) was signed with the WB under MDPIII, out of which US\$ 10 million as an additional financing (new window) for Gaza municipalities aiming at creating jobs related to basic municipal services, and US\$ 5 million to scale up MDPIII.
- The implementation of the Area C Development Programme funded by the EU, SDC, AFD, DFID, DRO witnessed a noticeable progress on the ground resulting in completing 58 out of 59 projects targeting 45 localities.
- The preparation of a new package for Area C Development Programme, funded by the EU and Denmark was completed concluding 16 projects to be implemented in 15 localities.
- The 2nd and 3rd round of LGSIP joint projects were endorsed by the programme committee and agreed upon with the World Bank and the KFW.
- The RHC programme was officially closed with noticeable achievements on the ground.
- The municipal ranking update was completed FY 2019 resulting in graduation of 61 municipalities to higher ranks out of which 16 municipalities are classified in rank A.
- The Beneficiaries Impact Assessment of MDPIII was completed and the projects were positively perceived by the beneficiaries. (85% average satisfaction of beneficiaries regarding – relevance, coverage, impact, quality)
- MDLF has kept the momentum of implementing the MDPIII, LGRDP II, GVCD, MSR, LGSIP, ICUD, and Gaza Solid Waste Management Project “GSWMP” with a recorded progress on the ground.

Disbursement:

- During 2019 the MDLF disbursed nearly US\$ 58 million of infrastructure, capacity building and innovative projects to all municipalities in West Bank and Gaza.

Institutional Development:

- MDLF has kept the momentum for IT and systems development.
- The MDLF capacity was developed in terms of equipment, tools, and facilities.
- Training to MDLF staff was provided to enhance their capacity.
- Job security for MDLF staff has been improved which included incentives and promotions.
- Web application survey was activated and used for MDLF communication with municipalities.
- Implementation plans for all MDLF interventions were developed.

Communication and Outreach:

- The MDLF PR activities were implemented in accordance with the updated PR strategy and action plan.
- Workshops were organized to outreach Mayors and municipalities staff.
- The MDLF Facebook page was activated.
- MDLF actively participated in the regional events which were organized by the development partners to share MDLF experience regionally.



Projects Outputs:

- 120 Km of roads had been paved.
- 1,298 street lighting units were installed.
- 88.4 Km of sidewalks/ shoulders and 5.6 Km of retaining walls have been constructed.
- 23 Km of water networks and 23 Km of sewage network were rehabilitated.
- 12,942 Sq.m public buildings were constructed/rehabilitated
- 39,690 Sq.m of public parks were constructed.
- 8,128 solid waste containers were provided.
- Around 450,000 Person-Days were created.
- Hundreds of thousands of US\$ were channeled to Gaza municipalities as budgetary support to cover operational expenses and maintenance cost of municipal equipment.





Executive Summary

Our Annual Report for the year 2019 highlights the achievements by the Municipal Development and Lending Fund (MDLF) building upon a history in which it had accomplished hundreds of projects in various sectors worth more than USD 500 million. Our report reveals progress on ongoing and finalized projects to demonstrate our persistence to help create more efficient and effective local government units, and improve the lives of our citizens.

Since it was established in 2005, MDLF has had noticeable achievements in community development as well as reforming the local government sector in Palestine through improving municipal infrastructure services, providing capacity development, and nurturing innovative initiatives at the municipal level.

The core business of MDLF is the Municipal Development Program-MDP, a Multi-phased program distinguished by the transfer mechanism aimed to enhance the capacity of municipalities through its four components (capital investments, municipal partnership projects, capacity development and program management). MDP is financed by the Palestinian Government along with several Financing Partners (FPs) including the Agence Française de Développement (AFD), the Danish Representative Office-Ramallah (DRO), the Swiss Agency for Development and Cooperation (SDC), VNG International funded by the Dutch Government, the World Bank, KfW and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) and the EU.

An agreement was signed to launch the third phase of the Municipal Development Program late 2017, with an initial financing of USD 110 million which was scaled up to reach USD 145 million. The General Director of MDLF, Dr. Tawfiq Bdairi described MDP as a program “where donors collectively support a national program in a coordinated and structured manner, with a single system of funds allocation, standard project selection criteria and standard implementation mechanism based on procedures developed by the MDLF.”

During 2019, the Municipal Development Program witnessed noticeable progress. Based on the 2019 Municipal Ranking Survey, 61 municipalities have moved up one rank in the performance assessment system. The project also showed significant improvements in the compliance of municipalities with the key performance areas. At the implementation level, 306 sub-projects out of 350 were completed, with the total allocation EUR 35 Million, approximately 84% of the budget. Additionally, the municipalities’ capacity development packages were well identified and communicated with the target municipalities. The TORs for the capacity development packages were updated and shared with development partners and the procurement arrangements has started.

MDLF succeeded in implementing a set of packages for Area “C” development program in the West Bank funded by the EU, Denmark, AFD, DFID and the SDC. The program aims to improve the social and economic conditions of Palestinian communities in Area C which is crucial for maintaining Palestinian presence in Area C and for the development of the Palestinian economy. Despite numerous challenges been faced on the ground including Israeli stoppage and lack of capacity of the target village councils, the implementation of the social infrastructure in Area C witnessed a noticeable progress during the reporting period. Since 2015, a total of 58 out of 59 projects were successfully completed targeting around 60,000 inhabitants. The EU packages were evaluated satisfactorily with a clear recommendation to build upon the success achieved and to be replicated in other marginalized communities across the West Bank.

Furthermore, MDLF has kept the momentum in implementing the ongoing Programs/Projects in Gaza including the Gaza Solid Waste Management Project (GSWMP) which is funded by the World Bank, Sida, AFD and EU, which is considered one of the biggest investment in Palestine aiming at improving the solid waste management services in Gaza Strip. Also, the MDLF has been diligently working on implementing the Gaza Vulnerable Communities Development programme funded by the SDC, a project which was designed to improve the provision of basic services to the marginalized populations in Gaza Strip. The project was launched and the NGO was contracted to conduct the community mobilization activities at the municipal and the community levels. Most importantly, the GIZ joined the Gaza vulnerable programme by topping up the services delivery component aiming at supporting the resilience of those marginalized communities with basic services. So far, the sub-projects are well identified in a participatory manner, the projects are either under tendering or ongoing and expected to be accomplished by end of 2020.

During the reporting period the Integrated Cities for Urban Development (ICUD), a program that enhances the institutional and technical capacities of the selected urban areas for planning a sustainable urban growth, witnessed



a noticeable progress for the structured capacity development support as well as the demand driven customized support for Urban Growth Planning in West Bank & Gaza Urban Areas. A Mid Term Review Mission (MTR) was carried out during 7-14 January, 2019 by the World Bank, which found out that significant progress was achieved under the direction of the current technical team and the support of MoLG and MDLF after long and challenging implementation start-up. Two missions were carried out in February and April 2019 with the aims to validate results with each urban area involved with ICUD, develop capacities, engage stakeholders in different steps, and to launch the Urban Performance as a tool for the benefit of urban planning in Palestine.

The second phase of Local Government Reform Development Programme (LGRDP II) has been progressing efficiently; nearly 90% of the projects were either handed over or ongoing and will be completed within the coming few months (as planned).

Additionally the Rehabilitation of Historic Centers project (RHC) aiming at improving the economic, cultural and social circumstances in the historical cores of the West Bank was officially closed by achieving its targets. The RHC had been implemented with some delays due to the sensitivity of the project and lack of capacity of the local councils to rehabilitate the historic centers of a number of ancient localities, which includes 12 local government units in West Bank in the Hebron Governorate, Ramallah Governorate, Tulkarm Governorate, Nablus Governorate and Jenin Governorate.

On the other hand, Jericho received a distinct attention with a project designed to address some of its core functions¹. The Multi-site Regeneration Project for Jericho aims at enhancing the economic development of the city through the process of “re-localization and rehabilitation” of key infrastructures. The project has started since April 2017 with some progress concluded by signing the work supervision contract as well as the signature of the municipal garage work contract with some delays encountered the institutional arrangements and capacity development. In the end the municipal garage was completed in 2019 and being functional, however the bidding documents of the slaughter house contract are finalized and the implementation is foreseen to take place by mid 2020.

Additionally, the Local Governance Services Improvement Programme “LGSIP” comprises of delivering infrastructure at the village level and the Joint services councils, is progressing. The LGSIP exceeded its target in terms of number of eligible VCs (76.4% vs 70%) and the # of approved joint projects for JSCs (21 vs 18). There has been timely communication to VCs of the formula based Annual Capital Investment Grant, and the implemented projects were positively perceived by its’ beneficiaries (74% of beneficiaries stated that the projects are very relevant to their needs, 16% stated that the projects are somewhat relevant to their needs).

This report presents the progress of MDLF programs and projects during the year 2019 highlighting the key challenges and lessons learnt throughout the implementation. We would like to thank you for your continued support of our actions to assure the success of our Programs.

¹ The rehabilitated infrastructures are the slaughterhouse, the Spanish Garden, and the Municipal garage, all of which shall contribute to support the main city's economic activities (tourism and farming).



A Message from the Chairman of the BOD

As a Minister of the Local Government, and as the Chairman of the Board of Directors of the Municipal Development and Lending Fund “MDLF”, it is with great pleasure to present the MDLF Annual Report for the year 2019. MDLF is one of the leading national institutions; it has been contributing towards developing the State of Palestine through enabling Local Governance. MDLF strives to improve services delivery, achieving sustainable development, and promoting municipal efficiency and accountability. The MDLF concluded one more successful year, with guidance from the Central Government and from the MoLG, with major targets accomplished and new projects undertaken during 2019.



During 2019, the MDLF addressed issues which included infrastructure work, capacity building of municipalities, and with great innovation and creativity developed the multi-phased Municipal Development Program “MDP”. In 2019, the third phase of MDP was progressing with major accomplishments in the field which was clearly stated in the supervision missions.

We believe the first step towards improving municipal services is having a well-managed and more accountable local government units. The cornerstone of MDP is the way it links the municipal infrastructure allocations with the municipalities’ performance. MDP provided technical capacities to the municipalities in aspects of operation and maintenance, planning and financial management, among many others.

Ever since the “MDLF” Law was passed by H.E. President Mahmoud Abbas, the status of MDLF has summited. We value MDLF’s full alignment with the national policies and agendas established as part of the overall efforts meant to ensure reform, transparency, and efficiency, which are crucial to develop a viable, sustainable Palestinian state. The Palestinian Government has always focused on integrating local economic development within its policies, agendas, and strategies, a point that MDLF successfully addressed.

It is worth noting that all these achievements would not have been reached without the full support and commitment of H.E the President and the Central Government headed by H.E the Prime Minister Dr. Mohammad Shtayyeh towards the development of the local government sector. On behalf of the Palestinian government, and in my capacity as the Minister of Local Government, I would like to extend my sincerest appreciation to our development partners’ support which made our achievements possible.

Eng. Magdi Al-Saleh

Chairman of the Board of Director,

Minister of Local Government



A Message from MDLF Director General

2019 marked a year when the MDLF ventured into new territories, trying new approaches while remaining faithful to its primary obligations. We focused on our strengths, improved our operational performance thus achieved promising outcomes. We carried our success while bearing in mind having a responsibility towards our municipalities and the needs of our local society. These issues were all considered in the MDLF new strategy (2017-2021) which was endorsed by the Board of Directors, under which all MDLF interventions were clearly identified towards achieving MDLF objectives.

The core business of MDLF is the Municipal Development Program “MDP”, a ground-breaking initiative aimed towards the development and reform of the local government sector. Designed by the Municipal Development and Lending Fund (MDLF), guided by the Central Government, the MDP recognizes that the first step towards improved municipal services is preparing well-managed and more accountable local government units. In 2019, the MDLF has proudly spent US\$ 58 million (Fifty Eight million dollars) in various programs, projects, workshops and initiatives under the MDP, as well as other MDLF programs.

In 2019, we accomplished the municipal ranking update concluding a graduation of 61 municipalities to higher ranks out of which 16 municipalities are classified in rank A and with significant compliance of municipalities with the key performance areas. Moreover, the MDPIII beneficiaries impact assessment indicated that 85% of beneficiaries satisfied with municipal sub projects executed under the project.

Perhaps one of the most unique tasks of the MDLF is working closely with municipalities through its capacity building packages to help them graduate from lower levels up to a higher ranking level, this includes Social Accountability initiative, Fixed Assets Registration and Valuation (FARV), Integrated Financial and Management Information System (IFMIS), Revenue Management Information System (RMIS), and E-municipality (EMS), as well as providing Operations and Maintenance (O&M) packages, and furnishing municipalities with Citizen Services Centres (CSC) and preparing the municipal strategic plans (SDIP) in accordance with the new guidelines.

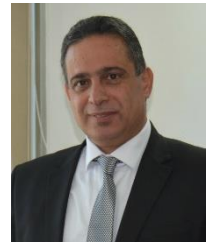
Most importantly, hundreds of infrastructures and services delivery projects were accomplished along with a number of capacity development packages at the municipal level with more focus on social accountability and citizens engagement as key elements of the reform and good governance.

Furthermore, the MDLF is proud to be one of the few national organizations who dared to work in Area “C” in the West Bank. The programme has been implemented since 2015 and financed by different donors (EU, SDC, DRO, AFD, DFID). Despite the challenges hindered the implementation of infrastructure projects in Area C, MDLF has been implementing several projects with a total financing (EUR 13.5 million) targeting 45 localities which are considered the most vulnerable among the West Bank localities.

MDLF kept the momentum with the implementation of the Gaza Solid Waste Management Project (GSWMP), the 2nd phase of the Local Government Reform Development Programme (LGRDP II), the Regeneration of Historical Centres (RHC) which focuses on strengthening the institutional and technical capacity of involving urban areas in planning their future together, as well as the Local Governance Services Improvement Program (LGSIP) aiming at strengthening the local government financing system and improve local service delivery in program villages as well as the “Multi-site Regeneration Project for Jericho, Palestine” Project aims at enhancing the economic development of the city through the localization and rehabilitation of key infrastructures.

Additionally, several new programs which expanded our realm of influence were launched. This included the new fund from the GIZ to support the vulnerable communities in Gaza Strip through joining the ongoing programme “Gaza Vulnerable Communities Development- GVCD” funded by the SDC.

I would like to express my appreciation to all of our partners who supported MDLF mission towards a successful 2019. Also, I would like to thank H.E. Eng. Magdi Al-Saleh, Minister of Local Government and chairman of the board of directors, as well as MDLF staff and employees, for all the hard work they have contributed. I would like to express my appreciation for our financing partners for their full and continuous support, the municipalities and local government units who worked closely with MDLF for the benefit of the Palestinian people.



Dr. Tawfiq Budeiri
General Director



Institutional Development

✓ MDLF Strategic Dimensions (2017 – 2021)

Approach and Methodology

At the beginning of 2017, a new strategy for MDLF was developed for the years 2017-2022 taking into account the achievements of MDLF during the previous years and bearing in mind the lessons learned from the multi-dimensional interventions concerning the local government sector development. An outsourced consultant -who was contracted by the GIZ for the benefit of MDLF- followed a clear approach to develop/update the MDLF strategy as follows:

- Desk review of relevant documents provided by MDLF (previous strategic plans, external evaluation reports, annual reports, internal audit reports, projects documents, monitoring and evaluation reports, citizen satisfaction survey reports, municipal ranking reports, programs concept notes and other relevant literature including the 2017-2022 draft local government sector strategy);
- Interviews with members of the Board of Directors, MDLF executive director, manager of operations, heads of departments and some staff to solicit their opinions on progress, obstacles and areas for improvement; in addition to interviews with other stakeholders including: Minister of Local Government the chairman of the MDLF's Board of Directors, Deputy Minister of Local Government, Deputy Director General of Joint Services Councils directorate mayors of Ramallah and Bethlehem Municipalities, representatives of the donor agencies;
- Focus group sessions with representatives of West Bank and Gaza Strip municipalities.
- The process included an open discussion session with the MDLF management team held prior to finalizing the strategic plan update.
- The process involved soliciting information from the key stakeholders related to their satisfaction level of the MDLF's performance, challenges faced, future needs, and areas of recommended improvements to be included in the updated strategic plan of 2017-2022.
- The process included a three-day strategic planning workshop which was held during the period of January 12nd – January 14th , 2017 and followed by small group discussions at more of operational level to produce the operational plan.

The methodology for preparing the strategic plan of MDLF relied on a comprehensive approach to analyze the internal and external environment of MDLF, shown in in the figure below which illustrates a summary of the approach and steps followed in preparing the five-year strategic plan of MDLF.

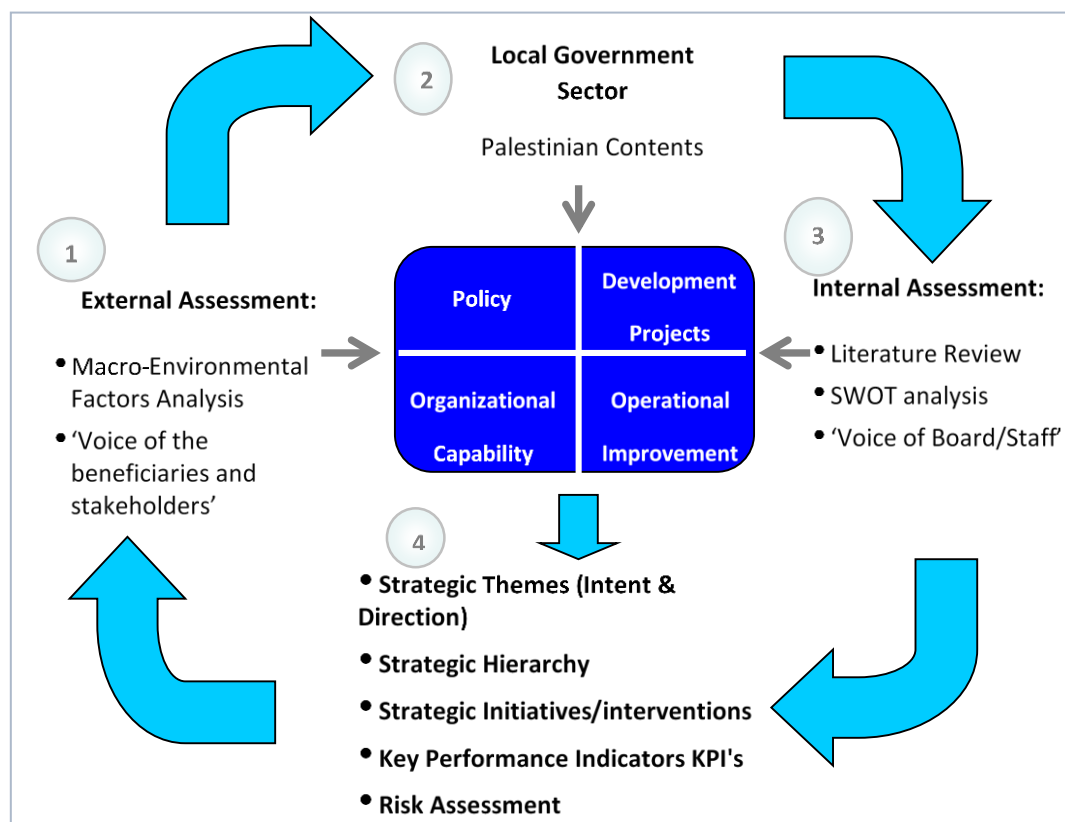


Illustration of approach for SP update (2017-2021)

Assessment (Diagnostic) of MDLF was carried out through three main sources:

- Results of the overall environmental scanning covering MDLF's internal and external environment with an overview of its *Organizational Capacity*. The purpose is to explore the *Strengths* and *Areas for Improvement* that do exist within the internal environment of MDLF as well as the *Threats* and *Opportunities* facing the organization in its external environment, and use these as *organizational* learning with forward-looking approach to determine how to maximize the impact of MDLF, thus serving as main inputs into the five-year strategic plan (2017 – 2021).
- Further follow-up sessions with senior managers including the Executive Director to solicit their opinions on the results of the evaluation particularly vis-à-vis the Strengths and Weaknesses as identified by the overall evaluation.
- The results of the assessment (diagnostic) report was shared with the Board Members for their review. The key findings, SWOT analysis, and the strategic framework were presented and discussed with the Board of Directors who endorsed the strategic framework for the 2017-2021 strategic plan.

MDLF Strategic Themes and Objectives:

Based on the understanding of MDLF's Strengths, Weaknesses, Opportunities and Threats in the current environment of the organization, the Board of Directors, the Management and staff at MDLF will continue in the next five years to scan the environment, assess and deepen their approaches to the work and the various interventions. Simultaneously, MDLF will continue assuming its leadership role in managing the funds (grants and loans) to empower the local government units to implement the national programs and projects and will explore the possibility of actively engaging all relevant bodies and stakeholders in its programs. MDLF will explore all possible means to achieve sustainability to achieve its stated mission and goals. It will identify and ensure best practices in



the design, delivery and monitoring of its programs and services, including the conduct of needs assessments, effective and efficient design of the programs, and the setting of appropriate measures and techniques with particular reference to measuring the impact of its work. Among other strategic choices, MDLF will continue working to achieve the following strategic themes and objectives:

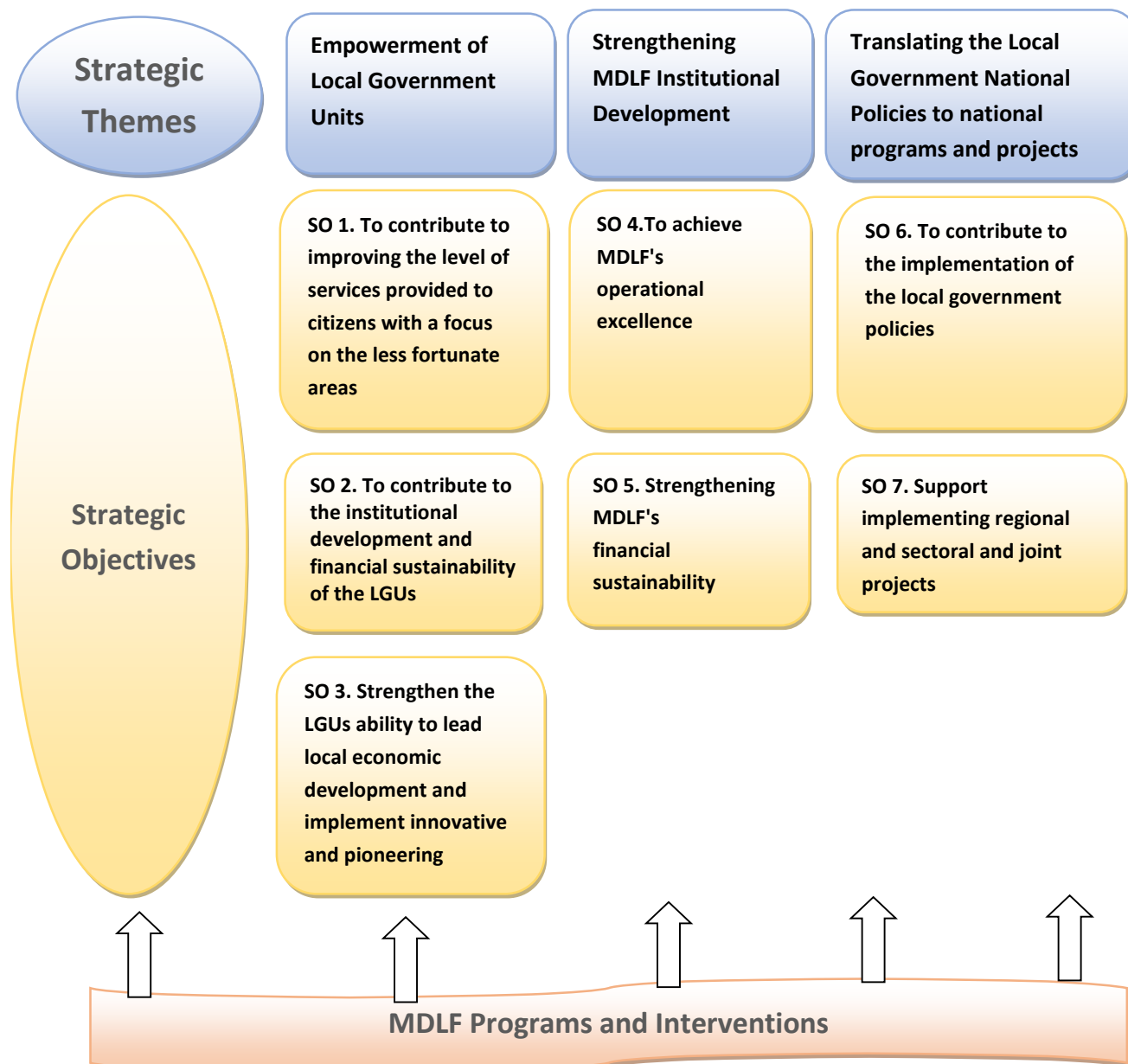


Illustration of MDLF Strategic Themes and Strategic Objectives (2017-2021)



✓ Outreach and Communication

MDLF prepared a communication plan for 2019 to share its vision, goals, and activities with the Palestinian municipalities, its partners as well as the public. The plan served as a guide for media and public relations activities in which MDLF was engaged throughout the year 2019. Various outreach models were taken into consideration to establish dialogues and linkages with various institutions or groups, including presentations, meetings, and applying communication products.

Throughout the year 2019, MDLF issued different materials in-print including an Informative brochure in Arabic and English about MDLF and MDP III, the updated Strategic Plan, the Semi-Annual report, MDLF Infographic, and a number of press releases for all MDLF activities and events



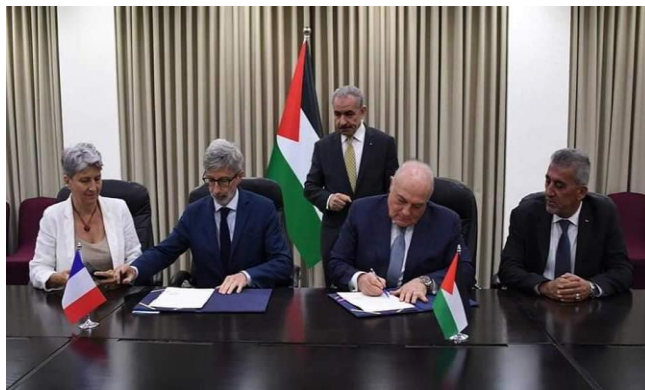
Also, MDLF used audio and video tools, to create documentary films that promoted MDLF and MDP Achievements as a core business of MDLF. Other promotional short spots were made covering directly the work of MDLF. These tools were launched on the MDLF website, YouTube and Facebook. A specific web page was also launched for the movie to reach a larger audience, also MDLF used social media platforms that house posts and feature stories related to the MDLF activities and the number of Ads and news announcements in local newspapers

Events and workshops:

As part of our belief in creating direct linkages and opening communication channels with our beneficiaries, tens of workshops were held for different programs covering all aspects of MDLF interventions.

Several events like signing grants agreements with our Funding Partners, such as a signed agreement with the World Bank totaling USD 15million and a signed agreement with the AFD for worth EUR 10 Million Dollar for the benefit of the third phase of the Municipal Development Program (MDP III).

Furthermore, many orientation and training workshops were held by MDLF on MDP III- Cycle III for West Bank and Gaza Strip Municipalities.



Also, several Fund days were organized by the MDLF for kids, these activate were part of the EU-funded project for Area C Development, which was successfully implemented by the Municipal Development and Lending Fund (MDLF).



Field Visits & Meetings: During 2019, MDLF specially focused on reaching out for the municipalities in the West Bank and Gaza, headed by the Director-General as well as the executive staff. MDLF visited numerous municipalities and their projects to be able to get direct feedback on MDLF interventions.

Receiving Missions: Throughout the year 2019, MDLF received several missions from different international and national organizations working in the field of local government. The missions received an introduction about the work carried out by MDLF, especially focusing on MDP III, intending to promote a collaborative approach.





MDLF Programs / Projects

- ✓ 1: Municipal Development Program – Phase 3 (MDPIII)
- ✓ 2: Development of Area C in the West Bank – Package II “EU/DRO Fund”
- ✓ 3: Development of Area C in the West Bank – Package III “EU Fund”
- ✓ 4: Development of Area C in the West Bank – Package IV “EU/(AFD+UK) Fund”
- ✓ 5: Development of Area C in the West Bank – Package II “SDC Fund”
- ✓ 6: Gaza Vulnerable Communities Development “SDC Fund”
- ✓ 7: Strengthening the Resilience of Gaza Vulnerable Communities “GIZ Fund”
- ✓ 8: Gaza Solid Waste Management Project (GSWMP)
- ✓ 9: Local Government Reform & Development Programme – Phase 2 – (LGRDP II)
- ✓ 10: Regeneration of Historical Centers (RHC)
- ✓ 11: Integrated Cities for Urban Development (ICUD)
- ✓ 12: Multi-site Regeneration Project in Jericho
- ✓ 13: Local Government Services Improvement Programme (LGSIP)





1. The Municipal Development Program (MDP III)

1.1 Introduction

The Palestine Liberation Organization, for the benefit of the Palestinian National Authority (PNA), has received an initial financing of €102.8M from the World Bank-International Development Association (IDA), KFW, Denmark, SDC, VNG, GIZ, EU and AFD towards the cost of the 3rd phase of the Municipal Development Program (MDP III).

The MDP III is aligned with the PA's long-term strategy to consolidate and strengthen service delivery in the local government sector towards financially sustainable LGUs, as specified in the MoLG's Sector Strategy 2017-2022.

The MDP III is at the center of a series of interlocking interventions by the multi donors in collaboration with the central government to strengthen the institutional development, accountability and financial sustainability of local governance and service delivery in Palestine.

The MDP III will consolidate and scale up past gains under MDPI and MDPII in municipal performance and accountability enhancement and will start enabling the environment for municipal partnerships with the private sector to improve the efficiency and sustainability of municipal services.

1.2 MDP III Description

A. PDO

Enhance the institutional capacity of municipalities in the West Bank and Gaza for more accountable and sustainable service delivery.

B. Project Beneficiaries

The participants of the project are all 144 municipalities in the West Bank and Gaza. The beneficiaries are the populations in all of the municipalities, which is estimated to 3, 611,649² representing 75% of the total population of West Bank and Gaza¹.

C. Project Components

Component 1: Municipal performance and Service Delivery. MDPIII is the third municipal development project to support and incentivize improvements in the development of municipal management capacity. Previous MDPs financed municipal infrastructure and service delivery through the provision of a basic block and performance-based grants and provided demand-driven capacity development support for municipalities. This approach was very innovative at design and has shown to be highly effective. The proposed MDP III would continue this overall approach while focusing more on improving financial sustainability and accountability in municipal service provision. Like MDPI and MDPII, municipal performance will be measured through Key Performance Indicators (KPIs), yet these have been substantially revised to reflect a greater focus on the sustainability of municipal services. Performance measurements will encompass three main areas for reform: i) Financial Performance and Sustainability, ii) Institutional Performance, and iii) Transparency, Accountability, and Participation.

Component 2: Capacity Development. This component of the project would continue to strengthen municipal capacity in the project's three performance areas: (i) financial sustainability, ii) institutional performance and iii) transparency, accountability and participation. Also, specific attention will be paid to higher-order needs of municipalities that will enable them to improve their financial sustainability and creditworthiness, strengthening other core municipal functions as well as strengthen their social accountability to their citizens and stakeholders. Municipal capacity development activities will continue to be identified by municipalities and MDLF to enable municipalities to achieve results and improve their performance. The performance measuring system will be applied to identify relevant capacity building activities to the municipality, which will be delivered to improve capacity and sustain results achieved.

² Based on Palestinian Central Bureau of Statistics predicted populations for 2016.



Component 3: Municipal Partnership Projects. This component will provide technical assistance and project financing to municipalities to a) engage more effectively with the private sector, and b) work across administrative boundaries to develop joint and/or innovative investments for municipal service delivery and local economic development. The Bank will finance only the technical assistance portion under Sub-component A.

- **Sub-Component A: Private Sector Partnership Support.:** To better leverage private sector engagement, this component will support municipalities to identify, develop, and structure opportunities for private sector participation in municipal service delivery and local economic development on a demand-driven basis.
- **Sub-Component B.** This sub-component will finance top-up payments complementary to the grant allocations under component 1 to incentivize municipal joint and/or innovative investments based on municipal demands to leverage economies of scale for municipal investments and facilitate financially sustainable municipal investments.

Component 4: Project Implementation Support and Management. This component will finance goods and consultant services for monitoring and evaluation, outreach and communication and local technical consultants for the engineering supervision of Component 1 and the MDLF management fee.

Component 5: This component will finance the costs associated with the scaling-up of MDP-3 support to Gaza municipalities to enable them to expand local services provision through labor-intensive Operation and Maintenance (O&M) and municipal infrastructure development activities.

1.3 Financing Partners Contributions

The MDP III is supported by the Palestinian National Authority along with the Agence Française de Développement (AFD), the Danish International Development Assistance (DANIDA), the World Bank, the German Development Bank (KfW), the German International Technical Cooperation (GIZ), the Netherlands (through VNG International) and the Switzerland (through SDC). **Table 1** below illustrates the list of financing agreements and the contributions of financing partners for MDPIII.

Table 1: List of MDP III Signed Agreements

Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
GIZ Agreement (for cycle 1)	€ 150,000	December 5 th , 2017	December 31 st , 2018	This fund will be utilized in the MDP III-1 st cycle. The GIZ contribution to MDP III-Cycle 1 was added as an amendment to the LGRP.
KfW Financing Agreement (for cycle 1 & cycle 2)	€ 40,000,000	December 12 nd , 2018	December 30 th , 2022	This fund will be divided equally for the MDP III-1 st cycle and the MDP III-2 nd cycle.
AFD Financing Agreement (for cycle 1)	€ 4,000,000	April 26 th , 2017	December 31 st , 2021	This fund will be utilized in MDPII-1 st cycle
World Bank Agreement (for cycle 1 and cycle 2)	\$16,000,000	September 18 th , 2017	February 28 th , 2022	This fund will be utilized in both cycles of MDPII
Multi-Donor Trust Fund Agreement (for cycle 1 and cycle 2)	\$ 20,000,000	November 27 th , 2017	February 28 th , 2022	This fund will be utilized in both cycles of MDP III



Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
SDC Agreement (for cycle 1 and cycle 2)	€ 4,818,000	November 1 st , 2017	December 31 st , 2021	This fund will be utilized in both cycles of MDP III
VNG Agreement (for cycle 1 and cycle 2)	€ 1,200,000	October 2017	December 31 st , 2020	This fund will be utilized in both cycles of MDPII
AFD (Financing Agreement for Cycle 2)	€ 10,000,000	June 17 th , 2019	December 31 st , 2022	This fund will be utilized in cycle 2
Multi-Donor Trust Fund Agreement (Additional Financing for cycle 2)	\$ 5,000,000	June 17 th , 2019	February 28 th , 2022	This fund will be utilized in cycle 2
WB Additional Financing for Gaza	\$ 10,000,000	June 17 th , 2019	February 28 th , 2022	This fund will be utilized in cycle 2
EU commitment for Cycle 2	€ 10,000,000	Not yet signed	Not Yet Signed	This fund will be utilized in cycle 2

Additionally, the PA contribution was committed to being 10% of the total fund plus the residual fund from the PA from MDPII. Furthermore, the saving from the (AFD-MDPII) in the amount of **Euro 875,000** was agreed with the AFD to be invested in window 1 of the MDP III– Cycle 1. **Chart 1 & Chart 2** below illustrates the financing partners' contribution to MDPII and the financing distribution per component, respectively.

The total cost of the MDP III reaches **€131,853,800** – from which **€51,049,083** million will be invested in the 1st cycle, and **€80,804,717** will be utilized for cycle II

Chart 1: MDPII Financing Partners Contribution for the MDP III

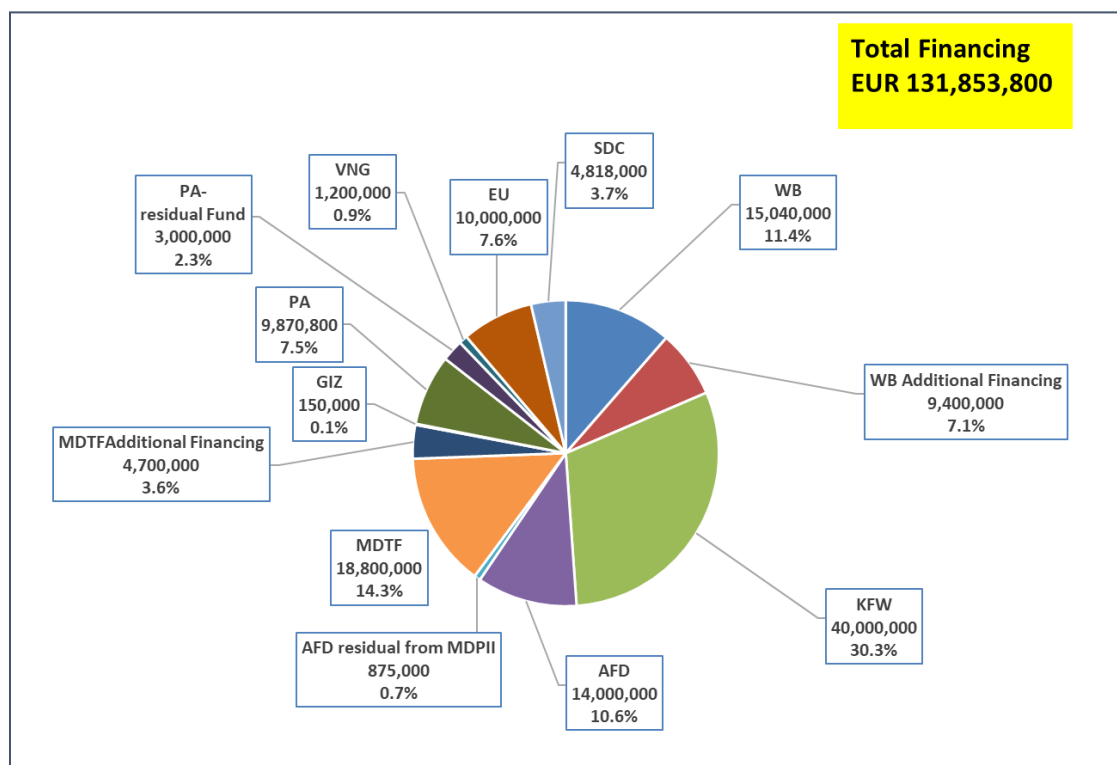
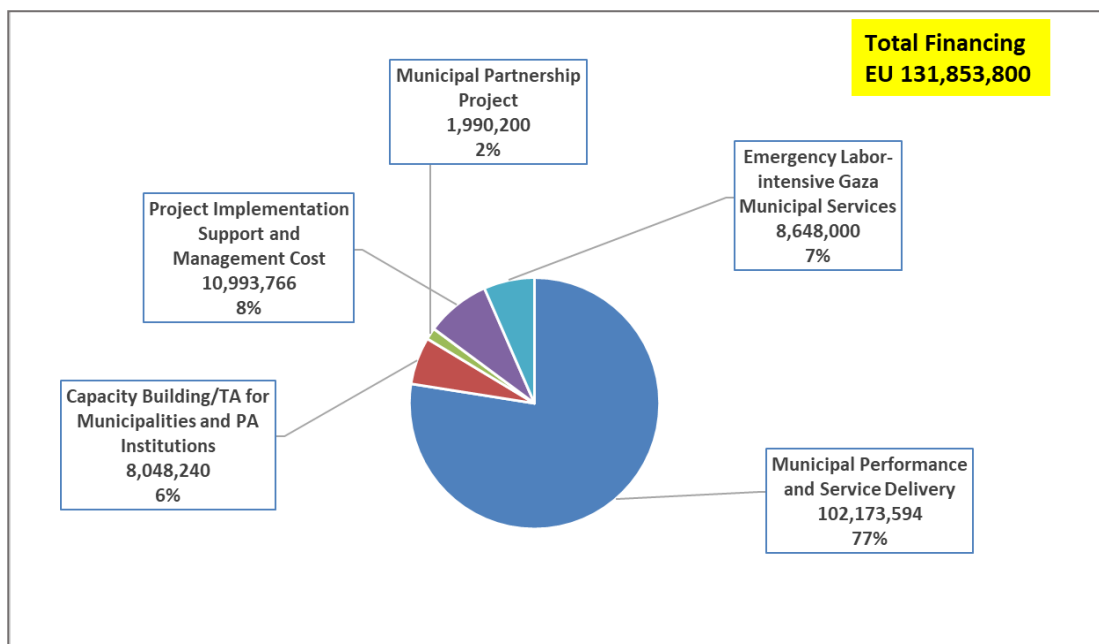




Chart 2: Distribution of MDP III Financing per Component



1.4 The Grant Allocation Mechanism “GAM”

The Grant Allocation Mechanism is the most important element of the MDP. A performance-based formula has been used in conjunction with infrastructure grants in Palestine. Grant Allocation Mechanism (GAM) concept for MDP III is based on the revised and updated GAM of MDP II. The concept aims at changing contents and procedures gradually and as far as justified by challenges identified in the stakeholder assessments, while maintaining proven features. The MDLF and the Financing Partners agreed that the allocation formula for MDP III will be as follows:

- **50% of the total component 1 financing would be allocated for the block grant**

The block grant will be allocated based on population (40%) and needs (60%). All municipalities will receive block grants, subject to simple eligibility criteria. Regarding the needs, it consists of a flat rate of 25.000 € (no change compared to MDP II), and a remaining needs allocation will be distributed based on existing infrastructure and access to services³).

- **50% for performance** (equal to MDP II), but with modified key performance indicators (21 KPIs for MDP III- vs. 16 KPIs for MDPII) and with modification on the graduation ladder.²

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 10 levels (D, C, C+, C++, B, B+, B++, A, A+, A++) as illustrated in **Table 2** below. Within each ranking level (D, C, B, and A) specific key performance indicators were identified which reflect the municipal performance in:

- Financial Performance and Sustainability (FPS)
- Institutional Performance (IP)
- Transparency, Accountability, and Participation (TAP)

³ Under MDP II, the remaining needs share after the flat rate was attributed to 50% according to infrastructure equipment and to 50% according to household income data on governorate level. PCBS is presently not updating the governorate based household income data, so there is no recent database available and the link to poverty on the municipal level is weak.



Table 2: Key Performance Indicators for MDP III

I. Basic Grant allocated based on population and needs				
Eligibility Conditions	i. Annual Budget approved by the Municipal Council and submitted to MoLG on a timely basis ii. SDIP prepared according to new Guidelines (from year 3)			
II. Performance Grant. The grant allocated to municipalities based on performance according to KPIs				
Categories	D	C	B	A
No. of KPIs	3 KPIs	6 KPIs	6 KPIs	6 KPIs
Graduation	Compliance of 3 KPIs	C: compliance of 2 out of 6 C+: compliance of (3,4) out of 6 C+: compliance of 5,6 out of 6 In addition to the KPIs in rank D	B: compliance of (2) out of 6 B+: compliance of (3,4) out of 6 B++: compliance of (5,6) out of 6 In addition to the KPIs in rank D & rank C	A: compliance of (2) out of 6 A+: compliance of (3,4) out of 6 A++: compliance of (5,6) out of 6 In addition to the KPIs in rank D & rank C and rank B
Performance Areas	Key Performance Indicators Matrix			
Financial Performance and Sustainability			7. At least 10% of the budget execution for O&M a) O&M expenditure > 10% of total operational expenditure in last complete FY	1.O&M Plan in place a) Computerized plan in line with manual b) Annually updated c) Plan consistent with assets registry and new works and services d) The plan includes institutional development
		13. Year on year increase or > 50 NIS own-source revenues (excluding enterprise revenues) a) Own source revenues (see manual) have increased compared to previous FY or reached 50 NIS per capita	8. Operational Surplus achieved a) Operational expenditures are below operational revenues of the last complete FY	2. Staff Costs <45% WB <70% GZ of Operational and Capital expenditure a) Total staff expenditure operational budget <45% (WB) or <70% (Gaza) of total expenditure operational budget in last complete FY
	19. Separate bank Accounts for Enterprise revenues established a) Bank statements showing that separate bank accounts are opened and in use.	14. Separate financial accounting for enterprise revenues and expenditures established a) Executed enterprise budget of last FY with an income statement and bank reconciliation (if any enterprise activities)	9. No increase in net lending a) No increase in net lending according to MoF data b) Administrative reduction of net lending has not been counterbalanced by an increase in net lending	3. Cost Accounting Systems set up a) financial statement for each fund in the last complete FY b) report for each cost center of enterprise fund in the last complete FY c) documented and justified overhead allocation in the last complete FY



Institutional Performance	20. Financial Accounting Policies and Procedures in place a) two last quarterly reports available and conforming with minimum content according to manual	15. Executed Budget Statement for the previous FY submitted to MoLG on time a) An executed budget covering complete fiscal year (January – December) available b) MoLG informs MDLF	10. Unqualified Audit Opinion from Annual external audit a) Audit report satisfactory concerning items listed in the manual b) The audit follows up previous management letters and municipality has addressed issues raised adequately	4. IFMIS implemented a) system is conforming to minimum requirements (see the main manual) b) timely issuance of last two quarterly reports within one month after the end of the reporting period
		16. Fixed Asset Register in place and updated a) Fixed asset registry set up according to manual b) Fixed asset registry has been updated annually	11. At least 70% Budget Execution a) Operational revenues executed > 70% of budget plan b) Operational expenditure does not exceed planned operational revenues, except covered by executed revenues	5. Green Spaces implemented a) maintained green areas, sports areas, playgrounds and parks (source PCBS) > 0.5 m ² per capita in WB urban and > 0.3 m ³ in WB rural and Gaza
Transparency, Accountability, and Participation	21. Public Disclosure of annual budget, SDIP, and MDP performance ranking a) Information disclosed in line with public disclosure procedures b) (second cycle) Annual budget plan disclosure done in the readable budget format	17. Public Disclosure of executed budget and executed SDIP a) Council decision approving executed budgets (see manual) b) Council disclosed executed the budget and executed SDIP according to disclosure procedures by March 31 of the following year c) (second cycle) Budget disclosure done in the readable budget format	12. Audit opinion disclosed to citizens and stakeholders a) External Audit in the last complete FY b) Disclosure of audit opinion by foreseen means	
		18. Municipal Complaint System established a) Complaint process posted on homepage / Facebook or bulletin's board		6. Functional Municipal Complaint System following MoLG guidelines a) (still to be specified)



Funds are allocated based on ranks; municipalities with a higher ranking will be eligible for more funding than those with a lower ranking. The MDP works closely with municipalities through its capacity-building packages to help them graduate from lower levels up to a higher ranking level. **Chart 3 and Chart 4** show the municipal ranking and the compliance of municipalities with the KPI-16 before launching MDPIII (2012) and after the completion of MDPIII cycle 1 (2019).

Chart 3: Municipal Ranking – MDP III (2017 Vs 2019)

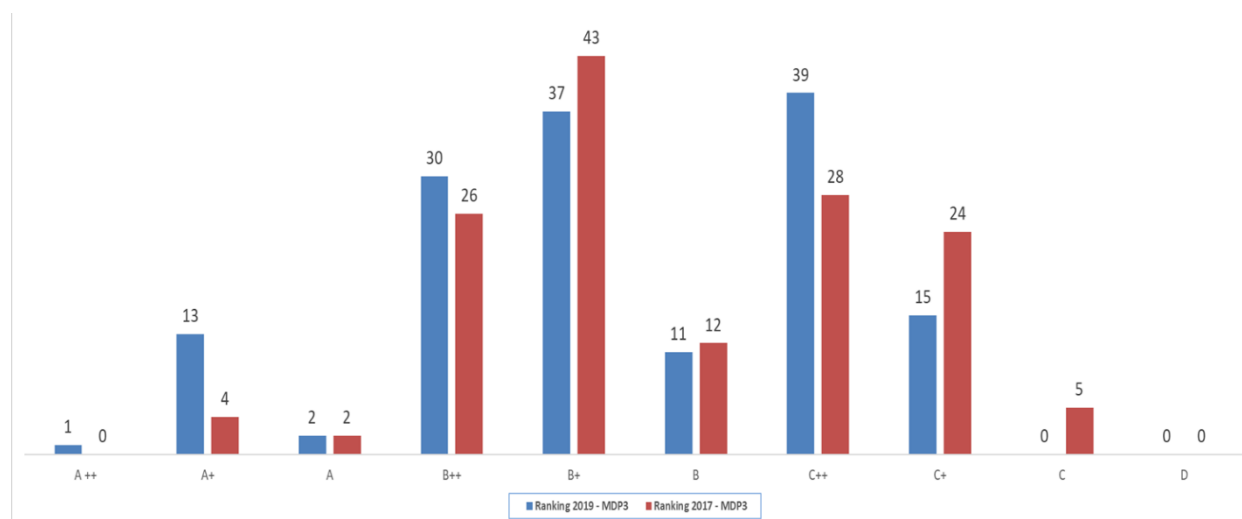
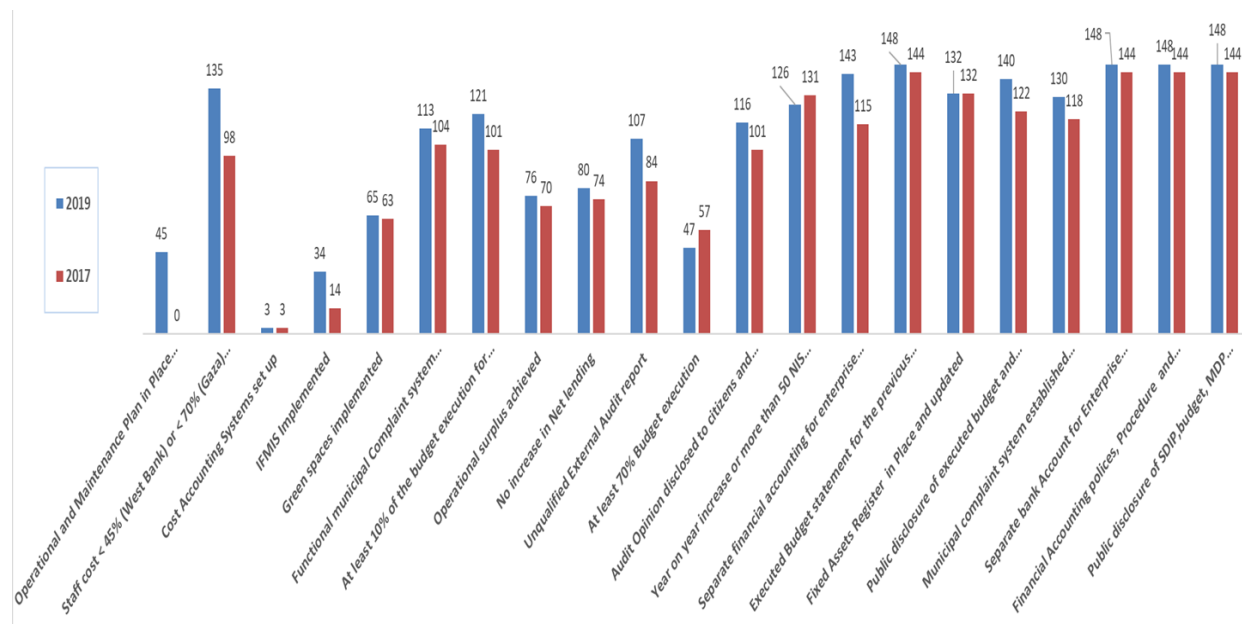


Chart 4: Compliance of Municipalities with KPI-21 (2017 Vs 2019)



✓ **Municipalities Allocation (1st and 2nd cycle)**

Allocations were calculated using the new criteria for MDP III (50% performance, 20% population, 30% needs). Where the total allocated amount for this component is equal to **€42,818,489** and **€57,274,235 for the 2nd cycle** with a substantial increase in per capita allocation from 11.8 to 15.28 as shown in table 3 below.



Table 3: Distribution of allocation 2017 Vs 2019 (Cycle 1 Vs. Cycle 2)

	2017		2019	
	WB	Gaza	WB	Gaza
Allocation (EUR)	23,515,696	19,302,793	31,582,669	25,691,566
Population	1,948,335	1,673,509	1,983,247	1,754,665
Avg. Per Capita	12.07	11.53	15.92	14.64
Average Per Capita	11.8		15.28	
Total Allocation (EUR)	42,818,489		57,274,235	
Allocation (% increase)			34%	33%
Population (% increase)			2%	5%
Avg. Per Capita (% increase)			32%	27%

1.5 MDP III - Implementation Status and Activities

✓ **Component 1: Municipal performance and Service Delivery (1st Cycle)**

This Component allocates the block and performance-based grants for capital investments in municipal service provision and operating expenditures, especially for Gaza municipalities. The fund is distributed across 144 municipalities (119 in West Bank and 25 in Gaza Strip). The total allocated amount for this component is equal to **€42,818,489 out of which 55% are allocated for West Bank and 45% for Gaza Strip.**

Table 4: MDP III-Cycle 1 Allocation

	WB	KFW	AFD+AFD residual	MDTF	PA	SDC	Total (EUR)
	6,142,218	18,240,712	4,433,750	7,810,529	4,179,234	2,012,045	42,818,489
West Bank	3,474,296	10,451,013	2,585,202	4,475,042	1,377,340	1,152,801	23,515,696
Relative Weight	57%	57%	58%	57%	33%	57%	55%
Gaza	2,667,921	7,789,698	1,848,548	3,335,488	2,801,894	859,244	19,302,793
Relative Weight	43%	43%	42%	43%	67%	43%	45%

The municipalities were informed about their allocation in **October 2017** and they were asked to apply for their investment priorities using a standardized application form published on the web. Since then, the municipalities started filling out the application forms under direct supervision from MDLF engineers. 4 orientation workshops attended by all municipalities in WB&G were conducted during the 1st quarter of 2018. During the workshops, MDLF presented the updated ranking, infrastructure application forms, Environmental and Social Management Framework (EMSF), Land Acquisition and Livelihood (Policy) Framework (LALPF), Cost-Benefit Analysis as well as the financial and procurement arrangements. MDLF had also presented the lessons learned from the MDPII implementation regarding the infrastructure priorities, procurement, and bidding documents.

One of the major obligations of MDP III is to conduct site visits to the municipalities during the appraisal stage. A great effort from MDLF was made by conducting such visits every week. 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 project sites and document that with photos.

MDLF had received almost all the filled application forms from all municipalities in late April, 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, **151 sub-projects proposals were received from 119 municipalities in the West Bank in a total allocation (€23,515,696) and 199 sub-projects proposals from 25 municipalities in Gaza Strip in a total allocation (€19,302,793).**

A quick look into the submitted sub-projects proposals reveals that **(71.5%)** of the W1 allocated fund will be invested in road projects. The second sector is public facilities **(11%)** including municipal buildings, libraries, community centers, and public parks. The third needed sectors are Solid Waste in a percentage **(7.4%)** followed by **Wastewater (4%)** and **Water (2.9%)** and. **Table 4 and Chart 5** illustrates the distribution of **(window 1- cycle 1)** allocation by sector.

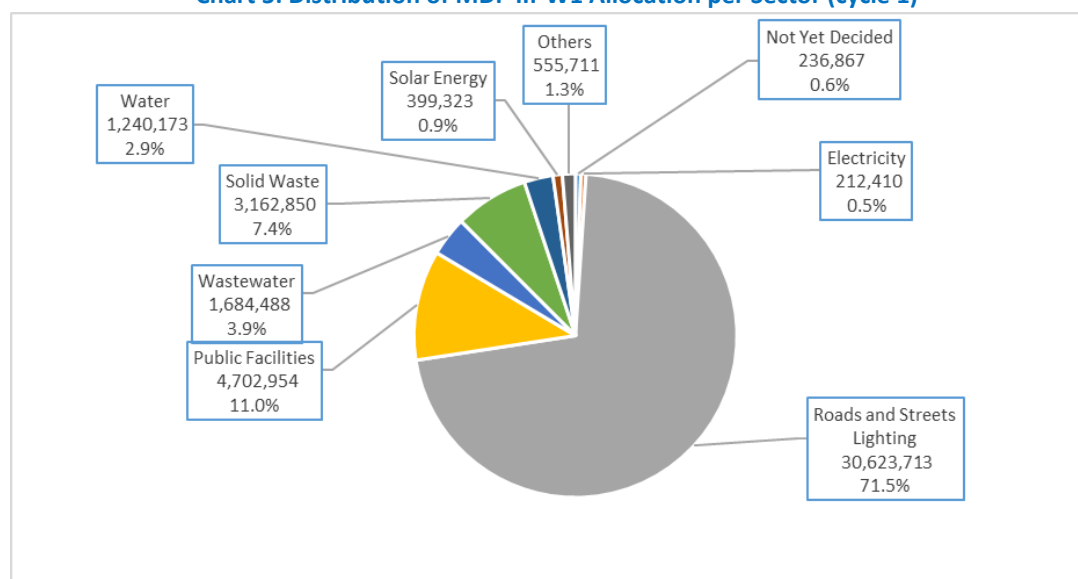


Table 5: Distribution of MDP III-W1 Fund per Sector (cycle 1)

	Sector	Not Yet Decided	Electricity	Roads and Streets Lighting	Public Facilities	Wastewater	Solid Waste	Water	Solar Energy	Others	Total (EUR)
West Bank	Allocation (EUR)	236,867	212,410	18,029,334	2,585,279	461,565	260,464	961,537	247,517	520,723	23,515,696
	No. of Projects	2	3	108	16	4	3	5	1	9	151
Gaza	Allocation (EUR)	-	-	12,594,379	2,117,675	1,222,923	2,902,386	278,636	151,806	34,988	19,302,793
	No. of Projects	-	-	85	20	16	63	9	4	2	199
Total Allocation		236,867	212,410	30,623,713	4,702,954	1,684,488	3,162,850	1,240,173	399,323	555,711	42,818,489
Total No of Projects		2	3	193	36	20	66	14	5	11	350
Percentage (Allocation)		0.6%	0.5%	71.5%	11.0%	3.9%	7.4%	2.9%	0.9%	1.3%	100.0%



Chart 5: Distribution of MDP III-W1 Allocation 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 is still at the design and appraisal stage where the status can be illustrated in **Table 6 and Chart 6** below:

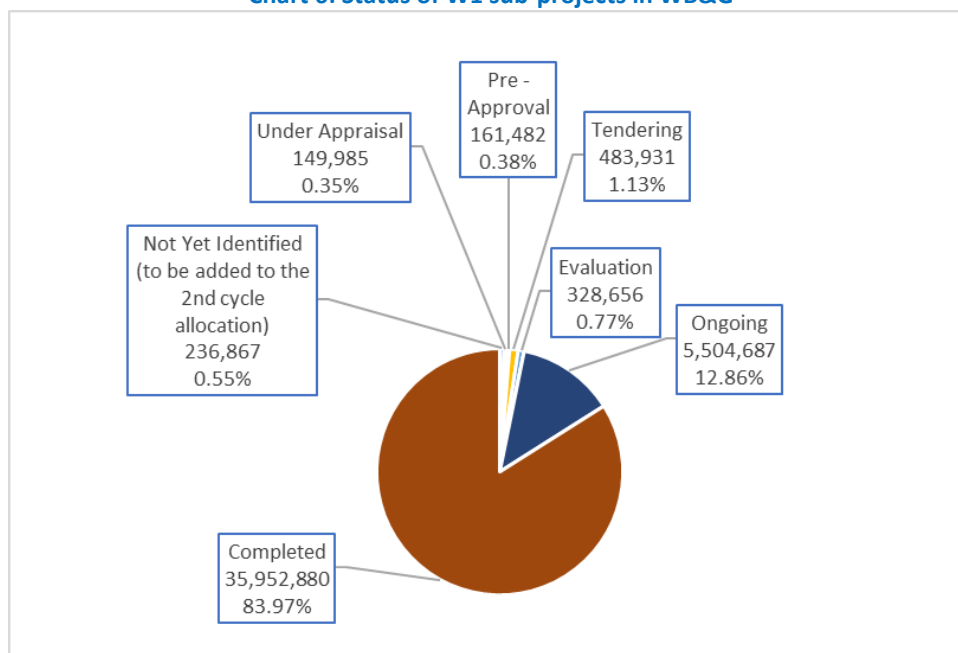
Table 6: Window 1 - Cycle 1 / West Bank & Gaza

	Status	Not Yet Identified (to be added to the 2nd cycle allocation)	Under Appraisal	Pre - Approval	Tendering	Evaluation	Awarded	Ongoing	Completed	Total
West Bank	Allocation	236,867	0	0	483,931	328,656	0	4,527,113	17,939,131	23,515,696
	No. of Projects	2	0	0	3	4	0	23	119	151
Gaza	Allocation	0	149,985	161,482	0	0	0	977,574	18,013,749	19,302,793
	No. of Projects	0	1	2	0	0	0	9	187	199
Total Allocation		236,867	149,985	161,482	483,931	328,656	0	5,504,687	35,952,880	42,818,489
Total No of Projects		2	1	2	3	4	0	32	306	350
Percentage (Allocation)		0.55%	0.35%	0.38%	1.13%	0.77%	0.00%	12.86%	83.97%	100.00%





Chart 6: Status of W1 sub-projects in WB&G



- **306 sub-projects out of 350** were completed with the total allocation (€35,952,880) amounting (83.97%) of the budget.
- **32 sub-projects out of 350** are ongoing with the total allocation (€5,504,687) amounting (12.86%) of the budget.
- **4 sub-projects out of 350** are under bid evaluation with the total allocation (€328,656) amounting (0.77%) of the budget.
- **3 sub-projects out of 350** are under tendering with total allocations (€483,931) amounting (1.13%) of the budget.
- **2 sub-projects out of 350** were pre-approved with total allocations (€161,482) amounting (0.38%) of the budget.
- **1 sub-project out of 350** is still under appraisal with total allocations (€149,985) amounting (0.35%) of the budget.
- **2 sub-projects out of 350** are still not yet appraised where the project proposals are not completed with total allocations (€236,867) amounting (0.55%) of the budget, those are related to the Al-Ittihad and Al-Zaitouna municipalities who didn't submit their proposals. It was decided by MDLF to utilize their allocation for the 2nd cycle.





✓ **Environmental and Social Management**

Regarding the environmental and social screening and assessment, MDLF commenced environmental and social screening in March of 2018 after finalizing the LALAPF training.

Although the progress was slow at the beginning till the end of April of 2018 where more simplifications were agreed on social safeguards procedures.

Sub-projects' Environmental Screening and Social Screening went through desk revision, site visits were conducted for both social and environmental assessment of all sub-project, moreover, a social safeguard committee (including the social officer, technical department manager, the environmental officer) was created to facilitate the social screening progress adhering to LALAPF requirements.

The main environmental assessment was of Category B or C, the nature of the selected sub-projects were of a minor, short term, low-risk environmental impacts, the projects adhered to the physical and the cultural resources and the involuntary resettlement policy which in some cases were listed in the environmental and social assessment summary sheet.

The Summary sheet was forwarded to the donors including the Environmental assessment category, cultural resources policy, pest control management, the international waterways policy, risks, impacts, and implication to design, and ESMP sector. Also, social safeguards triggering involuntary resettlement were included: (sort the impact by each affected person, proposed mitigation, agreement, and then provided approvals).

The following is summary of the No. of appraised sub-projects in West Bank

Environmental Assessment:

- 132 sub-project were screened to Category B
- 17 sub-project were screened to Category C
- None of the sub-project triggered the International Waterways policy
- None of the sub-project triggered the Physical Cultural Resources Policy

Social Screening:

- 1 subproject "rehabilitation of Roads in Kharas" has triggered the policy and LALAP was prepared
- 82 sub-projects did not trigger involuntary resettlement.
- 49 sub-projects have been approved after having agreements with citizens to uproot and replant trees, demolition and rebuild of external stone walls, demolition and rebuild external concrete walls.

The following is summary of the No. of appraised sub-projects for Gaza Strip:

Environmental Assessment:

- 102 sub-projects were screened to Category B
- 95 sub-projects were screened to Category C
- 11 sub-projects were screened to category B-C (Solid Waste management projects)
- 6 Supply of Materials to Health and Environment departments
- None of projects cause internal displacement
- None of the sub-project trigger the International Waterways policy
- None of the sub-project trigger the Physical Cultural Resources Policy

Social Screening:

- 1 subproject "rehabilitation of Roads in in alZayton" has triggered the policy and LALAP was prepared and approved
- 1 sub project "Development of internal roads east area Beit Lahia" has triggered the policy and LALAP is under revision by donor
- 62 sub-projects did not trigger involuntary resettlement.
- 38 projects have been approved following to agreement with citizens

✓ **Sectorial ESMPs, and Environmental and Social, Health and Safety (ESHS) in Bidding Documents**

The objective of the subproject Environmental and Social Management Plan (ESMP) is to cater to the environmental and social needs of the MDP in a simple, responsive and cost-effective manner that will unnecessarily overload or impede the project cycle.



The ESMF provides sectoral ESMPs that must be included in the tender documentation, so that potential bidders are aware of environmental and social performance standards, further to complying with safety requirements expected from them and are able to reflect that in their bids.

In addition to the environmental compliance section where breakdown for the cost of each mitigation-measure noncompliance is detailed in this section and will be enclosed in bidding documents.

MDLF prepared sectorial ESMP's for roads, Public Facilities, Energy/Electricity/Street lighting, Water/Wastewater/Strom water drainage sectors to be used with modifications where site-specific requirements were highlighted during appraisal.

Regarding ESHS, most of the sub-projects were of small scale, with a minor environment, social or health, and safety risk or impact, though these conditions were not applicable for any of the tendered sub-projects.

Although MDLF reviewed each bid separately, it added more enforcement to the health and safety measures in the technical specifications and BOQ's introductions, based on the complexity of the project and the potential risks and hazards.

✓ **Environmental and Social Management during Construction Stage**

- The majority of the sub-projects are of small scale and of rehabilitation nature that have their impacts mainly on the sustainability of the municipal services. Impacts are minor and temporary; no adverse potential impacts were raised.
- Sub-projects mostly implemented in a manner that did not cause unwarranted adverse impacts to the environment, where minor environmental impacts during construction phase, and mostly mitigated through proper implementation of environmental, health and safety measures
- No accidents were registered or noticed in work areas of any sub-project.
- No labor influx was noticed at sites.
- In cases of noncompliance to environmental and social considerations in the environmental and social monitoring plans, environmental notes have been applied and reported.
- Main registered environmental notes are for non-compliance to providing traffic warning signs, spraying water, or to wearing PPE's.

✓ **On the grievance mechanism part:**

- Complaints procedures were raised in the Focus Group sessions where citizens are notified with the presence of the system and they are to submit their complaints formally.
- During Construction stage, and as part of the supervision and monitoring visits it was found the most of the sub-project are of small size, temporary impacts as stated in the environmental sections, where only temporary access through the road segment, or to house entrances, in addition to work duration are the sort of complaints citizens communicate verbally or officially. Where the LTC report verify the presence of complaints submitted for each sub-project.
- MDLF, the LTC has noticed that citizen in small size municipalities convey their complaints verbally to the municipality supervisor engineer, or the mayor.

✓ **Preparation for MDP III Cycle 2 Environmental and Social Management**

- MDLF is restructuring the reporting forms to the use of LTC's, municipality engineers regarding: Focus group reports, monitoring site visit reports for environmental and social management. In addition to unifying the consultation minutes, and agreements for social safeguards procedures.
- MDLF in cooperation prepared an additional section to the Operation Manual regarding the Grievance Mechanism for the Project under work as usual (noting that when safeguards are triggered and LALAP's is being prepared more rigorous GRM procedures applies as per the LALAPF). This manual was inducted to municipalities at earliest stage of the Cycle, and will be circulated to donors.
- LTC role for Environmental and Social Management has been modified, where MDLF directly contract Individual Consultants to follow Environmental and social management.
- Furthermore; Environmental and Social safeguards and management of the upcoming cycle of MDP was inducted to municipality engineers within Orientation Workshops conducted by MDLF in Middle, South, and North of West Bank, and Gaza Strip.



✓ **Component /(Window) :**

Window 2: Component 2: Capacity Development for Municipalities

This sub-component supports municipalities in improving their performance to graduate to a higher performance category in which they are currently classified; it supports consultant's services, training, and equipment for municipalities in both West Bank and Gaza Strip. Applications for capacity building packages were received from municipalities and MDLF evaluated the submitted forms along with the supporting documents during the 1st half of 2018. 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 included:

- Financial Systems (IFMIS & RMIS)
- Operation & Maintenance (O&M)
- E-municipality (EMS)
- Strategic Development & Investment Plans (SDIPs)
- Fixed Assets Registration and Valuation (FARV)
- Financial Policies & Procedures Manual (FPPM)
- Citizens Services Centers (CSCs_
- In addition to that, a social accountability (SA) package will support 30 municipalities in this cycle, noting that the SA is a cross-cutting issue that is mainstreamed across all MDP III components.

Regarding the implementation status:

This sub-component supports municipalities in improving their performance to graduate to a higher performance category from which they are currently classified; it supports consultant's services, training, and equipment for municipalities in both the West Bank and Gaza. Applications for capacity building packages were received from municipalities as MDLF evaluated the submitted forms along with the supporting documents during the 1st half of 2018 (**concerning the 1st cycle**) and (**January 2020 for the 2nd cycle**). It is worth mentioning that the municipalities were also able to fill and submit their Capacity Building Applications online. The capacity building packages were identified as per municipality after which the municipalities were notified about the awarded packages.

- Online application forms were revised and updated.
- Each package has specified pre-requisites to be fulfilled by the LGUs.
- The municipalities were contacted and informed about the readiness of the applications and the need to look at them.
- Each municipality received a username and password for the online application.
- The municipalities filled the CB application tentatively.
- Orientation workshops for municipalities on the available CB packages as well as the online application were conducted in West Bank and Gaza.
- Municipalities were called upon to submit the final CB application after considering orientation workshop instructions.
- MDLF provided technical assistance during the entire process of choosing a CB package and during the process of filling out the CB packages application for each municipality. The applications were submitted online where they were immediately evaluated.
- The final applications were received by MDLF.
- The municipalities were informed of the results as shown in **Table 7 concerning the 1st cycle, however it is still not yet decided for the 2nd cycle.**



Table 7: Distribution of Capacity Development Packages

Package	SDIP	O&M	Financial Package	E-Municipality	FPPM	FARV	Social Accountability	CSC
Number of Benefiting Municipalities	92	24	23	6 (upon the readiness assessment that will be done before the final selection)	6 (newly established municipalities)	6 (newly established municipalities)	30	7

- MDF has been modifying the TORs of the above-mentioned packages to be shared with the financing partners for No. objection.
- It is worth noting MDLF finalized the budgeting of this component and identified the packages/assignments per each financing partner which was reflected in the submitted procurement plan.





IFMIS Package

- The objective of this package is to implement a modern, comprehensive and integrated financial management information system at the selected municipalities.
- The IFMIS is a management tool that will give municipal officials and MOLG managers the information needed for making decisions, planning their activities, monitoring and evaluating outcomes.
- The integration between the municipalities and MOLG is a crucial part of this assignment and should be done using the best technologies and architectures.
- The integrated financial management information system (IFMIS) is a system that Integrates financial processes executed by different related systems such as budget preparation software (BPS), General ledger (GL), Revenue Management Information System (RMIS), Fixed Assets Registration, Payroll system to derive full benefits from performance-based public financial management. It worth to mention that the integration between the Budget module with the current budget system used by MOLG is essential.
- Given that the implementation of IFMIS cannot be implemented in all municipalities at once, MDLF will initially provide the municipalities with the RMIS to help their readiness for implementing IFMIS for the small municipalities. The RMIS and the IFMIS can be integrated at the implementation stage of IFMIS at the end. On the other hand, the medium-size municipalities MDLF will implement the main modules according to the available capacity that exists inside these municipalities.
- The Financial package will be implemented through three main phases:

Phase one: Institutional Assessment for Financial Package implementation at the selected municipalities. This consulting assignment aimed to determine the Municipalities which will meet the capacity mandatory to qualify for IFMIS modules. And, identify gaps and shortcomings against future staffing and skills requirements on an individual and departmental basis to ensure successful Financial Package implementation.

Phase two: Coaching Municipalities in Implementing IFMIS. This consulting assignment aimed to:

- Coach the selected municipalities in applying the financial policies and procedures as described in the Financial Policies and Procedure Manual (FPPM) on a modified accrual basis. Coach the financial staff at the selected municipalities in performing all the transactions based on the fund accounting method.
- Support financial staff to generate all balance sheet line items as of the latest close month and to support sufficient documentation the process has taken to justify all amounts recorded as opening balances.

Phase three: this phase will be performed in parallel with phase two which was aimed to supply and implement the Financial software at the selected municipalities according to specified functional requirements.

Phase four: Supply the necessary hardware which has been specified in the first phase.

Operation & Maintenance Package

- The O&M aims at encouraging the municipalities to make sure to allocate budget to operate and maintain their projects, primarily when it relates to roads and public facilities as they appear in their updated Fixed Assets chart. The O&M software also provides what is known as the "Priority Index" which is an effective tool to prioritize the budget expenditure based on the most urgent and most relevant projects, as opposed to keeping it to the often inaccurate guesses of those responsible for operations or maintenances or their biases.
- 24 municipalities will be supported by the O&M package as distributed into 3 clusters (North WB, Middle WB, and Gaza).
- Sub-assignments under the O&M package:
Physical Inspection for Roads & Public Buildings
IT Assessment
The rollout of the O&M Software on additional Municipalities
Hardware Supply and Installation
- The implementation approach will be as follows:

Conducting a physical inspection of roads and buildings about procedures, forms, and templates of the updated O&M manual and as needed to establish the O&M database for each selected municipality.

Data Entry on the O&M software.

Preparing a base map from the updated master plan containing road centerlines, sections and directions.

Coaching the selected municipalities and conducting on the job training on data collection and the use of the physical inspection forms and O&M process, also training on the data entry using the O&M software.

Working on the upgrade of the O&M software.

Conducting a series of workshop for O&M software training for the selected municipalities



Citizens Services Centers

- The main objective of this assignment is to support the automation of municipal service delivery mechanisms at selected municipalities.
- The CSCs will provide easy access and reporting on complaints, type of complaint and percentage resolved and will provide efficient services to citizens.
- 7 municipalities will be supported by the CSCs (6 municipalities in the West Bank plus one municipality in Gaza)
- The CSCs will be implemented as follows:

Institutional Assessment for Introducing Citizen Service Centres (mapping, identifying gaps in the working process, optimization of the work process, conduct IT assessment & BOQ for hardware, developing citizens' guidelines for CSCs).

Installation and deployment of the CSCs system.

Supply and installation of the hardware that will be identified upon the IT assessment.

Supply of furniture for the CSCs.

Supply of A/C for the CSCs.

Supply of Glass Doors for the CSCs.

Printing of CSCs charter.





Table 8: Updated Status per Package (cycle 1)

Capacity Building Package	No. of Municipalities	West Bank	Gaza	Updated implementation status
FARV	6	6	0	The assignment has been completed
Training and coaching the newly established municipalities	6	6	0	- Training and coaching the newly established municipalities on the financial policies and procedural manual FPPM for six municipalities in West Bank was on hold until complete the updating of the cash basis manual on IPSAS. Since that manual is updated, the TOR will be finalized by the first Quarter of 2020 which will include all the newly formed municipalities in MDP III CI&CII.
Financial Packages	56	46	10	Institutional Assessment: - The assignment (for Cycle 1) has been completed by the end of last April. - The municipalities which will take either IFMIS or RMIS have been identified. - Also, the BOQ and the specifications for the required hardware have been identified. - To proceed cycle 2 with cycle 1, MDLF has nominated the municipalities for cycle 2 - After the above, MDLF has contracted two individual consultants for West Bank and Gaza to assess the capacity and readiness of the nominated municipalities to implement the financial systems as it's expected to be completed by the end of January 2020 IFMIS & RMIS Coaching: - The bidding process for the coaching assignment has been completed as the contract has been signed with the selected consulting company by 12.01.2020. Supply Hardware: - Supply of hardware according to the IT assessments BOQ is in the Delivery process. It is expected to finish on the first of Feb 2020. - For Gaza, all items have been delivered except the Servers which are still stuck with the approval' process from the Israeli side. Financial Software: - Evaluating the Expression of Interest has been completed as the shortlisted for the bidders has been finalized. - Management has decided to merge Cycle 1 with Cycle 2. Thus, proceeding the RFP is on hold until finalizing the result of the above-mentioned institutional assessment. - The assignment is expected to start by the first of next April 2020



EMS	6	4	2	E-Municipality (EMS) (Target municipalities: 4 in West Bank, 2 in Gaza) Readiness Assessments & IT Assessments: - Consultants were contracted to conduct the readiness of municipalities & IT assessment in West Bank and Gaza. - Consultants have completed the assignment for both Gaza and West Bank. - Also, the BOQ and the specifications for the required hardware have been identified. Supply of Hardware: - Supply of hardware according to the IT assessments BOQ is in the Bidding process. Supply of a Computerized Software: - The TOR will be updated and proceeded once the above-mentioned pending issues with MOLG are finalized for e-payment & e-Signature. Ads and Printing materials - The process will start after completing the supply of computerized software.
CSC	7	6	1	Citizens Service Centers (CSCs) for six municipalities in the West Bank and one municipality in Gaza Rehabilitation of the physical space of the Citizen Service Centers: - The rehabilitation of the physical space in all of the municipalities in the West Bank and Gaza has been completed through their financing from the Municipalities. MDLF helped and supervised the municipalities during the rehabilitation works. Business process re-engineering & IT Assessments: - Consultants were contracted to do a business process reengineering and IT assessments in the West Bank and Gaza. - IT Assessment was completed in the West Bank' municipalities - IT Assessment was completed in Gaza and the BOQ and the specifications have been identified. Supply of Hardware: - Hardware delivered completely in West Bank. - The supply of Hardware for Gaza municipalities is still stuck with the process of the Israeli side.



				Supply of Furniture: - A firm was contracted to supply furniture in West Bank & Gaza and all Furniture's delivered completely. Supply of computerized software: - Supply of computerized software according to the IT assessments BOQ is in the Delivery process. It is expected to finish at the end of Feb 2020. Print Services Charter - The process in the bidding process. And it will be completed at the end of Feb 2020.
O&M	24	16	8	Physical Inspection <u>In the West Bank.</u> - The assignment has been completed as all deliverables have been submitted according to the TOR. <u>In Gaza Strip</u> - The assignment has been completed as all deliverables have been submitted according to the TOR. Supply of Hardware for O&M - A firm has been contracted to supply the hardware for West bank and all hardware delivered completely. - For Gaza, two firms have been contracted to supply the required hardware. One of the bidders fail to deliver the servers, so we are in the process of rebidding as servers require a permit from the Israeli side. The roll-out of O&M Software A firm has been contracted to supply the software for the West Bank and Gaza municipalities and they are almost done, we are waiting for the remaining hardware in Gaza. The Software provider is in the process to issue a new version for the system after considering all municipalities' feedback from the last round in MDP II that has a maintenance contract with the firm.



Social Accountability	30	25	5	<u>In the West Bank</u> Accomplishments - An NGO has been selected and contracted for the three clusters (North, Middle, and South) - The orientation sessions were held for the targeted municipalities - The assessment report has been done and the orientation for this assessment already finished. - The training for Municipality Mayors, employees and civil society on SA manual and toolkits has been in different regions. - Assessment reports for each municipality on the current status of Social Accountability have been finalized. - Discussion of assessment results with the municipality and CBOs in orientation meetings. - Capacity building training for municipality employees on SA tools. - Continuous radio and TV episodes on the importance of social accountability through meetings with mayors and members of accountability committees - Formation of Social Accountability committees in the target areas of the project. Signing MOU's with LGB's. - Developed complaints protocol. - Developed a disclosure plan - M&E training for Social accountability liaisons and SA committees. - Coaching process to the Social accountability committees. <u>In Gaza</u> - The NGO (JV Palestinian Hydrology Group and Palestinian Development Association PARC) has been selected and contracted. - The inception report has been submitted and approved - The assessment of the SA enabling environment is completed. - The orientation workshop for mayors and local municipalities council members was held for the targeted municipalities. - Develop and provided two days training program for the municipalities staff in each location, a total of (52 in which 12 are females) staff members attended the training - Training materials and case studies prepared and used by the participants for practices
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				- Mapping of CSOs and CBOs in each targeted location completed - A central orientation workshop to share the findings of the SA environment enabling assessment - Five Social Accountability Committees selected, one at each targeted location through a process of participatory approach and openness to the local CBOs and CSOs (the members in committee range between 12- 18 members include women and youth) - The local social committees received training for three days on the social accountability tools and practices - SA social committee manual developed to enhance the committee's capacities
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Readable Budgets

- The readable budget in cycle 1 has been performed by the joint efforts of MOLG, GIZ, and MDLF for 60 municipalities (WB 45, Gaza 15)
- The targeted municipalities have published their budget for 2019 in infographic format through their websites and pages on social media.
- In Cycle 2 , the municipalities will publish their budgets for 2020 in addition to their budgets VS actual for 2019.
- This package will be implemented in cycle 2 directly by GIZ for 35 municipalities in West Bank. And, will be implemented by MDLF in Gaza for 25 municipalities.

In addition to that the following interventions concerning this component can be listed below:

- **An outline of the MDLF approach in Implementing Creditworthiness Activities** was prepared and presented to MDLF Funding Partners during the last MDLF Mission. The TOR for this intervention in establishing creditworthiness activities- was prepared and modified recently based on discussion with the World Bank. Revised version of the TOR has been sent for feedback in the last week of Jan. 2019. Then, MDLF has hired an individual consultant to develop an action plan for MDLF to carry out the lending function. The consultant has proposed a new TOR which is still under revision. It is expected to start our first step in our intervention by next October.

The MDLF, in coordination with the World Bank, split the above-mentioned TOR into two assignments as follows:

- The first TOR, meant to deliver training and transfer the necessary knowledge about the creditworthiness that will target selected municipalities ranked B+ and above.
 - The second TOR, meant for implementing a self-assessment tool to determine the areas of interventions by MDLF. At the current time, GIZ is developing a comprehensive assessment tool that will cover the assessment criteria for creditworthiness. It's expected to be completed by the mid of next Feb. 2020
- **Converting the Financial Policies and Procedures Manual (FPPM) from the Modified Accrual Basis to Full Accrual Basis:**
The assignment has been completed as the consultant has updated the FPPM on a full accrual basis and the FPPM on a cash basis to adapt the IPSAS. Still, MDLF is trying to schedule a suitable time with MOLG to deliver an orientation workshop about the achieved updated on the FPPM. The assignment is considered as completed.



- **Technical Support for Sustaining the Practice of IFMIS:**

The assignment is aimed to support those municipalities which got IFMIS in MDP II (22 in the West Bank, six in Gaza) to ensure sufficient usability of IFMIS during the first year of applying the FPPM. The assignment started in September -2018 and completed by end of June 2019.

✓ **Component /(Window) 3: Municipal Partnership Project**

This component will focus on the public-private partnership to better leverage private sector engagement in municipal services delivery and local economic development. This sub-component will support municipalities to identify the potential modalities for private sector engagement, select the most relevant or appropriate modality based on feasibility, and design the implementation of the agreed modality. Specific areas for support would range from permitting and other processes to structuring private sector participation in infrastructure and service delivery (contracting out, joint ventures, special purpose vehicles, and build-operate-transfer agreements), as well as strategic land use planning and associated infrastructure development related to economic growth priorities. This sub-component will be particularly important in terms of supporting technical and human capacity development at the municipal level. The implementation of progress can be summarized as follows:

The TOR for the diagnostic study of PPP was cleared by the WB early July, and upon that, MDLF initiated the procurement process to contract a consultant for conducting this study. The study was completed with a detailed action plan for enabling the environment of PPP at the municipal level. The action plan was shared with the DPs and MDLF started working on the TORs for the technical assistance package for PPP technical assistance package that will tackle the policy, the legal and the technical capacity of municipalities' staff in PPP.

- The TOR was cleared and uploaded on the procurement system (software) in late June 2018.
- The EOI was advertised on July 18th, 2018 and the assignment was contracted on Sep. 15th 2018.
- The diagnostic study along with the action plan for institutional development regarding the PPP was completed and shared with DPs Mid-March. 2019.
- The Diagnostic Study tackled the policy, legal, and institutional framework and unveiled weaknesses and gaps in the PPP enabling environment at the local government level.
- The approach for conducting the study was based on the desk review, quantitative survey (40 municipalities), focus groups and interviews among stakeholders.
- The action plan for the technical assistance package of PPP was prepared and shared with DPs mid-March 2019.
- The Interim Support Committee was formed by the MOLG minister with a representative of the following:
 - MOLG LED Department, MOLG legal advisor. (two members)
 - MDLF (two members).
 - APLA (one member)
 - Al-Bireh municipality (one member)
 - -Nablus Municipality (one member)
- Two TORs were prepared to implement the technical assistance package for leveraging PPP for municipal services under the action plan.
- The 1st TOR will tackle the development of PPP Policy and regulatory framework including awareness and promotional activities.
- The 2nd TOR will tackle the skills and competences in PPP of the selected municipalities in addition to an assessment of potential PPP interventions at the municipal level.
- The 1st assignment for developing the policy and regulatory framework is undergoing and expected to be accomplished by end of February-2020.
- The 2nd assignment related to the capacity building of target municipalities is still under procurement and expected to be contracted by end of January 2020 for 8 months.
- It is expected to conclude a list of potential PPP initiatives by mid-2020.
- Other proposed activities would be preparing feasibility studies for the best potential PPP initiatives.



In addition to the PPP, this component will support the local economic development in terms of:

- Institutionalization phase for LED in 10 municipalities: (Jenin, Al-Yamoun, Beit Sahour, Beit Ummar, Nablus, Qabatya, Salfit, Surif, Tulkarem, Ya'bad), and
- Operation phase for LED in 5 municipalities :(Ramallah, Al Bireh, Dura, Jericho, Qalqilia).

In terms of implementation:

1- Institutionalization phases:

- A Consolidated action plan was prepared to cover the five pioneer municipalities.
- An Individual consultant is working on supporting the municipalities Institutionalization of LED and Develop a unified guideline for the nature of the relationship among the LED unit and LED Council and the Municipal Council.

2- Operation phase:

- The municipalities worked on the Community-Driven Initiatives with a predesigned methodology.
- As a result of the CDIs Business cases were developed.
- An Individual consultant is in the process of identifying the currently working with the Municipalities to prepare TORs to serve LED in these municipalities.

✓ **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 the 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 the provision of mitigation measures) procedures.

For cycle 01, The local technical consultants were distributed among 9 clusters and they are onboard. However, the LTCs **for cycle 02** were distributed among 8 clusters and will be contracted by april 2010. It is worth noting that slight modification on the TOR was done as follows:

- Removed the tasks to assist municipalities in filling application form as its done easily by municipalities
- The social and environmental specialists will be contracted directly with MDLF as individual consultants.
- MDLF selected four municipalities which will not be under the LTC assistance.



✓ **Component /(Window) 5: Additional Financing for Gaza**

The AF would finance the costs associated with the scaling-up of the Project's support to Gaza municipalities to enable them to expand local services provision through labor-intensive O&M and municipal capital investment activities.

The scale-up would thus finance:

- **Type 1: O&M activities** to restore or maintain critical municipal services given severe funding constraints facing Gaza municipalities (60% of AF, net of administrative costs - **USD 5.52M**). Each municipality shall prepare an O&M plan that will be submitted to MDLF for review and approval. From the approved O&M plan, the municipality identifies packages for O&M implementation (that also defines required labor inputs). This subproject type focuses on Scaling up of operations and maintenance activities to restore or maintain critical municipal services that require labor intensive methods. Type 1 sub-projects will cover financing of **labor, equipment and supplies** necessary to undertake the approved operation and maintenance activities. Among others these subprojects will include: Solid waste collection, sorting and Disposal; Public Health activities, cleanup and security of coastline and beaches, cleanup and beautification of public spaces, irrigation of municipal green areas, O&M of slaughterhouses, O&M of water and waste water networks and facilities, O&M of Public Facilities (Markets, Municipal Sports facilities, culture centers and libraries, solid waste facilities, cemeteries if operated by municipality, public gardens and parks...etc.), roads repairs and maintenance (filling of potholes, crack repair and sealing, etc.), periodic cleanup of draining system, , solid waste collection and sorting, fumigation.
- **Type 2: Investment grants for Gaza municipal investments** that employ labor-intensive methods in subproject implementation (40% of AF, net of administrative costs – **USD 3.68M**). this subprojects type focuses on Scaling up of investment grants identified in the Strategic Development and Investment Plan (**SDIP**) for Gaza municipal investments that employ labor-intensive methods in sub-project implementation. Municipal subproject that can be financed include: **infrastructure sub-projects** such as, but not limited to: Roads (internal narrow roads that use labor intensive technology), Wastewater and water, (within internal streets that require only labor-intensive technology), Solid waste management, Parks and open space development, Public markets, Landscaping of road medians. **Non-infrastructure sub-projects:** Tax and fees mapping (feeding the RMIS with updated clients' databases for better revenue collection), Archiving of municipal records, Solar energy, Inventory of municipal assets (expanding data entry of the operation and Maintenance software and IFMIS), Public awareness campaigns (e.g. innovative ideas to enhance revenue collection, enhancing citizens' ownership, enhance public relations within the citizens service centers), Enhance the Grievance Redress Mechanism (e.g. through developing Smart Mobile applications).

The scope of this component is to:

- Create short term employment opportunities (44 to 66 working days, 16 \$/Day)
- Create 5,000 short term jobs (750 for female)
- The nature of the sub-projects to be financed/prioritized under this component should have max labor content and High immediate impact on service.

As for the status of component 5,

- The municipalities were informed about their allocation in September 2019 and they were asked to prepare a two year operation and maintenance plans and to prepare proposals for their capital investment sub-projects according to the SDIP of each municipality.
- The municipalities submitted O&M plans using a template developed by MDLF covering all sectors subject to maintenance.



- The plans were reviewed by MDLF concluding a prioritization from (O&M) sub-projects in accordance to the appraisal criteria as stated in the POM. Additionally, a part of the capital investment sub-projects were appraised and approved.
- A total of 1.7 million \$ is under tendering from both types of sub-projects.

1.6 Results Framework

Table 9: Assessment of PDO Results

Indicator Name	Target	Achievement Progress
Number of municipalities graduated to category A	MTR Target: 10 End Target : 15	16 municipalities are ranked in A out of which (12 mun are graduated to A)
Number of municipalities completing sub projects within each cycle	MTR Target : 100 End Target: 140	108 mun completed all 1st cycle projects within the time frame of cycle 1.
Number of municipalities with functional complaint system	MTR Target: 44 End Target : 100	113 municipalities have functional complaint system
Percentage of investments financed under the project in adequate technical state	MTR Target: 60% End Target: 80%	80% of W1 investment (subject to technical audit & usability assessment)
% of beneficiaries satisfied with municipal sub projects executed under MDP 3	MTR Target: 70% End Target: 80%	85% (average satisfaction of beneficiaries regarding – relevance,

Table 10: Assessment of Intermediate Results

Indicator Name	Target	Achievement Progress
Percentage of municipalities satisfied with MDLF support	MTR Target: 85% End Target: 95%	Average satisfaction 89% in terms of MDLF support, interaction, transparency...etc.
Road Map for MDLF as Lending Intermediary consulted with relevant stakeholders	End Target: Yes	Achieved The road map was prepared and shared with DPs. (to be discussed in a round table during Q1 2020)
Municipal audit standard developed	End Target: Yes	Done by the GIZ
Number of municipalities with yearly increase in revenues collected by the municipality	End Target: 120	126 Municipalities have increased their own source revenues.
Number of municipalities reporting enhanced capacity to engage with private sector for municipal service delivery and/or local economic development	End Target: 25	To be measured after the completion of the PPP training.



Table 11: Assessment of Output Results

MDP3 - Cycle 1 / Outputs / Component 1					
West Bank					
Sectore	Indecator	Unit	Total Target	Total Achieved	% of Achievement
Others	# of Back Hoe Loaders supplied	No.	1	1	100%
	# of Water Pumps supplied	No.	1	1	100%
	# of Cranes for Electrical Work supplied	No.	1	1	100%
	# of skid loaders supplied	No.	2	2	100%
	# of excavators supplied	No.	1	1	100%
	# of Hydrolic Platform Utility Vehicle supplied	No.	1	1	100%
Solar energy	Solar energy-No of PV units installed	No.	1,908	556	29%
Electricity	Electricity-Length of Electricity network rehabilitated	Km	3.5	4	114%
Solid Waste	# of Solid Waste Trucks Supplied	No.	1	1	100%
	# of Solid Waste Containers Supplied	No.	1,154	1,154	100%
Roads	Roads-Length of roads rehabilitated/constructed	Km	130	119	92%
	Roads - # of lighting units supplied	No.	508	220	43%
	Roads-Length of retaining walls rehabilitated	Lm	5927	5256	89%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	1,100	1,086	99%
	Roads-Length of Sidewalks rehabilitated	Lm	72,847	71,166	98%
Water	Water - # of Prepaid Meters supplied	No.	2,100	2,114	101%
	Water-Length of water networks rehabilitated-	Km	17.9	15.3	85%
	Water - # of House Connections	No.	124	81	65%
Waste water	Wastewater-Length of wastewater networks rehabilitated	Km	8.8	6.6	75%
	Wastewater - #. of House Connections	No.	127	81	64%
Public Facilities	Public Facilities-Area of public buildings costructed	M2	3,691	2,826	77%
Public Facilities	Public Facilities-Area of public gardens constructed	M2	23,326	3,425	15%

MDP3 - Cycle 1 / Outputs / Component 1					
Gaza					
Sectore	Indecator	Unit	Total Target	Total Achieved	% of Achievement
Solar energy	Solar energy-No of PV units installed	No.	55	55	100%
Solid Waste	# of Solid Waste Containers Supplied	No.	1,342	1,342	100%
Roads	Roads-Length of roads rehabilitated/constructed	Km	50	46.82	94%
	Roads - # of lighting units supplied	No.	2,586	2,459	95%
	Roads-Length of retaining walls rehabilitated	Lm	1,640	1,550	95%
	Roads-Culverts-Length of storm water drainage rehabilitated	Lm	4,620	4,490	97%
	Roads-Length of Sidewalks rehabilitated	Lm	29,553	25,993	88%
Water	Water - # of water pumps supplied	No.	9	9	100%
	Water-Length of water networks rehabilitated-	Km	35	35	100%
	Water - # of Households Connections	No.	2,370	2,385	101%
Waste water	Wastewater-Length of wastewater networks rehabilitated	Km	57.4	56.5	99%
	Wastewater - #. of House Connections	No.	2,903	2,887	99%
Public Facilities	Public Facilities-Area of public buildings costructed	M2	6,553	6,103	93%
	Public Facilities-Area of public gardens constructed	M2	28,700	28,700	100%



2. Area C Development Program in the West Bank – Package II “EU Fund”

2.1 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. The Israeli Civil Administration (ICA) 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 ICA refuses to grant building permits even for public buildings, such as schools and medical clinics and to infrastructure such as roads.

Also, 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 are 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 C4 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 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 C 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 the Israeli Civil Administration (ICA) and complemented with detailed planning packages for transport, water, and wastewater networks.



2.2 Description

This action is based on the Financing Agreement (FA), ENPI/2012/023-776 Land Development and Access to Basic Infrastructure in Area C. The Financing Agreement (FA) was signed between the European Union and the PA on 19th March 2013 and was amended on 24th August 2015.

The EU and PA agreed on the following approach concerning project in Area C: "the 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 LGUs to the ICA".

These plans were developed in a participatory manner by the target communities and were supported by Non-Governmental Organizations (NGOs) or private urban planning firms. The statutory outline plans and the detailed planning packages were submitted to the PA and the Israeli Civil Administration (ICA). At the Israeli Civil Administration, the plans were registered and processed through a complex and cumbersome authorization process. The communities developed the statutory outline plans and the action plans for essential social and public infrastructure in a participatory inclusive mode, taking into account the demographic and socio-economic development needs for the next 20 years.

The FA identified MDLF as an implementing agency for the second component, "Implementation of Basic Infrastructure in Area C". The addendum no.1 to the FA states that a Steering Committee composed of the European Union (EU), PA (Palestinian Authority), MDLF and of other donors financing of the action shall be formed as an organizational set-up of this component. The scope of the Steering Committee is to discuss and endorse the localities as well as the selected projects to be implemented in the target localities in Area C.

As preparatory activities for this action, a Steering Committee was formed and composed of the EU, Ministry of Local Government (MOLG), MDLF and the Danish Representative Office (DRO). Two steering committee meetings were held on the 20th of April and 30th of June 2016, respectively. The steering committee endorsed the selection criteria on the 30th of June 2016. Then, the MoLG and MDLF technical teams visited the shortlisted localities and respective projects. The EUREP and DRO participated in part of these site visits. Later, the technical teams discussed all nominated localities and projects and finally, the Steering Committee approved the selected localities and the proposed infrastructure projects on the 8th of November 2016 (8 localities and 9 projects).

It is worth noting that the proposed projects are based on the statutory outline plans (accompanied by detailed planning packages for transport, water, and wastewater networks as well as action plans for essential social and public infrastructure projects).

Accordingly, a set of projects proposed in this action were suggested and identified by the local communities with the view to improve the quality of life for the inhabitants within those communities. These projects were re-confirmed during the identification phase of this action including approvals from the respective governmental bodies or ministries.

➤ Objectives and Expected Results (as per the agreement)

The overall objective of the action 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, and educational facilities".

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

➤ Target Areas and Beneficiaries

This action will be implemented in eight localities in Area C. The target localities are as follows:

- | | |
|---------------------------------------|-----------------------|
| - Umm Rihan, Daher Al'Abed, Imreiha | Jenin Governorate |
| - Khirbet Jubara | Tulkarm Governorate |
| - Al Halqum, Al Manshiya, Marah Malla | Bethlehem Governorate |



- Idna North Hebron Governorate.

The selected projects were identified based on the community needs in response to the urgent needs for improving service delivery. These projects will focus on covering the basic services for the target communities such as:

Roads: Construction and rehabilitation of 2 different road projects in 2 different localities with a length of about 2.2 KM.

Schools: Expansion and Development of Elementary School and Expansion of the Secondary Mixed School. The total area is about 900 M2.

Public Buildings: Construction, finishing, and furnishing of four (4) multi-purposes buildings in four (4) different localities with a total area of 1,030 square meters in addition to the external works and furniture. The works, also, includes the external works for these buildings.

Public Park: Construction of Public Park in one locality with a total area of 1000 M2.

The expected direct beneficiaries from the proposed action are 6,547 inhabitants distributed among the eight (8) targeted localities.

2.3 Financing

This action is located under the umbrella of the "Financing Agreement ENPI/2012/023-776 Land Development and Access to Basic Infrastructure in Area C signed between the European Union and the Palestinian National Authority in March 2013, and the "MDLF" has received a grant from the European Union "EU" with a contribution from the member state "DRO" towards the cost of "Development of Area C in the West Bank "in a total of (Euro 2,010,211.88). The agreement was signed on December 18th, 2016 (for 15 months). The agreement was amended twice as follows:

- Addendum # 1 on January 18th, 2018: the duration was extended to be 22 months.
- Addendum # 2 on September 26th, 2018: the duration was extended to be 27 months, accordingly, the revised end date is March 17th, 2019.

Regarding the budget, **Table 12** below illustrates the budget breakdown:

Table 12: Breakdown Budget – Area C Development Program - Package II

Item	Budget (Euro)
1-MDLF management fees (indirect cost) = 7% of direct eligible cost	129,150
2-Total Direct Eligible Cost	1,845,000
2.1 Other Costs and Services	45,000
Expenditure Verification/Audit	5,000
Evaluation Cost	15,000
Visibility Actions	25,000
2.2 Other	1,800,000
Legal Fees	30,000
Cost of Infrastructure Sub-Projects	1,660,000
Local Technical Consultancy for Design and Supervision	110,000
3- Provision for contingency reserve	36,061.88
Total Cost of the Action	2,010,211.88

2.4 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 local consultancy firms/NGOs. 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 the importance and vitality of those projects to their



localities. The total allocated amount for sub-projects in the targeted LGUs in the West Bank is € 1,660,000. **Chart 7** illustrates the allocated budget for the sub-projects per governorate.

The approved sub-projects are classified into four sectors as shown in **chart 8** below, the roads with a total of € 430,000 forming 26% of the total budget, the Public Facilities with a total of € 825,000 forming 50% of the total budget, the Schools with a total of € 405,000 forming 24% of the total budget.

Chart 7: The Distribution of Sub-Projects Allocation by Governorate

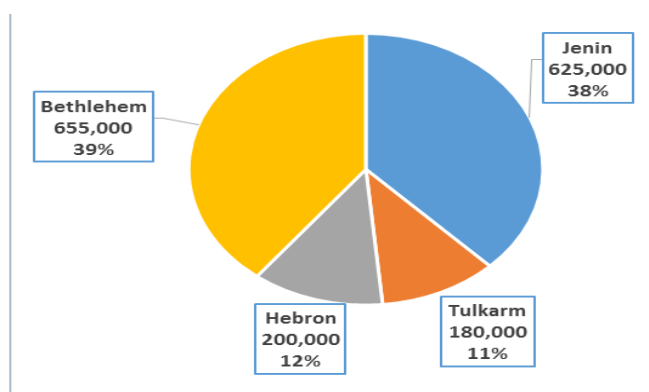
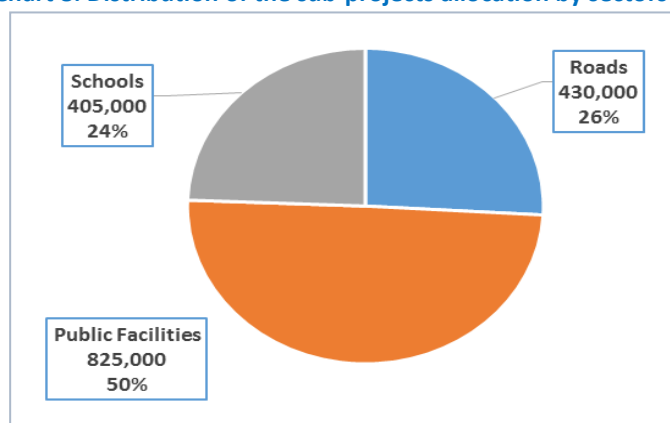


Chart 8: Distribution of the sub-projects allocation by sectors



2.5 Results and Activities

2.5.1 Results at the Outcome Level

Table 13: Assessment of the Outcomes Performance

Overall Objective	Indicator	Target	Achieved
O1: To Improve social and economic conditions of Palestinian communities in Area C which is critical for the future viability of the Palestinian Economy	Number of Indirect Beneficiaries	19,000 (indirect beneficiaries)	The project is still undergoing and it is expected to benefit 19,000 inhabitants (indirectly) and 6,547 inhabitants (directly) once being functional and fully operated.
	Number of Direct Beneficiaries	6,547 (direct beneficiaries) Disaggregated by sex 3088 females 3339 males	



Specific Objective	Indicator	Target	Achieved
To Improve Access to Basic Infrastructure in Area C including: -Schools -Public Buildings -Public Parks -Roads	Indicator 1: # & m2 of schools developed or expanded	2 schools, 900	2 schools were constructed with a total area (952 m2) # of Pupils: Primary Secondary 195 21
	Indicator 2: # & m2 of public buildings constructed.	4 public buildings, 1,030 m2	4 subprojects were completed of area 1030 m2
	Indicator 3: # & m2 of public parks constructed	1 public park, 1000 m2	The park is completed of area 1400 m2
	# & Km of roads constructed/rehabilitated	2 roads, 2.2 Km	2 roads were completed with a total length of 2.3 Km





2.5.2 Results at the Output Level

Table 14: Assessment of the Output Performance

Results/Outputs	Indicator	Target	Achieved	Percentage of Achievements
R1: New public facilities implemented in Area C including: (schools, public buildings, public parks).	# of GIAs signed between MDLF and LGUs	6	6	100%
	# of Contracts signed for Contractors to implement public facilities.	6	6	100%
	% of disbursement	100%	90%	90%
R2: New basic infrastructure implemented in Area C mainly roads.	# of GIAs signed between MDLF and LGUs	2	2	100%
	# of Contracts signed for Contractors to implement basic infrastructure sub-projects.	2	2	100%
	% of disbursement	100%	100%	100%

2.6 Implementation Progress at the Activity Level

2.6.1: Description of Activities undertaken during the Action:

Since the signature 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 regard, 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 line ministries such as, getting the needed approvals from the Ministry of Education for adding classrooms, ...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 and a technical support expert to Assist MDLF to follow up on the project activities. 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 19th April 2017. Following the contract with the LTCs, a kick-off meeting was conducted to ensure a clear understanding from the LTC of the scope of work and the main tasks following the TOR. Upon the kick-off meeting, the LTC was requested to start communicating with the target LGUs and conducting the field visits for the project sites to verify the description as well as the costing of the projects.

More focus on the works conducted so far could be summarized as per the following:

Preliminary Stage:

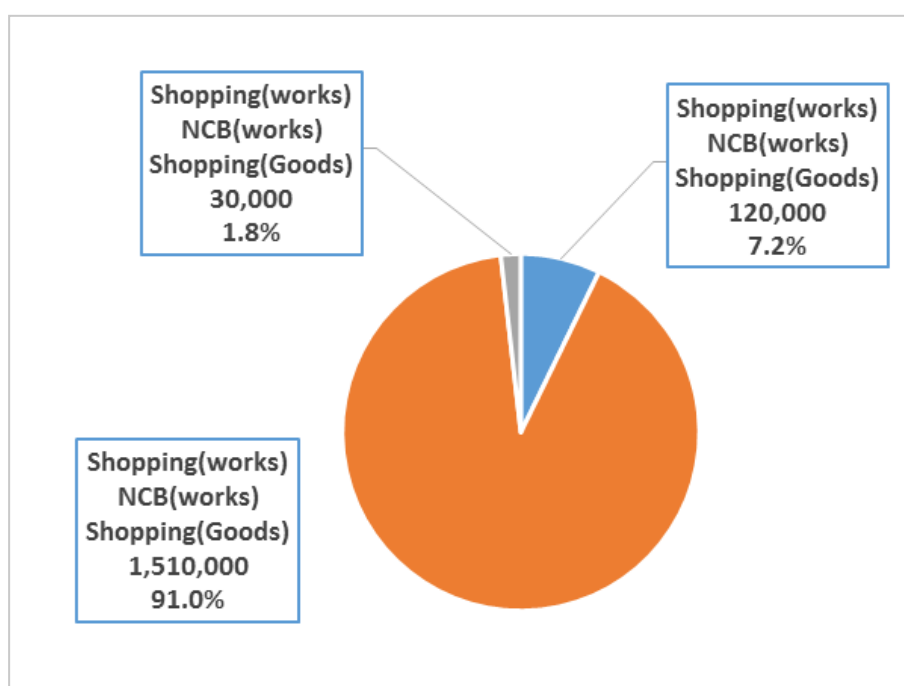
- A kick-off meeting with LTC representatives and EU engineers was conducted on April 19th, 2017 to discuss the project components, allocations, and other issues.
- Field visits had been conducted to the target LGUs in all Governorates by MDLF's Engineers and the LTC to know each other and to introduce 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 effective 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 project sites are located within the master plan boundaries.
- A communication and visibility plan for the program was prepared by MDLF cleared by the EU.



- 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.
- Regarding the social infrastructure projects, there are **7 NCB sub-projects (Works)** with total allocation of **€ 1,510,000** forming about **91 %** of the total allocated money and **1 Shopping sub-project (works)** with total allocation of **€ 120,000** amounting **7.2 %** of the total allocation and **4 Shopping sub-project (Goods – furniture and equipment for the multipurpose buildings)** with total allocation of **€ 30,000** forming about **1.8 %** of the total allocation as shown in **chart 9**.



Chart 9: Distribution of projects (allocation) by procurement method



Design and Tendering Stage:

To prepare a complete design for every single sub-project the following steps were undertaken:

- The needed design data were collected and the site investigation was conducted to decide and verify the steps needed in every 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 inline ministries to verify the required standards and design criteria.
- The LTC with direct support from MDLF instructed the LGUs to create and organize an independent project file for every single project.



- The needed soil and structural investigations and tests were conducted for some projects.
- The project license for some projects from the concerned inline ministries was obtained.
- The LTC had completed the design phase of the projects which was complemented with the bidding documents prepared following the MDLF procurement manual. Consequently, the bids were issued, evaluated and the projects were awarded.
- To fit with the 1st addendum of the financing agreement, the LTC contract was subject to addendum with a modified scope of work until October 18th, 2018. The addendum was negotiated and agreed upon with the LTC to provide the needed technical assistance in the submittals approvals, office works, and the participation in the handing over committees, however, MDLF technical staff to complement the onsite supervision and the quality control issues.

Technical Support Expert and Communities Mobilization

A Technical Support Expert (TSE) who has been contracted by MDLF and financed under the Area C Development Program –Package III was assigned to provide the needed support for this action. In particular, the TSE support has assisted MDLF in the day-to-day follow up of the activities, management, and communication with the key stakeholders, also, to provide the technical support throughout the implementation.

In addition to the TSE, a community's mobilization consultant within the LTC contract of package III was assigned to conduct the mobilization activities of this action. In particular,

- Integrate the final beneficiaries in the conceptual design of the sub-projects (i.e. the collection of beneficiaries' requirements).
- Awareness of the citizens and the LGUs councils' members on the project's activities and the projects related data.
- Awareness workshops to the local communities to engage them in the design of social/environmental mitigation measures as part of the ESMP.
- Orientation to the citizens on the complaints mechanism within the framework of social accountability.
- Awareness to the citizens about the action plans and update the communities' development priorities in a participatory manner.
- Capacitate with the LGUs to operate and maintain (sustainability of the intervention) the projects accompanied by Orientation to the citizens in this regard.
- Support the LGUs to report to MoLG about their needs (technical and financial).



Table 15: Implementation Status of the Projects

NO.	Description	Locality	LGU	Governorate	Subproject Description	Allocated Budget (Euro)	final cost at completion	Status	Notes
1	Renovation the existing VC premise and construction an additional floor to the VC premise	Umm Rihan	Umm Rihan Village Council	Jenin	Renovating the existing VC premises and adding a second floor with a total area of 130 M2. The project will provide basic furniture to make the building functional. The scope of the project, also, includes external works for the surrounding area for a total of 150 M2 including boundary walls and pavement.	125,000	81,684.26	Completed	
	Supply furniture to VC premises of Um Rihan				Supply the building with the needed furniture to make it functional				
	Supply electrical equipment to VC premises of Um Rihan				Supply the building with the needed electrical devices, electronics to make it functional				
2	Construction of Multipurpose building and public park	Daher Al 'Abed	Daher Al- Abed Village Council	Jenin	The project consists of the construction of two floors 150 M2 each. The building will be utilized a multi-purpose building including the VC premises, community hall, and sports club. The project will provide basic furniture to make the building functional. The scope of the project will, also, consist of a public park.	300,000	291,984.67	Completed	
	Supply furniture to VC premises of Um Rihan				Supply the building with the needed furniture to make it functional				
	Supply electrical equipment to VC premises of Um Rihan				Supply the building with the needed electrical devices, electronics to make it functional				



NO.	Description	Locality	LGU	Governorate	Subproject Description	Allocation Budget (Euro)	Contracted Amount / Lowest Responsive Bidder	Status	Note
3	Construction of Multipurpose building	Imreiha	Ya'bad Municipality	Jenin	The project consists of the construction of two floors 150 M2 each. The building will be utilized a multi-purpose building including the VC premises, community hall, and sports club. The project will provide basic furniture to make the building functional.	200,000	245,690.00	Completed	The project has been subject to Stop-Work/Demolition Orders. An assessment report was prepared by MDLF reflecting the MOLG and MDLF position in this regard. The revised report was submitted to the EU since 25 June 2018 awaiting their guidance on how to proceed. The EU promised to provide direction on how to proceed following consultations with DRO and Brussels. This may imply the extension of the implementation period of the Financing Agreement. Work was resumed on 9/7/2019
	Supply furniture to multipurpose in Imreha				Supply the building with the needed furniture to make it functional				
	Supply Electrical and electronic devices to multipurpose in Imreha				Supply the building with the needed electrical devices, electronics to make it functional				
4	Expansion and development of Elementary school	Khirbet Jubara	Al Kafriyat Municipality	Tulkarm	The project consists of adding 4 classrooms, computer lab and science lab with a total are 465 M2. The furniture and equipment will be provided by MEHE.	180,000	173,805.59	Completed	



NO.	Description	Locality	LGU	Governorate	Subproject Description	Allocation Budget (Euro)	Contracted Amount / Lowest Responsive Bidder	Status	
5	Rehabilitation of Internal Road	Al-Halqum	Tequ' Municipality	Bethlehem	The project consists of reconstruction and rehabilitation of about 1.4 Km of internal roads. The works will include excavation, leveling, retaining walls, concrete shoulders/sidewalks, and road furniture. The roads' width is 5.5 m of asphalt and 1.5 m sidewalks each side.	230,000	280,000	Completed	
6	Construction of additional classrooms	Al Manshiya	Marah Rabah Village Council	Bethlehem	The project consists of adding 4 classrooms, a library, lab, and sanitary unit (toilets and septic tanks). The project will be an extension to the existing secondary mixed school horizontally, meaning that there will be earth and foundation works for this extension. The additional classrooms will be served as a secondary school. The furniture and equipment will be provided by MEHE.	225,000	233382.16	Completed	
7	Construction of Internal Roads	Idna North	Idna Municipality	Hebron	The project consists of the construction of 0.8 Km of a new road. The works will include excavation, leveling, concrete shoulders/sidewalks, and road furniture. The roads' width is 6 m of asphalt and 2 m sidewalks each side.	200,000	219,506	Completed	



NO.	Description	Locality	LGU	Governorate	Subproject Description	Allocation Budget (Euro)	Contracted Amount / Lowest Responsive Bidder	Status	
8	Construction of Multipurpose building	Marah Ma'allah	Marah Ma'allah Village council	Bethlehem	The project consists of construction two floors 150 M2 each. The building will be utilized a multi-purpose building including a VC premise and a community hall. The project will provide basic furniture to make the building functional. The scope of the project also includes external works.	200,000	216,068.26	Completed	
	Supply furniture to VC premises of Marah M'allah				Supply the building with the needed furniture to make it functional				
	Supply electrical equipment to VC premises of Marah M'allah				Supply the building with the needed electrical devices, electronics to make it functional				

Table 16: Implementation Time Frame

Task	Responsibility	Dec-2016	Q1 - 2017	Q2-2017	Q3-2017	Q4-2017	Q1 - 2018	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020
Task 1 - Mobilization (Preparatory Activities)															
Effective coordination between MDLF, MOLG with the LGUs encouraging them to be well prepared for the implementation.	MDLF, MOLG														
Updating of the MDLF procurement manual and guidelines to respond to the specific needs of the Area C context.	MDLF,														
Signing the Grant Implementation Agreement (GIA) between MDLF and the LGUs describing the roles and the responsibilities for MDLF and the LGUs.	MDLF, LGUs														



Task	Responsibility	Dec-2016	Q1 - 2017	Q2-2017	Q3-2017	Q4-2017	Q1 - 2018	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020
Preparing a detailed implementation plan including (procurement plan, disbursement plan, and communication and visibility plan).	MDLF														
Preparation of the local technical consultant terms of references. Special focus will be given to the quality control and assurance procedures and composition and qualifications of the requested personnel. The terms of reference will include a specific part for the technical assistance and operational support for the local governmental units.	MDLF														
Task 2- Preparation for the implementation (Sub-projects Design)															
Contracting a local technical consultant (LTC) for sub-projects design and supervision.	MDLF														
Preparing the design and the bidding documents for the selected sub-projects including the Environmental and Social Management Plan (ESMP) by the contracted LTC. <u>(The bidding documents will be verified, cleared and endorsed by MDLF).</u>	MDLF, LTC														
Advertising, the composition of opening and evaluation committees, evaluating.	LGUs														
Contracts award following MDLF no objection . MDLF shall approve and endorse all contracts by co-signing or initialing these with the wording <u>"reviewed, cleared and endorsed by the MDLF"</u> .	LGUs/MDLF														
Technical Assistance for supervision															
Assist the LGU's in the supervision of subprojects	MDLF, LTC														
Monitor and Ensure compliance with MDLF standards	MDLF, LTC														
Financial Management															
Monitor and Ensure compliance with MDLF financial procedures	MDLF														
Social Safeguards Monitoring															



Task	Responsibility	Dec-2016	Q1 - 2017	Q2-2017	Q3-2017	Q4-2017	Q1 - 2018	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020
Monitor and ensure compliance with social safeguards policies	MDLF, LTC														
Environment Safeguards Monitoring															
Monitor and ensure compliance with environmental safeguards policies	MDLF, LTC														
Overall monitoring and reporting															
Monitoring of subprojects indicators	MDLF														
Sites Visits	MDLF, MOLG														
Task 4 - Audit and Evaluation															
Midterm evaluation	MDLF, EU														
External audit	external auditor														
Final Evaluation	Outsourced consultant														
Task 5 - Reporting - Final Report	MDLF														



2.7 Beneficiaries/affiliated entities and other Cooperation

2.7.1 Key Stakeholders

The key stakeholders of the action are listed as follows:

- **The Ministry of Local Government “MOLG”** as the lead policy-maker and regulatory body for LGUs in Area C in the West Bank.
- **The Municipal Development and Lending Fund “MDLF”** as the selected implementing Agency for this action and will be responsible for managing the fund and do all the arrangements for the successful implementation of the action.
- **The Local Government Units “LGUs”** where the proposed projects will be implemented and will be the owners and/or final beneficiaries of the public infrastructures that will be resulted from the action.
- **The Local Technical Consultant “LTC”** who will be responsible for the design and the supervision of the infrastructure sub-projects.
- **The Contractors and Suppliers** who will be responsible for the direct implementation of the sub-projects within the targeted communities and will be managed directly by the LGUs with technical support from the LTC and the MDLF.
- **The European Union as a donor to finance the action.**

2.7.2 Coordination among the Key Stakeholders

In this context, MDLF has closely coordinated with all stakeholders during the whole project period. MDLF worked in close collaboration with the local technical consultant (LTC) as well as the LGUs and the MOLG to meet the planned targets and to avoid any miss-communication. Additionally, MDLF coordinated its efforts with other stakeholders such as ACCO as well as the technical ministerial committee for Area C.

The coordination between the key stakeholders was conducted at different levels:

- For MDLF to be well and immediately informed about demolition or stopping orders in Area C. MDLF initiated a continuous dialogue and communication with OCHA regarding their work in area C that is relevant to MDLF interventions. MDLF has registered with the OCHA notification system and a focal point was nominated to follow up on this issue from MDLF.
- As a member in the technical committee which was established by the Prime Minister's Office specifically to coordinate the work in Area C, MDLF has continued coordination with the technical ministerial committee regarding the interventions in Area C. The technical committee includes representatives from MDLF, Ministry of Local Government, Ministry of Education and Higher Education, Ministry of Health, Ministry of Jerusalem Affairs, and the Palestinian Water Authority. MDLF in this context attended all meetings for this committee and updated them with MDLF interventions in Area C so far as well as the upcoming funds.
- Furthermore, MDLF has continued the dialogue which was initiated with the ACCO which was established by the Prime Minister's Office to follow up all the work of the PA institutions and donor interventions in Area C. The ACCO visited MDLF to be aware of MDLF interventions in Area C and closely coordinate fieldwork whenever is needed.
- The high-level communication between MDLF and the EU was ensured to agree on the overall plan of the action regarding the budgeting, work packages, time frame as well as the operational guidelines. MDLF has closely coordinated with the technical team in the EUREP and has notified them of the progress and achievements as well as of any delays or challenges hindered the implementation. Furthermore, MDLF has notified the EU in case there is a demolition of the project or Stop-Order from the Israeli authorities to take immediate action and to mitigate the risk as well (*example of Imraiha sub-project*).
- Close communication between MDLF, MOLG and the target localities was ensured to make sure that all the preparatory activities were done regarding the permits and approvals from the line.
- Between MDLF and the local technical consultant: to ensure a clear understanding from the consultant of the scope of work and the main tasks, he/she is responsible for. In the same context, MDLF prepared



a clear TOR for the consultancy service of the design and the supervision work package, and the LTC has been supervised by the MDLF in all steps from the 1st day until closing the contract. **The MDLF has been 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.**

2.8 Visibility

MDLF had prepared a communication and visibility plan for the action including a list of activities to be undertaken throughout the implementation of the action. The plan was cleared by the EU and was used as a base for promotional purposes to ensure the visibility of the action and to convey messages across the beneficiaries and the stakeholders.

Several activities were conducted within the framework of communication and visibility of the action, and could be listed as follows:

- **Events and Workshops:** A signature ceremony of the GIAs between MDLF and the target LGUs was held. These GIAs were signed with the presence of representatives of eight localities under the auspices of His Excellency, Minister of Local Government and Chairman of MDLF Board of Directors, Hussein Al-Araj, EUREP Representative Mr. Riccardo Rossi and the DRO delegation. The event was covered by the media.
- **Field Visits & Meetings:** MDLF organized many field visits for EU Delegations, and invited them to see the sub-projects on the ground.
- **Printing materials:** Printing out Brochures for Area C Development Program- in both English and Arabic, printing out factsheet for each sub-project, design and produce roll-ups
- **Fun day:** MDLF conducted a marathon activity for kids in the completed road project in Idhna. The event was successfully held and covered by the media.
- Billboards, foam boards, production of two spots, two inaugurations, one closing ceremony, and media tour bus).

2.9 Obstacles and Challenges

- The lack of the capacity and skills of most LGU's to prepare the environmental and social management plan "ESMP" as well as the preparation of bidding documents. To overcome this challenge; on-job training and site visits were conducted by the contracted LTCs.
- The need for permits to enter some areas such as Um-Rihan hindered the progress of the project especially in case of refusing some staff to enter the area.
- The coordination with the MOLG took more time than anticipated, especially for the verification of the project's locations.
- The road construction project in al-Halqum has suffered a major delay in completing the works as it exceeded the project duration due to objections from citizens to expand the road from their land following the master plan despite their prior consent to expand during the design phase. It is worth noting that the contractor was forced to suspend the work several times waiting for the landowners' approvals. In the end, the projects were completed.
- Disputes arose between the local technical consultant and the contractor, causing delays in project implementation.
- One of the sub-projects in Jenin Governorate - the multipurpose building in Imraiha- was subject to stopping/demolition order by the ICA on 28/2/2018. This order was preceded with a work suspension notice on 24/1/2018 as well as a confiscation of the contractors' containers. Since then, MDLF followed up on this issue in coordination with the Ministry of Local Government "MOLG" and the Ministry of Civil Affairs "MOCA". Several meetings were held with the ICA to discuss the stopping order and the confiscation as well, concluding a release of the confiscated containers. Regarding the SWO/Demolition order, MDLF continued following up on this issue with the MOLG and the PA legal advisor and provided the EU with an assessment report of the



suspended work with a proposition on how to proceed. In the end, it was agreed to resume the work taking the risk despite the SWO/DO, the construction work was resumed and the project is completed and furnished.

2.10 Lessons Learnt and Recommendations

- Continue strengthening the LGU's institutions and improving their staff capacities through on job training and transfer of know-how. This will enable the LGU's to be efficient and to be a sustained institution.
- Pay more attention to training and workshops especially for social and environmental aspects.
- Conduct training workshops for the local consultants before the implementation stage to ensure that the consultant accommodates the requirements of the Procurement Manual of MDLF.
- Pay more attention for a cost estimate of sub-projects to avoid over budget.
- Based on the gained experience from the SWO/DO received, it is necessary to establish a systemized mechanism in place to report about any potential future incidents aiming at taking the appropriate actions from all parties.





3. Area C Development Programme in the West Bank – Package III “EU Fund”

3.1 Background

This programme is based on the Financing Agreement “Access to Essential Social and Public Infrastructure in Area C - ENI/2014/032-783”; the financing agreement was signed between the European Union and the Palestinian Authority on 17th of March 2015 and amended on 13th of July 2016.

The EU and PA agreed on the following approach with regard to projects implementation in Area C: “the 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”.

The MDLF has been nominated for implementation of basic infrastructure in Area C based on (i) the recommendation letter of the Ministry of Local Government (MoLG) of 20th of April 2016 and (ii) compliance to eligibility conditions and essential selection criteria as stipulated in the Technical and Administrative Provisions of the signed financing agreement [articles 2.3.1 (c+d)].

A Steering Committee composed of the European Union (EU), PA (Palestinian Authority), MDLF and of other donors financing the programme was formed as an organizational set-up of implementing this programme. The Steering Committee is mandated to discuss and endorse the localities as well as the selected projects to be implemented in the target localities in Area C. Two Steering Committee meetings were held on April 20th and June 30th, 2016, respectively.

It is worth noting that the proposed projects are based on the statutory outline plans (accompanied by detailed planning packages for transport, water, and wastewater networks as well as programme plans for essential social and public infrastructure projects). These plans were developed in a participatory manner by the target communities and were supported by Non-Governmental Organizations (NGOs) or private urban planning firms. The statutory outline plans and the detailed planning packages were submitted to the PA and to the Israeli Civil Administration (ICA). At the Israeli Civil Administration, the plans were registered and processed through a complex and cumbersome authorization process.

The communities developed the statutory outline plans and the action plans for essential social and public infrastructure in a participatory inclusive mode, taking the demographic and socio-economic development needs for the next 20 years into account. Accordingly, a set of projects proposed in these action plans were suggested and identified by the local communities with the view to improve the quality of life for the inhabitants within those localities. These projects were re-confirmed during the identification phase of this programme including approvals from the respective governmental bodies or ministries.

Then, the MoLG and MDLF technical teams visited the shortlisted localities and respective projects. The EUREP participated in part of these site visits. Later, the technical teams discussed all nominated localities and projects and finally the Steering endorsed the selected social infrastructure projects on 10th of April 2017; (15 localities and 10 projects).

3.2 Description

➤ Objectives

The overall objective of the programme is to improve the social and economic conditions of Palestinian communities in area C which is critical for the future viability of the Palestinian Economy.

The specific objectives (outcomes) of the programme are two folds (i) to improve access to essential and public infrastructure in Area C (ii) to strengthen the Palestinian institutions' capacity to deliver essential social and public infrastructure in Area C.

➤ Expected Outputs:

- **Roads:** Construction and rehabilitation of 4 different road's projects in 3 different localities with a length of about 2.9 KM.
- **Schools:** Construction of new elementary school with kinder-garden (1250 SQM) and expansion and development of an existing secondary mixed school (250 SQM). The total area is about 1500 SQM.
- **Public Buildings:** Construction, finishing, and furnishing of four (2) multi purposes buildings in two (2) different localities with a total area of 600 SQM in addition to the external works and furniture.



- **Playground:** Construction of a playground in one locality with a total area 2000 SQM.
- **Electrical Transformer:** Supply of Transformer with underground cables.
- **Supply and install of equipment and furniture** for the public buildings and kinder gardens which were implemented in six (6) different localities, under the previous programme (Area – EU – ENPI/2014/351-484).
- The expected direct beneficiaries from the proposed programme are around **18,828** inhabitants distributed among the nine targeted localities.

➤ Target Areas and Beneficiaries

This programme has been implemented in fifteen localities in Area C (9 new localities and complementary intervention in 6 localities). The target localities are illustrated in Table 17 below:

Table 17: List of target localities under package III

No.	Locality	Governorate	New or Complementary
1	Oqban & Al Mrooj	Bethlehem	New
2	Al Ma'asara	Bethlehem	New
3	Ad Deirat	Hebron	New
4	Umm Rihan	Jenin	New
5	Barta'a Ash Sharqiya	Jenin	New
6	Al Funduq	Qalqilya	New
7	Kardala	Tubas	New
8	Habla	Qalqilya	New
9	Dab'a	Qalqilya	New
10	Ras Elwad	Bethlehem	Complementary
11	Imnaizel	Hebron	Complementary
12	T'innik	Jenin	Complementary
13	Abdallah Al-Younis	Jenin	Complementary
14	Ras Tira	Qalqilya	Complementary
15	Um Al-Lahem	Jerusalem	Complementary

3.3 Financing

The “MDLF” has received a grant from the European Union “EU” to finance the 3rd package of the Area C Development Programme in the West Bank totaling (Euro 3,220,000). The agreement was signed on June 14th, 2017 for 20 months and then amended for extra 11 months. Table 18 illustrates the budget breakdown:

Table 18: Breakdown Budget – Area C Development Programme –Package III

Item	Budget (Euro)
1- MDLF management fees (indirect cost) = 7% of direct eligible cost	208,950
2- Total Direct Eligible Cost	2,985,000
2.1 Other Costs and Services	50,000
Expenditure Verification/Audit	5,000
Evaluation Cost	15,000
Visibility Programmes	30,000
2.2 Other	2,935,000
Legal Fees	30,000
Cost of Infrastructure Sub-Projects	2,680,000
Project Coordinator	50,000
Local Technical Consultancy for Design, Supervision, and Communities Mobilization Activities (Approximately 7% of the cost of infrastructure sub-projects)	175,000
3- Provision for contingency reserve	26,050
Total Cost of the Programme	3,220,000



3.4 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 local consultancy firms/NGOs. 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. The total amount for sub-projects in the targeted LGUs in the West Bank was allocated EUR 2,680,000 however the actual budget is EUR 2,743,263.

The approved sub-projects are classified into four sectors as shown in table 3 below, the roads with a total of € 810,000 forming 30.22% of the total budget, the Public Facilities with a total of € 1,540,000 forming 57.46% of the total budget, the Electricity with a total of € 100,000 forming 3.73% of the total budget.

Table 19: The Distribution of the Infrastructure Allocation by sectors

Sector	Value (EUR)	Percentage	Value actual (EUR)	% Actual
Roads	810,000	30.22%	728,280.87	27%
Public Facilities(buildings, schools, playgrounds)	1,540,000	57.46%	1,667,052	61%
Electricity	100,000	3.73%	49,799.91	2%
(furniture for the package I)	230,000	8.58%	104,092	4%
Complementary (furniture for the package III)			194,038.22	7%
Total	2,680,000	100.00%	2,743,263	100%

3.5 Results and Activities

3.5.1 Results at the Outcome Level

Table 20: Assessment of the Outcomes Performance

Specific Objective	Indicator	Target	Achieved
SO 1: To improve access to essential and public infrastructure in Area C including: -Schools -Public Buildings -Playgrounds -Roads -Transformer -Supply of furniture and equipment	# & Sq. of schools developed or expanded,	2 Schools of (1500 sq.m)	The two schools were completed of (1597 sq.m) # of pupils: Primary Secondary 498 33
	# & sq. of public buildings constructed.	2 public buildings, 600 sq.	The two public buildings were completed (654 sq.m)
	#&Sq. of Playgrounds constructed	1 playground, 2000 sq.	1 playground, 2000 sq
	# & Km of roads constructed/rehabilitated	4 roads segments, 2.9 Km	4 road segment were constructed, 3.1 Km
	# of transformers installed	1 transformer will be installed	The transformer was installed
SO 2: To strengthen the Palestinian institutions' capacity to deliver essential social and public infrastructure in Area C.	The public buildings and kinder gardens are provided with furniture and equipment and become operational accordingly : (Yes / No)	Yes	The furniture was installed.
	Programme plans are updated in a participatory manner (Yes / No)	Yes	Done
	% of inhabitants participated in the mobilization activities	5%	achieved (7% in average)



3.5.2: Results at the Output Level

Table 21: Assessment of the Outputs Performance

Results/Outputs	Indicator	Target	Achieved	Percentage of Achievements
Output 1: New essential social and public infrastructure implemented in Area C including: (Schools, Public Buildings, Playgrounds, Roads, Transformer, the supply of furniture and equipment).	# of GIAs signed between MDLF and LGUs	9	9	100%
	# of Contracts signed with contractors to implement the social and public infrastructure projects and supply of furniture.	9	9	100%
	% of disbursement	100%	92%	92%
Output 2: Enhanced capacity of the concerned LGUs and local communities in Area C for social and public services delivery	community's mobilization activities are conducted as planned (yes / No)	yes	yes	yes
	% of disbursement	100%	100%	100%





3.6 Implementation Progress at the Activity Level

3.6.1: Description of Activities undertaken during the Programme:

Since the signature of the agreement between MDLF and the EU, MDLF has started the coordination with the key stakeholders effectively (EU, 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 MOLG and the target LGUs to make sure that all the preparatory activities were done regarding the permits and approvals from the line ministries, for instance, getting the needed approvals from the Ministry of Education for adding classrooms, 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 for design and supervision as well as the contracting of Technical Support Expert (TSE) to assist MDLF in following up the programme activities.

The LTC was contracted on 1st of October 2017 and the TSE was contracted on the 1st of July 2017. Following the contract with the LTCs, a kick-off meeting was conducted to ensure the clear understanding of the LTC on 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 the projects locations to verify the description and the costing of projects as well.

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

Preliminary Stage:

- Field visits had been conducted to the target LGUs by MDLF 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 effective corridor of the road project and within the effective 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 communication and visibility plan for the programme was prepared by MDLF and cleared by the EU.
- A procurement plan (PP) was prepared for all work packages where some of them are consultancy, non-consulting services, works, and goods.

Design Stage:

In order to prepare a complete design for every single project the following steps were undertaken:

- The needed design data were collected and the site investigation was conducted to decide and verify the steps needed in every single project.
- The collected data was represented in the format that would assist in preparing the environmental and social risk assessment.
- The LTC with a direct support from MDLF instructed the LGUs to create and organize an independent project file for every single project.
- The needed soil tests and structural investigations were conducted as needed.
- The approvals from the concerned line ministries were obtained.
- The design phase was completed and then the projects were tendered in accordance to MDLF procurement manual. **Table 22** below illustrates the status of the sub-projects.



Table 22: Implementation Status of Sub-projects

No.	Locality	LGU	Governorate	Project	Brief Description	Cost at Completion (EUR)	Status
1	Oqban & Al Mrooj	Oqban Village Council – Janata Municipality	Bethlehem	Elementary school + kindergarten Supply furniture for kindergarten Supply electrical and electronic devices for kindergarten Supply and install metal shed for Aloqban kindergarten	Construction of elementary school (9 classrooms, lab, teachers' room, library, sanitary unit, and external works). Additionally, the project consists of constructing a kindergarten including (2 classrooms, teachers' room, sanitary unit, external works, and games)	738,466.83	Completed
2	Umm Rihan	Umm Rihan Village Council	Jenin	Expansion and Rehabilitation of Local Roads	The project scope of work is limited to 1 Km length, including (excavation, leveling, concrete sidewalks, street lighting, and roads furniture). The asphalt width is proposed (6 m) with (1.5 m sidewalks per each).	188,212.82	Completed
3	Ad Deirat	Khallet Al Maya Village Council	Hebron	Construction of internal roads	The project scope is limited to 500 Lm length, including (excavation, leveling, concrete shoulders/sidewalks, and roads furniture). The asphalt width is proposed (5 m) with (1 m concrete shoulders per each side).	59,936	Completed
4	Barta'a Ash Sharqiya	Barta'a Municipality	Jenin	Construction of internal roads	The project scope is limited to the construction of two roads segments: - Segment 1: 600 meters, the base-coarse 8 meters, the asphalt width is proposed (6 m) with (1 m concrete shoulders per each side). - Segment 2: 800 meters, the base-coarse 8 meters, the asphalt width is proposed (6 m) with (1 m concrete shoulders per each side). In addition to the excavation, leveling, concrete shoulders/sidewalks, and road furniture/light retaining walls.	480,132	Completed



No.	Locality	LGU	Governorate	Project	Brief Description	Cost at Completion (EUR)	Status
5	Al Funduq and Hajja Street	Al Funduq – Jinsafout Village Council, Hajja Street – Hajja Village Council	Qalqilya	Development of the Elementary School	The project consists of adding multi-purpose room, resources room (natural science room), arts and crafts room, in addition, to do the maintenance and development of the playground as needed	148,051.80	Completed
				Additional external works for Alfundoq school	Complementary works(maintenance of existing school, sidewalks, aluminum windows.		
6	Kardala	Kardala Village Council	Tubas	Construction of a Multipurpose building	The project consists of: - Construction a permanent location for the village council, a health clinic, a center for the women and civil society centers, and a kindergarten. - The total area is 300 m2 + external garden+ furniture and equipment	312,779.67	Completed
				Supply furniture for Multipurpose Building			
				Supply electrical and electronic devices for Multipurpose Building			
				construction of access road for VC premises			
				supply and install metal shed for Kardala kindergarten			
7	Habla	Habla Municipality	Qalqilya	Playground rehabilitation	The project consists of - Surround the playground with a fence; provide it with changing rooms for players, and bathrooms. - The playground will have stadium seating on both sides, and stadium grassing. In addition, mechanic and electrical works will be required, plus an iron gate	307,471.97	Completed
				supply prefabricated showers	Prefabricate toilet and shower units		



No.	Locality	LGU	Governorate	Project	Brief Description	Cost at Completion (EUR)	Status
8	Al Ma'asara	Al Ma'asara Village Council	Bethlehem	Construction of Multi-purpose building (women's Centre, cultural and youth club, premises for the village council) Supply furniture for Multipurpose Building Supply electrical and electronic devices for Multipurpose Building Supply Gem equipment for Multi-Purpose Building construction of access road for VC premises supply electricity service	- The project consists of construction 2 story building including a women center in the 1st floor + (VC premise and youth club in the 2nd floor) + external garden + boundary wall + equipment + furniture) The total area is around 300 m2	313,196.12	Completed
9	Dab'a	Habla Municipality	Qalqilia	Supply of Transformer	- This project was intended to be implemented in the 1st package, however, it was postponed and agreed to be implemented under this package. - It consists of installing a new transformer with all accessories and underground cables as needed.	49,799.91	Completed
10	Abdallah Al-Younis multi purposes center, T'innik kindergarten, Ras Elwad kindergarten, Imnaizel kindergarten, Ras Tira kinder garden, Um Al-Lahem Services Centre)	This tender will be managed centrally at the MDLF level for the benefit of the listed localities	Jenin Bethlehem Hebron Qalqilia Jerusalem	Supply and install of furniture and equipment are for a number of kindergarten and social buildings	The implemented projects under the 1st package will be equipped with furniture, particularly: - Abdallah Al-Younis multi purposes center, - T'innik kindergarten, - Ras Elwad kindergarten, - Imnaizel kindergarten, - Ras Tira kinder garden, -Um Al-Lahem Services Centre)	91,609	Completed



Locality	LGU	Governorate	Project	Brief Description	Cost at Completion (EUR)	Status
			Supply and install of medical equipment for Abdallah Al-Younis multi purposes center		1,983.00	completed
Alfundoq & Aloqban & almorooj schools		Qalqilia Bethlehem	Supply Electrical devices for Alfondoq and Oqban school		11,800.00	completed
Alfundoq & Aloqban & almorooj schools		Qalqilia Bethlehem	Supply Electronic devices for Alfondoq and Oqban school		29,324.00	completed
Ras Elwad		Bethlehem	Supply and install of sun shed for Ras Elwad kindergarten		10,500	completed
Total					2,743,263.17	

- All the projects were successfully completed and have been utilized by the local communities.
- Additional complementary works were requested by some of the LGUs, those requests were assessed as viable to better utilize the projects and thus agreed to be added to the original scope of the projects.
- The complementary works includes:
 - o Supply and install of sun shed for Ras Elwad kindergarten
 - o Supply Electronic devices for Alfondoq and Oqban school
 - o Supply Electrical devices for Alfondoq and Oqban school
 - o Supply and install of medical equipment for Abdallah Al-Younis multi purposes center
 - o Construction of access road for VC premises in Al-Ma'sara
 - o Supply prefabricated showers for Habla playground
 - o Construction of access road for VC premises of Kardala
 - o Supply and install metal shed for Kardala kindergarten
 - o Additional external works for Alfundoq school
 - o Supply and install metal shed for Aloqban kindergarten



Table 23: Indicative Time Table

Task		Responsibility	2017								2018								2019								2020	
			June	Q3			Q4		Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1			
○	Task 1 - Mobilization (Preparatory Activities)																											
	Effective coordination between MDLF, MOLG with the LGUs encouraging them to be well prepared for the implementation.	MDLF, MOLG																										
	Contracting the Technical Support Expert	MDLF																										
	Signing the Grant Implementation Agreement (GIA) between MDLF and the LGUs describing the roles and the responsibilities for MDLF and the LGUs.	MDLF, LGUs																										
	Preparing a detailed implementation plan including (procurement plan, disbursement plan, and communication and visibility plan).	MDLF																										



Task	Responsibility	2017						2018								2019								2020	
		June	Q3			Q4		Q1	Q2	Q3	Q4					Q1	Q2	Q3	Q4					Q1	
Preparation of the local technical consultant terms of references. Special focus will be given to the quality control and assurance procedures and composition and qualifications of the requested personnel. The terms of reference will include a specific part for the technical assistance and operational support for the local governmental units as well as the communities' mobilization activities	MDLF																								
○ Task 2- Preparation for the implementation (Sub-projects Design)																									
Contracting a local technical consultant (LTC) for sub-projects design and supervision where the community's mobilization activities will be included under the scope of the LTC.	MDLF																								



Task	Responsibility	2017						2018						2019						2020					
		June	Q3			Q4		Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1	
Preparing the design and the bidding documents for the selected sub-projects including the Environmental and Social Management Plan (ESMP) by the contracted LTC. <u>(The bidding documents will be verified cleared and endorsed by MDLF).</u>	MDLF, LTC																								
Advertising, the composition of opening and evaluation committees, evaluating.	LGUs																								
Contracts award following MDLF no objection. MDLF shall approve and endorse all contracts by co-signing or initialing these with the wording <u>"reviewed, cleared and endorsed by the MDLF"</u> .	LGUs/MD LF																								
Task 3 – Sub-projects Implementation Stage																									
Technical Assistance for supervision																									
Assist the LGU's in the supervision of subprojects implementation. <i>(i.e., construction on sites and delivery of equipment and furniture)</i>	MDLF, LTC																								



Task	Responsibility	2017							2018								2019								2020																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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Task	Responsibility	2017						2018						2019						2020							
		June	Q3			Q4			Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4		Q1		
Task 4 - Audit and Evaluation																											
Midterm evaluation	MDLF, EU																										
External audit	external auditor																										
Final Evaluation	Outsourced consultant																										
Task 5 - Reporting - Final Report	MDLF																										





3.7 Beneficiaries/affiliated Entities and Other Cooperation

3.7.1 Key Stakeholders

The key stakeholders of the programme can be listed as follows:

- **The Ministry of Local Government "MOLG"** as the lead policy-maker and regulatory body for LGUs in Area C in the West Bank.
- **The Ministerial Committee in charge of Area C** development interventions and its arm "the Area C Coordination Office under the Prime Minister Office (ACCO)".
- **The Municipal Development and Lending Fund "MDLF"** as the implementing Agency for this programme. The MDLF is responsible for managing the fund.
- **The Local Government Units "LGUs"** where the projects had been implemented. The LGUs are the owners of the projects.
- **The Local Technical Consultant "LTC"** who was responsible for the design and the supervision of the infrastructure projects. The LTC was also responsible for undertaking the communities' mobilization activities.
- **The Contractors and Suppliers** who were responsible for direct implementation of the projects within the targeted localities. The contractors were managed directly by the LGUs with technical support from the LTC and the MDLF.
- **The European Union as a donor** and other financing partners working in Area C.

3.7.2 Coordination among the Key Stakeholders

In order to better follow up the activities of the programme effectively, a communication plan was prepared. In this context, MDLF coordinated closely with all stakeholders throughout the implementation. Additionally, MDLF coordinated its efforts with other stakeholders such as ACCO and the technical ministerial committee for Area C.

The coordination between the key stakeholders was conducted at different levels:

- As a member in the technical committee which was established by the Prime Minister's Office specifically to coordinate the work in Area C, MDLF continued coordination with the technical ministerial committee regarding the interventions in Area C. The technical committee includes representatives from MDLF, Ministry of Local Government, Ministry of Education and Higher Education, Ministry of Health, Ministry of Jerusalem Affairs, and the Palestinian Water Authority. MDLF in this context attended all meetings for this committee and updated them with MDLF interventions in Area C so far as well as the upcoming funds.
- Furthermore, MDLF continued the dialogue which was initiated with the ACCO who visited MDLF to be aware of MDLF interventions in Area C and closely coordinated field work whenever is needed.
- The high-level communication between MDLF and the EU was ensured to agree on the overall plan of the programme regarding the budgeting, work packages, time frame as well as the operational guidelines. MDLF coordinated closely with the technical team in the EUREP and has regularly informed them of the progress and achievements as well as challenges and obstacles. Furthermore, MDLF early notified the EU in case of work stopping order, demolishing order in order to take immediate action and to mitigate the risk as well.
- A close communication between MDLF, MOLG and the target localities was ensured to make sure that all the preparatory activities were done regarding the approvals from the line ministries as needed.
- Between MDLF and the local technical consultant: to ensure the clear understanding from the consultant of the scope of work and the main tasks, he/she is responsible for. In the same context, MDLF prepared a clear TOR for the consultancy service of the design and the supervision work package including community mobilization activities.



3.8 Visibility

MDLF had prepared a communication and visibility plan for the programme including a list of activities to be undertaken throughout the implementation of the programme. The plan was cleared by the EU and was used as a base for promotional purposes for better visibility of the programme and to convey messages across the beneficiaries and stakeholders.

Several activities were conducted within the framework of communication and visibility of the programme, as listed below:

- **Events and Workshops:** GIA Signing ceremony between MDLF and the LGUs were signed in a workshop and the ceremony was covered by the media, Orientation workshops were held by MDLF through the programme for the target LGUs, and Face to face meetings with the target LGUs.
- **Field Visits & Meetings:** MDLF organized many field visits with EU Delegations whom were invited to see the sub-projects on the ground as well as the political challenges and risks associated to Area C development interventions.
- **In addition to the above-mentioned activities,** MDLF contracted a specialized PR company for better visibility of the programme, the following activities were implemented as planned:
 - o Printing materials such as Brochures for Area C Development Programme- in both English and Arabic, Factsheet for each sub-project, Design and produce of foam boards with messages and images, Design and produce Billboards, Calendar 2019 and 2020 showing a variety of completed projects under the programme.
 - o Production of Four spots, and one promotional film in both English and Arabic.
 - o Fun day activities for kids in Oqban Al-Marouj and Al- Ma'sara.
 - o Inaugurations of projects in different localities, and closing ceremony.
 - o Organized a tour bus for the media, the local and international to show the results on the ground and write success stories about the implemented projects.

3.9 Obstacles and Challenges

- The lack of the capacity and skills of most LGU's to prepare ESMP as well as the preparation of bidding documents and procurement plans. To overcome this challenge; on-job training and site visits were conducted by the contracted LTCs and MDLF staff.
- The need for permits to enter some areas such as Barta'a hindered the smooth progress of the project especially in case of refusing of some staff to enter the target areas.
- The coordination with the MOLG took more time than expected, especially for the verification of projects locations.
- Despite that the road project in AdDeirat has been completed on the ground and handed over, it was subject to stop working order issued by the Israeli Civil Administration (ICA) on 25/6/2018. This issue has been legally followed up in consultation with the MOLG, the Village Council, and the PA legal advisor. Since then, no further orders have been issued by the ICA despite several visits conducted by the ICA officials to the village as stated by the head of the village council.
- The project entitled "Construction of Multi-purpose Building" in Kardala has been subject to stop working order (SWO) issued by the ICA on 17/9/2018. Following the receipt of the official SWO; MDLF immediately met with MOLG to assess the current situation and to agree on the next steps. The EUREP were updated on the SWO and were informed about the MDLF/MOLG position in this regards. In the end, the project was successfully completed and is being utilized by the local community.



3.10 Lessons Learnt and Recommendations

- Continue strengthening the LGU's institutions and improving their staff capacities through on job training and transfer of know-how. This will enable the LGU's to be an efficient and sustained institution.
- Pay more attention to training and workshops especially for social and environmental aspect.
- Conduct orientation workshops for the local consultants before the implementation stage to ensure that the consultant accommodates the requirements of the Procurement Manual of MDLF.
- Pay more attention to the cost estimate of projects to avoid over budget.





4. Area C Development Programme in the West Bank – Package IV “EU+UK Fund”

4.1 Background

This action is based on the Financing Agreement “Access to Essential Social and Public Infrastructure in Area C - ENI/2014/032-783”, the Financing Agreement was signed between the European Union (EU) and the Palestinian Authority (PA) on 17th of March 2015 and amended on 13th of July 2016.

The EU and PA agreed on the following approach concerning projects implementation in Area C: "the 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".

The Municipal Development and Lending Fund (MDLF) has been nominated for implementation of basic infrastructure in Area C based on (i) the recommendation letter of the Ministry of Local Government (MoLG) on 20th of April 2016 and (ii) compliance to eligibility conditions and essential selection criteria as stipulated in the Technical and Administrative Provisions of the signed financing agreement [articles 2.3.1 (c+d)].

A Steering Committee composed of the European Union (EU), PA (Palestinian Authority), MDLF and of other donors financing the action was formed as an organizational set-up of implementing this program. The Steering Committee is mandated to discuss and endorse the localities as well as the selected projects to be implemented in the target localities in Area C. Two Steering Committee meetings were held on April 20th and June 30th, 2016, respectively, resulting in the endorsement of the selection criteria and the endorsement of the proposed localities as well.

The selection criteria⁵ is composed of sub-criterion starting from the high-level eligibility and screening, followed by a competitive scoring of the eligible localities, and ending with competitive selection criteria for projects. Upon that, a set of localities was nominated by MDLF and then endorsed by the SC to be targeted by this action.

Then, the MoLG and MDLF technical teams visited the shortlisted localities and respective projects. The EUREP, the French Development Agency (AFD) and the United Kingdom's Department for International Development (DFID) also participated in part of these site visits. Later, the technical teams discussed all nominated localities and projects and finally, the Steering Committee endorsed the selected social infrastructure projects under this act on the 28th of November 2017 concerning the AFD envelope and on the 6th of December 2017 concerning the DFID envelope.

It is worth noting that the proposed projects are based on the statutory outline plans (accompanied by detailed planning packages for transport, water, and wastewater networks as well as action plans for essential social and public infrastructure projects). These plans were developed in a participatory manner by the target communities and were supported by Non-Governmental Organizations (NGOs) or private urban planning firms. The statutory outline plans and the detailed planning packages were submitted to the PA and the Israeli Civil Administration (ICA). At the Israeli Civil Administration, the plans were registered and processed through a complex and cumbersome authorization process.

The communities developed the statutory outline plans and the action plans for essential social and public infrastructure in a participatory inclusive mode, taking the demographic and socio-economic development needs for the next 20 years into account. Accordingly, a set of sub-projects proposed in this action were suggested and identified by the local communities with the view to improve the quality of life for the inhabitants within those communities. These projects were re-confirmed during the identification phase of this action including approvals from the respective governmental bodies or ministries.

⁵ For more details on the selection criteria please see section 2.1.3 of the grant proposal.



4.2 Description

Objectives of the Action

The overall objective (impact) of the action is to improve the social and economic conditions of Palestinian communities in Area C which is crucial for maintaining Palestinian presence in Area C and for the development of the Palestinian economy.

The specific objective (outcome) of the action is composed of two folds (i) to improve access to essential and public infrastructure in Area C; (ii) strengthening the Palestinian institutions' capacity to deliver essential social and public infrastructure in Area C.

Expected Outputs

It is expected to enhance the living conditions of 9,258 residents in 7 localities: (Furush Beit Dajan 906, Jiftlik 3,337, Ein Shibli 139, Khirbet Ad-Deir 1,523, Al-Rifa'yia 1,460, Al Masqoufa 307, Khashem Ad Daraj 1,586); through the implementation of 10 sub-projects as follows:

- Roads: Construction and rehabilitation of 5 different road projects with a length of 5.3 KM.
- Schools: Development and expansion of existing schools in three different localities. The total area is about 1,070 SQM.
- Public Buildings: Construction, finishing, and furnishing of a multipurpose building at a locality with a total area of 250 SQM in addition to the construction of village council premises in another locality with a total area 150 SQM.
- Capacity development of the concerned LGUs and community mobilization activities with regards to social public infrastructure implemented under the EU program in Area C.

4.3 Financing

The "MDLF" has received a grant from the European Union "EU" towards the cost of "Development of Area C in the West Bank" in a total of (Euro 2,219,528.72). The agreement was signed on December 26th, 2017 for 13.5 months and amended until December 31st, 2019. Table 24 illustrates the budget breakdown.

Table 24: Breakdown Budget – Area C Development Programme –Package IV

Item	Budget (Euro)
1- MDLF management fees (indirect cost) = 7% of direct eligible cost	143,500
2- Total Direct Eligible Cost	2,050,000
2.1 Other Costs and Services	45,000
Expenditure Verification/Audit	5,000
Evaluation Cost	10,000
Visibility Actions	30,000
2.2 Other	2,005,000
Legal Fees	50,000
Cost of Infrastructure Sub-Projects (Component 1 - AFD envelope)	850,000
Cost of Infrastructure Sub-Projects (Component 1 - DFID envelope)	970,000
Local Technical Consultancy for Design, Supervision and Communities Mobilization Activities	135,000
3- Provision for contingency reserve	26,028.72
Total Cost of the Action	2,219,528.72



4.4 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 local consultancy firms/NGOs. 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 the importance and vitality of those projects to their localities. The total allocated amount for sub-projects in the targeted LGUs in the West Bank is € 1,820,000.

The approved sub-projects are classified into two sectors, the roads with a total of € 830,000 amounting to 46% of the total budget, the Public Facilities with a total of € 990,000 amounting to 54% of the total budget.

4.5 Results and Activities

4.5.1 Results at the Outcome Level

Table 25: Assessment of the Outcomes Performance

Specific Objective	Indicator	Target	Achieved
SO 1: To improve access to essential and public infrastructure in Area C: -Schools -Public Buildings -Roads	# & Sq.m of schools developed or expanded,	3 Schools, 1070 sq.m	3 schools, 710 Sq.m # of Pupils: Primary Secondary 420 10
	# & sq.m of public buildings constructed.	2 public buildings, 400 sq.m	2 public buildings, 450 Sq.m
	# & Km of roads constructed/rehabilitated	5 roads, 5.3 Km	5 roads, 5.3 Km
SO 2: To strengthen the Palestinian institutions' capacity to deliver essential social and public infrastructure in Area C.	Action plans are updated in a participatory manner (Yes / No)- where needed	Yes	yes
	% of inhabitants participated in the mobilization activities	5%	achieved (7 % on average)

4.5.2 Results at the Output Level

Table 26: Assessment of the Outputs Performance

Results/Outputs	Indicator	Target	Achieved	Percentage of Achievements
R1: New public facilities implemented in Area C including: (schools, public buildings, and roads).	# of GIAs signed between MDLF and LGUs regarding the sub-projects.	7	7	100%
	# of Contracts signed for Contractors to implement public facilities.	10	10	100%
	% of disbursement	100%	90%	90%



4.6 Implementation Progress at the Activity Level

4.6.1: Description of Activities undertaken during the Programme:

Since the signature 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 classrooms, 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 and a technical support expert to assist MDLF to follow up on the project activities. 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 11th Feb 2018 and the TSE was contracted on 1st July 2017. Following the contract with the LTCs, a kick-off meeting was conducted to ensure a 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 project 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 was conducted on March 19th, 2018 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 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 effective corridor of the road project and within the effective 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 project sites are located within the master plan boundaries.
- A communication and visibility plan for the program was prepared by MDLF cleared by the EU.
- 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.
- Regarding the infrastructure sub-projects There are 5 NCB sub-projects (Works) with total allocation of € 1,175,000 forming amounting 64.5 % of the total allocated budget and 5 Shopping sub-project(works) with total allocation of € 635,000 amounting 34.9 % of the total allocated budget and 2 Shopping sub-project(Goods) with total allocation of € 10,000 amounting 0.6 % of the total allocated budget to provide furniture for the multipurpose buildings.

Design Stage:

To prepare a complete design for every 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 every single project.
- The collected data was represented in the format that would assist in preparing an environmental risk assessment and social impact and social risk assessment.
- A 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 inline ministries to verify the required standards and design criteria.
- The LTC with direct support from MDLF instructed the LGUs to create and organize an independent project file for every single project.
- The needed soil and structural investigations and tests were conducted for some projects.
- The project license for some projects from the concerned inline ministries was obtained.
- The design phase was completed and then the projects were tendered under the MDLF procurement manual. Table 27 & Table 28 below illustrates the status of the sub-projects.





Table 27: Implementation Status of Sub-projects (AFD Envelope)

No.	Locality	LGU	Governorate	Recommended Project	Brief Description	Contracted Amount EURO	Cost at Completion	Status
1	Ein Shibli	Ein Shibli VC	Nablus	Construction of additional classrooms for Ein Shibli mixed school	The project consists of adding 4 new classrooms (vertical expansion), as per the following: - 3 classrooms for students. - 1 Services Room (storeroom) Additionally, the work includes external expansion of the existing sanitary unit (3 Toilet units - skeleton & Finishing) The proposed area for construction is estimated at 210 square meters.	106,000	96,950.00	Completed
2	Ein Shibli	Ein Shibli VC	Nablus	Construction of internal road including the construction of water pipeline in Ein Shibli	Construction of 600 LM roads, the work includes road excavation & leveling, 6 m base course material, and 5.25 m asphalt, concrete shoulders where needed, and road furniture, work also includes the construction of a water pipeline of 600 LM of 2" diameter alongside the road.	96,950.0	103,614.00	Completed
3	Furush Beit Dajan	Furush Beit Dajan Village Council	Nablus	Construction of additional new classrooms for Furush Beit Dajan School	Construction of new classrooms with a total area of 380 sq. m. (horizontal expansion) The project consists of the following: - 2 classrooms. - 1 Computer lab. - 1 Resources room. - Staircase, toilet units. - External works (Rehabilitation of the existing yard and school entrance, sidewalks, yard shades)	310,035	Not yet completed	Work has been resumed since 15-12-2019
4	Furush Beit Dajan	Furush Beit Dajan Village Council	Nablus	Construction of internal roads in Furush Beit Dajan	Construction of the entrance of Furush Beit Dajan, (0.85 km road of 6.5 m base course and 5.5 m asphalt), the work also includes excavation works, concrete shoulders, and kerbstone, interlock tiles (as needed), guardrails, and road furniture.	108,007	114,726.00	Completed
5	Al Jiftlik	Al Jiftlik Village Council	Jericho	Rehabilitation of internal roads in Al Jiftlik	Rehabilitation of 1.55 km length (2 segments), the work includes excavation and leveling works, 6.5m base course, 5.5 m asphalt, concrete shoulders where needed, box or pipe culvert, and road furniture.	239000	238,967.50	Completed
Total						875,615		



Table 28: Implementation Status of Sub-projects (DFID Envelope)

No.	Locality	LGU	Governorate	Recommended Project	Brief Description	Contracted Amount EURO	Cost at Completion	Status
1	Khirbet Ad Deir	Khirbet Ad Deir Village Council –Tuqu' Municipality	Bethlehem	Development and Expansion of Al Khansa' Elementary Mixed School	The project consists of adding three (3) classrooms, library premises, laboratory premises, and kitchen. The external works will include a retaining wall with a total length of 140 meters, rehabilitation and landscaping of the school backyard area. The furniture and equipment for the elementary school will be provided by MEHE.	258,029	360,864.03	Completed
2	Al-Rifa'iyya	Khallet Al Maya Village Council	Hebron	Construction of Internal Roads	The project consists of the construction of about 0,3 km in length. The works will include excavation, leveling, and concrete sidewalks and road furniture. The roads' width is 5 m and up to 1 m concrete shoulders each side.	89,430	92,760.00	Completed
3	Al Masqoufa	Deir Al Ghsoun Municipality	Tulkarm	Construction of Multipurpose Building	The project consists of constructing a clinic and kindergarten with a total area of 250 SQM. The works will include the landscaping of the external garden including a boundary wall. The project will provide basic furniture and equipment to make the building functional.	184,465	201,684.10	Completed
				Provide basic furniture			7,500.00	Completed
				Supply electrical and electronic equipment			8,537.00	Completed

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No.	Locality	LGU	Governorate	Recommended Project	Brief Description	Contracted Amount EURO	Cost at Completion	Status
4	Khashem Ad Daraj	Khashem Ad DarajVillage Council	Hebron	Construction of Internal Roads	The project consists of the construction of about 2 Km length of roads. The roads were asphalted at a width of four meters. The work includes excavation and leveling in addition to concrete shoulders, where needed, and road furniture.	186,750	186,388	Completed
5	Khashem Ad Daraj	Khashem Ad DarajVillage Council	Hebron	Construction of Khashem Ad Daraj Village Council Premises	The project consists of adding a second current kindergarten building with a total area of about 150 SQM. The works will include, also, the external works including a gate and the staircase. The project will provide basic furniture and equipment to make the building functional	89,035	111,169	Completed
				provide basic furniture			3,951.00	Completed
				Supply electrical and electronic equipment			6,150.00	Completed
Total Estimated Cost (Excluding VAT)						979,004	979,003.13	



Table 29: Implementation Time Table

Task		Responsibility	2018												2019											
			Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
○	Task 1 - Mobilization (Preparatory Activities)																									
	Effective coordination between MDLF, MOLG with the LGUs encouraging them to be well prepared for the implementation.	MDLF, MOLG																								
	Signing the Grant Implementation Agreement (GIA) between MDLF and the LGUs describing the roles and the responsibilities for MDLF and the LGUs.	MDLF, LGUs																								
	Preparing a detailed implementation plan including (procurement plan, disbursement plan, and communication and visibility plan).	MDLF																								
	Preparation of the local technical consultant terms of references. Special focus will be given to the quality control and assurance procedures and composition and qualifications of the requested personnel. The terms of reference will include a specific part for the technical assistance and operational support for the local governmental units as well as the communities' mobilization activities.	MDLF																								

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Task	Responsibility	2018												2019											
		Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
○ Task 2- Preparation for the implementation (Sub-projects Design)																									
Contracting a local technical consultant (LTC) for sub-projects design and supervision where the communities mobilization activities will be included under the scope of the LTC	MDLF																								
Preparing the design and the bidding documents for the selected sub-projects including the Environmental and Social Management Plan (ESMP) by the contracted LTC. <u>(The bidding documents will be verified, cleared and endorsed by MDLF).</u>	MDLF, LTC																								
Advertising, the composition of opening and evaluation committees (with MDLF prior approval), evaluating.	LGUs																								
Contracts award following MDLF no objection. MDLF shall approve and endorse all contracts by co-signing or initialing these with the wording <u>"reviewed, cleared and endorsed by the MDLF"</u> .	LGUs/MDLF																								

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Task	Responsibility	2018												2019											
		Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Task 3 – Sub-projects Implementation Stage																									
Technical Assistance for supervision																									
Assist the LGU's in the supervision of subprojects	MDLF, LTC																								
Monitor and Ensure compliance with MDLF standards	MDLF, LTC																								
Communities mobilization activities	LTC																								
Financial Management																									
Monitor and Ensure compliance with MDLF financial procedures	MDLF																								
Social Safeguards Monitoring																									
Monitor and ensure compliance with social safeguards policies	MDLF, LTC																								
Environment Safeguards Monitoring																									
Monitor and ensure compliance with environmental safeguards policies	MDLF, LTC																								
Overall monitoring and reporting																									
Monitoring of subprojects indicators	MDLF																								
Sites Visits	MDLF, MOLG																								
Task 4 - Audit and Evaluation																									
Midterm evaluation	MDLF, EU																								
External audit	external auditor																								
Final Evaluation	Outsourced consultant																								
Task 5 - Reporting - Final Report	MDLF																								



4.7 Beneficiaries/affiliated Entities and Other Cooperation

4.7.1 Key Stakeholders

The key stakeholders of the proposed program can be listed as follows:

- **The Ministry of Local Government “MOLG”** as the lead policy-maker and regulatory body for LGUs in Area C in the West Bank.
- **The Ministerial Committee in charge of Area C** development interventions and its arm “the Area C Coordination Office under the Prime Minister Office (ACCO)”.
- **The Municipal Development and Lending Fund “MDLF”** as the selected implementing Agency for this program. The MDLF is responsible for managing the fund.
- **The Local Government Units “LGUs”** where the proposed projects will be implemented. The LGUs are the owners of the projects.
- **The Local Technical Consultant “LTC”** who is responsible for the design and the supervision of the infrastructure projects. The LTC is responsible for undertaking the communities’ mobilization activities.
- **The Contractors and Suppliers** who are responsible for the direct implementation of the projects within the targeted localities. The contractors are managed directly by the LGUs with technical support from the LTC and the MDLF.
- **The European Union as a donor** and other financing partners working in Area C.

4.7.2 Coordination among the Key Stakeholders

To better follow up on the activities of the program effectively, a communication plan was prepared. In this context, MDLF coordinated closely with all stakeholders throughout the implementation. Additionally, MDLF coordinated its efforts with other stakeholders such as ACCO and the technical ministerial committee for Area C.

The coordination between the key stakeholders was conducted at different levels:

- For MDLF to be immediately informed about demolition or stopping orders in Area C. MDLF will initiate a continuous dialogue and communication with OCHA regarding their work in Area C that is relevant to MDLF interventions. MDLF has been registered with the OCHA notification system and a focal point was nominated to follow up on this issue from MDLF.
- As a member in the technical committee which was established by the Prime Minister's Office specifically to coordinate the work in Area C, MDLF continued coordination with the technical ministerial committee regarding the interventions in Area C. The technical committee includes representatives from MDLF, Ministry of Local Government, Ministry of Education and Higher Education, Ministry of Health, Ministry of Jerusalem Affairs, and the Palestinian Water Authority. MDLF in this context attended all meetings for this committee and updated them with MDLF interventions in Area C so far as well as the upcoming funds.
- Furthermore, MDLF continued the dialogue which was initiated with the ACCO which was established by the Prime Minister's Office to follow up all the work of the PA institutions and donor interventions in Area C. The ACCO visited MDLF to be aware of MDLF interventions in Area C and closely coordinated fieldwork whenever is needed.
- The high-level communication between MDLF and the EU was ensured to agree on the overall plan of the program regarding the budgeting, work packages, time frame as well as the operational guidelines. MDLF coordinated closely with the technical team in the EUREP and has regularly informed them of the progress and achievements as well as challenges and obstacles. Furthermore, MDLF will early notify the EU in case of work stopping order, demolishing order to take immediate action and to mitigate the risk as well.
- Close communication between MDLF, MOLG and the target localities was ensured to make sure that all the preparatory activities were done regarding the approvals from the line ministries as needed.



- Between MDLF and the local technical consultant: to ensure a clear understanding from the consultant of the scope of work and the main tasks, he/she is responsible for. In the same context, MDLF prepared a clear TOR for the consultancy service of the design and the supervision work package including community mobilization activities.

4.8 Visibility

MDLF had prepared a communication and visibility plan for the program including a list of activities to be undertaken throughout the implementation of the program. The plan was cleared by the EU and was used as a base for promotional purposes to ensure the visibility of the program and to convey messages across the beneficiaries and stakeholders.

Several activities were conducted within the framework of communication and visibility of the program, and could be listed as follows:

- **Workshops:** Orientation workshops were held by MDLF through the program for the target LGUs.
- **Signing Ceremony of the GIAs:** A signing ceremony of the GIAs between MDLF and the target LGUs was held. The event was attended by representatives of the target localities under the auspices of His Excellency, Minister of Local Government and Chair of MDLF Board, Hussein Al-Araj, with a presence of the Projects Director General at MOLG, EUREP Representative Mr. Riccardo Rossi, and MDLF top management. The event was covered by the media.
- **Inauguration of Projects:** An opening ceremony for Al-Jiftlik Road project was held in late April 2019. The event was attended by representatives from (MDLF), the French Development Agency (AFD) and the European Union (EU), and MOLG officials. The event was covered by the media.
- **Field Visits & Meetings:** MDLF organized many field visits for EU Delegations, and invited them to see the sub-projects on the ground.



- **In addition to the above-mentioned activities,** The following activities were conducted:
 - Three inaugurations in Khasm Al-Daraj, Almasqoufa, and Ein Shibli.
 - Free Medical checkup activity, Students' competition activity, Green Palestine, and the Kite Festival activities in different localities.
 - Production of spots for Area C Projects and achievements. Spots will include vantage points photos.
 - Printing materials such as (Brochures for Area C Development Programme- in both English and Arabic, foam boards with messages and images, Billboards).



4.9 Obstacles and Challenges

- The lack of the capacity and skills of most LGU's to prepare ESMP as well as the preparation of bidding documents and procurement plans. To overcome this challenge; on-job training and site visits were conducted by the contracted LTCs.
- The coordination with the MOLG took more time than expected, especially for the verification of project locations.
- The coordination with the MOLG took more time than anticipated, especially for the verification of sub-projects locations.
- The designs of the two sub-projects, namely, (Al-Masqufa multipurpose building and Al-Khansa' elementary school) were subject to substantial delays.
- The road sub-project in Al-Jiftlik was orally stopped by the ICA on 12/12/2018. This issue was followed up by the LGU and the Ministry of Civil Affairs (MOCA). Finally, the ICA informed the MOCA that the work is allowed by shortening the two road segments.
- The road sub-project in Frush Beit Dajan was subject to an oral stop order by the Israeli Authorities on 17/10/2018. This issue has been followed by the LGU in consultation with the Ministry of Civil Affairs (MOCA). In the end, the ICA orally agreed to resume the construction with limitations on the layout and the connection with the main road.
- The construction of additional classrooms in Frush Beit Dajan has been suspended upon the written stop working order (SWO) issued by the ICA on 11/12/2018 with the confiscation of equipment. The SWO has been followed legally. In the end the implementation has been resumed despite the SWO where the contractor and the LGU decided to take the risk upon consultation with MOLG/MDLF.

4.10 Lessons Learnt and Recommendations

- Continue strengthening the LGU's institutions and improving their staff capacities through on job training and transfer of know-how. This will enable the LGU's to be an efficient and sustained institution.
- Pay more attention to training and workshops especially for social and environmental aspects.
- Conduct training workshops for the local consultants before the implementation stage to ensure that the consultant accommodates the requirements of the Procurement Manual of MDLF.





5. Area C Development Programme in the West Bank – Package II “SDC Fund”

5.1 Description

This Project is based on the signed agreement between the Swiss Agency for Development and Cooperation “SDC” and the MDLF in November 2016, “Support to Village Councils- Area C Infrastructure “. As preparatory activities for this action, coordinated efforts took place 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 with the Israeli Civil Administration (ICA). The plans were discussed and complemented with detailed planning packages for roads, buildings, water, and wastewater networks.

At the local level, 116 plans have been prepared across the West Bank, only five out of them were approved by the ICA. However, the remaining ones are currently in progress as (7 plans) were announced for public objection, (90 plans) passed ICA procedures (submitted to ICA) and subject to technical discussion, and (14 plans) are still in the process of data collection and preparation.

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 subprojects 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 of those localities.

Objectives and Expected Results (as per the agreement)

The overall objective of this project is to improve the social and economic conditions of the 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 project is to improve access to basic infrastructure in Area C through supporting the communities with basic services including "community development projects, small-scale infrastructure, social infrastructure projects, and educational facilities".

Target Localities (1 st Cycle)	Target Localities (2 nd Cycle)
- An-Nabi Elias, Wadi Al Rasha/ Qalqilia Governorate - Shufa/ Tulkarm Governorate - Yanun/ Nablus Governorate - Harmala/ Bethlehem Governorate - Kirbit Um Dyounf and Jib Eldeeb/ Bethlehem Governorate - Al-Midya/ Ramallah Governorate	- Al Aqaba / Tubas Governorate - Iskaria, Keesan /Bethlehem Governorate - Susia, Um Alkhair, Al Nijada / Hebron Governorate - Deir Qaddis / Ramallah Governorate

The approved sub-projects were identified based on the community needs concerning the services delivery improvement including: "rehabilitation/construction of water networks, building schools/ adding classrooms, parks and recreation, electricity services, roads construction, and rehabilitation".



Expected Results (1st cycle)

- Roads: Construction and rehabilitation of four different road-projects at four different localities with a total length of about 2.5 km.
- Schools: Expansion and development of the elementary school. The total area of the project is about 850 sq.m.
- Spring: Rehabilitation of an existing spring including the construction of a stone-wall to protect the spring, including fencing, concrete shoulders, collection manhole, and an entrance gate.
- Water: Reservoir construction of around 70 cubic meter capacity, and 1.6 km 4" water main pipeline and a 400 meters long internal water network.
- Public Park: Construction of a public park at one locality with a total area of 2000 sqm.



The expected direct beneficiaries from the proposed action are nearly 8,390 inhabitants, distributed among the seven-targeted localities.

Expected Results (2nd cycle)

- Roads: Construction and rehabilitation of three different road-projects at three different localities with a total length of about 4.0 km.
- Schools: Construction of elementary school. The total area of the project is about 1,200 sqm.
Rehabilitation of an existing school around 500 sqm.
- Public Facilities: development of an existing clinic.
- Electrical services: providing electrical lights (photocell) system.
- Water: Reservoir construction of around 250 cubic meter capacity.
- Kinder garden Yard and VC Park: rehabilitation and landscaping.

The expected direct beneficiaries from the proposed action are nearly 10,000 inhabitants, distributed among the seven-targeted localities.

Table 30: Assessment of Outputs Results

	1 st Cycle Projects		2 nd Cycle Projects	
# of localities	7		7	
# of Projects	8		9	
# of Population	8,390		10,000	
Sector	Target	Achieved	Target	Achieved
Roads	2.5 Km	2.6 Km	4 Km	Not yet achieved since the projects are still in the tendering /awarding phase
Schools	850 Sq.m	850 Sq.m	1,700 Sq.m	
Water	- 2 Km network, - One Reservoir 70 cubic meter capacity, - Spring rehabilitation	- 2.3 Km network - One Reservoir 70 cubic meter capacity, - Spring Rehabilitation	Reservoir 250 cubic meter capacity	
Public Parks	2000 Sq,m	2000 Sq.m	Landscaping of kinder garden yard	
Electricity	-	-	Installation of PV lighting	
Clinic	-	-	Development of existing clinic	

5.2 Financing Partner Contribution



The SDC granted the MDLF a contribution of EUR 2,885,714.00 to be utilized for supporting several villages in Area C. The financing agreement was signed on November 17th, 2016 for four years.

5.3 Sub- Projects Identification and Description

Cycle 1

The selected projects at the targeted localities were identified based on the outline plans and the action plans developed by the consultancy firms under the direct supervision from MOLG. 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, after which it was endorsed by the Ministry of Local Government.

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

There is a component that would be directed at supporting the selected localities with social and infrastructure sub-projects. The total allocated amount for sub-projects in the targeted localities in the West Bank is €1,140,000 for cycle 1 and 1,313,289 for cycle 2 .

The Breakdown of the sub-projects allocation by governorate is illustrated in **Table 31**.

Table 31: The Distribution of Allocated Budget by Governorate

1 st Cycle			2 nd Cycle		
Governorate	Total allocations (Euro)	Percentage%	Governorate	Total allocations (Euro)	Percentage%
Qalqilia	435,000	38.15%	Tubas	196,460	14.96%
Tulkarm	130,000	11.40%	Hebron	332,260	25.30%
Nablus	25,000	2.20%	Bethlehem	707,354	53.86%
Bethlehem	440,000	38.60%	Ramallah	77,215	5.88%
Ramallah	110,000	9.65%			
Total	1,140,000	100.00%	Total	1,313,289	100.00%

The approved sub-projects are classified into four sectors as shown in **Table 32** below:

Table 32: The Distribution of the Services Component Allocated Money by sectors

Sector	1 st Cycle		2 nd Cycle	
	Value (Euro)	Percentage	Value (Euro)	Percentage
Roads	440,000	38.6%	389,725	29.67%
Water	240,000	21.1%	186,460	14.20%
Public Facilities	100,000	8.8%	44,238	3.37%
Schools	360,000	31.5%	692,866	52.76%
Total	1,140,000	100.00%	1,313,289	100.00%

5.4 Implementation Status

Since the signing of the agreement between MDLF and the SDC, MDLF started the coordination with key stakeholders (SDC, the MOLG, and the target LGUs) to meet the planned targets and to avoid any miscommunication during the implementation phase. MDLF conducted several meetings with the MOLG and target LGUs to make sure all the preparatory activities were done in regards to permits and approvals from line ministries including getting needed approvals of the Ministry of Education for adding





classrooms, getting the approval of the Palestinian Water Authority for expansion or construction of water networks...etc.

Contracting LTC:

- Two LTCs were contracted to support the design and the implementation of the infrastructure sub projects, one was responsible for cycle 1 and the other is responsible for cycle 2.
- A clear TOR was prepared for the consultancy service of the design and the supervision work package (i.e. LTC assignment), where the MDLF is responsible for technical review of the LTCs deliverables.
- More focus on the works conducted so far could be summarized as the following:

Preliminary Stage:

- Field visits were conducted to the target LGUs by MDLF's Engineers and the LTCs 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 effective corridor of the road project and within the effective area of the public facilities.
- Following the field investigation, MDLF and the LTCs had communicated effectively with the planning department/MOLG to make sure that all the project sites are located within the master plan boundaries.
- A procurement plan (PP) was prepared for all the work packages (in both cycles).



Design, Tendering, and Implementation Stage:

To prepare a complete design for every single sub-project, the following steps were undertaken:

- The needed design data were collected and the site investigation was conducted to decide and verify the steps needed for every single sub-project.
- The collected data were represented in the format that would assist in preparing an environmental risk assessment and social impact and social risk assessment.
- A 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 line ministries to verify the required standards and design criteria.
- The LTCs with direct support from MDLF instructed the LGUs to create and organize an independent project file for every single sub-project.
- The needed soil and structural investigations and tests were conducted for some sub-projects.
- The licenses from the concerned line ministries were obtained.
- The design was completed and finalized.
- The tendering documents were prepared following the MDLF procurement manual.
- The implementation has been progressing where the 1st cycle projects had been completed however the 2nd cycle projects are either ongoing or tendering as shown in the below tables 33, 34.



Table 33: Status of Projects (cycle 1)

No	Locality	LGU	Governorate	Sub-project	Status	Allocated Budget (EUR)	Contracted Amount (EUR)	Achieved Output
1	Yanun	Aqraba Municipality	Nablus	Rehabilitation of Yanun Spring	Completed	25,000	28,844	The project consists of construction 15 l.m gravity wall (Boulders) (Marabee') 6m height, 100 l.m fence, concrete manhole 2*2 *3 m , water pump, concrete shoulders 1m*80 m.l and gate entrance. Providing water to citizens.
2	An-Nabi Elias	An-Nabi Elias Village Council	Qalqilia	Rehabilitation of Internal Roads	Completed	120,000	94,000	Rehabilitation of 600m roads, 5.5 m asphalt, 6.5m Base course, milling and overlay, walls, signs, Boulders Marking and concrete shoulders as needed.
3	An-Nabi Elias	An-Nabi Elias Village Council	Qalqilia	Construction of a public park	Completed	100,000	96,855	Rehabilitation of the park main entrance road in a total 130 m. Building of stone walls, retaining boulders, kids games, Italian walls, supplying of sanitary unit, Interlock, natural tiles, fencing, gate, lightning, sand, agricultural soil, kiosk, seats, trees and games. Park was built on 2000 meter square.
4	Shufa	Shufa Village Council	Tulkarm	Rehabilitation of Internal Roads	Completed	130,000	82,405	Rehabilitation of about 700 m roads, 5.5 m asphalt, 6.5m base course, including stone walls, guard-rail, signs, marking and concrete shoulders as needed.



No	Locality	LGU	Governorate	Sub-project	Status	Allocated Budget (EUR)	Contracted Amount (EUR)	Achieved Output
5	Wadi Al-Rasha	Habla Municipality	Qalqilia	Water Reservoir, Water Network Rehabilitation	Completed	215,000	194,604	Construction of water reservoir 60 m ³ , and construction of internal water network 0.48 k.m, 1.8 Km of main pipeline and booster line and pump
6	Al-Midya	Al-Media Village Council	Ramallah	Rehabilitation of Internal Roads	Completed	110,000	89,629	Rehabilitation of Internal Roads 800 m roads, 4-5.5 m asphalt, 6.5m Base course, milling and overlay, walls, signs, Boulders Marking and concrete shoulders as needed.
7	Kirbit Um Dyouf & Jib ElDeeb	Beit Ta'mir Village Council	Bethlehem	Rehabilitation of Access Roads	Completed	80,000	75,820	Rehabilitation of about 500 m roads, 3 m asphalt, 4m base course, including stone walls, guard-rail, signs, marking, retaining wall and concrete shoulders as needed.
8	Harmala	Janata Municipality	Bethlehem	Expansion and Development of Existing School	Completed	360,000	376,732	The project consists of adding 6 classrooms, Teachers room, lab, sanitary unit, 2 stores and staircase.in a total of 850 m ² .
Total						1,140,000	1,039,435	



Table 34: Status of Projects (cycle 2)

No	Locality	LGU	Governorate	Sub-project	Status	Allocated Budget (EUR)	Contracted Amount (EUR)
1	Keesan	Keesan VC	Bethlehem	Construction of Elementary School	Awarded (however it was subject to verbal SWO with confiscation of the excavator)	667,916	591,982
2	Iskaria	Iskaria VC	Bethlehem	Rehabilitation of existing school	Tendering	24,950	-
3	Iskaria	Iskaria VC	Bethlehem	Development of existing clinic	Tendering	14,488	-
4	Susia	Susia VC	Hebron	Lighting solar system	Tendering	19,750	-
5	Um-Alkhair	Um-Alkhair VC	Hebron	Rehabilitation of internal roads	Tendering	183,080	-
6	Al-Nijada	Al-Nijada VC	Hebron	Rehabilitation of Internal Roads	Tendering	129,430	-
7	Dei-Qaddies	Deir-Qaddies VC	Ramallah	Rehabilitation of Access Roads	Tendering	77,215	-
8	Al-Aqaba	Al-Aqaba VC	Tubas	Construction of Water Reservoir	Tendering	186,460	-
9	Al-Aqaba	Al-Aqaba VC	Tubas	Kinder garden and VC yard rehabilitation works	Design	10,000	-
Total						1,313,289	-

Community Engagement

The Communities Mobilization Activities were agreed to be addressed throughout implementation of the intervention. Such activities are expected to achieve harmonization between the soft component (i.e. the civic engagement and social accountability) and the hard component (i.e. the construction of social and infrastructure sub-projects) making the project more effective.

It was agreed to incorporate the mobilization activities within the scope of the local technical consultant (LTC) through a mobilization expert where the following activities have been conducted:

- Integrate the final beneficiaries in the conceptual design of the sub-projects (i.e. the collection of beneficiaries' requirements).
- Induce awareness of the citizens and the LGUs councils' members on the activities of the project and the projects related data.
- Provide awareness workshops to the local communities to engage them in the design of social/environmental mitigation measures as part of the ESMP.
- Assure orientation to the citizens on the complaints mechanism within the framework of social accountability.
- Spread awareness among the citizens about the action plans and updates the communities' development priorities in a participatory manner.



- Support the LGUs to report to MoLG about their needs (technical and financial).

Mobilization plans were prepared based on a social analysis through identification of the community's characteristics and needs. The mobilization expert consulted the local communities in the target localities to ensure harmony between desired civic engagement, social accountability and the process of implementing social and infrastructure projects. As a summary of the conducted activities:

- Invitation of the LGUs' members and local stakeholders to discuss project components activities and influences.
- Focus group meeting.
- Awareness workshop meetings with local community people, such as: women, youth and decision makers on social aspects.
- Awareness meeting with citizens about updating their recommended priorities.
- Train/ motivate orientate citizens on compliance when there is a social violation.
- Interviews with the local community people in project area by end of the project to assess the community satisfaction.
- Distribution of a questioner to 15 random community members in the area.

More focus on the quality of community involvement, it is worth mentioning that the issues that were discussed during the social mobilization activities and brainstorming sessions with stakeholders included: i) identifying their new and urgent priorities for the next stages, ii) defining the nature of the task on hand, and iii) identifying the views of the participants in current projects in order to assess their perceptions in this regards.

For instance, this included defining the activities of the projects including the stages of excavation, and to settle possible confusions during the implementation. Participants, often the LGU councils, teachers, women, and youth organizations among other stakeholders were made aware of how important it is for them to participate in, and to contribute to, the process of planning, designing, and selection of future projects. Other issues discussed included defining the mechanisms of objections and complaints in the event of social or environmental impact of the projects.

The outcomes of these meetings and workshops shed the light on the marginalization of these areas; thus, it is in of utmost urgency to help lay down roads, provide health and sanitation networks, build schools and kindergartens, construct clinics and health centers, provide public parks and construct multipurpose buildings as stated by the women in the target localities. In addition, the needs of the youth were addressed highlighting their involvement at the local governmental level as well as the need to improve their capacities and skills in decisions making. Furthermore the concepts of volunteering, and the issues of transparency and social accountability were also addressed throughout the meetings and workshops with the local communities.

In summary, the activities held in the meetings included a discussion with local stakeholders on the projects components, activities, and influences. Conducting awareness workshops with local women and youth on environmental and social management and holding awareness meeting with citizens about updating their recommended priorities. The workshops provided training, motivation, and orientation for citizens on complaints in case of social and environmental impact. Finally, community questioners will be distributed at the end of the project to assess the communities' satisfaction with the services provided by the projects.

All of the involved LGUs nominated and chose realistic options for their projects despite the fact that the community representatives, as part of their learning process, always faced difficulties in identifying their priorities, due to both issues of mutability as well as Israeli limitations. Through meetings with teachers, students, women groups, and LGUs: the mobilizer worked diligently with the attendance to crystallize their priorities.

It is worth mentioning that the activities resulted with a number of successful outcomes including providing capacity building for (20 to 50) participants at each locality, mainly LGU members and stakeholders. It also resulted in forming support committees. Yet, the most noticeable outcome was getting people to work together towards a viable dialogue between the citizens and their LGUs in the framework of social accountability for better services delivery.



Table 35: Community Engagement – Cycle 1

No.	Locality	Governorate	Population	% of Participation	Quality of Participation	Outcomes
1	Shufa	Tulkarm	3,000 Direct beneficiaries = 3000 Inhabitant	1.0 % Women precipitation (5% of total participation)	- Three meetings with the local council. - Three meetings with 20 of people as focus group. - Interviews with local people in project area.	- Capacity building for the 20 participants. - Forming local supporting communities. - Community participation and contribution. - No major obstacles and difficulties or violation events. - People fully cooperate to fulfil any of their responsibilities.
2	Wadi-Al Rasha	Qalqeliah	400 Direct beneficiaries = 400 Inhabitant	5% Women precipitation (0% of total participation)	- Four meetings with LGUs - Four meetings with the local communities (13 participants) - Interviews with the people who lived in project area.	- Capacity building for the 13 participants. - Forming local supporting communities. - Community participation and contribution. - No major obstacles and difficulties or violation events. - People fully cooperate to fulfil any of their responsibilities.
3	An Nabi Elias	Qalqeliah	1950 Direct beneficiaries = 1950 Inhabitant	1% Woman precipitation (5% of total participation)	- Three meetings with LGUs - Three meetings with the local communities 20 participants - Interviews with the people who lived in project area.	- Capacity building for the 20 participants. - Forming local supporting communities. - Community participation and contribution. - No major obstacles and difficulties or violation events. - People fully cooperate to fulfil any of their responsibilities.



No.	Locality	Governorate	Population	% of Participation	Quality of Participation	Outcomes
4	Yanun	Nablus	40 Direct beneficiaries = 40 Inhabitant	25% Woman precipitation (1% of total participation)	- Three meetings with LGUs - Three meetings with the local communities 10 participants - Interviews with the people who lived in project area.	- Capacity building for the 10 participants. - Forming local supporting communities. - Community participation and contribution. - No major obstacles and difficulties or violation events. - People fully cooperate to fulfil any of their responsibilities.
5	Al-Midya	Ramallah	1800 Direct beneficiaries = 1000 Inhabitan	1.2% Woman precipitation (2% of total participation)	- Three meetings with LGUs - Three meetings with the local communities 20 participants - Interviews with the people who lived in project area.	- Capacity building for the 24 participants. - Forming local supporting communities. - Community participation and contribution.
6	Beit Ta'mir	Bethlehem	1200 Direct beneficiaries = 100 Inhabitan	1.2 Woman precipitation (0% of total participation)	- Three meetings with LGUs - Three meetings with the local communities 20 participants - Interviews with the people who lived in project area.	- Capacity building for the 20 participants. - Forming local supporting communities. - Community participation and contribution. - No major obstacles and difficulties or violation events. - People fully cooperate to fulfil any of their responsibilities.



Satisfaction Survey (cycle 1)

In order to measure the projects social impact in community satisfaction level. Three different sources were used to gather data

- A. Gathering data from focus group which held with LGUS member and community representative in the focus group meeting we discussed the project impact on social dimension and the difficulties which could be faced through the process of work. Also, the meeting discusses the community needs in the future and the priority of these projects.
- B. Interviewing the people who lived in the same area during the field visit asking them about the project before, during and after the complementation, also the social impacts will be taken into consideration, especially in the community development.
- C. Special questionnaire was designed to measure the social and environment impact for each kind of projects.
 - Questionnaire for roads and roads rehabilitation.
 - Questionnaire for the park.
 - Questionnaire for water tank and water network
 - Questionnaire for the schools.

The MLDF specialist given the approval for each kind of these questionnaires before collecting the data. Random sample of 15 was selected to distribute the questionnaire, those people are directly influenced by the project. Data analysis were used by the SPSS statistic technic.

The results as shown in table 36, 37, 38, 39 indicate a positive attitude towards the social and environmental impacts. The satisfaction level of those people is very high with the different kind pf projects; therefore, these projects encourage the community to implement more projects in the future.

More than 90% of the respondents strongly agreed with the social positive impacts, such as:

- The project will develop the area and community living style.
- Most respondents agree with importance of community participation which strength the relationship between the community and LGU members.
- The community participation reduces the difficulties and problems which accrue before and during the work.
- The community participation will enhance the democratic way in decision making and behavior.
- These projects will increase the economic productivity and encourage the people to build houses in that area and limit the Israeli settlement expansion.
- The results revel that the awareness workshops which held at the beginning of the project achieve their goals and met their expectation.



Table 36: Satisfaction Score -Shoufe Village (Table 1)

No.	Item	Mean	S. D	%
1	The project takes the priority among the community	4.75	0.45	95
2	The project helps in developing the area	4.83	0.39	86.6
3	The project impact will enhance the life and wellbeing of	4.83	0.39	86.6
4	The project will help the community to stabilize in their	4.83	0.39	86.6
5	The project will help the community to stabilize in their	4.67	0.89	83.4
6	The participation of the local community increased the	4.58	0.67	91.6
7	The participation of local community decreased the	4.67	0.65	93.4
8	The participation of local community tended the	4.42	1	88.4
9	The participation increased the positive communications	4.42	1.24	88.4
10	The project will attract other projects	4.83	0.39	96.6
11	The project will help in the facility of people and	4.92	0.29	98.4
12	The project will help in the protection of people's life	4.83	0.39	96.6
13	The project will facilities the communication between	4.83	0.39	96.6
14	The project will increase the urban area and encourage	4.92	0.29	98.4
15	The project will increase the nearby land value	4.92	0.29	98.4
16	The project will help to protect the people from dust in	4.92	0.29	98.4
17	The project will help in facilities the environment's	4.92	0.29	98.4
18	The project helps in activating the commercial	4.67	0.49	93.4
19	The project helps the community to reach their land and	4.58	0.51	91.6
20	The project helps in decrease the traffic on the on the	4.92	0.29	98.4
21	The project help in improving the area in the future	4.75	0.45	95
22	The project helps in increasing the people income	4.92	0.29	98.4
Total score		4.77	0.38	95.4

Table 37: Satisfaction Score –Al-Nabi Elias Village

N.	Item	Mean	S. D	%
1	The project takes the priority among the community	5.00	0.00	100
2	The project helps in developing the area	4.86	0.38	97.2
3	The project impact will enhance the life and wellbeing	5.00	0.00	100
4	The project will help the community to stabilize in their	4.86	0.38	97.2
5	The project will help the community to stabilize in their	4.86	.38	97.2
6	The participation of the local community increased the	5.00	0.00	100
7	The participation of local community decreased the	5.00	0.00	100
8	The participation of local community tended the	4.86	0.38	97.2
9	The participation increased the positive	4.86	0.38	97.2
10	The project will attract other projects	5.00	0.00	100
11	The project will help in the facility of people and	4.86	0.38	97.2
12	The project will help in the protection of people's life	5.00	0.00	100
13	The project will facilities the communication between	4.86	0.38	97.2
14	The project will increase the urban area and encourage	5.00	0.00	100
15	The project will increase the nearby land value	5.00	0.00	100
16	The project will help to protect the people from dust in	5.00	0.00	100
17	The project will help in facilities the environment's	4.86	0.38	97.2
18	The project helps in activating the commercial	5.00	0.00	100
19	The project helps the community to reach their land	5.00	0.00	100
20	The project helps in decrease the traffic on the on the	5.00	0.00	100
21	The project help in improving the area in the future	4.86	0.38	97.2
22	The project helps in increasing the people income	5.00	0.00	100
Total score		4.94	0.15	98.8



Table 38: Satisfaction Score –Al-Midia Village

No.	Item	Mean	S. D	%
1	The project takes the priority among the community	4.55	0.69	91
2	The project helps in developing the area	4.27	0.47	85.4
3	The project impact will enhance the life and wellbeing of	4.36	0.67	87.2
4	The project will help the community to stabilize in their	4.36	0.50	87.2
5	The project will help the community to stabilize in their	4.27	0.65	85.4
6	The participation of the local community increased the	3.82	1.25	76.4
7	The participation of local community decreased the	3.82	1.08	76.4
8	The participation of local community tended the	3.73	1.42	74.6
9	The participation increased the positive communications	3.82	1.47	76.4
10	The project will attract other projects	4.36	0.50	87.2
11	The project will help in the facility of people and	4.45	0.52	89
12	The project will help in the protection of people's life	4.55	0.52	91
13	The project will facilities the communication between	4.45	0.52	91
14	The project will increase the urban area and encourage	4.45	0.52	91
15	The project will increase the nearby land value	4.55	0.52	91
16	The project will help to protect the people from dust in	4.27	0.47	85.4
17	The project will help in facilities the environment's	4.18	0.60	83.6
18	The project helps in activating the commercial	4.55	0.52	91
19	The project helps the community to reach their land and	4.09	0.94	81.8
20	The project helps in decrease the traffic on the on the	4.09	0.83	81.8
21	The project help in improving the area in the future	4.36	0.50	87.2
22	The project helps in increasing the people income	4.55	0.52	91
Total score		4.27	0.49	85.4

Table 39: Satisfaction Score –Beit Ta'mer Village

No.	Items	Mean	S. D	%
1	The project takes the priority among the	4.71	0.49	94.2
2	The project helps in developing the area	5.00	0.00	100
3	The project impact will enhance the life and	5.00	0.00	100
4	The project will help the community to stabilize in	5.00	0.00	100
5	The project will help the community to stabilize in	5.00	0.00	100
6	The participation of the local community increased	4.57	0.53	91.4
7	The participation of local community decreased	4.71	0.49	94.2
8	The participation of local community tended the	4.57	0.53	91.4
9	The participation increased the positive	4.71	0.49	94.2
10	The project will attract other projects	5.00	0.00	100
11	The project will help in the facility of people and	5.00	0.00	100
12	The project will help in the protection of people's	5.00	0.00	100
13	The project will facilities the communication	4.86	0.38	97.2
14	The project will increase the urban area and	4.71	0.49	94.2
15	The project will increase the nearby land value	4.86	0.38	97.2
16	The project will help to protect the people from	4.86	0.38	97.2
17	The project will help in facilities the environment's	4.86	0.38	97.2
18	The project helps in activating the commercial	4.71	0.49	94.2
19	The project helps the community to reach their	4.43	0.53	88.6
20	The project helps in decrease the traffic on the on	4.86	0.38	97.2
21	The project help in improving the area in the	4.86	0.38	97.2
22	The project helps in increasing the people income	5.00	0.00	100
Total score		4.83	0.21	96.6



5.5 Obstacles and Challenges

- The lack of capacity and skills of most LGU's staff to design their sub-projects to prepare the Environmental and Social Management Plan "ESMP", to overcome this challenge the LTC has conducted on-job training focusing on the social and the environmental safeguards in accordance to MDLF working procedures.
- The low capacity of the LGU's in procurement procedures and bidding documents preparation.
- The coordination with MOLG took more time than anticipated, especially for the verification of project locations (within/out of the outline plans).

5.6 Lessons Learnt and Recommendations

- Continue strengthening the LGU's institutions and improving their staff capacities through on job training and transfer of know-how. This will enable the LGU's to be an efficient and sustained institution.
- Pay more attention to training and workshops especially for social and environmental aspects.
- More attention has to be ensured from the beginning regarding the project's identification and description, particularly the road sub-projects.
- Both LTC and contractors should be aware of the different risks entailed and mitigation measures.
- Technical support to the LGU during the bidding stage is needed.
- Equipment confiscation, detention, or demolitions are the main risks for contractors, minimum legal knowledge of the ICA procedures will provide clues to the suitable time to implementation. In the case of Stop-order was given, contractors must stop immediately or change the tactics. Action: See the above actions; also. Legal fees were added.
- Communication between all stakeholders is an essential risk mitigation measure. MDLF and donors need to be informed immediately in case of risks materialized.



6. Gaza Vulnerable Communities Development “SDC Fund”

6.1 Introduction

Gaza Vulnerable Communities Development (GVCD) is a program that was designed to improve the process of providing basic services to the marginalized populations in Gaza Strip, and to increase the accountability at the local municipalities, as well as boost civic duty and participation among vulnerable populations in issues related to local planning and decision-making processes.

GVCD aligns with the Palestinian Authority policies, namely the National Policy Agenda of 2017-2022, and the draft of the Local Government Strategic Framework and the new MDLF Strategy (2017-2021). It further implements the state-building agenda, the Human Right Based Approach (HRBA) of the current Cooperation Strategy (2015-2018).

It is worth noting the GVSD was designed to complement the Municipal Development Program in responding to the vulnerable communities in providing accountable municipal services.

6.2 GVSD Description

GVCD will be implemented over 9 years in three consecutive phases (each phase starts every three years), and to start the first phase in (2017 – 2020).

Gaza Vulnerable Communities Development aims at:

- Improving and enhancing accountability at local service delivery for vulnerable communities.
- Strengthening local authorities' accountability toward citizens and civic groups' (youth, women and Neighborhood Committees) and citizens' participation in local decision-making processes.

The Program seeks to respond to continued high demand for basic services among vulnerable communities who are often left behind as well as to strengthen their capacity to participate in local decision-making processes with a focus on the three components:

- Component 1: Improving accountable service delivery for vulnerable communities through (10-15) small infrastructure projects.
- Component 2: Increasing Civic Participation & Social accountability of vulnerable communities in local decision-making and community development.
- Component 3: Enhancing Policy Dialogue on vulnerability Issues in the LG sector.

6.3 Implementing Partners

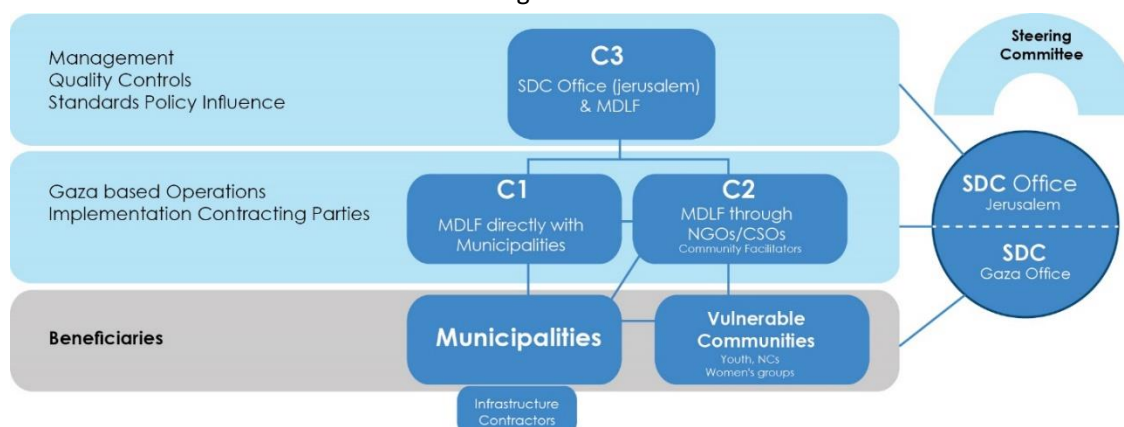
The Municipal Development and Lending Fund (MDLF) will be the principal implementing partner for all three components of Phase 1. Besides the Ministry of Local Government (MoLG), the MDLF is legally mandated to implement PA's policies and strategies related to LGUs.

Thus MDLF will be responsible for the key management, administrative, budgeting, and liaising functions.

Steering Committee (SC): To ensure a smooth implementation of the program, an intervention/ program SC will be set up in the first year of the program. The composition of the SC will include representatives of key implementing partners (MoLG, MDLF, CSOs/ PNGO), SDC as well as UNRWA and GIZ. Representatives from other local/international agencies might be invited to attend steering committee meetings as needed. The SC will meet twice a year to review the intervention's progress, to advise on any troubleshooting matters, risk analysis needs and general steering recommendations as needed.



The overall coordination structure for the Program is illustrated below.



6.4 Financing Partner's Contribution

The SDC has contributed CHF 3 million for the first phase which has started on Nov. 1st, 2017 for three years. Noting that, the intervention was designed to be implemented in three phases with a total financing CHF 12 million over 9 years.

6.5 Implementation Status

MDLF has given special attention to proceed all preparations to the recruitment of partner NGO, including developing the TOR and evaluation of the candidates' applications for final selection, and ensure that selected NGO possess the capacity and experiences to support GVCD implementation and being able to even take the social participation in the municipal services to a higher level, and being open to innovation and learning for further improvement.

MDLF completed the process of NGO selection and signed the contract with PCDCR (the partner NGO) to start implementation.

MDLF finalized the selection of vulnerable areas and municipalities, the selection followed the instruction and guidance included in the GVCD document and referred to the assessment of the infrastructure services by PCBS in 2017, in addition to field visits and discussion among MDLF staff and municipalities' staff.

In Addition to that, MDLF has communicated the GVCD to the wider community through the launching workshop that allowed all municipalities, different NGOs, consulting firms to know about GVCD and realizes the methodology and tools that MDLF has developed to empower the marginalized communities through



the mechanisms of participation and social inclusion, the following summary showing the main progress has been made since the signature of the grant agreement:

➤ **General Progress So far**

B) GVCD Launching Workshop

- Developing brochures in both Arabic and English, promotional materials, and invitations.
- Contracting PR company for the design and printing the materials
- Inviting participants: municipalities, INGs, NGOs, consulting firms, Donors
- Run and facilitate the launching workshop on 17th April 2018.
- A total of 100 Participants had attended the workshop including, municipalities, NGOs, Donors, Consulting Firms, and Universities.



C) Recruitment of Partner NGO

- The contract/agreement with the partner NGO/ PCDCR was signed on July 5th, 2018.
- MDLF contacted the seven selected municipalities to notify them about the implementation of the vulnerable communities' assessment and introduce the PCDCR.

D) Select of the Vulnerable Communities

- A desk review for the PCBS assessment report developed in 2017 on infrastructure services using the information and assessment as a reference to indicate the status of coverage and a shortage of municipal services and realize the gaps and needs.
- Two field visits were conducted to the areas located in the middle and south of Gaza Strip (Buriej- Khuzaa, Abasan Jadeda- Al Shoka – Al Naser and Rafah), to better understand realities, context, and priorities.
- A detailed methodology was prepared to be followed for the final selection.
- A conclusion was made to select (24 vulnerable communities) distributed on seven municipalities, which include: Al Bureij – Al Qarara- Abassan Jadeda- Khuzaa- Al Nasser, Al Shoka and Rafah.
- 17 FGDs with local community members were conducted at all selected municipalities to cover all selected areas and municipalities and ensure fair representation of the targeted areas and communities.
- 28 key informant interviews were conducted, out of which 14 with different municipality's staff, and the remaining with community members and CBOs.





- 311 questionnaires were distributed on the participants in the FGD to validate the data and information.
- The PCDCR conducted two different workshops with the municipalities and community members to share the findings, and validate the information and data of the report

E) GVCD Advisory Board (1st Meeting)

The 1st meeting of GVCD advisory board was held. The board includes members representing SDC, MOLG, UNRWA, MDLF, PNGO, and GIZ organized on 28th January, were the members introduced and updated on the GVCD & SRGVC programs and had a discussion on the role of the advisory board to support the program implementation.

F) SDC Follow up and Field Visits

- SDC delegation made regular field visits to share thoughts and follow up on the implementation progress. During the field mission, a trip was carried out to see the previously implemented projects in Gaza, Deir Al Balah and Mughraqa where SDC has supported community infrastructure projects (HIMI).
- The Second Visit was conducted with the SDC team to discuss the GVCD progress and to visit the vulnerable areas in AL Shoka, and Al Naser in Rafah, south of Gaza. SDC team had a meeting with the MDLF team meant for sharing and discussing work progress.
- The 3rd visit of the SDC team was conducted on 12nd March to Abasan Al Jadedda and Khuza'a. The meeting focused on the experience of community members in civic participation and to get their feedback on the identified projects and needs.
- The 4th visit of SDC team was conducted on 19th June to Rafah and Shoka on 19th June, SDC raised some points related to community participants and their satisfaction on the identified projects.

➤ Detailed Progress During the reporting Period

Outcome 1: improved accountable service delivery for vulnerable communities

Output 1: 10-15 infrastructure projects are implemented catering to the needs of vulnerable communities

1.1 Plan, design and implement accountable infrastructure projects

- MDLF hired a civil engineer to support technical supervision and coordination for implemented infrastructure projects for SDC and GIZ.
- The local technical consultant (LTC) completed the visits to the targeted municipalities to review the SDC identified projects and data collection for verification and preparing the final list for MDLF and SDC final approval,
- The selected projects which they identified in full participation with the community members serve the 7 targeted municipalities and they cover different infrastructure needs including: developing and paving roads, wastewater networks, water networks, and storm water drainage.
- The LTC completed the plans and designs for the selected projects and worked with the municipalities staff to finalize the plans and designs
- MDLF reviewed the projects designs and plans and released the no objections
- The municipalities proceeded the contracting process and signed contracts with the winner construction firms and contractors in compliance to MDLF policies and procedures
- 6 municipalities have started the implementation of the projects, only AlNaser Municipality, their project is still under design phase
- The community members were engaged in the focus groups discussion of environment and social safeguards to enhance community participation and promote accountable services delivery and preserve communities' properties and safety.



- The PCDCR formed 7 local community committees, each has (11 -15) participants including women (more details are highlighted under community empowerment part) to monitor and maintain the projects.
- The local community committees supported projects implementation, conducted visits to the implemented projects, help the municipality to communicate with people on the overlapping issues and dispute resolving between people and the municipalities. They received training and orientation on project management, monitoring, reporting, conflict resolution skills.



Outcome 2: Strengthened accountability of targeted municipalities toward citizens and civic groups (youth, women, and neighborhood committees) participation in local decision-making processes)

2.1 Develop and implement the Capacity Building Plan Training Packages

2.1.1 Candidates for the training

The attraction of candidates for the training has been implemented through 4 channels:

First channel: 135 candidates registered through the online application

The PCDCR designed an online application to attract the candidates for the training; the application includes (personal information, previous voluntary experiences, previous practical experiences, training topics proposed by the trainees, in addition to other open questions to learn about the interests of the candidates on training). The link was shared on the PCDCR's website and Facebook page in addition to the Facebook pages of partner municipalities and active CBOs in vulnerable communities for two months and it has been extended for a month.

Second channel: 172 candidates were nominated through CBOs from 7 targeted vulnerable communities.

Third channel: 113 candidates were nominated through targeted municipalities (Al Bureij, Al Qarara, Khuza'a, Absan Al Jadeda, Al Naser, Al Shoka, Rafah).

Fourth Channel: 40 candidates were nominated through communities' focal points/ key persons.

Through the previous 4 channels, 460 candidates have been attracted for the training, while the selection of the trainees for the SA and CP training have been taken place through holding sessions with candidates and select the final lists for each municipality.



A set of criteria has been set by PCDCR to select candidates for training, as follows:

- The applicant applies for training must live in one of the 24 marginalized communities mentioned in the application.
- Have an interest and commitment towards the issues of his/ her community.
- Have previous experience in community work.
- Have a good knowledge of the needs of the community and the work of the municipality
- Have experience in resolving disputes and bringing together views.
- Have the spirit of initiative and volunteerism.
- Have a great ability to work within the team.
- PCDCR encourages the participation of vulnerable groups in the project activities, such as people with disabilities, youth and women who support their families, and the elderly. With the PCDCR's commitment to achieving justice and equality for all social groups.

2.1.2 Participants of the training

- The number of participants in the training was 285 trainees, (132 males, 153 females,) included 11 people with disabilities. The following table shows the numbers of participants in the 7 municipalities and their age distribution
- The training program was for five hours over five days, for each group and it focused on civic participation and social accountability concepts, principles, and practices.
- PCDCR selected the participants to receive TOT training through a process that helps the best selection, they invited the candidates to develop paperwork about a case related to community participation as an essential component to improve the services, the answers evaluated by a committee from PCDCR staff
- 52 participants (23 females to form 44.3%) were selected to attend TOT training program from the targeted municipalities, training materials were developed and the training is planned to be completed in January 2020.
- The TOT trainees will facilitate community workshops to promote civic participation and have more engagement of the local communities

2.2 Forming Local Community Committees to monitor infrastructure projects

- The PCDCR managed the process to select and form local community committees in each targeted communities that consist of 11- 15 active participants, youth and women were encouraged to participate in the committees,
- 75 participants were selected based on the evaluation of the civic groups participated in the training program for each municipality.
- The committees worked together to develop the main responsibilities and have an internal system to manage their work and understand their roles.
- The local committees will take responsibility in follow up, monitoring the infrastructure projects implementation, they will help to solve the problems arise of the projects with communities, municipalities and the contractors.
- The TOR was developed to identify the roles and responsibilities of the local committees and shared with the municipalities for their approval.
- The local committees are very active and they conducted site visits to all implemented projects, prepared reports and provided their notes to the municipalities.



- More information could be found on the Facebook page for the local committees.



2.3 Develop and implement GVCD Baseline Assessment

- EMCC (local consultant) provided the inception report to develop and implement the baseline assessment include the methodology, tools, and implementation action plan
- The consultant applied mixed methods approach using multiple data sources and participatory interactive approach by conducting Key Informant Interviews (KII) with the municipalities' directors, Focus Group Discussions (FGDs) with the community members in the targeted areas.
- For the quantitative data collection, the consultant used structured questionnaires to collect quantitative data from the community members in the targeted areas. The consultant considered the stratified random sampling method that is representative in terms of targeted groups type, geographical location, and gender. The study sample included **749 persons** distributed among the targeted communities.
- The assessment cover three main categories: basic infrastructure services, solid and community empowerment services and community engagement and participation,
- EMCC facilitated one session to discuss the main findings of the assessment
- The final baseline assessment report was completed.



2.4 Gender Mainstreaming and identify entry points

- PCDCR (NGO partner) prepared the plan and tools to analyze gender sensitivity in the municipalities services, the tools used are based on international measures and standards (ILO tools).



- The methodology of implementing gender assessment based on the participatory approach and used tools include: conduct 36 semi-structured interviews (one to one interview) targeting the municipal; council members (women – executive management – engineering department – legal unit and project department.
- Distribute questionnaire for 15- 20 staff at each municipality, to identify the challenges restrict women to be in leader positions.
- Draft gender assessment report prepared and shared with MDLF for comments,
- PCDCR is working on the comments and improvement of the gender assessment report.
- It is planned to conduct training and orientation sessions for the municipalities on the gender sensitivity entry points

2.5 Prepare to develop and manage small grants for community initiatives

- PCDCR prepared the framework and action plan to implement the community small grants in the vulnerable communities, this includes the criteria and the areas that might be covered to develop the community, it is expected to launch the community small grants in February 2020

Stories to share:

My name is Inas Abu Ataya, I live in Al Naser area in the south of Gaza Strip, I never participated in public services, very little spaces available for women in my community, it was like a dream for me to help my community, I was very happy to know about the project through the announcement on the municipality page, and was more than happy that I was approved and being part of the groups involved in the activities of the project and received training on social accountability and community participation as I didn't know about these issues before the training. I learned a lot about the municipal services, the community needs and how to identify the needs in a participatory manner, also I got to experience on the social accountability tools and community participation. It was great to meet colleagues from different municipalities and learn more about others' experiences.

I feel more confident to express myself and discuss our community needs, one example I feel proud to take a role when implementing the initiative to provide our community with drinking water. Despite all the obstacles and challenges that I faced until now, I am happy with my participation and have more to contribute. "We still have a lot of creativity, accomplishment, tasks, to move towards sustainable volunteer work."

My name is Bassam Abu Haleeb; a thirty-four-year-old sociology graduate. I have lived in a society ignorant of its rights and duties towards duty-bearers. I used to think that the citizen is not entitled to object or participate in making a decision, and that the duty-bearer is competent in making decisions and identifying needs and that the authority is exclusive to him and we cannot oppose his decisions. I used to think that the training does not affect building someone's personality and preparing it for the outside world. However, after participating in PCDCR's training within the project of Developing Marginalized Communities, which focused on civic participation and social accountability, I can say that there has been a great change in the course of my life, personality and way of thinking. Moreover, I have learned new terms and concepts that I wasn't familiar with before. Now that I have become a member of the Development and Social Accountability Committee in Al-Qarara area, I will do all efforts with my colleagues in the committee to follow up on the implementation of infrastructure and services projects, represent the people in my area and make sure their voice is heard by the local authority.



6.6 Challenges and Limitations

- The limited financial resources to cover the shortage of fund needed during implementation, (wastewater house connections, small streets connected to the implemented projects)
- Delay to implement the infrastructure projects due to the delay to bring materials and spare parts into Gaza
- The municipalities have shown less cooperation and hesitation to engage the communities in project development and implementation due to the lack of experience and capacity in social accountability and community participation
- Difficulties to manage time and meet deadlines of the implemented activities such as the social aspects, training programs
- less commitment of the participants to attend the training sessions observed by the project team, this reluctance happened due to the prevailing frustration in the Palestinian community, in general, resulting from the deteriorating political and economic conditions, and the suffering of vulnerable communities targeted in the project particularly from a lack of basic services in their surrounding environment (weak infrastructure and services), which in turn led to a clear weakness in their relation with LGUs
- Less attention is given to use social media to increase and promote civic participation and social accountability publicity



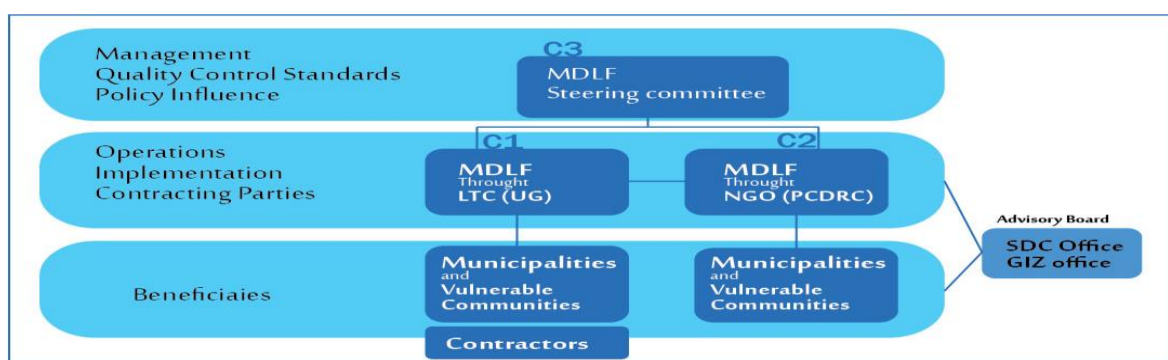


7. Strengthening the Resilience of Gaza Vulnerable Communities

7.1 Introduction

Strengthening the Resilience of Gaza Vulnerable communities "SRGVC" funded by the GiZ and implemented by MDLF will respond to the ever-increasing high demand for essential services among vulnerable communities. The interventions will further support the accountable services delivery component of the ongoing program entitled "Gaza Vulnerable Communities Development –GVCD⁶" Funded by the Swiss Agency for Development and Cooperation "SDC" over the period (Nov. 2017 – Nov.2020) and implemented through the Municipal Development & Lending Fund "MDLF". In summary, the overall coordination structure for the intervention is illustrated below.

(GiZ will be involved in C1 of the GVCD)



This intervention will serve as a means to support implementing a 'critical' mass' of infrastructure projects to improve basic municipal services in a more delimited geographic area, where the concentration of vulnerable communities and record of previously denied access to services is the highest. This intervention will be complemented with a set of actions under the Swiss supported program GVCD that will safeguard the long-term perspective of projects by empowering municipalities in their service provision functions, as well as enabling vulnerable communities to gain access to basic services.

- **Duration:** December 2018 – August 2020
- **Budget (Phase 1):** EUR 1.3 million
- **Main Component:** Support accountable services delivery component under the GVCD (Component 1)
- **Instruments for implementation:** up to 5 small-scale projects aiming at improving the essential basic infrastructure employing renewable energy and other relevant interventions, for instance, drainage, sanitation, water supply, green areas, etc.
- **Expected Results:** Improved basic service delivery in 5 vulnerable communities that will be identified under the 2nd Component of the GVCD.
- **Key Implementing Partners:** MDLF Gaza/ West Bank, 5 to 6 municipalities.
- **Targeted beneficiaries:** Vulnerable communities located within the boundaries of 5 municipalities (to be identified by the end of November 2018).

⁶ GVCD Components:

- Component 1: Improving accountable service delivery for vulnerable communities through small infrastructure projects;
- Component 2: Increasing Civic Participation & Social accountability of the vulnerable communities in local decision-making and community development.
- Component 3: Enhancing Policy Dialogue on vulnerability Issues in the LG sector, in oPt.



7.2 Description

Overall Objective

Considering the noted contextual dynamics and the continued dire demand for basic services for most of the vulnerable communities in Gaza, this intervention contributes to the achievement of GVCD-component 1 which envisions the following outcome.

OUTCOME 1: Improved accountable local service delivery for up to 8-9 vulnerable communities in Gaza Strip.

Therefore, the particular objective of this intervention is to improve equal access to basic services for up to 8-9 vulnerable communities through the implementation of several small-scale infrastructure projects giving a preference to the nexus of renewable energy, water and agriculture (renewable energy, water, sewage, solid waste, and public health, drainage, playgrounds, etc.).

However, the use of renewable energy will be considered as a priority intervention area, as much as possible whereas the following projects are a positive list for instance; noting that such projects have to be prioritized in a participatory approach among the vulnerable groups and will be selected through the 2nd component of the GVCD.

Water sector:

New water networks and house connections, maintenance and/or rehabilitation of water networks, maintenance of water wells, maintenance of water tanks, and installation of PV systems for water pump stations (water tanks and/or water wells).

Wastewater:

New wastewater networks and house connections, maintenance and/or rehabilitation of existing wastewater networks, maintenance of wastewater pump stations, construction of small wastewater pump stations to allow serving the vulnerable communities, installation of PV systems (Energy Supply) to operate the pump stations where applicable.

Solid Waste and Public Health:

This includes the supply of waste bins and cleaning tools, public health materials, chemicals, and equipment.

Drainage and safety

Small streets projects including Pavement surfacing using interlock tiles or asphalt, widening the streets and doing some earthwork to allow better and safe movement of people in agriculture areas, improve drainage where addressing streets floods and safety, protecting the carriageway from soil failure during winter (particularly in rural areas), streets lighting to improve safety using PV systems and energy-efficient solutions (e.g. LED Lanterns), implementing safety measures around schools and health clinics to protect the community, passengers protection shelters as kids and women in marginalized areas need to walk for a long distance to reach school, health clinic, and markets.

Municipal social infrastructure:

Construction/maintenance and rehabilitation of playgrounds, small parks/gardens, and cultural centers for women, kids and the youth this includes installation of PV systems for energy supply.



Geographic and Vulnerability Targeting

Communities in peripheral areas of large municipalities, for example, are commonly neglected in Strategic Development & Investment Plans (SDIPs) and annual implementation plans due to their relatively low density of population, the latter's insufficient voice and limited influence in plans' preparation and prioritization. Smaller rural municipalities, on the other hand, are not able to raise sufficient resources to deliver basic services for their SDIPs. Municipalities situated east of Salah Eddin Road in particular, generally have low population density and few economic/employment opportunities, hence low municipal revenues and low technical capacity for implementing infrastructure projects.

Recognizing the realities, the intervention, therefore, targets empowering smaller municipalities with vulnerable and marginal populations south of the Gaza city and Middle Areas – e.g. municipalities of Khan Younis and Rafah, as well as areas in the East of Salah Eddin Road across the strip.



Selection Criteria for Vulnerable Communities and Projects

Geographical targeting will be complemented by additional vulnerability criteria including considerations as follows:

- I. Areas and populations with insufficient/ underserved service provision including:**
 - Ineffective solid waste services (shortage of waste bins, solid waste collection vehicles)
 - Limited or no access to the water network
 - Lack of energy supply for electricity service.
 - Limited or no access to sewage network if applicable
 - A low percentage of paved roads in the neighborhood
 - Areas subject to natural and or human-caused disasters.
 - Lack of or insufficient public spaces as gardens, playgrounds or multipurpose facilities⁷
 - Prioritized addressing women's (especially widows and female-headed households), youth and elderly populations' needs.
- II. Areas with repeated and documented complaints/requests from citizens/ neighborhoods.**
- III. Population living outside Municipalities' built-in areas, or at the periphery of UNRWA refugee camps that may have fewer capacities to exert traction on municipalities.**

⁷ Prevalence of 1 to 3 directly increases environmental and health risks for the targeted communities, but also the Gaza Strip population as a whole. The initial weighting of selection criteria (20% poverty – 80% insufficient service provision) will be run in the preparation of the CP.



The vulnerable communities will be scored under the above-mentioned criteria and the intervention will target the highly score communities accordingly.

7.3 Financing Partner's Contribution

The GIZ has contributed EUR 1.3 million to support the accountable services delivery component of the ongoing program entitled "Gaza Vulnerable Communities Development –GVCD⁸". The agreement was signed on 1/12/2018 until 31/07/2020.

7.4 Institutional and Implementation Arrangements:

✓ **Steering Committee (SC):**

To ensure the program's smooth implementation, an intervention/ program SC will be set up in the first year of the program. The composition of the SC will include representatives of key implementing partners (MoLG, MDLF, CSOs/ PNGO), SDC as well as UNRWA and GIZ. Representatives from other local/international agencies might be invited to attend steering committee meetings as needed. The SC will meet twice a year to review the intervention's progress, to advise on any troubleshooting matters, risk analysis needs and general steering recommendations as needed.

✓ **Municipal Development and Lending Fund "MDLF"**

The MDLF is the delegated implementation agency of the intervention including the three components. It is a semi-governmental entity with its independent Board⁹, transparent financial management and reputable procurement procedures that comply with national legislation and World Bank standards. MDLF has proven to become an efficient mechanism for channeling numerous donors' contributions to the LG sector in the West Bank and Gaza.

✓ **Non-Governmental Organization "NGO"**

In the context of improving a social accountable approach in the basic service delivery, MDLF will be responsible of supervising municipalities and their local communities in the selection of projects with the support of a local non-governmental organization, namely, (Palestinian Center for Democracy and Conflict Resolution PCDCR) who was contracted and completely financed by the SDC under component 2. The NGO overall objective is to:

- *Identify* the vulnerable communities to be targeted under component 1.
- To empower civic groups (women, youth, Neighborhood Committees), CBOs and citizens to *constructively* engage and pro-actively provide inputs in the joint decision-making - planning, prioritization, selection - of infrastructure projects selected for implementation under C1.
- Enhance citizens' and civic groups' awareness and capacity to assist in the maintenance and monitoring of infrastructure projects selected for implementation under C1. It is assumed that more informed and engaged citizens will be more apt to hold municipal authorities accountable for their service delivery functions;

⁸ GVCD Components:

Component 1: Improving accountable service delivery for vulnerable communities through small infrastructure projects;

Component 2: Increasing Civic Participation & Social accountability of the vulnerable communities in local decision-making and community development.

Component 3: Enhancing Policy Dialogue on vulnerability Issues in the LG sector, in oPt.

⁹ The Board consists of the PA, municipalities, civil society with the MoLG Minister as the Board chairman. The MDLF has a main office in Ramallah and a sub-office in Gaza City.



- Enhance citizens' and civic groups' participation through concrete, innovative and gender-sensitive smaller-scale community social accountability projects funded by small grants;
- Strengthen local civic groups and community-based organizations' capacity to effectively and sustainably utilize civic participation and social accountability tools such as public hearings, civic consultations, focus group discussions, citizen scorecards and satisfaction surveys, as indicated in the MoLG Social Accountability Toolkit.
- Engagement of particularly vulnerable (women, widows, youth, elderly) and marginalized groups, ensuring that they are heard and their inputs are incorporated in local decision-making processes.

✓ **Local technical Consultant "LTC"**

A local consulting firm (namely the Universal Group for engineering and consulting) was contracted to be financed from SCD contribution to supervise the component 1. The LTC overall objective is to:

- Sub-project Selection: the LTC shall assist MDLF and work closely with municipalities & their vulnerable communities and the MDLF contracted local NGOs in the selection of sub-projects to benefit from the available fund. The selection will be according to the preliminary selection criteria (LTC shall review the criteria and propose any needed improvements) following a participatory approach in the selection and prioritization of sub-projects.
- Project planning and design: prepare and verify designs (survey maps, existing plans, design drawings, licenses, bill of quantities, specifications and bidding documents...etc.); and preparation of bidding documents as per the MDLF manuals including the Environmental and Social Management Framework; review and comment on individual procurement plans, infrastructure, and services maintenance.
- Project implementation and supervision: conduct site supervision for all projects and visit all participating Municipalities during project implementation, including daily or as-needed site supervision and periodic (daily if needed) visits all participating Municipalities during project implementation, and daily follow-up to ensure that the Municipalities coordinate with all relevant parties, including relevant ministries, directorates, and contractors, and give approvals for all milestones and subproject activities. This also includes building the capacity of targeted Municipalities to implement projects and assist them in the supervision, including reporting on implementation progress, monitoring of indicators, and compliance with the standards delineated by MDLF.
- Ensuring compliance with technical and fiduciary aspects: build the capacity of and guide targeted Municipalities on technical and fiduciary aspects of project preparation and implementation to ensure compliance with MDLF's procurement, financial, social, and environment safeguards procedures (including the provision of mitigation measures).

✓ **Municipalities:**

Municipalities will be the owner of projects and municipalities and their communities will be the end beneficiaries of the intervention. Municipalities are a key stakeholder on the different stages of the intervention, in component 2, they were part of the planning processes with their communities through the management of the civil society organization to identify the vulnerable communities and their needs. Under component 1 municipalities will be the contracting authority of infrastructure projects and will conduct the direct management of the contracts for the



implementation of the assistance of the project by the local technology consultant. Communities will be empowered through component 2 by the NGO on monitoring of the projects as well.

7.5 Implementation Status

During the reporting period (1st December 2018 to 30th November 2019), the implementation was progressing. The data and information needed for preparing the report were based on the monthly progress activities. The reports also included the social and environmental assessments performed during the sub-projects implementation and the progress was as follows:

Implemented Activities during Assessing and Identifying the Vulnerable Communities Needs and Priorities:

- The partner NGO - PCDCR developed a methodology and a plan to assess the vulnerable communities' projects and needs in the targeted communities. The main activities related to this task included:
- Conduct participatory community workshops at each targeted municipality. The workshops were attended by the vulnerable communities' participants, for example, Al Buriej the participants were from the 5 targeted communities (Al Tal Al Khadar - Saida – Masoud Abu Median and Maqboula), and they discussed the needs of their communities and raised the priorities in a participatory manner.
- A total of 260 participants from the 24 vulnerable communities joined the meetings in the 7 municipalities, the participants were trained on the assessment tools and pairwise ranking tool.
- As a result of the assessment, 173 priorities and needs were identified to cover infrastructure such as; roads paving, sewerage, solid waste disposal, domestic water, and public services. For instance: tiling of squares and roads, drinking water, playgrounds, street lighting, community institutions, landscaping, parks, and gardens, as well as education and health services.
- To ensure feedback and consultation with the communities, the partner NGO conducted two meetings at each municipality with the community participants to discuss the findings and share the identified projects and priorities.
- A final list of projects and priorities provided to MDLF to be reviewed based on the criteria of GIZ.
- MDLF runs different consultation meetings with GIZ and LTC to discuss the criteria and the technical issues to approve the final accepted projects.
- The final list of GIZ interventions was agreed upon, namely (lot 1, lot 2 and lot 3) totaling 12 Projects including, construction of solar energy for water wells, roads lighting by solar energy, desalination plants. Whereas the projects categorized as public facilities were under review and were still subject to MDLF appraisal.
- The community members were engaged in the focus groups discussion of environment and social safeguards to enhance community participation and promote accountable services delivery and preserve communities' properties and safety as shown in figure2.
- The preliminary design of lot #1, lot #2 and lot #3 were shared with GIZ for their approval. Back and forth correspondences took place concerning the comments on the 1st two lots, namely the street lighting, water well, and the desalination plants.



Communities focus groups discussion

Implemented Activities during the design stage of the approved subprojects:

- Field visits to the sites were conducted, MDLF and the LTC met with the municipalities staff and collected data on all selected projects.
- The selected sub-projects were subject to technical applicability and environment screening, additionally, the costing per each project was well identified.
- Back and forth discussion on the prioritized projects took place in the light of GIZ criteria and regulations.
- Finally, 15 projects were approved as classified in the four categories:

Table 40: List of Approved Projects under the SRGVC

(Lot # 1) Development of roads intersection using Solar Streets Lighting and Landscaping	(Lot # 2) Provide Solar Energy for Water Wells in four municipalities	(Lot # 3) Construction of desalinating plant with PV System	(Lot # 4) Construction of public facilities
Al Burj			
Al Qarara	Al Qarara	Al Qarara	
Abasan Jadeeda	Abasan Jadeeda		
Al Naser	Al Naser		
Al Shoka	Al Shoka	Al Shoka	
Rafah			Establishment a youth center and playgrounds for volley- basketball in Kherbt Al Adams



(Lot # 1) Development of roads intersection using Solar Streets Lighting and Landscaping	(Lot # 2) Provide Solar Energy for Water Wells in four municipalities	(Lot # 3) Construction of desalinating plant with PV System	(Lot # 4) Construction of public facilities
		Khuza	Establishment of a multipurpose Hall and development of the existing Cultural Center

- The designs of the 1st three lots were prepared by the LTC in consultation with MDLF and then shared with the GIZ for approval. Back and forth correspondences took place between MDLF and the GIZ regarding the submitted design. Finally, the design was approved where MDLF bears all responsibilities concerning planning, design, and implementation of the supported intervention by BMZ through GIZ.
- A prototype of the bidding documents for the 1st three lots was shared with the GIZ and approved.
- Upon the approval of the design and the bidding documents for the 1st three lots, six Municipalities advertised the sub-projects (following MDLF – no objection) for lot # 1, namely the development of roads intersection using Solar Streets Lighting and Landscaping.
- The design of the 4th lot, namely the construction of public facilities in Rafah and Khuza'a they were subject to substantial delay due to a major challenge in both municipalities regarding the land ownership and safeguard measure as detailed below:
 - ✚ Regarding the project in Khuza'a: **Establishment of a playground and garden**; the municipality failed to provide a proper space for the project, as the proposed land parcel is close to the green line (the border between Gaza Strip and Israel). This issue has been subject to back-forth correspondences with the municipality and with the ministry of civil affairs concluding that the project is not recommended to be constructed in the proposed parcel of land.
 - ✚ Regarding the project in Rafah: **Establishment of a youth center for Khirbet al-Adas and a playground for five-team players**; Rafah Municipality didn't show evidence of ownership/public use certificate of the proposed land. The municipality succeeded (in the end to secure a piece of land donated by a resident to construct the project). Given the fact that the Area of the donated piece of land is 1000 m², the municipality proposed to modify the scope of the project to fit with the available area of the land parcel.
- The partner NGO-PCDR facilitated two community meetings (Figure 3) to discuss the replacement of the playgrounds with the Establishment of a multipurpose Hall and development of the existing Cultural Center, for the reason that the municipality couldn't afford suitable land. Similarly, Rafah municipality has replaced the playground replaced by the Establishment a youth center and playgrounds for volley- basketball in Kherbt Al Adass, as it could not prove its authority on the land that allocated before.



Communities focus groups discussion in Khuza'a

- In the end, the proposed projects for lot #4 were approved based on utilization the renewable energy, meaning that the facilities were designed to be energy efficient, which considered while doing the architectural design; so, less energy for lighting and less air conditioning was assured. Most importantly, the sub-projects were included as a PV system to operate the facility.
- GIZ team conducted field visits (Figure 4) to the newly replaced sub-projects in Rafah and Khoza for their approval.



Rafah and Khoza field visits



Implemented Activities at the 4th quarter period of the project:

the performed work focused on the design of the selected projects as illustrated below:

- Lots 1 and 3 projects were awarded to the contractors and the projects right now are ongoing.
- Lot 2 (Abasan Al Jadedah water well only) project was awarded to the contractor and the project right now is ongoing, whereas, Ashoka and AlQarara water well projects are in the awarding process.
- Al Naser Municipality Water well project (SRGVC5.2.3) was canceled due to the deepness of the water table of the well, so the pump is not suitable for PV solar system. The cancellation was coordinated with the coastal water utility and the target municipality.
- The following table 41 shows the status of the projects.

Table 41: Status of SRGVC Projects

Municipality	Project Number	Project Name	Status
Al Buraij	SRGVC5.1.1	Development of roads intersections using Solar Street lighting and landscaping	Ongoing
Al Qarara	SRGVC5.1.2	Development of roads intersections using Solar Street lighting and landscaping	Ongoing
Abasan Al Jadedah	SRGVC5.1.3	Development of roads intersections using Solar Street lighting and landscaping	Ongoing
Rafah	SRGVC5.1.4	Development of roads intersections using Solar Street lighting and landscaping	Ongoing
Al Naser	SRGVC5.1.5	Development of roads intersections using Solar Street lighting and landscaping	Ongoing
Al Shoka	SRGVC5.1.6	Development of roads intersections using Solar Street lighting and landscaping	Ongoing
Al Qarara	SRGVC5.2.1	Providing Solar Energy for Water Wells - Aljeia Well	Awarded
Abasan Al Jadedah	SRGVC5.2.2	Providing Solar Energy for Water Wells - Eastern Well	Ongoing
Al Naser	SRGVC5.2.3	Providing Solar Energy for Water Wells - Qatari Well	Canceled
Al Shoka	SRGVC5.2.4	Providing Solar Energy for Water Wells - Malayzian Well	Awarded
Al Qarara	SRGVC5.3.1	48m ³ /Day Containerized Municipal Brackish Water RO Desalination Plants	Ongoing
Al Shoka	SRGVC5.3.2	8m ³ /Day Containerized Municipal Brackish Water RO Desalination Plants	Ongoing
Khuzaa	SRGVC5.3.3	Establishment of one desalination plant with PV System in Abu Ali and Abu Rock (48m ³ /Day Containerized Municipal Brackish Water RO Desalination Plants)	Ongoing
Rafah	SRGVC5.4.1	Establishment of a youth center, playground for volley-basketball. for Khirbet al-Adas.	Under Review by GIZ after adjusting the comments
Khuzaa	SRGVC5.4.2	Establishment of a multipurpose Hall and development of the existing cultural center in Abu Ali and Abu Rock	Tendering

- Regarding the design of the 4th lot, namely construction of a youth center and playground in Rafah and construction of a multipurpose Hall in Khuzaa; they are in the design stage and the proposed projects for lot #4 were approved based on utilization the renewable energy.



- During the design stage, LTC took into consideration the energy efficiency of the building meaning that it will be considered to be a green building.
- The LTC finished the design of a multipurpose Hall of Khuzaa, the MDLF reviewed the design and shared it with the GIZ for approval. Back and forth correspondences took place between MDLF, the GIZ and the LTC regarding the submitted design. In the end, the design was adjusted to comply with the standards and comments received from the GIZ.
- The LTC has finished the design of the Rafah municipality project, and the design has been reviewed by MDLF to ensure the innovative approach of such intervention following the bilateral discussion with the GIZ.

7.6 Challenges and Obstacles

- The main concern was the limited time to assess the needs of 24 communities in a participatory manner.
- The huge demand for needs and lack of basic services for vulnerable communities and the difficulty to prioritize them.
- The difficulty to supply the batteries of the PV system may delay the project implementation of lots 1&3 resulting in a minor deviation from the planned completion date.
- The difficulty to supply solar submersible water pump and solar pump inverter system may delay the project implementation of lot 2 resulting in a minor deviation from the planned completion date.
- Citizen's impatience to attend so many meetings to discuss needs and waiting for a long time to have the project implemented on the ground.

7.7 Lessons learned

- The importance to develop more effective measures and tools to work with vulnerable communities
- It is recommended to develop and build modeling to serve vulnerable communities
- The powerful role of citizens to identify needs and priorities that fulfill their needs.
- The necessity to maintain the flow of communication and contacts among all parties.
- It would be helpful to provide the community with feedback and to update them on project implementation and progress.



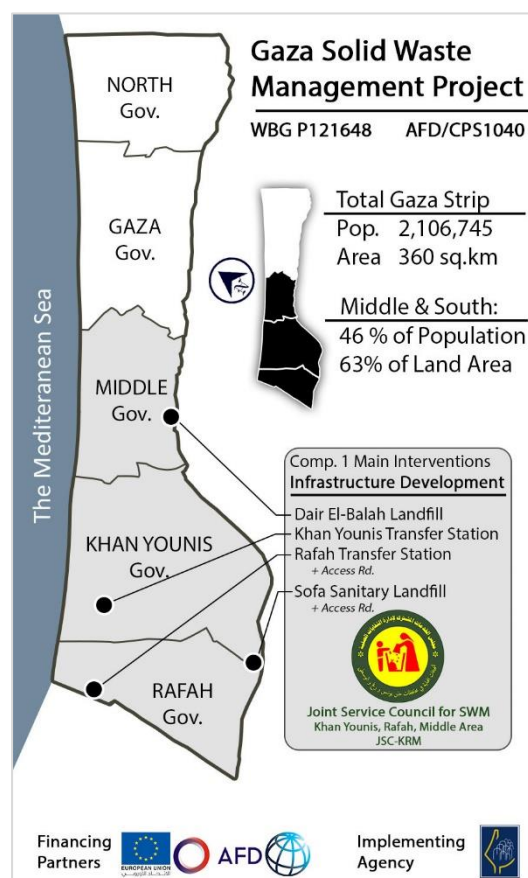
8. Gaza Solid Waste Management Project (GSWMP)

8.1 Introduction

The Gaza Solid Waste Management Project is a comprehensive, strategic, infrastructure and capacity building project where MDLF manages the southern component of a project covering three of five governorates in Gaza Strip, namely: The Middle Governorate, Khan Younis Governorate, and Rafah Governorate, comprising approximately 64% of Gaza Strip's total geographic area which is inhabited by 46% of the total Gaza Strip's population (approximately 1,099,424 people) according to 2020 projections. The three governorates are serviced by what is known as the Joint Service Council for Solid Waste Management in the Governorates of Khan Younis, Rafah, and Middle Area (JSC-KRM).

The GSWMP aims to improve 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 GSWMP, a sanitary landfill will be constructed inside the southern region of Gaza Strip with the capacity to serve the three governorates until the year 2025 and to serve the entire Gaza Strip until the year 2040. This major construction scheme will be implemented in phases on an overall area of 472 dunams (47.2 ha.) with immediate land area needed for the first two cells of 10 ha. The new facility will be equipped to operate at high standards and it will be complemented by a system of solid waste transfer stations in each governorate area in addition to comprehensive capacity building program 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 the private sector, in addition to further involvement and participation of the population through broad public outreach and public awareness activities.



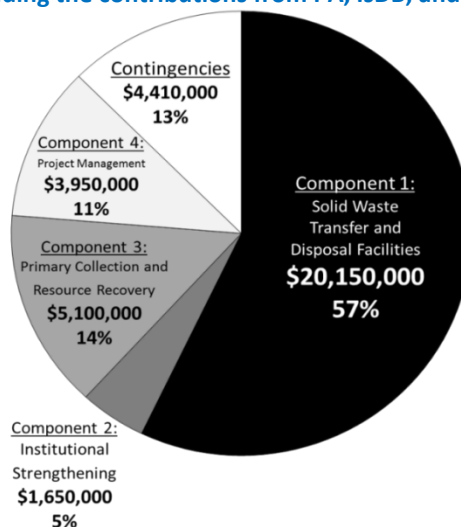
8.2 Project Components

GSWMP is financed by the World Bank Group, the French Development Agency (AFD), and the European Union (EU). The project focuses on the middle and southern regions of Gaza Strip with MDLF as the implementing agency and in coordination with other financing partners such as Islamic development Agencies who are focusing on Gaza and the Northern Governorate. Following are the four components of the project:

- Component 1: Solid Waste Transfer and Disposal Facilities (USD 20.15M)
- Component 2: Institutional Strengthening (USD 1.65M)
- Component 3: Primary Collection and Resource Recovery (USD 5.10M)
- Component 4: Project Management (USD 3.95M)



Chart 10: Project Components and Budget
(Including the contributions from PA, IsDB, and UNDP)



Note: AFD/EU contribution is allocated in EURO and the USD amounts in figure (1) correspond to the exchange rate as of July 24th, 2012

8.3 Implementation Status

8.3.1 Component 1: Solid Waste Transfer and Disposal Facilities

New Al-Fukhari (Sofa) Sanitary Landfill

The New Al-Fukhari Sanitary Landfill was inaugurated on 12th June 2019 under the auspices of H.E. the Prime Minister in the presence of the MDLF Chairman, H.E. Minister of Local Government, H.E. the General Consul of France, EU Representative in Jerusalem, World Bank Program Leader and TTL's, along MDLF General Director and JSC Chairman and member municipalities. The new landfill is located on an overall area of 235 dunums, with the first sanitary landfill cell occupying a footprint of 83 dunums.

The effectiveness date of the operation of Al-Fukhary Sanitary Landfill is July 15th, 2019. Environment Quality Authority (EQA) was also issued a ministerial decree on June 11th, 2019 to use Al-Fukhary site as a sanitary landfill, and end any of illegal random dumpsites in Khan Younis, Rafah, and Middle Area governorates.



Al-Fukhary Sanitary Landfill inauguration ceremony (June 12th, 2019)



Al-Fukhary Sanitary Landfill

Transfer Stations

Three (3) transfer stations were planned for the Middle and Southern regions of Gaza, one of which (Khan Younis transfer station) was constructed by UNRWA and the other transfer station (Rafah transfer station) was constructed in 2019. Rafah's transfer station facility was designed to accommodate several functions given its unique location adjacent to a sorting facility and across one of the densest population areas in Rafah Governorate (Tal Al-Sultan). The facility forms a compound consisting of a fully covered tipping area for solid waste operations, a full-size maintenance workshop to house all SWM collection equipment (from both JSC and Rafah Municipality), and an administration building, in addition to the existing sorting facility. The design of Rafah TS accommodates safeguards requirements and it was inaugurated by H.E. Minister of Local Government under the auspices of H.E. the Prime Minister on 18 December 2019.



Rafah SW Transfer Station (December 2019)

**Top: aerial photo of the compound, Bottom Left: control room/weighbridge,
Bottom Right: close up of control room and ramp leading to the covered tipping floor**



Rehabilitation of New Landfill Access Road

The design works of Road No. 2 (Al-Fukhary Landfill Access Road) were completed at the end of the 2nd quarter of 2018 by a Palestinian/Jordanian Joint Venture. Several scenarios were submitted by the designer to rehabilitate the road in parallel with the operation of the landfill. The approved design was in line with the 2012 Feasibility Study of the GSWMP and line with safeguards requirements and the Palestinian law and regulations. Besides leading the newly constructed landfill, this road with a length of 1.8km serves the community of farmers on both sides in addition to the nearby Khan Younis Wastewater Treatment Plant that was constructed in the timeframe with the landfill. The rehabilitated road was met with a particular appreciation of the communities and the municipalities on both sides of the road (Al-Fukhari and Al-Shoka) as it provides a promising route for development in the area besides its initial objective of providing appropriate access to the landfill.



Regional Road No. 2 (Sofa Road)

**Top: before & after images, Bottom Left: near junction with Salaheddin near completion,
Bottom Center: during rehabilitation works, Bottom Right: aerial photo near completion**

Closure of Existing Dumpsites

The Design of closure of the existing dumpsite in Al-Fukhari (old dump site) was initiated earlier in 2019, where three scenarios were submitted by the designer addressing different technical approaches to designing the final cover to ensure safe slope stability and post-closure management. The final detailed design was scheduled during 2019 but it was postponed to early 2020 to ensure full and cost-efficient design. Similarly, the detailed design was launched for Dair El-Balah Sanitary Landfill Site which had exceeded its capacity years ago and it constitutes a technical challenge in terms of its location and shape. Closure activities are anticipated to be launched in the first quarter of 2020.



Implementation of the Abbreviate Resettlement Action Plan (ARAP)

Implementation of the Abbreviate Resettlement Action Plan (ARAP) for waste pickers is completed and covered in the previous semi-annual reports. All previous waste pickers (17) were assisted with alternative livelihood projects with satisfying results.



A former waste picker had successfully started a new business with rewarding results

8.3.2 Component 2: Institutional Strengthening

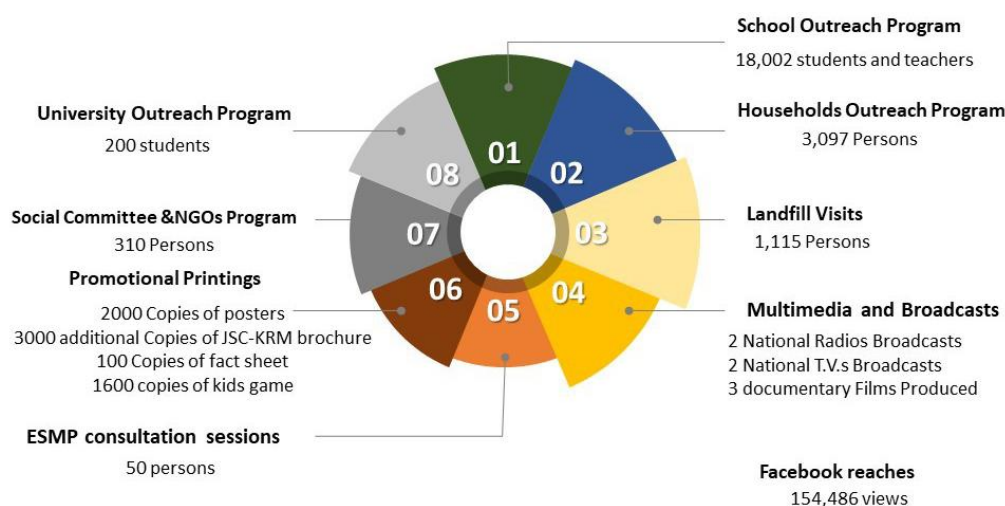
Grievance Redress Mechanism

The most active channel to receive the complaints in the previous six months was the phone channel besides the daily reports from the solid waste truck drivers in JSC-KRM, who started document the complaints in the new containers at the end of October 2018.

During the first 3 months of 2019, a consultant started to develop (design and program) a new website for JSC-KRM, which includes a section to the electronic complaint system. This new system consists of an electronic application to enable the people to submit their complaints or suggestions smoothly through the website, and then the submitted complaint would store in the database, which is forwarded to the person who is responsible to deal with the received complaints.

The electronic complaint system started working on 5th June 2019, and some complaints were received and solved.

Chart 11: Joint Service Council (JSC-KRM) Community Outreach Activities supported by the Project, 2019





8.3.3 Component 3: Primary Collection and Resource Recovery

Procurement of landfill equipment

The procurement process was initiated and a contract was signed in May 2018 with multiple suppliers to supply landfill equipment with a total value of 2,057,200€ to the JSC-KRM which consists of the following items:

1. Supply of Track Type Tractor Waste Handler
2. Supply of Loaders and Landfill Compactor
3. Supply of Dump and Vacuum/Jitter Trucks
4. Supply of Thermal Fogger
5. Lurching of other contracts:
 - Supply of Pick-up Service and Operational Vehicles for JSC with a total amount of 156,000€.
 - Supply of Solid Waste Containers for Khan Younis and Rafah Transfer Stations and Routing System.

All the previously listed equipment was received in Gaza Strip in three batches; the last batch was received on July 7th, 2019. Equipment parked in the maintenance warehouse at Al-Fukhary Sanitary landfill, and they are ready to be in use for a landfill operation.



Supply of Landfill Equipment for JSC-KRM

Supply of Waste Containers

JSC-KRM was provided by 240 solid waste containers (120 of 1cu.m, 110 of 4cu.m, and 10 of 40 cu.m) in November and December 2018, and the second phase of supply continues in 2019 with delivery was delayed onto the beginning of 2020. Containers were distributed in Khan Younis, Rafah, and Middle Area governorates to serve more than a third of the JSC-KRM service area. The operation of the seven new compactors, which were supplied earlier by GSWMP started to replace the old and depreciated tipper crane trucks following a plan prepared by the JSC that shall lead to improved service at more efficient operations.



Supply of Refuse Containers

Study of Primary Collection in the Gaza Strip

The first comprehensive study of waste collection optimization, primary collection, was aimed at improving collection services in the entire Gaza Strip. The objective was met with carrying out detailed studies and designs following environmentally-and-socially-sound principles of primary collection networks for cost-effectively optimizing the quality of services, and with the participation of the beneficiary population. Two assessment reports for the current waste collection in the entire Gaza Strip was performed by 25 LGUs and 2 Joint Service Councils. The status of available waste collection vehicles was submitted, and another two deliverables were submitted regarding the list of urgently-needed equipment (with their bidding documents to be purchased in the short term), and the latest submitted deliverable was the report of task 3 final report of Studies for Optimization of Waste Collection in Gaza Strip – Solid Waste Management Manual. This comprehensive study was amended in line with the conditions on the ground, where the capacity building component was expanded and further study was conducted in 2019 on the secondary collection and interface between JSC and municipality modes of collection, i.e., primary collection and secondary collection.

Operations Phase: Professionalization Services for JSC

In 2019, a new consultancy assignment was signed in September with the international/local consortium to provide technical assistance to the JSC to enhance the JSC staff capacity to perform their duties during the operations phase under international standards and practices. This assignment came as a result of the project's completion or near completion of most of the component one activities concerned with the infrastructure, where the new landfill was completed in June 2019, and the new transfer station was completed at end of 2019. A standard operating procedure (SOP) will be compiled and consolidated into a well-defined list of SOP's targeting the different operational sections of the JSC that is the collection, transfer, disposal, and the treatment of medical waste. The international experts will provide in 2020 on-the-job training on the different procedures and monitor the progress of JSC against a set of indicators. The assignment model is considered new and promising in the Solid Waste Management Sector and shall contribute to a lasting capacity development experience that shall improve the quality and efficiency of SWM services.



**Professionalization Consultant during Project Support Mission, 10 Dec. 2019
Landfill Location, Consultant + JSC & MDLF Staff meeting with WBG TTL & Team**

8.4 Financing Partners Mission

Financing partners conducted supervision missions during 2019 and reviewed the progress on the ground. Two main events took place in 2019, the inauguration of the new landfill took place on 12 June 2019 and the inauguration of the Rafah Transfer Station compound took place on 18 December 2019.



**Project Support Mission, 19 Feb. 2019
Location: Rafah Transfer Station at the beginning of Construction Works
TTLs & Mission Members from AFD & WBG with the staff of MDLF, JSC, Contractor & Construction Supervisor**



8.5 Project Result Monitoring

Table 42: Project Results Monitoring updated per Midterm Review

Project Development Objective (PDO)	Core	Unit of Measure	Base Line	Cumulative Target Values				
				YR 1	YR 2	YR 3	YR 4	YR 5
				2015	2016	2017	2018	'19/2020
PDO Indicator One: Percentage of solid waste collected from the targeted beneficiary population that is disposed of in a new sanitary landfill developed under the project.	☒	%	0%	-	-	0	0	80%
			Actual	-	-	-		
PDO Indicator Two: Percentage increase in fees collected annually within the JSC towards cost recovery.	☐	%	15%	-	-	20%	40%	50%
			Actual	-	-	30%		
PDO Indicator Three: Number of waste pickers whose lives depend on the existing solid waste context and who are integrated into inclusion programs under the project	☒	Number	16	-	10	16	16	16
			Actual	-	-	16		
PDO Indicator Four: Contaminated land managed or dumpsites closed under the project.	☐	Ha	0	0	0	0	0	10
			Actual	0	0	0		
PDO Indicator Five: Direct Project Beneficiaries (number) of which females (percentage)	☒	Number	N.A	0 (49%)	0 (49%)	2,216 (49%)	2,216 (49%)	917K (49%)
			Actual	0	0	2,216		
Intermediate Results (Component One): Solid Waste Transfer and Disposal Facilities								
1.1: 1 Sanitary Landfill in the Southern Gaza Strip (Al-Fukhari (Sofa) is constructed and operational.	☐	Yes/No	No	-	-	-	-	Yes
Status	COMPLETED							
1.2: Interim cell is constructed in a sanitary manner to accommodate incoming MSW from the target area during the construction of the new Sanitary Landfill.	☒	Yes/No	0	-	-	Yes	Yes	Yes
Status	COMPLETED							
1.3: Closure of Existing Dumpsites at Sofa and Dier El-Balah	☐	Yes/No	0	-	-	-	-	-
Status:	Design Completed, Implementation in 2020.							
1.4: Industrial and municipal waste disposal capacity created under the project	☐	Cu.m	7	-	-	350K	350K	2,350K
Status:	On Track				0	350k		
1.5: At least one transfer station in the targeted area is constructed, and two transfer stations are fully equipped and operational by the end of the Project.	☐	Number	0	-	-	2	2	2
Status:	On Track				-	-	1	1



Project Development Objective (PDO)	Core	Unit of Measure	Base Line	Cumulative Target Values				
				YR 1	YR 2	YR 3	YR 4	YR 5
				2015	2016	2017	2018	'19/2020
1.6: Temporary jobs created under the various activities of Component 1.	☐	Number	0	0	10K	20K	30K	40K
				-	2,280	17.35K		
Intermediate Result (Component Two): Institutional Strengthening								
2.1: Training days provided to the Technical Operations Unit and other JSC-KRM staff and Board members as part of the targeted capacity building activities financed under Component 2.	☐	Number	No	-	0	31	50	100
Status:	On Track			-	-	31		
2.2: New JSC Bylaw is approved and operational plans are defined.	☐	Yes/No	No	No	No	No	Yes	Yes
Status:	On Track			-	-	-	-	Yes
2.3: Service Contracts are signed with member municipalities and UNRWA	☐	Number	0	0	0	0	15	18
Status:	Signed with UNRWA			-	-	-	1	
2.4: Capacity is established for JSC to operate new infrastructures created under the project.	☐	Yes/No	No	No	No	No	Yes	Yes
Status:	On Track: Professionalization			-	-	-	-	
2.5: Intended beneficiaries that are aware of project information and project supported investments	☐	%	0	0	0	25%	25%	50%
Status:	On Track			-	-	2.5%		
Intermediate Result (Component Three): Primary Collection and Waste Recovery								
3.1: A strategy plan for the optimization of primary collection and transportation of solid waste in the targeted areas is created by the end of the project.	☐	Yes/No	No	No	Yes	Yes	Yes	Yes
Status:	On Track			-	-	-	-	Yes
3.2: A strategy plan for optimizing waste recovery in the targeted area is created by the end of the project.	☐	Yes/No	No	No	Yes	Yes	Yes	Yes
Status:	On Track			-	-	-	-	Yes
3.3: A strategy plan for the elimination of random dumping in the targeted area is created by the end of the project.	☐	Yes/No	No	No	Yes	Yes	Yes	Yes
Status:	On Track			-	-	No		
Intermediate Result (Component Four): Project Management								
4.1: MDLF-PDSU maintains adequate staffing for project management, environmental and social safeguards	☐	Yes/No	No PDSU	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No



Project Development Objective (PDO)	Core	Unit of Measure	Base Line	Cumulative Target Values				
				YR 1	YR 2	YR 3	YR 4	YR 5
				2015	2016	2017	2018	'19/2020
and fiduciary staff throughout the life of the Project								
Status	On Track			Yes	Yes	Yes	Yes	Yes
4.3: Interim IFRS and Progress Reports are submitted to Financing Partners in a timely and satisfactory manner.	☐	Yes/No	No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Status	On Track			Yes	Yes	Yes	Yes	Yes

Beneficiary Impact Assessment (BIA)

The second stage of the BIA (mid-term) was conducted during the reporting period, results were compared with the baseline and yielded the results presented in the following table. Furthermore, 69% of beneficiaries living around the project implementation sites noted that their solid waste is collected every day or more than once per day. This is more than 62.1% who reported a similar collection frequency during the baseline assessment, showing an overall increase in SWM collection since the beginning of the project.

Table 43: BIA Midterm Review

Variable	Baseline	Midline
The current situation regarding solid waste management	57.0%	63.9%
Availability and sufficiency of street containers	28.5%	51.9%
System of collecting and disposing of solid waste	55.4%	65.6%
Removal of public health threats (random dumpsites/garbage piles)	37.2%	42.8%

8.6 Obstacles and Challenges

As the project started the operation of facilities during 2019, the issue of full cost recovery of service providers (LGUs and JSC) constitute a major challenge that the project is addressing through the second component concerned with institutional strengthening, yet the overall context plays a critical role in pushing the cost recovery target in the desired direction. Additional financing towards complementing the different infrastructure and technical interventions by GSWMP will put the JSC on solid track towards improving cost recovery and the start of pulling this service provider from the response zone to the planning zone in terms of service provision.



9. Local Government Reform & Development Programme – Phase 2

9.1 Introduction

The Palestinian Local Government system is in a development process which involves increased decentralization and strengthened fiscal, organizational and management capacity, increased citizen participation, and improved efficiency and viability of service provision. The new Local Government Councils (LGUs) Cooperation & Amalgamation policy adopted by MoLG serves these local governance concepts.

Both the Palestinian Authority and the Government of Belgium as a key pillar recognize local Government in the state-building efforts: not only through its contribution to a better public sector performance but also though it is potential for local economic development on a territorial basis. Contributing to both objectives constitutes the backbone of the bilateral cooperation in the Local Government sector. It guided Belgium support through the years, and with an incremental approach, towards facilitating and strengthening collaboration mechanisms between Local Government Units, focusing particularly on the smaller local authorities. The Local Government Reform and Development Programme (LGRDP) - phase II (based on LGRDP achievements) is a step further in this direction.

9.2 LGRDP II Description

The general objective of the program is to contribute to the improvement of management, development and administration system of the Local Government Sector in the Palestinian territories within a decentralized framework.

The specific objective is, therefore, to contribute to strengthening the capacities of LGUs to cooperate in providing services, promote local development and contribute to territorial integration.

The LGRDP II will contribute to territorial integration through its support of inclusive planning and development of LGUs' territories, with a special focus on reducing local disparities (social, economic and political). It will cover Areas A, B, and C and tackle various socio-economic realities.

The program will be implemented and managed by the MDLF working alongside the Joint Service Council at the LGUs inside the benefit clusters. A program steering committee chaired by the MoLG will guide the implementation at the policy level. The Belgian Technical Cooperation (ENABEL) will follow the implementation closely through the program steering committee & Technical Committee.

The Steering Committee (SC) is considered to be the formal focal point for joint decision-making for LGRDP II. The SC coordinates between the MoLG, MDLF, relevant stakeholders and the ENABEL.

The LGRDP II program design builds on, and reinforces, key achievements and lessons of LGRDP I implementation:

- *LGRDP II must accompany MoLG in the transition from accompanying pilots approaches to uptake into policy work. Coherence and strategic focus of the program different areas of support are necessary to better promote the leverages to go, 'from a pilot to a policy'.*
- *LGUs themselves must be considered as actors of their development. This means paying more attention to local governance (as opposed to the local government only), focusing on the relationships between stakeholders at a local level (i.e. LGUs) but also the private sector, civil society...etc. to improve their interaction, stimulating the accountability of local government towards the citizens, social demand from citizens...etc.*
- *MoLG regional directorates (RD's) role in interaction with key actors at each level of the local government system must be further reinforced.*

The LGRDP II will target (3) category clusters in the West Bank which are subject to LGUs collaboration, the clusters are as follows:

- *4 clusters benefit from LGRDP I with an amount of (2,352,795 Euro) as follow:*
- *Al Karmel Municipality – Hebron Governorate*
(Newly amalgamated municipality form from 4 LGUs Al Karmel, Main, Khalet Saleh, and Hadedeyah)
- *South Bethlehem JSC – Bethlehem Governorate*
(Jort Eshama', Wadi Ennis, Um Salamona, Marah M'ala, Al Ma'sarah, Khalet Elhadad, Al Mansheyah, and Wad Rahal)
- *Beit Leqia JSC – Ramallah Governorate (Beit Leqia, Khabatha Al Misbah, and Hay Al Karamah)*
- *Baita Cluster – Nablus Governorate (Audala, Beita, Ausareen, and Za'tara)*
- *11 new established municipalities with the amount of (1,700,000 Euro), the new municipalities are (Barta'a Al Sharqiya, Ajja, Qusra, Kufr Aqab, Hizma, Battir, Beit Hanina, Beit Kahel, Nahalin, Kober, and Deir Samit).*
- *Six new clusters under ARD initiatives program with the amount of (1,947,205 Euro), the new clusters are (Beit Leqia, Barta'a, Khalat Al Mayah, West Bani Zaid, the first JSC in Qalqilya, and South East Bethlehem JSC).*



9.3 Financial Partners' Contribution:

The Palestinian National Authority (PNA) has received financing amount of 6.420 Million Euros from the Belgium Government towards the Local Government Reform and Development Programme- Phase II (LGRDP II). The Subsidy agreement for the LGRDP II was signed on April 25th of 2016, for 52 months.

9.4 Implementation Status

Through the year 2019 the following activities were implemented:

- 33 sub-projects under LGRDP II program were completed with the amount of (3,664,741 Euro).
- 21 sub-projects are ongoing with the amount of (1,911,816 Euro).
- 8 sub-projects under LGRDP II program are in the tendering phase with the amount of (423,443 Euro).
- The implementation of ARD interventions for the 6 benefit new clusters has started.
- 9 Local Technical Committee meetings were conducted in order to follow up the implementation of the LGRDP II.
- 5 National Technical Committee meetings were conducted to follow up on the implementation of the LGRDP II.
- 22 site visits were conducted for the benefit clusters with the aim of raising their capacity in the procurement and implementation process.

The status of the sub-projects implementation is shown in **Tables 33 & 34** below:

Table 44: Implementation Status for newly established municipalities sub-projects

Project Name	Municipality	Status
Rehabilitation & Paving Internal Roads (Nabouh, Al Ras, Kan'an, Hall Roads)	Qusra	Completed
Rehabilitation & Paving the Main Road in Hezma	Hizma	Completed
Adding one floor for the preliminary girls' school	Bartaa Al Sharqeya	Completed
Construction Public Park in Ajja	Ajje	Completed
Street Lighting	Kufr Aqab	Completed
construction wastewater network	Kufr Aqab	Completed
Rehabilitation & paving internal roads in Batir	Battir	completed

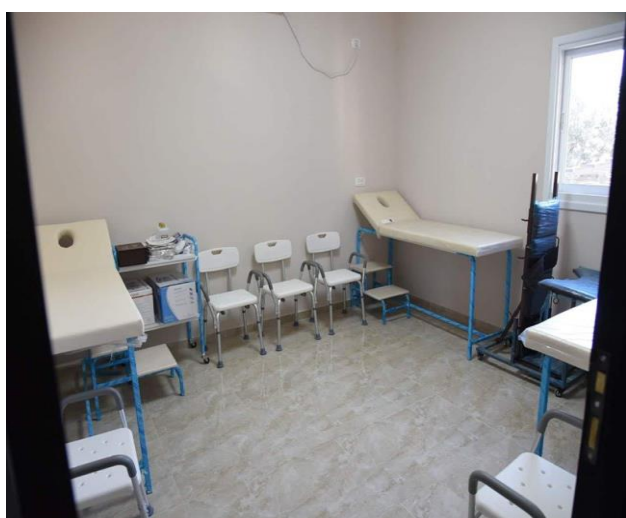




Table 45: Progress against the Outputs

Output	Output Target	Output Results	Output Expected Completion Date	Comments (Including reasons for possible delays)
OUTPUT 1: Supported LGUs invest in infrastructure to provide services, promote local development and territorial integration.	Supplying 2200 prepaid water meters & paving 6km of roads, supplying 17 services machines, and supplying 2200 street lighting units, rehabilitation 12 km of water networks, develop 6 km of electricity networks, and 3 km of water net work. Supplying 600 solid waste containers, for the benefit clusters and municipalities.	Supplying 2200 prepaid water meters for Beit Liqia clusters, paving 8 km of Roads, supplying 12 services machines, and supplying 2200 street lighting units, develop 6 km of electricity networks, and 4 km of water net work.in the benefit clusters. In addition to construction of 3,000 square meters of public parks.	August 2020	- Lack of capacity within the target JSCs to follow up with the implementation of the activities. - Some of the target areas are located in Area "C"
Output 2: MDLF management fees	7% of the allocation budget	MDLF operation cost for implementing the program.	August 2020	
Output 3: Subsidy agreement support 6 new municipalities	Paving 4 km of roads, supplying 650 street lighting units, and construct 5500 square meters of public facilities & buildings.	Paving 4.5 km of roads, supplying 650 street lighting units, and construct 5300 square meters of public facilities & buildings.	March, 2019 (completed)	Lack of capacity within the target new municipalities to follow up with the implementation of the activities.

Planned activities for the second half of the year 2019:

- Follow up the implementation and disbursement for the ongoing projects.
- Follow up the implementation of the investments under ARD initiatives clusters.
- Close the program on August 2020 according the program agreement.

Table 46: Progress per project

Cluster	Project Name	Status
Beit Leqia	Supply and Installation of Prepaid Water Meters for Beit Liqia Beit Seera, Hai Al-Karamah & Kharbatha Al-Misbah Water Supply System - PHASE 01b	Completed
	Street lighting for the main road between Beit Liqia & Kharbatha	Completed
	Purchase Bobcat for Beit Liqia JSC	Completed
	Street lighting for Beit Leqia cluster	Completed
Baita	Supplying Solid Waste Truck for Baita Cluster	Completed
	Supplying Electricity Platform Vehicle for Baita Cluster	Completed
	Supplying Bus for Za'tara, Baita Cluster	Completed
	Paving & Rehabilitation the Main Roads for Udala & Osareen (Baita Cluster)	Completed
	Supplying Furniture & equipment's for the Health Clinic Center for Baita Cluster	Completed
	Supplying Street Lighting units for Baita cluster	Completed



Cluster	Project Name	Status
Al Karmel	Street lighting for the main roads in Alkarmel	Completed
	Rehabilitation & Paving Internal Roads in Alkarmel	Completed
Joret Shama'a	Construction Side Walks for the Main Entrance	Completed
	Paving the remaining section of Joret Al Sham'a - Wad Rahal connection Road in South Bethlehem JSC	Completed
LED	Support Al Kamandjati Festival	Completed
Beit Leqia	Street lighting for Beit Leqia cluster	Completed
	Rehabilitation of water network in joint services council (Beit Leqia, Kharbatha Al Misbah)	Completed
Beita	Developing of Electricity network in Baita Cluster	Completed
Al Karmel	Supplying Skid loader (Bob Cat) for Al Karmel Municipality	Completed
	Supplying of Solid waste collection Truck for Al Karmel Municipality	Completed
	Supplying of Solid waste Containers for Al Karmel Municipality	Completed
Qusra	Rehabilitation & Paving Internal Roads (Nabouh, Al Ras, Kan'an, Hall Roads)	Completed
Hizma	Rehabilitation & Paving the Main Road in Hezma	Completed
Bartaa Al Sharqeya	Adding one flour for the preliminary girls' school	Completed
Ajjeh	Construction Public Park in Ajja	Completed
Kufr Aqab	Street Lighting	Completed
	Street Lighting	Completed
Kufr Aqab	Construction wastewater network	Completed
Battir	Rehabilitation & paving internal roads in Battir	Completed
West Bani Zaid	Supplying Wheel excavator	Completed
First JSC in Qalqilya	Supplying Solid Waste containers	Completed
First JSC in Qalqilya	Supplying Movement maintenance car	Completed
Beit Hanina / Jerusalem	Supplying washing machines for the streets	Completed
Cluster	Project Name	Status
Beit Kahel	Rehabilitation the municipality building in Beit Kahel	On Going
Kober	Paving & rehabilitation internal roads in Kober	On Going
Beit Hanina	Supplying Bob cat machine	On Going
Nahalin	Construction Public Park	On Going
Beit Leqia	Supplying Electricity Platform Vehicle for Beit Leqia Cluster	On Going
	Rehabilitation the connection road between Beit Leqia & Hay Al Karamah	On Going
Jourit Amra	Supplying Solid waste collection Truck for first JSC in Qalqilya	On Going
	Supplying Wheel Excavator (Bajer) for First JSC in Qalqilya (Jourit Amra)	On Going
	Supplying Solid Waste Containers for First JSC in Qalqilya (Jourit Amra)	On Going
	Supplying Movement Vehicle for First JSC in Qalqilya (Jourit Amra)	On Going
	Supplying Electricity Platform Vehicle for First JSC in Qalqilya (Jourit Amra)	On Going
Barta'a Cluster	Rehabilitation the connection road between Abdallah Al Younis, Om Al Rihan and Barta'a	On Going
	Supplying and Install equipment's for Barta'a municipality (one Lot)	On Going
	Providing the Solid waste containers for Barta'a municipality	On Going
	Supplying Solid waste collection Truck for Barta'a	Tendering



Cluster	Project Name	Status
Bani Zaid Municipality	Rehabilitation & Furnishing the joint planning services building for West Bani Zaid Cluster	On Going
	Rehabilitation the connection road between West Bani Zaid & Abud	On Going
Khalet Al Mayah V.C	Supplying Movement Vehicle for Khalet Al Maayah V.C	Tendering
	Supplying Electricity Platform Vehicle for Khalet Al Mayah V.C	On Going
	Development of the Electricity Network	Tendering
	Supplying Tools, fittings, and equipment's for the maintenance of the water Network in Khalet Al Mayah V.C	Tendering
South East Bethlehem JSC	Construction Public Park in South East Bethlehem JSC	Under design
	Supplying Solid waste collection Truck for the JSC	Tendering
	Supplying Solid waste containers for Bethlehem JSC	Tendering
RHC Support (Investments Projects)	Sabastya Municipality - Rehabilitation of Al Baydar surface in the agrological site in Sabastya with supplying and installation Kiosks	On Going
	Dair Istya Municipality - Rehabilitation Qasr Abd Al Rahman Abu Hijleh according to civil defense Directorate	On Going
	Al Samou' Municipality- Provide Al Samou' with furniture and electronic equipment's	Tendering
	Anabta Municipality- Provide Anabta with Furniture and Electronic tools	Tendering
	Nilin Municipality - Provide Nilin with Furniture	Tendering
	Bani Naeem Village - Provide Bani Naeem with Materials for Marketing	Tendering
	LTC for design & Supervision	On going
	News Papers Contracts	On going





9.5 Obstacles encountered the LGRDP II interventions

Table 47: Risk Mitigation Matrix for LGRDP II

Obstacle/ Risk	Adverse Impact	Mitigation Measures/ remedial actions
Difficulty in reaching consensus on the concepts of LGUs collaboration.	A long period required to obtain the approval of local authorities on decision making.	Meeting in the presence of MDLF were conducted.
Extra requirements requested by local authorities / JSCs.	Budget increase for the project	Extra Budget was located for justified requirements.
Lack of LGUs/JSCs capacities in reviewing and implementing projects.	A long period required to prepare the LGUs/ JSCs projects.	MDLF conducted workshops to enhance the capacity of the LGUs/ JSCs. MDLF supported the technical staff for the LGUs/JSCs.
Some of the target areas located within Area "C".	Long period to discuss this issue.	MDLF & LGUs consulted this issue with all partners.

9.6 Lessons Learnt and Recommendations

- It is essential to allow for a maximum level of involvement by local communities with the activities of the program and connect the activities with services provided by the JSCs.
- For enhanced results, it is mandatory to enhance the existing communication strategy between all stakeholders, as well as citizens at each cluster, through awareness-raising activities.
- LGRDP II interventions must focus on the services provided by the JSCs, as well as the interventions that were approved in parallel with the institutional development.
- The laws & regulation relating to the LGUs collaboration must be reviewed and updated. Also, it is important to implement the bylaws of the JSCs.
- It is crucial to conduct workshops and training courses to enhance the capacities of the LGUs and JSCs.



10. Regeneration of Historical Centres (RHC)

10.1 Introduction

The Palestinian local government system is currently in the process for development involving increased decentralization and strengthened fiscal, organizational and management capacity, increased citizen participation, and improved efficiency and viability of service provision. The strategic objective of the Palestinian National Authority (PNA) in the Local Government (LG) Sector to “Empower Local Government and bring services closer to the people within a Unified Planning legislation” which has influenced the project in terms of supporting integrated socio-economic, spatial and physical planning processes which are required to support regeneration of HCs. There is a potential for HCs to act as a catalyst for socio-economic development has been elaborate.

With reference to the national development plan “Palestine: Ending the Occupation, Establishing the State”, the Ministry of Local Government (MoLG) & MDLF received a fund from the Belgian Government for regeneration of Historic Centres (HCs) which implies two main concepts: preservation and development of urban and rural areas which feature historic and cultural values and are currently affected by abandonment and physical and economic depletion.

10.2 RHC Description

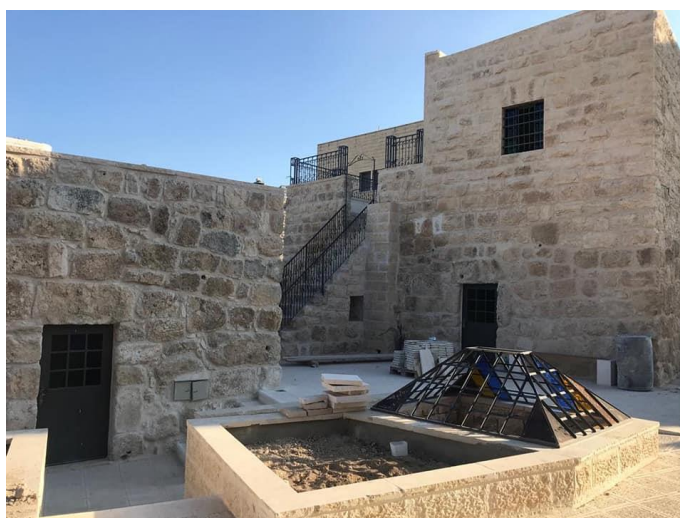
The project of "Regeneration of Historic Centres HCs in Local Governments Units" (called the "RHC project") is funded by the Belgium Government to support the regeneration planning, practice and policy development in Palestine. The integration of the protection and development of HCs in Local Governments brings together three key national strategic priorities: supporting Palestine's historical cultural significance, integrated planning processes, and local economic development. RHC aligns to, supports the established Local Government (LG) planning, and services delivery systems in Palestine, with a specific focus on the integration of regeneration into these processes. The project supports the sustainable institutional capacity development and -at the same time- respects the priorities and requirements of the Local Government Units (LGUs) and their communities.

The RHC Project has a general objective to improve the social, cultural and economic development of Local Government Units and Municipalities in Palestine.

The overall development objective aims to improve the Socio, Cultural and Economic Development of Local Government Units (LGUs) and Municipalities in Palestine.

The immediate objective aims to enhance Local Governments capacity to regenerate their Historic Centres and support sustainable local development in these areas.

The program will be implemented and managed by the MDLF working alongside the Ministry of Local Government (MoLG) with the selected LGU clusters. A program steering committee chaired by the MoLG





will guide the implementation at the policy level. The Belgian Development Cooperation (BTC) will follow the implementation closely through the program steering committee. The Steering Committee (SC) is considered the formal focal point for joint decision-making in regards to RHC coordinating between the MoLG, MDLF, relevant local stakeholders and the BTC.

RHC Results

Result 1: Regeneration forms an integrated element of Municipal planning in targeted LG clusters.

Result 2: The socio-economic regeneration of targeted HCs is enhanced using a multidimensional approach.

Result 3: Lessons learned from RHC project contribute to the evidenced-based policy framework and planning strategies for the PNA.

Target LGUs

12 LGUs at Six (6) clusters in West Bank which are divided into two groups as follows:

Model LGUs:

Al Dahriya, Al Samou' - Hebron Governorate.

Ni'lin – Ramallah Governorate.

Anabta – Tulkarm Governorate.

Burqa & Sabastia – Nablus Governorate.

Arrabah – Jenin Governorate.

Quick Fruit Projects (QFP) in 5 LGUs:

(Bani Na'im, Bani Zaid, Abud, Deir Istia, and Assera Al Shamaliya).

10.3 Financial Partners' Contribution:

The Palestinian National Authority (PNA) has received financing in the equivalent amount of 5.356 Million Euro from the Belgium Government towards the Regeneration of Historic Centres in Local Government Units (RHC) program. The agreement for the RHC program was signed on May 1st of 2016. The total maximum sum of the agreement is Five Million Three Hundred Fifty Thousand Euros (5.356.000 Euros) for 42 months. The agreement extended for an additional six months, the new deadline was 31, October 2019.

10.4 Implementation status

The following table shows the progress to date compared to output targets for the entire program period.

Table 48: Progress against the outputs

TARGET BENEFICIARIES	OUTPUT TARGET	ACTUAL ACHIEVEMENTS	ACTUAL COMPLETION DATE	COMMENTS & CHALLENGES
7 LGUs Historic centers in WB (Al Samu', Al Dahriya, Nilin, Anabta, Sabastya, Burqa, and Arraba)	OUTPUT 1: Restoration 4,000 m² of a historical building, rehabilitation & restoration 10,000 m² of child garden & public parks and space, and 3.0 Km of roads and paths in the historical centers.	Restoration 4,790m² of a historical building, rehabilitation and restoration 10,200m² of child gardens and public parks and space. , and rehabilitation 4.0 Km of roads and paths in the historical centers. Job Creation 27,200 person/day	October 2019	- Lack of capacity within some target HCs to follow up with the implementation of the activities. - The delay in preparing the DUP and feasibility studies for the models' interventions. - The ownership of the historic building and spaces. - The political conflict especially in the Sabastia project. - A misunderstanding from the LTC for the ToRs and its role in implementation, and lack of communications skills with all stakeholders in the program.



TARGET BENEFICIARIES	OUTPUT TARGET	ACTUAL ACHIEVEMENTS	ACTUAL COMPLETION DATE	COMMENTS & CHALLENGES
Five LGUs Historic Centres in WB (Bani Ni'am, Bani Zaid, Abud, Deir Istya, and Assera Al Shamaliya)	OUTPUT 2: Restoration 2,000m² of historical buildings, rehabilitation of 1,000m² Sq. m. of historical centers open surfaces, and 2Km of roads.	Restoration 2,100m² of historical buildings, rehabilitation of 850m² of historical centers open surfaces, and 2.2 Km of roads. Job Creation 8,000 person/day	March 2018	- Lack of capacity within the target HCs to follow up with the implementation of the activities. - Some of the target areas are located in Area "C"
MDLF	Output 3: MDLF management fees	7% of the actual disbursement.	October 2019	
All benefit LGUs.	Output 4: Start-up cost	Announcements for the projects.	April 2019	
All benefit LGUs	Component 5: National consultancies for design and follow up	Three consultancy assignments.	May 2019	

Anticipated Activities:

- Follow up on the operation of the RHC interventions through the LGRDPII programme.
- Identifying the RHC impact after running and operate RHC interventions.
- M&E for the RHC programme.



Progress per Project:

Table 49: List of projects and interventions

Regeneration interventions	Progress
Rehabilitation & Restoration Of Multipurpose Building "Dar Jda' " And The Connecting Path with Lot Mosque in Bani N'iam	Completed
Rehabilitation & Restoration Of Multipurpose Building "Dar Jda' " And The Connecting Path with Lot Mosque in Bani N'iam	Completed
Rehabilitation & restoration Of Multipurpose Building "Dar Khatab in Bani Zaid	Completed
Rehabilitation of the touristic path of Borbara church in Abud	Completed
Developing \$ rehabilitation the central square in Abud	Completed
Rehabilitation & restoration of the multipurpose building in Aseera Al Shamalya	Completed
Maintenance of multipurpose building 'Qaser Al Qasem" in Deir Istya	Completed
Design, Supplying & Installation signage's for the quick fruit projects	Completed
Supplying And installation of wood furniture for the QFP	Completed
Supplying Stainless steel Furniture for quick fruit projects	Completed
Supplying and installing electrical equipment's for the quick fruit projects	Completed
Supplying Electric equipment's	Completed
Supplying & Installation furniture for Abud Projects	Completed
Supplying and install sewing equipment's for Assera Al Shamaliya	Completed
Individual Consultant for RHC Daily supervision (4 assignments)	Completed



Support Al Kamandjati vestal	Completed
Support Al Rozana	Completed
Urban rehabilitation around Al Dahriya Historical center and creation of central square & Parking	Completed
Rehabilitation & Restoration of Multipurpose Shops in Al Dahriya Historical center	Completed
Rehabilitation & restoration of Traditional products center and Child club in the Historical center of Al Samu' (Al Ratroust & Al Daghamin Hosh)	Completed
Rehabilitation & Restoration of Citizens services center in the historical center of Al Samu' (Hosh Ajwa)	Completed
Urban Rehabilitation Around Al Samu' Historical Center & Mosque Square.	Completed
Urban rehabilitation around Ni'lin Historical Center	Completed
Regeneration interventions	Progress
Rehabilitation & restoration cafeteria in Ni'lin Historical center " Dar Shahin"	Completed
Rehabilitation & Restoration the agrological site in Sabastya Historical Center " Al Baiader Surface"	Completed
Urban rehabilitation of the main path in Burqa Historical Center & restoration of Citizens services Center	Completed
Urban rehabilitation of the Old Market Road in Anabta Historical Center	Completed
Rehabilitation & Restoration of Anabta Museum " Abd Al Raheem Mahmoud Old Building"	Completed
Rehabilitation multipurpose Shops, paths and creation children garden in Arraba Historical Center	Completed
Rehabilitation & operate the Turkish path in Arrabah historic center	Completed
Social Activities (Environmental day for 12 LGUs)	Completed
Supplying electricity cables for the electricity infrastructure for Burqa Path	Completed
Site Engineers for Supervision 3 Assignments	Completed
Local technical Consultant 5 LGUs in West Bank	Completed
LTC for Model (North Area) design & Supervision	Completed
LTC for Model (South Area) design & Supervision	Completed

Achievements

- 6,890m² of Historic buildings was rehabilitated, 800m² of this buildings operated as a guest house, 1200m² operated as public services for the citizens, 800m² will operate as a shops and stores, 450m² operated as a restaurants & cafeterias, 600m² operated as a Turkish bath, and 1040m² operated as small workshops for the women associations.
- 11,050m² of surfaces and open areas in the historic centers was rehabilitated to help and encourage the citizens to return the life in the historic centers, these areas use as parks, garden, and children playgrounds.
- 6.2km of roads and paths were rehabilitated which led to a revitalization of the commercial activities in these roads. Improving the infrastructure of these roads helped to reopen 8 shops that were closed before the project.
- RHC and achieved 35,200 working day during the implementation of rehabilitation & restoration projects, and create 7 permanent jobs.

10.5 Obstacles and Challenges

Table 50: Risk Mitigation Matrix for RHC

Obstacle/ Risk	Adverse Impact	Mitigation Measures/ remedial actions
The difficult process of reaching consensus on the concept design.	A long period for obtaining the approval of local authorities on the concept design	A meeting with the presence of MDLF was conducted.
Extra requirement of local authorities / Municipalities were requested.	The budget for the project increased	Extra Budget was located for justified requirements.
Lack of LGUs capacities in the review and implement this type of projects.	A long period for preparing the LGUs projects	MDLF & LTC conduct workshops to enhance the capacity of the LGUs and contractors. MDLF support the technical staff for the LGUs.



Obstacle/ Risk	Adverse Impact	Mitigation Measures/ remedial actions
Some of the target areas are located within Area "C".	Long period to discuss this issue.	MDLF & LGUs consulted this issue with all partners.
Multiple ownership of the historic building.	Long period to signing the agreements between the LGUs and the historical building ownership.	T.C prepare the standard agreement for this issue and help the benefit LGUs in signing the agreements.

10.6 Lessons Learnt and Recommendations

- It is essential to allow for maximum participation of local communities within the activities of the program.
- For enhanced results, it appears to be mandatory to enhance the existing communication strategy between all stakeholders, as well as citizens of each cluster.
- Clarify in more details the role of all partners (MoLG, MoTA, MDLF, and enable) by signing MoU between the partners.
- Review and update the laws & regulation relating to the preservation & protection of the historical centers from the MoLG.
- Inform the direct beneficiaries of all project documents before commencing implementation.
- Conduct workshops and training courses to enhance the capacities of the LGUs, and the contractors.





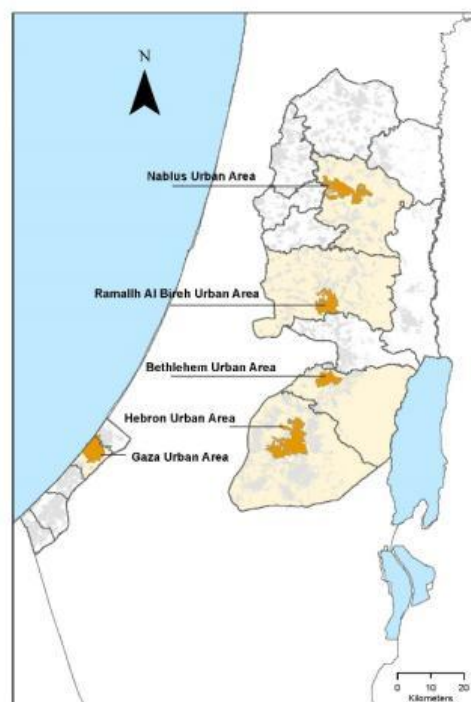
11. Integrated Cities and Urban Development Project (ICUD)

11.1 Introduction

The project focuses on strengthening the institutional and technical capacity of participating in urban areas to plan for sustainable urban growth through, among other things, the provision of technical assistance, goods, and training, ensuring a robust process of collaboration among local government units (LGUs) comprising of participating urban areas and their strong ownership and commitment.

It is a four-year project designed to enhance capacities needed for the cities and towns in the participating main urban areas of WBG to plan for sustainable urban growth.

The ICUD project will be implemented by the Municipal Development and Lending Fund (MDLF) and technically overseen by the Ministry of Local Government (MoLG). The Local authorities in main urban areas will technically collaborate in coordination with the Ministry of Local Government and Municipal Development and Lending Fund in implementing the project. MDLF will be responsible for the fiduciary management of ICUD, the reporting and M&E, and the environmental and social safeguards of the project. The Integrated Cities and Urban Development Project – ICUD, is a 4-year World Bank-funded project jointly implemented by the Ministry of Local Government and the Municipal Development and Lending Fund. The project will work on strengthening the institutional and technical capacities of the participating urban areas to plan for sustainable urban growth through the provision of, inter alia, technical assistance (TA), goods, and training.



10.2 Description

10.2.1 Project Development Objectives (PDO)

The Project Development Objective (PDO) of ICUD is to enhance the capacity of participating in urban areas to plan for sustainable urban growth.

10.2.2 Project Beneficiaries

The participating project in urban areas will consist of four urban agglomerations¹⁰ in the West Bank (Nablus, Hebron, Bethlehem, and Ramallah) and Gaza City. These five participating urban areas have been selected because of their strategic importance in terms of population and future economic growth. The population estimate of these urban areas as they currently stand is 1,340, 4253 (Based on PCBS predicted populations for 456, /2016) representing 28% of the total population of West Bank and Gaza and include 30 LGUs (16 Municipalities and 14 Village Councils).

The currently identified LGUs of the urban areas are:

¹⁰1. The urban agglomerations are defined as built-up urban areas extending across existing municipal and village council boundaries with common labor and housing markets and were identified through spatial analysis of urban extent, and in consultation with MoLG and selected LGUs.



- (i) Ramallah Al-Bireh agglomeration with the municipalities of Ramallah, Al-Bireh, Betunya and Surda Abu Qash. The adjacent cities of Ramallah and Al Bireh and Betunya, and Surda-Abu Qash; all making one urban area that shares infrastructure and resources. This urban area is currently one of the most important Palestinian cities, as it is considered the administrative area of the Palestinian Authority and attracts a lot of internal migration from job seekers.



- (ii) Bethlehem agglomeration with Bethlehem, Beit Jala, Beit Sahour, Ad Doha, Artas, and Al Khader local authorities. The Bethlehem agglomeration also includes the towns of Beit Jala, Beit Sahour and Ad Doha, Al Khader and Irtas village, all having biblical significance; that makes the economic base of religious tourism which this urban area is famous for, as well as sharing natural resources and basic overlapping infrastructures.



- (iii) Nablus agglomeration with Nablus Municipality, and the VCs of Azmut, Deir-al-Hatab, Salim, Rujeib, Kafr Qalill, 'Iraq Burin, Tell, Sarra, Beit Iba, Qusin, Zawata, Beit Wazan, Dair Sharaf. Nablus city is surrounded by a group of under-developed villages that act like suburbs with big demand for housing, making the biggest urban center in the north of West Bank, home to many educational and health institutions, and creating job opportunities. The population projections showed that more 424,400 inhabitants will be served by the Greater Nablus area in the year 2025. This rapid increase of population almost accompanying with the increasing demand on space, water, infrastructure, job opportunities, and renewable resources needs to be addressed at the agglomeration level to overcome the problems facing the city, and upgrading the planning process from the local level to the agglomeration level is needed.



- (iv) Hebron agglomeration with the municipalities of Hebron, Taffuh, Dura, Halhul, and Beit Kahil. Hebron city and the surrounding adjacent four big towns are highly dense urban areas with a population of over 300 thousand by the end of 2016, is considered the hub of the commercial and industry in the southern part of West Bank, yet faces lack of proper planning, congestion, deficiencies in upgrading and developing different parts of the urban area, hinders investments; thus making the urban growth planning a necessity to reach their potential economic growth limits.



- (v) Gaza Municipality of Gaza City. The Gaza strip is a very population dense which makes identifying a clear agglomeration difficult. After consultations with Gaza City and taking into account the different constraints of working across administrative boundaries, as well as the huge and very dense population in Gaza City proper, the ICUD project will focus its support only on Gaza City. This will enable the authorities to better integrate and utilize forward-looking growth planning in their work, and also would support them in integrating different neighborhoods into the city's planning.





10.2.3 Project Components

Component 1: Planning for Sustainable Urban Growth.

- **Sub-Component 1.1:** *Structured capacity development support for urban growth planning.* This component objective is to strengthen the institutional and technical capacity of participating urban areas and analytical underpinning of current urban planning practice to plan for sustainable urban growth through the provision of, inter alia, technical assistance (TA), goods, and training. Through the intra-urban area coordination mechanisms, the participating urban areas will be supported to conduct urban growth planning. The objective of capacity development support for urban growth planning is to enable the urban areas to respond more efficiently to the needs of their growing population and private sector with more sustainably and well-planned urban spaces and infrastructure.
 - *Milestone I. Establish and actively maintain intra-urban area coordination mechanisms.*
 - *Milestone II. Complete baseline assessment of the existing urban extent.*
 - *Milestone III. Complete exercise to develop cost-analyzed urban growth scenarios, and to disclose them to the public.*
 - *Milestone IV. Modify respective member LGUs' plans based on the optimum urban growth scenario selected at the urban area level.*
- **Sub-Component 1.2:** *Demand-driven customized support for urban growth planning for the West Bank urban areas.*
- **Sub-Component 1.3:** *Demand-driven customized support for urban growth planning for Gaza urban area: Gaza City*

Component 2: Project Implementation Support and Management Cost.

This component will finance the training, operating costs, and goods necessary for the technical oversight and implementation support of the proposed project to be performed by, inter alia, a Technical Supervisor (TS) from Urban planning department at MOLG, Technical Coordinator (TC), Local Coordinators (LC) for Bethlehem, Hebron, and Nablus areas, and the existing Local Coordinator for the Ramallah-Al Bireh-Bitunia (RAB) Joint Coordination Unit. This component will also finance the management fee of the Municipal Development and Lending Fund (MDLF) that will manage procurement, finance, safeguards, and reporting for the proposed project based on technical inputs from the TS. **Table 51** below shows the project time frame per component.

Table 51: Estimated Timeline of the project (2017-2020)

#	Project Component /Timeline	Year 1	Year 2	Year 3	Year 4
1.	Planning for Sustainable Urban Growth.	x	x	x	x
1.1	Sub-Component 1.1: Structured capacity development support for urban growth planning.	x	x	x	x
1.2	Sub-Component 1.2: Demand-driven customized support for urban growth planning for the West Bank urban areas.		x	x	x
1.3	Sub-Component 1.3: Demand-driven customized support for urban growth planning for Gaza urban area: Gaza City		x	x	x
2.	Project implementation support and management costs.	x	x	x	x

10.3 Financing Partner Contribution

The project is funded by the WB for USD 5 million. A provision for retroactive financing of USD 500,000 (10% of Grant amount) will be provided to the MDLF to cover necessary financing, e.g. TS salary and initial operating costs. The cost breakdown is in **Table 52** below.



Table 52: Project Costs and Financing

Project Components	Project cost (USD million)	% Financing
1. Planning for Sustainable Urban Growth.	4.55	91%
Sub-Component 1.1	4.00	
Sub-Component 1.2 , 1.3	0.55	
2. Project implementation support and management costs.	0.45	9%
Total Financing Required	5.0	100%

10.4 Implementation Status

Component 1. Planning for Sustainable Urban Growth

A Mid Term Review Mission (MTR) was carried out during 7-14 January 2019 by the World Bank:

The main objective of the mission was to assess the relevance of the project as well as implementation experience mid-way through the project. The mission met with representatives from the Ministry of Local Government (MoLG), the Municipal Development and Lending Fund (MDLF), and the ICUD technical staff. The main findings and recommendations of the mission and a summary of next steps and actions to be taken were discussed at the wrap-up meeting on January 14, 2019, with the H.E. Dr. Hussein Al-Araaj, Minister of Local Government, and the final version of the Aide Memoire was endorsed by the Bank management:



- Significant progress has been achieved under the direction of the current technical team and the support of MoLG and MDLF after a long and challenging implementation start-up.
- The urban growth scenarios (UGS) are in advanced stages of preparation (Sub-component 1.1), and the demand-driven support (Sub-component 1.2/1.3) is also underway.
- The mission finds that the Project Development Objective (PDO) remains relevant and achievable and the project targets are likely to be met with some needed minor adjustments to the indicators.
- Disbursements remain low but have picked up significantly in FY19 and are projected to increase considerably in FY20.
- The mission agreed with the client that a level-two restructuring would take place to address minor issues including (i) extension of the closing date by nine (9) months; (ii) refinement of the Results Framework (RF) to establish previously undefined targets; and (iii) reallocation of some funding from Category One to Category Two in the Grant Agreement (GA).
- Another mission was done in Oct 2019, the mission was pleased to find that continued progress has been achieved under the direction of the PIU with the support of the technical team, MoLG, and MDLF. Good progress has been made with demand-driven support for participating in urban areas, including traffic management, transport planning, and GIS training. Key deliverables and outputs completed include the development of the urban growth scenarios and the Urban Performance tool.
- There has been an increase in project disbursement with the development of activities (e.g. contracting of consultants, and completion of training activities in urban planning, GIS, and scenario modeling). However, with only 34 percent disbursement at the start of the third year (October 2019), MoLG and MDLF will need to intensify the project pace to fully disburse remaining funds by ICUD closing. The focus



should be given to (i) the preparation of solid TORs and swift procurement of the technical assessments; (ii) the prompt arrangement of capacity building activities for Year 3; and (iii) the elaboration and prioritization of the individual pilot projects for each urban area. Given a large number of parallel activities required, there will be a need to engage additional support to ensure completion on time. In addition to a firm adherence to the project Work Plan (Annex 1), which was updated during the mission to reflect the agreed-to timetable for deliverables.

Sub-component 1.1

Structured Capacity Development Support for Urban Growth Planning

Milestone I

Establish and Maintain Intra Urban Area Coordination Mechanism

To establish and maintain the intra-urban area coordination between the four urban areas members LGUs, three local coordinators in Nablus, Bethlehem, and Hebron urban areas were recruited 2017 to support the technical committees to jointly implement the project's activities and milestones (Note that Ramallah & Al-Bireh Area already had an active cooperation unit).

For the creation of the cooperation and planning units, **four MOUs between the four urban areas' LGUs were signed in 2017**, followed by the creation of the technical and steering committees.

Several technical meetings with the urban area technical committee were held. An urban planner from MOLG was assigned as the new technical supervisor (TS) -Nov.2017 and the technical coordinator (TC) also was recruited mid-December of 2017.

Following the MTR till Mid-March, all the urban area technical teams work on finalizing the action plan for the remaining two-three years focusing on the 2019 action plan and present it to the steering community (LGU Mayors) for their endorsement.

To achieve steps towards the institutionalization of Intra Urban area coordination mechanism, with the support of Hebron urban area coordinator a draft concept and road map for the institutionalization were prepared and

With direct support from the ICUD team, it was discussed with the technical teams (In more details the below follow activities were done in each urban area), the first step in the proposed road map for the urban area institutionalization was to determine fields of work for each "JCU".

Later during the last quarter in 2019 and following the WB October mission, a TOR for an Institutional Development Adviser was prepared, and it is expected that he/she can join the team by Feb 2020, so he/she will support development of an appropriate model of joint planning and investment programming for the participating urban areas and the formulation of a needed strategy for engaging all relevant stakeholders in this process.

Ramallah-AlBireh Urban Area

Special meetings were launched to present the new assessment methodology and tools with direct coordination by RABSA coordinator with the relevant stakeholders (both at the technical & managerial / steering levels).

The assessment was designed to look into the role which the unit played in facilitating a collective urban work (since it was established in 2006). This included examining the opportunities, bottlenecks, and the



challenges affecting work, to consider any upcoming plans to advance it in addition to letting it be known by the future units that the program is being carried out in the rest of the West Bank's urban areas.

The assessment was completed (August 2018), and the ICUD team had the chance to discuss the report in two meetings (September, and December) to develop the final draft copy presented to the mayors and (steering committees) of the RAB JCU in Mid-February 2019 to agree on strategies to move forward, as a result, the Mayors and the attendees agreed that more advanced steps should be taken as long as the municipalities explicitly express a political will to change for the better in terms of developing cooperation, to achieve the highest goal of reaching a high level of service to the citizens. The Mayors agree on reviewing the internal administrative system- each mayor must consult his council- and the suggested road map and then meet again in a joint meeting to discuss the results

According to the road map for JCU's institutionalization, the first step was to determine fields of work for JCU. A table of fields of work was suggested by ICUD staff. These fields of work were discussed in a discussion meeting with RAB JCU in August 2019. The discussion shows that there is a need for more elaboration of the institutionalization alternatives and models to decide what is the most realistic and effective for the current and future status of JCU.



Bethlehem Urban Area

Several meetings with the local committee of the ICUD in BUA were done in February and March, to discuss the road map (2019-2021) of the urban area for the remaining years, the team highlights the following:

- The main objectives, the scope of work and outcomes of the Sustainable Tourism Industry study in BUA.
- Specialized training in the tourism management sector for the urban area.
- A joint pilot project was suggested in the tourism sector.
- A capital investment plan for the area and the investment with the private sector.
- Several subjects of specialized training in urban planning were suggested to enhance their capacities in the development.
- Prepare a Spatial Development framework/plan for the urban area.

During July, August, and September, the local committee discussed and elaborated on the institutionalization of the Joint Planning and Coordination Unit in the urban area, about the summarized report of the proposed institutionalization of the joint planning and cooperation. As a result of the meetings, the fields of work were identified and prioritized. The ideas were not discussed with the steering committee due to the sensitivity of the existing situation of the context in the urban area; the local committee thinks that the area lacks previous experience in joint planning with the existence of individual competition between the LGUs. In 2016 a Joint Service Council for Planning and Development between Bethlehem, Beit Sahour, Beit Jala, and Ad Doha was established on papers and was unfortunately inactivated, due to the lack of coordination mechanism and follow up responsibilities. The urban area needs the support of the ICUD, World Bank and Ministry of Local Government and their endorsements before presenting to the steering committee.



Hebron Urban Area

During the first quarter, 2019 after Hebron urban area cooperation and planning unit's held several meetings to work on a modified road map (2019-2021) and it was presented to the steering committee (LGUs' Mayors) who discussed and approved it.

The road map mainly focused on:

- Capacity building for technical staff (urban planners, GIS specialists and IT staff).
- Studies/plans Priorities (Transportation, social and environmental framework, capital investment, waste water and rain drainage and disposal,).
- Urban performance tool and growth scenarios.
- Pilot project Interventions.
- Integrated GIS databases.
- Joint Spatial Development Framework
- Institutionalization of the Joint Unit.

Later several meetings have been held to discuss institutionalization of the unit, the institutionalization road map has been discussed carefully in addition to the unit's proposed fields of work, and the technical committee has approved the road map and the proposed table for fields of work. As it was a milestone to bring Hebron Urban Area mayors to discuss the road map and the related fields of work in this stage, it was agreed that each LGU's council members should discuss it with the Local Coordinator first, who will later conduct a meeting for the unit's steering committee to approve it. LGUs of Hebron Urban Area have no previous experiences in cooperation and planning of the same level, and the scale of LGUs vary in terms of staff and resources, while it is a great opportunity for them to institutionalize the cooperation and planning unit, it is essential to have flexible model to avoid any conflict of interest and to give fair representation in decision-making process. The international institutional development advisor will be a great help to recommend a flexible model that can take into consideration the context of the Hebron Urban Area.

Nablus Urban Area

Several meetings with the Urban Area Technical committee in NUA have been done in February and March 2019, to review and update the Road Map of the Urban Area, and to discuss and agree on the proposed Action Plan (2019-2021):

1- Capacity building for the project participating LGUs teams, including training for the technical staff.

2- Technical support for the LGUs, including planning for new studies and pilot projects.

3- The UP tool hosting at Nablus Municipality, to agree on the team responsible for the management, updating, and maintenance of the UP tool.

4- Institutionalization of the Joint Planning and Coordination Unit of NUA, related to the next steps and arrangements to initiate the institutionalization of the JPCU of the urban area.

The results of the meetings have been communicated to the steering committee of the urban area and got their approval.



Meetings involved the Technical Committee and the LGUs Mayors of the urban area, held in Q3 and Q4 2019, to discuss the issues concerning the institutionalization of the Joint Planning and Coordination Unit of Nablus Urban Area. The paper about the fields of work of the future joint planning and coordination institution, prepared by Hebron area coordinator, was presented in the discussions, the results of these discussions have emphasized on the need of a third party (consultant) as an expert in the institutionalization to develop a model of joint planning and coordination institution in the urban area.



Gaza Urban Area

Several calls and meetings with Gaza urban area technical committee have been held in January till March 2019 to update and add components to the road map which were discussed in October 2018 for 2019-2021. As a result, a modified road map (2019-2021) has been generated and presented to the Mayor.

And the following points were identified

- Capacity building for technical staff (urban planners, GIS specialists and IT staff).
- Studies (Urban Development & Mobility Plan, social and environmental framework, Water Front Development plan.
Use the Urban performance tool.
- Proposal on Physical pilot project to be implemented in 2021, e.g. part of the waterfront, roof garden.
- Integrated GIS databases.
- Phase two of equipment.

Data Collection assignment as phase one of the Master/development plan Preparation – Funded by the World Bank City Strength project – with technical supervision from ICUD was launched in October 2019 and is expected to be finalized by April 2020

Milestone II Complete Baseline Assessment of Existing Urban Extent

Data was collected from LGUs, several governmental and non-governmental bodies, both at the national and local levels as well as pertinent local stakeholders, government bodies and specialists.

Following the data collection process, the data was reviewed, analyzed, validated and shared with the consulting firm CAPSUS who was hired to develop the Urban Growth scenario exercise and the Urban Performance (UP) Tool. The spatial data includes: Population data, land use regulations, employment hubs, existing roads, public transport systems, urban services, and amenities. While Numeric data, also called assumptions, consists of key data inputs necessary for tool calculations, such as average inhabitants per household, fuel prices, and emission factors. Spatial and numeric data was validated and uploaded to the UP tool which was the result of the data collection process. Sometimes it was necessary to process and adapt information including the generation and management of buffers, as well as the generation, management, running and publication of scenarios by the Urban Performance Tool which allows the visualization of results in a user-friendly environment.

Urban Performance includes two main components: 1) UP visualizer and 2) UP calculator. Where the full performance of the five scenarios for the urban areas of Nablus, Ramallah-Al Bireh, Bethlehem, Hebron, and Gaza City, as well as all the other possible scenarios, can be analyzed using the UP visualizer, which is accessible through a web site: www.urbanperformance.in/Palestine or at the new link http://www.molg.pna.ps/Urban_Performance.aspx



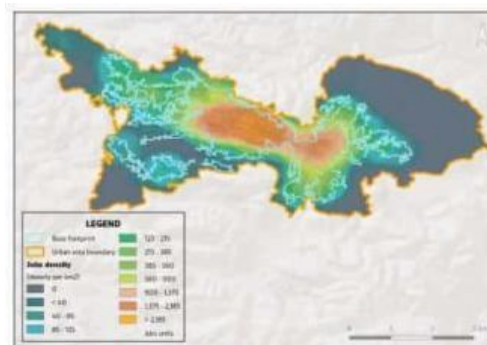
The UP calculator includes the database of the indicator's calculation processes. The database contains spatial and numeric data related to the urban areas' conditions in the base year, as well as the information to model the policy levers for the different future scenarios. The UP calculator uses the database to calculate indicators and writes the results back into the database. The data includes land use, footprint, population, distributions of Amenities, job distribution, road networks, road intersection, housing costs,



and environmental and ecological spaces. A database for each urban area was received from CAPSUS and submitted to urban areas for future use and analysis.

A GIS-based map was developed for each urban area to display all the spatial information that describes the situation of the urban areas in the base year.

Also, several maps were generated representing the situation of the urban areas in the base year and the different policy levers. Public services, Employment, the ratio of housing units, population density, and public transport. The maps are useful to understand the impact of the policy levers on the results for each urban area.



Moreover, several meetings were held in urban areas to discuss with the technical teams the possibility of developing a shared GIS database (Joint geoportal GIS system), the discussion included: (1) identifying GIS requirements according to the Urban area's needs (2) Definition of the scope of the GIS and data contents (3) Definition of a data model (5) Hosting (4) Implementation of the GIS and (6) Installation, training, maintenance.

The objective of developing this system is to support, facilitate and speed up the working process within the LGUs by compiling existing data into one system in addition to provide a tool to support better decision making based on more accurate and comprehensive data.

Milestone III

Complete Exercise to Develop Cost Analyzed Urban Growth Scenarios

The urban growth scenario assignment was launched on 22nd February 2018, by contracting a Mexican Consulting company called CAPSUS Sustainable Capital and closed/finalize on 30th April 2019.

The Three main activates were done:

1. **A set of scenarios was forecasted to the year 2035, taking 2017 as the base year.** The scenarios describe the possible future of the five urban areas for the implementation of policies aimed at tackling the identified **urban concerns**.
2. **The Urban Performance (UP) tool was used to develop the Urban Growth Scenarios.** Each scenario combines several policies, projects or initiatives, called **policy levers**. The performance of each scenario is measured with **indicators** that facilitate comparison and understanding of the "possible futures" of an urban area through numerical information. Planners and decision-makers can use the outcomes to create consensus with stakeholders, request funding from cooperation agencies, test rough ideas, or disseminate the potential benefits of their projects.
3. **Technical teams in each urban area were trained on how to use and further develop the Urban Performance.** They will be able to replicate the Urban Growth Scenarios methodology in the future, according to their urban area's future context, data availability, and newly defined urban concerns and policy levers.

Four mission was done, two of them were done in 2018

Mission 1: April 22th to 3rd May 2018: the main objectives of the mission were:

1. To **introduce the UGS** methodology and the UP tool in the urban areas of Ramallah-Al Bireh, Nablus, Bethlehem, Hebron, and Gaza urban areas.
2. To obtain, from the Technical Committees of each urban area, their **vision** for their urban areas, the main **urban concerns**, and **possible solutions**.
3. To review the **information** collected by the ICUD.

Key Findings: Tables summarize the vision, urban concerns and possible solutions for each of the five urban areas. Note that the possible solutions were collected as defined by the local stakeholders, without any intervention from CAPSUS

Mission 2 30th Sep – 18th Oct 2018 had the following objectives:



1. To present results about the first indicators and scenarios.
2. To propose new indicators and discuss them to decide their development.
3. To define the combinations of policy levers to model the scenarios.
4. To make a first approach to the possible structure of local teams.
5. Start the Capacity development of the technical teams (see profiles in Annex A):
 - a. To understand the advantages of using Urban Growth Scenarios.
 - b. To learn the tool's general structure.
 - c. To understand the kind of information used to create the scenarios and how to Process it to calculate the indicators.

*Between the two missions, ICUD contracted an National urban planning expert to prepare with the support of the ICUD technical team the **Conceptual Spatial Framework (CSF)**, in which an analysis and evaluation of master plans (particularly land use and road network) in adjacent LGUs areas within each urban areas were done and defining the spatial implications of the selected Policy Levers that address the Urban Concerns of urban-areas.*

Mission3: The third mission of the UGS exercise for Palestine took place between January 20th and February 7th, 2019, its main objectives:

- To present and validate the final results with each urban area.
- To develop the capacities to update and model new future scenarios in the technical teams of the urban areas, through the celebration of CD workshops based on the training material in Moodle, as their entry point and **form a UP Local team in each urban area to manage and develop the tool**
- To inform the Mayors/steering committees and the MoLG about the main findings and obtain their support for the main policies or projects for the urban areas.

Main Activities outputs: This mission was crucial to the UGS exercise because the final results of the scenarios and the final version of the indicators were discussed and approved by ICUD and the urban areas' Technical Committees. Also, meetings with MoLG and Mayors were held to obtain support for the integration of the UGS work in other projects, the continuity of UP, and the potential implementation of the policy levers.

Similar to the results observed during the second visit, the training hours held with the technical staff increased their engagement. These training sessions comprised the integration of the theoretical content with the practical experience of the manipulation of the UP tool. The main outcomes of this process were: to understand the rationale of the indicators and their calculations, the structure of the templates, the generation, and management of results and scenarios, and the creation of new levels and levers.

Mission 4 (National Presentation of the Urban Growth Scenarios and Launching the new planning tool Urban Performance)

The fourth mission of the UGS exercise for Palestine took place between April 7th and 11th, 2019, and between its main objectives were:

1. To launch Urban Performance as a tool for the benefit of urban planning in Palestine.
2. To disseminate the final results achieved during the UGS exercise.
3. To engage the main stakeholders in the next steps for using Urban Performance for the future benefit of the urban areas.
4. To formally close the project.



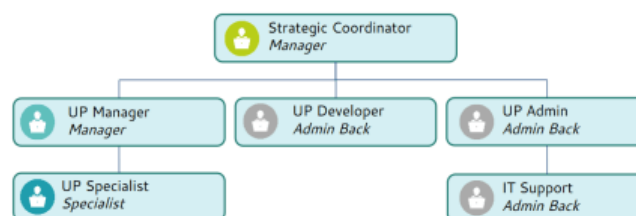
Main Activities outputs The two main activities carried out during this last mission were the official launching of the UP tool as a resource for sustainable urban planning in Palestine attended by the representatives of the 4 urban centers in west bank and by Video conference for Gaza City at technical and



steering levels, WB, CAPSUS team, donors, and other national agencies, the workshop aimed to present the final results of the exercise and introduce the teams of the UP for each area, and setting the steps to ensure the future use of UP.

As part of the administrative closure, CAPSUS delivered to the World Bank staff and the ICUD team the following:

- The final version of all the deliverables
- The database, that consists of the processed and raw files used for UP
- The capacity building material
- The installation files for the UP tool



Organizational frame generated for the UGS exercise in Palestine.

Simultaneously, a series of agreements were concerted between ICUD and CAPSUS to conclude this stage of the project and define the next steps to assure the continuity of the UP tool use. Between these agreements are:

- The project concludes on April 30th, 2019
- The training delivered by CAPSUS ends on April 11th, 2019.

The additional training for IT Teams will be done by a local consultant.

- CAPSUS will offer a year of technical support that will conclude on April 30th, 2020.
- CAPSUS will check that the UP calculator and the UP visualizer are installed in the urban areas' servers.

During May and June, the five urban areas start the installation and configuring of the UP in their local servers to achieve the ownership and to enable them to use and update the tool in their planning process.

- Moreover, MOLG makes sure to take the needed actions to link the web address of the five urban areas in one webpage within its official web site <http://molg.pna.ps/> by clicking on the icon UP URBAN performance http://www.molg.pna.ps/Urban_Performance.aspx.
- ICUD also contract a local Training center to train the IT specialist in the urban areas to enable them to work on the administration and developing/coding of the UP tool, this training was launched 22 June and will cover 5 modules (**Linux-Python 2.7-PostgreSQL-WEB2PY-GitLab**) for 20 training days (2 days/ week) till end August.
- UP Local Team in all urban areas starts conceptualizing a new policy lever and or new indicator to be added in the UP Tool with technical support from Capsus
- Two online training was implemented by Capsus in Q4 2019:
 - The first training (6 training days for 13 trainees) targets the urban performance managers from the five urban areas: how to use the urban performance tool in developing and evaluating the masterplans and land use planning.
 - The second training (5 training days for 10 trainees) targets the Programs from the urban areas to integrate the local training they for in using/coding in the Too.

Another launching for the urban performance tool was done in late November under the Patronage of His Excellency the Prime Minister Dr. Mohamad Shtayyeh and the minister of local government and the Court





director of the World Bank, in which the urban areas present the new steps in using the Tool and make sure the new high-level stockholder is engaged.

Ramallah & Al-Bireh Urban Area

In addition to the activates mention above, as in the other areas in the third mission of CAPSUS in Palestine a capacity building workshop for the technical team was conduct through two days, it was a good opportunity for the team to understand the UGS exercise and its pre-final results and the way the UP and the visualizer works and how to load and manage data and how to run and manage and publish scenarios and how to read the results to present them to the decision-makers to support the decision about the best scenarios

Another important event through this mission was held to present the pre-final results to the mayors.

In the **fourth mission in April, a meeting with the mayors of Ramallah, Al-Bireh, and Betunia** was held in Ramallah Municipality aimed to create the needed political support for the UP tool, the meeting included giving a quick summary about the UGS exercise and the UP tool to elaborate more on its opportunities and benefits before the official launching of the UP Tool.

The Tool was installed and hosted at Ramallah Municipality servers, (with online access for other participating LGUs) and a core technical committee from the UA is responsible for managing and updating the different functions of the tool.



Hebron Urban Area

The Same capacity building workshop was conducted in January 2019 during the third mission technical team, the trainee s understand the differences between Scenarios, the definition of policy levers and indicators, and they did practical exercise and found the change in indicators. Also, a presentation of the generated scenarios has been done in this workshop was important to this area who had was not fully committed in the last 2 mission.



It was agreed that the Hebron Municipality host the tool (with online access for other participating LGUs) and a core technical committee from the UA is responsible for managing and updating the different functions of the tool.



Two urban policy levers were tested, the first was for school capacity to measure the spatial distribution and coverage of schools which aimed to have better coverage and more planned distribution, the results were noted and taken in consideration for future expansion of current schools and location of new schools, and the second was for the proposed locations of wastewater treatment plants, the aim was to better understanding of each location implications on the urban areas and the percentage of coverage and capacity of each treatment plant, this resulted in better understanding of the wastewater proposed locations taking into account the generated quantity of wastewater from the urban area, the investment cost and the municipal services cost.

Bethlehem Urban Area

The Same capacity building workshop was conducted in 24, 26 January 2019 during the third mission technical team, the trainees understood the differences between Scenarios, the definition of policy levers and indicators, and they did practical exercise and found the change in indicators.

A third day was held for the steering committee (i.e. Mayors) to present the final results of the Urban Performance and the UGS exercise in the urban area.

It was agreed that the Bait-Sahour Municipality host the tool (with online access for other participating LGUs and a core technical committee from the UA is responsible for managing and updating the different functions of the



tool.

BUA was the first Area to install the tool within its servers and start working on a new policy lever and use it for planning.

The urban area has started working on developing a new policy lever “Methane Generated Renewable Energy”. The proposed policy lever will assess the viability of investing in anaerobic digestion and composting techniques using organic materials resulting from both residential and commercial sources, through different energy indicators. The generated energy in the urban area will be used to reduce the cost of public lighting paid by the citizens in electricity bills.

The estimated amount of organic waste in 2035 in Bethlehem Urban Area is 67850 tons, in the case of anaerobic digestion will produce an estimation of 5,9 GWh/year of the generated energy. The energy generated from methane will promote sustainable development goals in Bethlehem urban area.



Nablus Urban Area

The Same capacity building workshop was conducted in 27, 28 January 2019 during the third mission technical team, the trainees understand the differences between Scenarios, the definition of policy levers and indicators, and they did practical exercise and found the change in indicators.

A third day Feb 6th was held for the steering committee (i.e. Mayors) to present the final results of the Urban Performance and the UGS exercise in the urban area.

During the fourth mission of CAPSUS in Palestine. April 9th and due to the important role of Nablus Municipality, CAPSUS representative met the Mayor of Nablus city Mr. Adli Ya'ish at the Municipality Hall, the meeting was attended also by the city engineer and the head of the urban planning department at the municipality and MoLG of Nablus directorate coordinator: to presented the capacities and the importance of the UP tool as new urban planning tool for the hall urban area and its benefits in the decision-making process and Nablus city role in the UP tool hosting at, and the future steps.

The UP tool already had been installed and configured in Nablus Municipality servers, the UP team currently working to add a new policy lever for Nablus urban area to test the results using this by the tool.



The Urban performance managers continued the UP tool development through the examination of new Policy Levers for Nablus Urban Area about the shortages of the per-capita share of water available for domestic consumption, this due to the increased demand and lack of available resources. The new proposed Policy Lever aims to increase the per-capita share of the available water for domestic use compared to the international recommendation of the World Health Organization. Currently, the IT developers work in coding this new lever and add it to the Tool.



Gaza Urban area

The Same capacity building workshop was conducted in Feb 2019 during the third mission technical team, the trainees understand the differences between Scenarios, the definition of policy levers and indicators, and they did practical exercise and found the change in indicators.

Also a through meeting with Mayor to present the final results of the Urban Performance and the UGS exercise in Gaza city since it will be hard for the Mayor to be part of the official launching in April.





The UP tool was installed and hosted in Gaza City Municipality servers, the UP team currently working to add new policy levers to test the results using this by the tool regarding Gaza Municipality plan to accommodate the population increase of the next fifteen years in specific areas within the urban expansion in the city.

Milestone IV

Modify Respective Member LGU's Plans Based On the Optimum Urban Growth Scenario

During the MTR and as the project progresses it was identified by the World Bank Environmental Safeguards team that a Strategic Environmental and Social Assessment (SESA) would be the most appropriate safeguards instrument to apply to this project as it primarily focuses on planning with no direct infrastructural development. This instrument would be relevant to both this project and could potentially also inform other projects that include planning aspects within the context of the specific Urban Areas that are part of this project. The MTR also provided an opportunity for the environmental safeguards specialist to advise and guide the preparation of the SESA Terms of Reference (TOR) that was finalized after several modifications by June 2019 and the procurement process was done the contract was signed with an international consultant mid-December 2019 and expected to be closed mid-August 2020.

Sub-component 1.2.

Demand-Driven Customized Support for Urban Growth Planning

West Bank Urban Areas

Following the MTR, further discussions were organized with the technical representatives of the urban areas LGUs, and draft 2019-2021 work plan was drafted/updated, the follow-up meetings that aimed at the identification of key technical assistance activities benefiting the urban areas.

Table 52: ICUD Tentative Work Plan

Activity	Estimated Budget (USD)	TCD	Remarks
1. SESA	250,000	2019- 2020	The contract was signed 15 December Duration of the assign:8 months
2. SDF - Joint spatial Frameworks / 4 urban areas in the west bank	550,000	2020-2021	This activity needs to wait until the SESA results TOR to be prepared by Q1 2020
3. SDF/Development plan & Mobility Plan - Gaza	200,000	2020- 2021	
4. Sectoral plans/ studies phase1	480,000	2019- 2021	
Surda Abu Qash TT plan	30,000	2019	Done (Nov. 2019)
NUA/HUA Analysis of Transport Development	80,000	2019	The contract was signed 15 March And completed Sep 2019
Water Front-Gaza	TBT	2020-2021	This activity needs to wait until the SESA results
RABSA Public Trans. Plan	170,000	July 31, 2020	The contract was signed 5 Nov 2019 Duration: 12 months
Sustainable Tourism	TBT	2019-2020	A Draft TOR was prepared to be discussed and endorsed by the BUA Steering Committee.
5. Sectoral plans/ studies phase 2	470,000	2021	



Activity	Estimated Budget (USD)	TCD	Remarks
Sectoral plan / study - RABSA UA + NUA + HUA + BUA	100,000 x4	2021	
Historic Center development plan- GAZA	70,000	2021	
6. CIP (5 UAs)	250,000	2021	To be part of the SDF
7. Institutionalization of intra-urban area coordination.	40,000		Need extra evaluation for specific areas
Goods			
Consultant services			
8. Physical interventions /Pilots	600,000	2021	(TBD)
a) Procurement process		March 2021	4 month
b) Implementation		Dec 2021	9 months
9. CB/Trainings / Workshops	200,000	2020-2021	
10. Equipment	75,000	2020-2021	When needed and defined
12. Technical team Cost			
13. others- Miscellaneous			

Regarding the Capacity-building

which is an important milestone in the project and serves the main objective, ICUD During the past period (2018-2019) had implemented 16 training courses, targeted in total 285 trainees (part of trainees have more than one training) covering all urban areas participating in the project, ICUD coordinators, and MoLG representatives. These courses cover a total of 984 Person - day.

Geographically, 11 of them were internally, and there were individual abroad for selected trainees from Gaza, Ramallah Al Bireh, and Hebron. And one training was for all of the urban areas targeting 40 trainees in urban planning and transportation.

The percentage of female participated in the project is satisfying with 40%, and reaching in two urban areas more than half.

And After the discussion and feedback from the urban areas the topics were identified as the training priorities as shown in table 53.

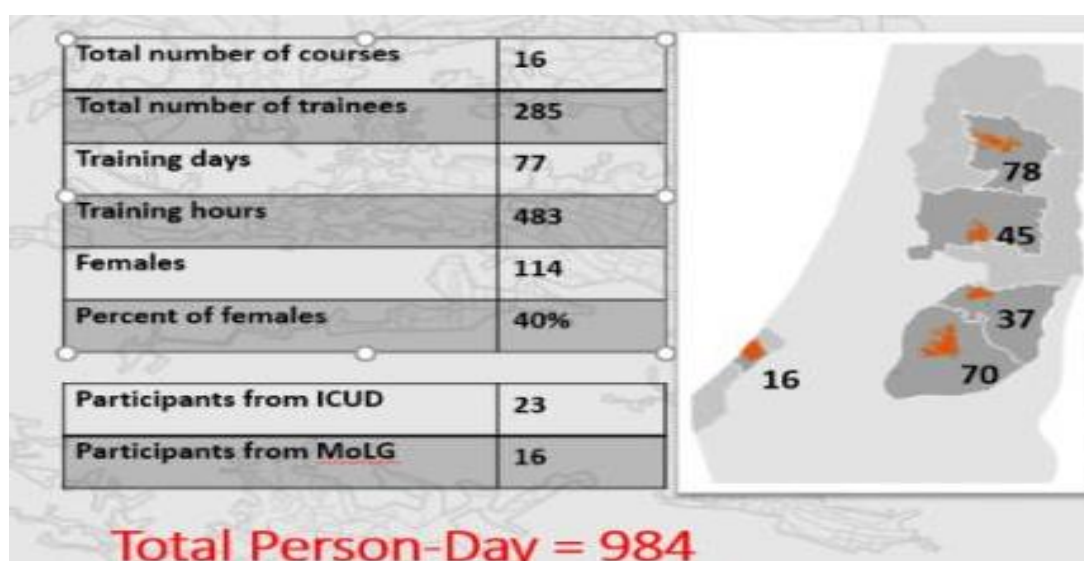




Table 53: Training Priorities Identified Upon the Consultation with Urban Areas

No.	Item	Description	Estimated Cost (US\$)		Number of Beneficiaries	Hours /Days	Target
			max	min			
1	Sustainable Urban Land Use Planning	This course aims to: 1. lead participants to an understanding of the issues in Sustainable Land Use, including trends of land development; zoning and regulation; land use planning issues and challenges/permitting process; urban redevelopment and revitalization; concepts of sustainable development; sustainable development and the role of land use planning; planning for sustainable development; the role of governance, law and institutions. 2. ensure that participants have a functional and integrated understanding of the dynamics of urban land use; and demonstrate how to effectively utilize policies and planning instruments to manage urban growth and achieve sustainably (maybe link it with SDG 11), equitable and efficient development outcomes. And more into the new trend e.g. Mixed used TOD...	40,000	30,000	20-25	30/5	Planners/Engineers
2	Integrated Urban Transport Planning	The key objective of the course is to develop capacity amongst those policymakers and practitioners responsible for urban transport planning and decision making, to understand urban transport in all relevant dimensions, and develop urban transport plans, programs, and projects that are more integrated and sustainable.	40,000	30,000	20-25	30/5	Traffic Engineers
3	An introduction to traffic modeling	A traffic impact assessment is a process of compiling, analyzing information on, and documenting the effect that a development is likely to have on the operation of the road network, and demonstrating how these impacts can be avoided, reduced, managed or mitigated. A traffic impact assessment assesses safety and efficiency impacts on users, as well as any impacts on the condition of transport infrastructure. A traffic impact assessment can also identify how a site can be accessed by traffic and in an urban context public transport, cyclists and pedestrians, and what infrastructure is needed to facilitate this.	15,000	8,000	20-25	20/4	Traffic Engineers
4	An Introduction to Land Market Assessment in Complex Urban Settings	The course aims to introduce approaches and methods to collect and analyze data on the operation of the urban land market, both formal and informal. It will demonstrate how the findings of land market assessments can be used to make better planning and investment decisions, or for research to inform policy and regulations.	8,000	7,000	20-25	20/4	Urban Planners / Engineers
5	Municipal Finances - A Learning Program for Local Governments	This course aims to enhance the knowledge and skills of local governments, particularly of medium and large cities, on municipal finances, including performance measurement, managing revenues and expenditures, local assets and services, and external resource mobilization. The training will focus on the perspective of local governments and will provide tools and how-to instruments to improve the management and transparency of local finances.	10,000	8,000	20-25	20/4	Mayors/City managers and Planners



No.	Item	Description	Estimated Cost (US\$)		Number of Beneficiaries	Hours /Days	Target
			max	min			
6	Green cities for economic efficiency	The green city concept is implemented in urban areas worldwide, in an attempt to make them more competitive, equitable and sustainable. The green city course will be provided with a wide array of local solutions and policies, applied in various cities, to integrate green concepts into their planning and management processes. Concepts like green transport, buildings, and energy, the greening of urban services (wastewater treatment, drainage systems, solid waste systems) and green economy and growth tools.	40,000	30,000	20-25	20/3	Urban Planners
7	Sustainable Tourism Planning.	The relationship between the environment and the development of the sustainable tourism sector, to develop the regulatory framework and provisions for the sustainable tourism sector in the urban area, including the following; - Revitalization of the old towns and public spaces in the city to encourage alternative tourism. - Designing and creating touristic routes and trails in the urban area.	15,000	7,000	20-25	24/4	Mayors/City managers and Planners
8	Smart cities	Learn how data and information impact the design, sustainability, and resilience of future cities through Understand the concept of smart cities, why these are still prototypes and what the challenges are. Understanding how to make the best of these smart technologies in your cities' legacy infrastructures. Gain a deep understanding of the nature of disruptive innovations (smart technologies) in urban infrastructure systems.	40,000	30,000	20-25	20/3	Urban Planners
9	Environmental Impact Assessment for Urban Planning projects.	The course aims to enhance the participants' knowledge on the identification and evaluation of the potential impacts (effects) of proposed projects, plans, programs or legislative actions relative to the physical, chemical, biological, cultural and socio-economic components of the environment.	10,000	8,000	20	20/4	Urban Planners / Engineers
12	CIP	Capital Investment Planning	15,000	10,000	30	15-20/3-4	Strategic offers/Planners
13	Integrated Planning	Integrated Planning – Gaza Case	15,000	10,000	10-15	20/4	Urban Planner-Transportation
14	Online Training		10,000	5,000	10	??	Urban Planner-Transportation
15	knowledge exchange between urban areas	A monthly meeting between all and part of the urban area technical teams to brainstorm or knowledge sharing.	10,000	5,000			
Total			246,000	182,000			



Following having the UP Tool and due to limited capacities for the IT specialist in the urban areas, a need of having a specialized training for the IT teams who will be Administrating and Developing the needed codes for suitability of his Tool, accordingly ICUD contact a local training center started 22 June and will cover 5 modules (**Linux-Python 2.7-PostgreSQL-WEB2PY-GitLab**) for 20 training days (2 days/ week) till end August.

Traffic Modelling (software): to enable the urban areas to use the Transportation/traffic Models that will result from the planes implemented by ICUD projects.

-Four concept notes drafts were prepared and shared with the World Bank for their feedback to start the next steps in drafting the needed TORs & recurring the trainers and Integrated:

- Sustainable Urban Land Use Planning: to provide the participants with a functional and integrated understanding of the dynamics of urban land use, the training aims to ensure that participants have a functional and integrated understanding of the dynamics of urban land use and demonstrate how to effectively utilize policies and planning instruments to manage urban growth and achieve sustainable, equitable and efficient development outcomes.
- Integrated Urban Transport Planning: new directions in the urban transportation planning process, its relationship to transportation facilities development -Treat specific techniques of analysis and evaluation for urban transportation planning, and Discuss possible means of achieving project and social objectives.
- Green cities for economic efficiency: to enhance knowledge about; a greater degree of ecological and economic sustainability to gain environmental and economic benefits through the efficient use of resources, waste reduction, and management, and to enhance the knowledge of the concept of green neighborhood design, and in designing for green network and green infrastructure, and walkability and connectivity.

The following activities have been implemented in urban areas:

Ramallah-AlBireh Urban Area

Follow up discussions were organized with the technical committee/coordination committee of the urban area, WB, through joint and bilateral meetings to realize the final notes done by the WB on the prepared TORs, for both studies of comprehensive public transportation plan and the Extension of the Transportation Plan of the three cities of Ramallah Al-Bireh, and Betunia to include Surda -Abu Qash.



Following the needed procurement steps to select the consultants for both consultations, and the following contraction procedures, the assignment contract for the expansion of the Transportation Plan was signed early July and finalized by early November 2019, and the contract for the comprehensive public transportation plan was signed 5 Nov 2019, a one-year contract

The selection of the Pilot Projects for RABSA UA had been discussed through a meeting with the Technical Committee held to select interventions needed for the urban area as a pilot 3 options were identified to be discussed and endorsed by the steering committee -after reviewed from the Environment WB expert-

Designing and implementing 4 pocket gardens and 4 parks, or designing and implementing 4 pedestrian-friendly areas





Nablus & Hebron Urban Area

A GIS training plan for both area was conducted (Nov 2018 – Jan 2019) for both Hebron and Nablus Urban area:

✓ **For the Nablus Urban area:**

- Introduce and enhance GIS capacities. The beneficiaries are LGUs engineers: The ArcGIS training for beginners implemented for a duration of 20 hours - four days of training done between 17-18 and 24-25 of November 2018, the total number of beneficiaries were 12 from the LGUs and 2 ICUD Local Coordinators.
- The intermediate ArcGIS already implemented between the 4th and the 5th & the 12th and the 13th of January 2019 (4 days) for 20 hours, the total number of beneficiaries was 12 from the LGUs and 2 ICUD Local Coordinators.



✓ **For Hebron Urban area:**

- Two training modules (20 hrs. each) had been conducted, the first was 4 days conducted on 10 to 13 November 2018, where the training was an introduction to Q GIS and targeted the urban planners and GIS staff.
- The second training was advanced Q GIS, data management and web mapping that targeted the GIS and IT specialist and had been for 4 days conducted on 15, 16, 22 and 23 December 2018



As a result, for these training modules, HUA LGUs' GIS specialist will assist each other to establish GIS databases in Taffuh and Beit Kahel LGUs and work on the development of current databases on the other LGUs through GIS specialized group.

The Analysis of Transport Development in Hebron and Nablus Urban Area TOR was finalized, the Contract was signed Mid-March 2019 and finalized Mid-September 2019

This assignment with direct participation and involvement by the urban area LGUs in several meetings, workshops, and discussion

Were done by contacting a local consultant, the study had assessed the current traffic conditions between the LGUs and the need for enhancements of roads, or for new connecting or ring roads linking them together, and/or other solutions to improve the connectivity between all the LGUs, also reviewed and assessed existing public transportation system (shared taxis and buses) between the LGUs centers within the targeted urban areas, including public transportation terminals/stations, and operational conditions, and develop strategies and proposals to enhance the role and efficiency of the public transportation system. Also, the study provided and developed an implementation plan with identified capital investment needs for the short, medium and long-term phases, exploring the needed proper strategies, policies, and actions, for different scenarios



Regarding the Environmental Impact Study of industrial pollution, it was agreed that it can be highlighted as part of the SESA study (Strategic Environmental and Social Assessment)

The other proposed sectoral studies; "Development of Storm water Drainage and sewage Systems" for Nablus & Hebron urban areas actually at the stage of the drafting the TOR; and the "Development of



Economic Activities and Public Services" will be integrated within the SDF Plan to be prepared for the urban area, proposed by the Action Plan 2019-2021.

The selection of the Pilot Projects for NUA and HUA had been discussed through a meeting with the Technical Committee held to select interventions needed for the urban area as a pilot intervention planned by the ICUD project, the "Passengers Waiting Sheds" has been selected and agreed to implement as Pilot Project, the intervention will be implemented in the main public transportation stations and/or stops that would serve all the LGUs of the urban area, to be discussed and endorsed by the steering committee after reviewed from the Environment WB expert.

Bethlehem Urban Area

In Bethlehem Urban Area, follow up discussions were organized with the technical committee of the urban area and drafted the zero draft TOR for Bethlehem Sustainable Tourism Development during Q3-Q4 2019, since the Tourism theme that this urban area can depend on for more sustainable development and future. A follow-up and discussion are needed with the project management and main stockholder.

The selection of the Pilot Projects for BUA had been discussed through a meeting with the Technical Committee held to select interventions needed for the urban area as a pilot 3 options were identified to be discussed and endorsed by the steering committee -after reviewed from the Environment WB expert- Joint Tourist Trail or Establish public transport stops along the main public transport corridors with proper facilities or Cardboard Separation Project

Sub-component 1.3

Demand-Driven Customized Support for Urban Growth Planning

Gaza Urban Area

Following the MTR and the meeting between the team of Gaza and ICUD an action plan was prepared as follows:

Activity	Targeted UA	Category												
			2019				2020				2021			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	UGS	All	Consultant Services											
2	Water Front	Gaza	Consultant Services											
4	SESA	All	Consultant Services											
5	CB	All	Consultant Services + IC											
6	SDF/Development plan	GAZA	Consultant Services											
3	Mobility Plan	Gaza	Consultant Services											
7	Historic Center development plan	Gaza	Consultant Services											
8	Equipment	Gaza	Goods											
9	CIP - capital investment plan	all	Consultant Services											
10	Physical interventions /Pilots	all	Consultant Services											

In addition to:

- The capacity Building: the technical committee work with the ICUD team on drafting a concept note for an on integrated urban planning training to be held in Cairo due to the limitation of gets permits through the West Bank or Jordan.to be implemented in Q1 2020.



- A list of online training will be prepared to cover some needs in capacities.
- For the IT specialists training 2 training course to enhance the IT teams to work with the Urban performance tool
- A need specification and letter of the importance of having GPR (Ground Penetrating Radar), Pipe Network Photo Machine with MDLF coordination was prepared to start the permitting process.

11.5 Anticipated Activities

Sub-component 1.1.

Structured Capacity Development Support for Urban Growth Planning

Milestone I.

Establish and Maintain Intra Urban Area Coordination Mechanism

Continuous meeting and consultation will be contoured, it is expected the Institutional Development Adviser will join the team by Feb 2020, so he/she will support development of an appropriate model of joint planning and investment programming for the participating urban areas and the formulation of a needed strategy for engaging all relevant stakeholders in this process.

Milestone II.

Complete Baseline Assessment of Existing Urban Extent

ICUD team discussed with the urban area LGUs options and ideas to build their shared database (starting from the proceeded data resulted from the urban performance tool as well as data not used that resulted from data collection in addition to the data from the ongoing studies/projects).

Preparing the urban data assessment results report: the report will include literature on urban data and urban assessment, the role of data in addressing urban challenges, the context of urban data and analysis in Palestine, status in each urban area, various data sources, and policy recommendations, among others it is expected to be done by Q2 2020.

Milestone III.

Complete Exercise to Develop Cost Analyzed Urban Growth Scenarios

CAPSUS with ICUD supervision in the one-year support (May 2019 -30 April 2020) will work on:

Solving technical questions related to the use, management, and development of the Urban Performance tool installed in the local servers of the five urban areas: This includes answering specific doubts about how to solve a problem, facilitating relevant information to overcome particular troubles, and general advice in the creation of new policy levers, indicators, or scenarios in the tool. It does not include training new members of the UP Teams, designing new training materials, developing new functionalities, programming, coding, or running tests.

ICUD team will also work on the following:

1. Present the final results to new Minster and the General Managers of MOLG and the Heads of donors offices
2. CAPSUS implement/ work on exercise to ensure that urban areas IT teams can work on administrating and developing.
3. With supervision from CAPSUS, ICUD will support the Urban areas UP team is working on new policy levers to be tested in the tool.

Milestone IV

Modify Respective Member LGU's Plans Based On the Optimum Urban Growth Scenario

To follow up on the work plan 2019-2020 (see annex1).

Sub-component 1.2.

Demand-Driven Customized Support for Urban Growth Planning for the West Bank Urban Areas

The Following activities are anticipated:



- Following up the preparation Comprehensive Public Transportation Plan for Ramallah and Al Bireh Urban Area.
- Finalizing the capacity building plan for all the project beneficiaries.
- Starting the implementation of some training courses.
- Working with the Bethlehem area on new items in technical assistance mainly the Sustainable Tourism Development Plan.
- Draft TORs accruing the work plan that will be launching in Q3 2020.
- Launch the procurement process for the above mentions TORs.

Sub-component 1.3.

Demand-Driven Customized Support for Urban Growth Planning for Gaza Urban Area

The Following activities are anticipated:

- Follow on Data collection for urban planning.
- Finalize drafting the needed TORs for the upcoming studies (waterfront upgrade... etc.)
- Start defining how to work with the Gaza team on the Development Plan as a phase of the city masterplan which will be done by the Gaza technical team.
- Launch the procurement process for the above mentions TORs.
- Starting the implementation of some training courses

11.6 Results Framework

Results Framework (Proposed Revision)							Updates – Q3/2019
PDO: to enhance the capacity of participating urban areas to plan for sustainable urban growth							
Indicator 1: Number of urban areas that develop cost-analyzed scenarios for urban growth and disclose them to the public.	Original	FY1 0	FY2 0	FY3 3	FY4 5	FY5 ---	No revision for the indicator as well as for the target values
	Revised	FY1 0	FY2 0	FY3 3	FY4 5	FY5 5	
Indicator 2: Number of urban areas whose member LGUs' plans are aligned to the selected growth scenario at the urban area level.	Original	FY1 0	FY2 0	FY3 3	FY4 5	FY5 ---	The targets and the indicator will be revised as follows: "Number of plans that are produced based on the selected growth scenarios"
	Revised	FY1 0	FY2 0	FY3 0	FY4 5	FY5 10	
Indicator 3: Direct project beneficiaries (Number)	Original	FY1- TBD	FY2- TBD	FY3- TBD	FY4- TBD	FY5 ---	No revision for the indicator, and the targets were identified.
	Revised	FY1	FY2 75	FY3	FY4	FY5 120	
Indicator 4: Female beneficiaries (%)	Original	FY1- TBD	FY2- TBD	FY3- TBD	FY4- TBD	FY5 ---	No revision for the indicator, and the targets were identified.
	Revised	FY1	FY2	FY3	FY4	FY5 25%	
Indicator 5: No. of indirect beneficiaries	Original	FY1- TBD	FY2- TBD	FY3- TBD	FY4- TBD	FY5 ---	This indicator was added to the RFW
	Revised	FY1	FY2	FY3	FY4	FY5 1,136,000	

5 – Q2 2019

3 2019: SAQ Extension + TP NUA + TP NUA
7 2020: PT + Tourism + 5 SESA
6-7 2021: 5 SDF + 1-2 new sectoral

91 – Q3 2019

40% – Q3 2019



Results Framework (Proposed Revision)

Updates – Q3/2019

Intermediate Results

Indicator 1:
Number of participating urban areas that establish and actively maintain an intra-urban area coordination mechanism for the life of the project.

Original	FY1	FY2	FY3	FY4	FY5
3	3	4	4	4	---
Revised	FY1	FY2	FY3	FY4	FY5
3	3	4	4	4	4

No revision for the indicator as well as for the target values

established

Indicator 2:
Urban Growth Planning roadmap prepared for all participating urban areas (Yes/No)

Original	FY1	FY2	FY3	FY4	FY5
No	No	Yes	Yes	Yes	---
Revised	FY1	FY2	FY3	FY4	FY5
		370			750

The targets were revised as well as the indicator as follows:
"# of person-days training conducted in planning related courses"

984 – Q3 2019

Indicator 3:
Number of urban areas that completed baseline assessments of existing urban extent

Original	FY1	FY2	FY3	FY4	FY5
0	0	3	5	5	---
Revised	FY1	FY2	FY3	FY4	FY5
0	0	0	3	5	5

This indicator was rephrased with a revision of the targets as follows: "No. of urban areas that completed baseline assessment"

Yes - Continuous

11.7 Obstacles and Challenges

- **LGUs capacities vary specifically in planning issues including urban analysis and integrated planning among others. In a substantial number of LGUs, there is an absence of planners among the LGU technical teams which makes conveying concepts of sustainable urban growth, smart cities, compact development, etc., slightly challenging.**
- Lack of urban data and analysis (in some cases, even the basic analysis) at the majority of LGUs met during the "data availability assessment phase" which may affect the development of the urban growth scenario exercise. Moreover, there are big gaps among the LGUs of the same urban area in terms of GIS availability and capacity, and terms of data accuracy and quality. In the phase of the data collection process, there is a delay in providing available data either from the LGUs or other sources.
- The availability of Urban Data at the level of LGUs is very limited, especially in the village councils, and all Urban Data at the street/neighborhood level is not available and much information recovered through estimations
- Delay on implementing the concept of shared GIS database due to many issues was raised related to lack of availability of GIS and IT staff among the LGUs and the need to get a commitment from the management of the municipality for the planning process and to establish a GIS team within the municipality
- Competitiveness between the different municipalities is high under the big municipalities, notability over other smaller ones and of course, and the village councils surrounding them. Within these circumstances, this can be problematic making them all meet and work together on the same level.
- **Delay in project activities (due to the time needed for the MOLG & WB producers,) showed mistrust of municipality technical teams and mayors and diminish the project importance.**
- The concept of urban growth is new in the Palestinian areas, often not well understood even after launching the activity.
- Many issues were raised related to sustaining cooperation among the UCs, and the ownership of the JCUs that were established and the outputs of the exercise.
 - There must be further work on the cooperation culture itself, and the empowerment of JCUs and LCs.
 - Emphasis on building the capacity of the beneficiaries including technical teams and coordinators in sustainable urban growth.



- MDLF and its current work on the allocation of some funds for joint projects as incentives must be empowered.
- The support of the institutionalization of JCUs, on phases based on roadmaps for each UC. The first milestone could be detailed bylaw with the needed organizational structure that elaborates more on the responsibilities, and other institutional issues.
- Some LGUs have no department of planning, establishing planning departments should be taken in consideration in some LGUs in parallel with the institutionalization process, this is very important to LGUs to participate actively in the joint units.
- The resignation of the Bethlehem local coordinator, which kept the urban area slightly behind in keeping up with the required activities, especially for sub-component 1.2. The ICUD Core team covered most of the needed activities with direct support from the MOLG Bethlehem office coordinator.



12. Multi-site Regeneration Project for Jericho

12.1 Project Overview

The "Multi-site Regeneration Project for Jericho, Palestine", is currently implemented as part of the technical assistance program by the French Development Agency (AFD), with funding from the European Union -the funds of the Investment Facility for the Neighborhoods (IVF), and in conjunction with partners from the UPFI initiative "Urban Projects Finance Initiative".

The MSR Jericho Project aims at enhancing the economic development of the city through the process of "relocalization and rehabilitation" of key infrastructures. The project which was prepared under the Urban Project Finance Initiative (UPFI), promotes an integrated urban approach to optimize public land management, to upgrade key infrastructures, and to strengthen the management capacities of the municipality related to the enforcement of national health policies and to improve its financial accountability. The rehabilitated infrastructures are the slaughterhouse, the Spanish Garden, and the Municipal garage, all of which shall contribute to supporting the main city's economic activities (tourism and farming).

12.2 Project Description

The fund of MSR Jericho is 6.2 million Euro out of 10.2 million Euro of fund granted to MDLF for MDP III and MSR Jericho project according to the financial agreement signed between AFD and Ministry of Finance on April 26th, 2017, and the project will be implemented over two years ending in 2019.

The project Agreement between MDLF and Ministry of Finance was signed on August 7th, 2017, followed by a Grant Implementation Agreement with Jericho Municipality which was signed on November 16th, 2017.

The project Agreement between MDLF and Jericho Municipality was signed on November 16th, 2017.

The project Operation Manual was prepared by MDLF, containing technical, financial, procurement and monitoring and evaluation of the project.

MDLF is responsible for managing the project with a team that includes a project coordinator, a technical expert, a financial expert, a procurement expert, and an environmental and social specialist.

Furthermore, Jericho municipality has assigned a project coordinator to be part of the project committee to ensure the facilitation of proper implementation of all activities and part of the Project committee.

The project includes the following subcomponent:

- Subcomponent (a): Slaughterhouse

This component includes the construction of new slaughterhouse and remediation works for the old slaughterhouse. The new slaughterhouse is aimed at providing efficient, professional, hygienic and humane slaughtering service at a competitive price for farmers, butchers, and other customers in Jericho and adjacent Palestinian towns and communities. It is aimed that this would be achieved without creating adverse environmental or social hazards. The project will include two major buildings: one for slaughtering cattle such as sheep and goats and the other for slaughtering poultry. Office accommodation will also be provided within the envelope of the largest building, used for cattle (sheep/goats), in addition to supplying the Equipment for the Cattle Slaughterhouse and Supplying of Equipment for the Poultry Slaughterhouse. For operating the slaughterhouse, a Slaughterhouse Steering Committee (SSC) will be assigned by the municipality to supervise and advise both partners. It will be composed of representatives from the municipality, the private operator, but also from butchers and farmers, as well as from the Public Health Committee, whose exact role will be detailed in a lease agreement.

Remediation works at the old slaughterhouse will commence as soon the new slaughterhouse handed over and operation started.

- Subcomponent (b) Municipal Garage

This component includes the construction of a new garage and remediation works for the old garage.



The main garage will be an L-shaped single-story, large-span building (approximately 1,710 m² in area). A new one-story amenities building (approximately 437m²) is positioned on the south side of the site. It contains a canteen, changing/washrooms, and office accommodation. External areas include car parking, yard space, planting, and access roads.

- Extension of the Spanish Garden (under MDP III)

The extension of the Garden onto the lands currently occupied by the Municipal Garage, the MSR project offers the opportunity to enhance substantially the role of the Spanish Garden as a place of leisure in the heart of the City.

- Subcomponent c: Technical Assistance

This component includes a technical assistance program, which includes the supervision of work and management fees to MDLF, in addition to training and capacity building to support the implementation of the municipal action plan on mitigating illegal slaughtering processes.

MDLF will support Jericho Municipality in implementing designated activities defined under subcomponent C the technical assistance.

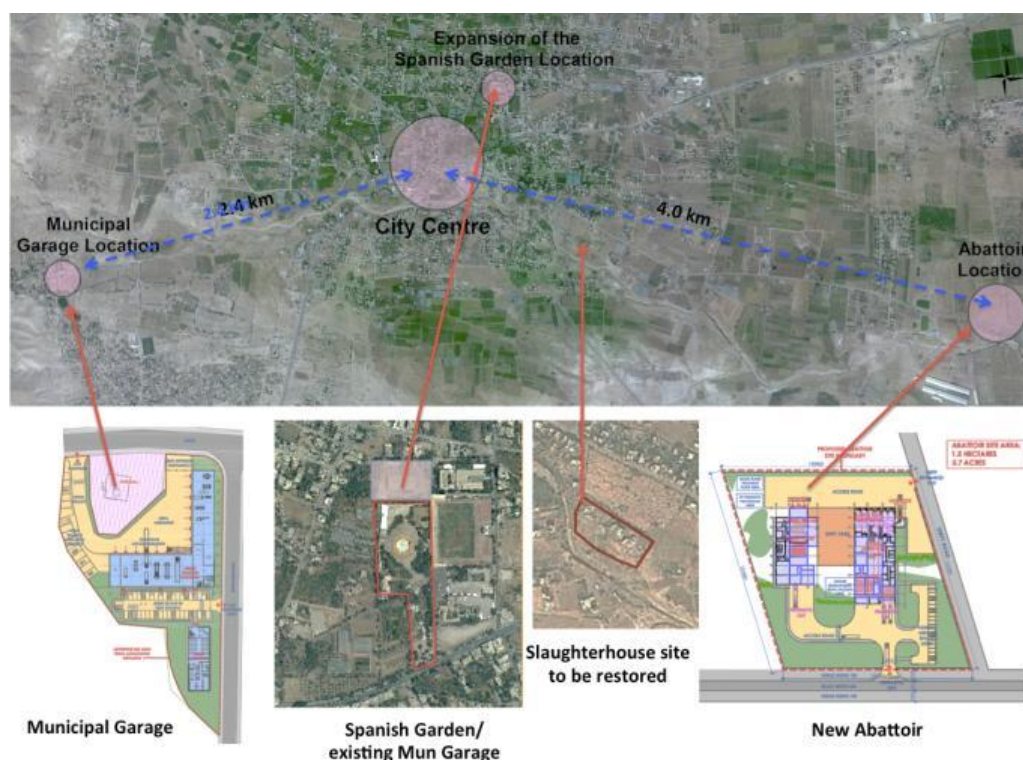


Figure 1: MSR Jericho Project Components, (Final Report INTA, CEP, 2016)

12.3 Implementation Status and Upcoming Action

This section highlights the project's technical progress until the end of December 2019. Noting that all the parties; MDLF, Jericho Municipality, and the donor are aware of the challenges and has worked together to overcome all issues through discussions:



12.3.1 Progress of Main Contracts

12.3.1.1 Slaughterhouse Construction

The concept design has been based on the consultant revision of the slaughtering capacities where:

- The capacities over 20 years design period are:

Livestock/Slaughtering Capacity	Capacity (Animal/week)
Poultry	15,000 (500 bird/hour)
Cattle	35
Sheep	150

- This capacity has based on projecting the slaughtering demand according to the served citizens, in addition to taking into account the market share, market competence, and awareness of illegal slaughtering.
- The additional risk factor was taken to propose the expansion potential of the Cold Rooms and the Operation Hours of the Slaughterhouse facility to overcome the low risk of overcapacity.
- Jericho Slaughterhouse will be designed and constructed on leased land of size 19,000 m², using 4,000 m² located in the southeast of Jericho City. The Concept design proposed two buildings to a total area of approximately 2200 m², besides, parking area, Holding Pens, and Landscaping. For Infrastructure facilities: the project includes a Wastewater treatment plant, blood treatment, Incinerator, potable water connection pipe, wastewater disposal pipe, and other facilities.
- The bidding document "Design, Supply Install of the Slaughterhouse" was excepted to be launched in December 2019, however an additional delay in revision and approvals shifted the launching until early March 2020. Upon that; the expected contract signing date would be in June 2020, and commencement of works is expected in October 2020.

12.3.1.2 Municipal Garage Construction

- Contract Signed: 1,283,690 Euro
- The second Contract Amendment: 1,453,971.33 Euro
- Commencement Date: July 22nd, 2018
- First Extension to April 22th, 2019.
- Second Extension end date: June 25th, 2019
- The project has been initially handed over on September 11th, 2019, Final handing over was on November 13th, 2019.
- The project has been implemented over 14 months, with various delay reasons: delay in transferring the high voltage electricity cable, and contractor slow progress in construction.
- The final payment for the contractor depicted all encountered delays, where a total deduction was 23,886 Euro. Making the final contract amount was 1,435,802.87 euros.



The Municipal Garage



The Municipal Garage

- **HV Cable Relocation sub-component:**

MDLF and Jericho Municipality have allocated 51,287 Euro from MDP III Cycle 1 to recruit JEDCO to construct the electricity service network feeding the Municipal Garage facility, although the contract was signed early January 2019, the project was commenced in April 2019 and relocation and the connection was accomplished on June 30, 2019.

The delay in this subcomponent affected the work status at the Municipal Garage Construction.

- **Environmental and Social Monitoring during construction stage:**

The contractor has prepared a safety plan at the earliest stage of the project; it's been reviewed and approved.

Environmental and social compliance is monitored regularly and reported in monthly progress reports noting that the contractor abided and complied with the project ESMP and safety plan except of certain incidents where environmental notes were issued.

Where the contractor complied with occupational health and environmental control measures on site where adequate sanitary facilities, first aid kit, adequate water supply, proper closure of the site, presence of approved dumping site and proper disposal of waste, proper PPE, proper fall protection, regular control of dust, regular working hours were followed during the construction period.

Socially; the municipality has conducted a consultation meeting with neighbors before the commencement of works where proper mitigation measures and working hours were discussed with neighbors.

Although, a few days after commencement the project has been stopped for a few days following to receiving verbal complaints of no. of citizens who claimed to use dirt road passing the western part of the site. Jericho municipality has conducted consultation meetings with affected persons and agreed to exclude that part of the project and maintain temporary access for those complainants. Supplementary safety measures to the new boundary were set.

Another issue of relocating honey boxes that were recently placed at the site has been verbally raised. The municipality has he consulted the owner and agreed to place the boxes out of the site.



12.3.1.3 Old Municipal Garage Remediation (Renamed to Extension of Spanish garden and Remediation of the Old Garage)

- Old Municipal Garage Remediation funding was agreed to be allocated through MDP III Cycle 1 rather than the Project.
- On the other hand, due to the progress delay this component had been integrated into the Spanish Garden Extension Project that was agreed to be financed through MDP III Cycle 2, this decision was made to ensure defining correct and strict remediation actions related to the Spanish Garden extension components.
- The Spanish Garden Extension Terms of reference have been revised to include scope for remediation works (revision of the lab test results, demolition requirements, dismantling and disposal of asbestos conditions, potential impacts coming up from the new design, etc...).
- The project is expected to commence in April 2020.

12.3.2 Work supervision and Environmental and Social Monitoring

- Progress on Contract Management:
 - The contract was signed March 25th, 2018 with an amount: 250,583 Euro.
 - First Amendment to include the additional scope of works with regards to the Slaughterhouse Construction component was signed on January 3rd, 2019 with an amended contract value of 270,064 Euro.
 - The second Amendment included an additional scope of works to provide an additional scope of work to the Slaughterhouse Construction component. The amendment was signed on July 11th, 2019 with a contract value of 329,689 Euro.
- As the Slaughterhouse Construction Projects are expected to commence in February 2020, the expected end of the contract date for supervision would be October 21st, 2021. instead of January 2nd, 2020. Where (6 months' duration for Municipal Garage and 18 months' duration for the slaughterhouse construction, in addition to 2 months for the remediation of the old slaughterhouse site).
- The consultant has finalized supervision for the Municipal Garage Construction



- The consultant has prepared Concept Design and draft bidding documents for Design Supply and Install the Slaughterhouse. Details of progress are included in the Slaughterhouse Construction section.

12.3.3 Jericho Municipality Components

- The Municipality inaugurated the Garage in an official ceremony. Accompanied to finalizing the transfer of all departments to the new garage, where stores have already been transferred and operated. Full operation is expected by the end of February.
- The Municipality will work closely with MDLF to update the Auction document, updating the awareness plan and other future collaboration to operate and raise the capacity of the municipality to efficiently operated the Slaughterhouse.



12.4 Mitigation Measures for Fund Allocation

- The project components of the construction of Municipal Garage and the Construction of Slaughterhouse faced a delay in different stages, in addition to a deficit of financial availability, however, all these issues have been solved after proposing the new Slaughterhouse Construction Method. In addition to what measure been taken at the early stages by reducing the scope of work at the Municipal Garage Construction Project, using MDP III cycle 1 allocation for relocating the HV cable, and the rehabilitation of the access road to the New Municipal garage.
- The remediation of the old Municipal Garage site will be financed through the integration of remaining funds from MDP III cycle 1 with MDP III cycle 2 allocations to ensure proper integration for remediation and design of the extension of the Spanish Garden.
- Financing the Electricity Connection to serve the Slaughterhouse will be financed through the project.
- The rehabilitation of the Internal Roads to access the Municipal Garage is approved to be financed through MDP III Cycle 1.

12.5 Challenges and Obstacles

- The project components of the construction of Municipal Garage and the Construction of Slaughterhouse faced a major delay due to the lack of information regarding water, wastewater, and electricity service connections. Further to the delay in providing the required utility components design. Afterward; a major issue was the deficit of funding to implement those utilities as hasn't been encountered in project proposal at the start. To overcome the financial issue, MDLF proposed a financial methodology correlating potential capability and utilization of MDPIII cycle 1 allocation, this proposal was discussed with Jericho Municipality and the AFD as follows:
- The proposal states that the municipality is to finance the remediation of the old Municipal Garage site.
- MDPIII Cycle 1 allocation will be utilized to:



- Finance the electrical connections for the Municipal Garage.
- Finance connection of electrical connection to serve Slaughterhouse project in case deficit of fund after the Slaughterhouse Construction bid opening
- Finance the water connection for the Slaughterhouse project in case the deficit of fund after the Slaughterhouse Construction bid opening.
- The project components of the construction of Municipal Garage and the Construction of Slaughterhouse faced a delay in different stages, in addition to a deficit of financial availability, however, all these issues have been solved after proposing the new Slaughterhouse Construction Method. In addition to what measure been taken at the early stages by reducing the scope of work at the Municipal Garage Construction Project, using MDP III cycle 1 allocation for relocating the HV cable, and the rehabilitation of the access road to the New Municipal garage.
- The remediation of the old Municipal Garage site will be financed through the integration of remaining funds from MDP III cycle 1 with MDP III cycle 2 allocations to ensure proper integration for remediation and design of the extension of the Spanish Garden.
- Upon agreement; the Extension of the Spanish Garden was agreed to be shifted to MDPIII cycle2.
- An additional challenge was the delay in finalizing the auction documents at Jericho Municipality, which was supposed to have been launched prior to the commencement of works at the Slaughterhouse Construction Project, for that reason, the Municipality has been advised to dedicate its teams to finalize it during early August of 2018.
- Due to the delay in implementing activities, it was recommended that the project agreement to be extended in order to cope with the project timeframe.



13. Local Government Services Improvement Project (LGSIP)

13.1 Introduction

The Palestinian Authority made a strategic choice to reform key areas of its Village Support Program, focusing on institutional strengthening and reforming the financing mechanism to improve services delivery in villages. With support from the World Bank and other Development Partners, the PA developed the Local Government and Services Improvement Program (LGSIP) to respond to the institutional and financial challenges that VCs face. The LGSIP focusses attention on VCs' service delivery responsibilities and provides technical, institutional and financial support to VCs through combining PA budgetary support and specific Technical Assistance (TA) and investment support by Development Partners "DPs".

The LGSIP channels budgetary resources, including the Transportation Fee, and earmarked subsidies to the MoLG for infrastructure development in villages. An integral element of this approach is the PA's intention to reform the local government financing system, through a reform of the Transportation Fee allocation and disbursement mechanism.

LGSIP will assist the PA in establishing a systematic approach for strengthening the institutional systems for viable local authorities that can provide services to their citizens responsibly and can be financially sustainable in the future.

13.2 LGSIP Description

The development objective of LGSIP is to strengthen the local government financing system and improve local service delivery in program villages. The program builds upon the PA's Village Support Program objective of enhancing local accountability through improving stakeholder participation and strengthening of institutional systems and processes for citizen engagement. The program introduces the allocation of transparent and predictable fiscal transfers to VCs to finance implementation of participatory capital investment plans. The program will also strengthen local accountability through enhanced reporting to citizens and strengthened the grievance process.

The LGSIP comprises delivering infrastructure at the village level through combining investment support in the 241 VCs with specific support to the investment requirements in "Area C", coupled with implementation arrangements to address VC capacity constraints. The LGSIP has a five-year duration from 2016 to 2020 and comprises the following components:

- (i) Annual capital grants for the delivery of Local Services: Provides local services through village councils, through allocating certain amounts of funds based on the population of each village council which, deemed eligible. The allocated amounts are then used to implement projects in the village councils as per priorities stated in the development plans of these villages.
- (ii) Conditional Capital Grants for investment in Joint Projects: Provides infrastructure through joint projects, this is achieved by offering funds/grants conditional to implementing joint projects between various village councils.
- (iii) Capacity Support for strengthening Local Governance Institutions: This component aimed at enhancing the capacities and provide more targeted capacity support to VCs and JSCs in line with their key roles and responsibilities making them eligible for funding; also, to raise the capacity of the MoLG staff to enable them to carry out their tasks accordingly.
- (iv) Investments in "Area C", which is financed through Program Parallel financing.

13.3 Program Financing

The Palestinian Authority (PA) received a grant from the World Bank in the amount of US\$5 million towards the LGSIP, channelled through the Government systems, using the World Bank Program for Results (PforR) financing instrument. Additional Program commitments to be co-financed using the PforR instrument amount to US\$15 million, including *US\$13 million financed by the Government of Sweden through the Multi-Donor Trust Fund-Program for Infrastructure Development (MDTF-PID), administered through the*



World Bank, and a US\$ 2 million equivalent commitment from the PA. In addition to these amounts, a total of EUR 8 M will be funded by the KFW particularly to support the 2nd component of the program, namely the joint projects through the MDLF as shown in Table 54 below.

Table 54: LGSIP Financing per Donor

Source	Modality	Amount
PA	Co-financing	\$ 2 M
World Bank	PforR	\$ 5 M
PID MDTF	Co-financing (PforR)	\$ 13 M
KFW	Parallel Financing	EUR 8 M

13.4 Program Management

The Ministry of Local Government and the Municipal Development and Lending Fund are responsible for administer the implementation of the program. To achieve this, a committee, headed by the Ministry of Local Government with the Municipal Development and Lending Fund **and the Ministry of Finance as members, was formed to oversee the implementation of the** program.

The Ministry of Local Government (MoLG) will be responsible for the overall oversight of the implementation of Program sub-Activities I and III, while MDLF will be responsible for the overall management of Program Sub-Activities II and IV. MDLF is also responsible for carrying out Program Management activities in its capacity as the Program Secretariat bearing the responsibility to develop the needed reports to the funding parties.

13.5 Grants Allocations Mechanism

- Upon meeting the LGSIP eligibility criteria, capital investment grants would be allocated based on a simple per capita formula. The eligibility assessment will be done by MoLG on an annual basis, verified by the (Independent Verification Agent) IVA.
- Grant allocations per VCs will then be calculated by the MDLF, as the Program Secretariat performing the Program management function. Grants would be allocated annually based on the recurrent annual cycle.
- For joint projects financed by Conditional Capital Grants, additional funding would be provided as a 'top-up' capital grant, determined by the sum of pooled individual allocations of participating VCs multiplied with an incentive factor of 9.
- Individual allocations would be small but provide a predictable annual grant allocation to VCs. Per capita allocations under the annual capital, grants are designed to match at minimum the current Transportation Fee allocation of around NIS25.00 (US\$6.5 equivalent) to provide a meaningful source of timely and predictable revenues and to serve as an incentive for reform. At appraisal, the amount was agreed to be US\$9.0 per capita.

13.6 Disbursement Linked Indicators

The LGSIP would use the PforR financing instrument to leverage financial incentives to achieve results and mainstream reforms into the PA systems. The PforR would help support system changes across the program by leveraging the actions contained in the Program Action Plan (PAP) and Disbursement Linked Indicators (DLIs) to trigger positive responses on needed reforms in the sector. Program funds will be released based on the attainment of results, instead of as inputs to achieve results. This shift would achieve mainstreaming of critical reform initiatives into the formal PA systems, which has not always been possible with a traditional Investment Project Financing approach

The DLIs have been selected according to the Program's incremental result chain so critical results can be achieved during the early stage of the Program for building incremental results to reach the PDO



A. Results linked to the signing of the agreements (pre-results):

- Enabling steps to strengthen local governance adopted by MoLG: (i) Standardized governance framework for joint service provision; (ii) Formula for annual capital grant allocations finalized; and (iii) Local Government Procurement Instructions.

B. Results linked to the implementation of a program:

- Timely communication and disbursement of Formula-based Annual Capital Grant allocations to VCs
- Percentage of VCs meeting LGSIP eligibility criteria annually
- Cumulative number of joint projects approved
- Aggregated expenditure (percentage) of approved joint projects
- Steps to improve transparency and predictability of Transportation Fee adopted by MoLG: (i) transportation fee reform directive submitted for approval to Cabinet of Ministers; and (ii) share of transportation fee disbursed annually to VCs on a per capita basis and on time
- Capacity Building Activities delivered by MoLG based on their annual capacity Development Plan.

13.7 Implementation Status

Progress at the General Framework Level

- The LGSIP agreement was signed with the World Bank on March 14th, 2016 for USD 5M. On April 11th, 2016, the project was launched at the government level. Since then, work on necessary preparations was commenced, which makes it possible to obtain the necessary financing through achieving results, since the program is results-based.
- The Allocation of funds' formula was adopted for individual and joint projects, more specifically:
 - o The value of the annual financial allocation per village = population according to the PCBS * 9 USD
 - o The value of the joint project = value allocated fund to the village council * 9 times
- The report was prepared by the General Secretariat of the Council of Ministers (verification agency) indicating that the MoLG has made the first of two results of the program, and the 1st advanced payment totaling million dollars was transferred to MOLG accordingly. These results are:
 - o Adopting the allocations formula
 - o Amending the JSCs law
- The program was launched at the level of village councils through a workshop held on October 25th, 2016, under the patronage of H.E. the Deputy of MoLG, and the general director of Municipal Development and Lending Fund. The workshop introduced the idea of the project and actions associated with it, the roles of each ministry and the MDLF, and the requirements for qualifications; also, how to prepare development plans, financial management and budgeting.
- On June 28th, 2016, the general procurement law was passed by the ministerial council, coming into force starting on July 1st, 2016.
- The head of the Higher Council for the Public Procurement Policies (HCPPP) was contacted for this specific law. The information and instructions were issued through the MoLG on December 14th, 2016, to the Local Government directorates, which in return circulated the information to the village councils at their own governorates.
- Seven Orientation sessions for the benefit of all VCs, JSCs, & MOLG staff were conducted from Feb 12nd until March 7th, 2017. (this was done in cooperation with the World Bank).
- The Bidding documents were prepared and submitted to the eligible VCs.
- The Independent Verification Agent was contracted by MDLF in October 2016, to conduct the verification on the DLIs achievements under the target indicators indicated in the LGSIP-PAD. The IVA used the following approach to conclude the findings:

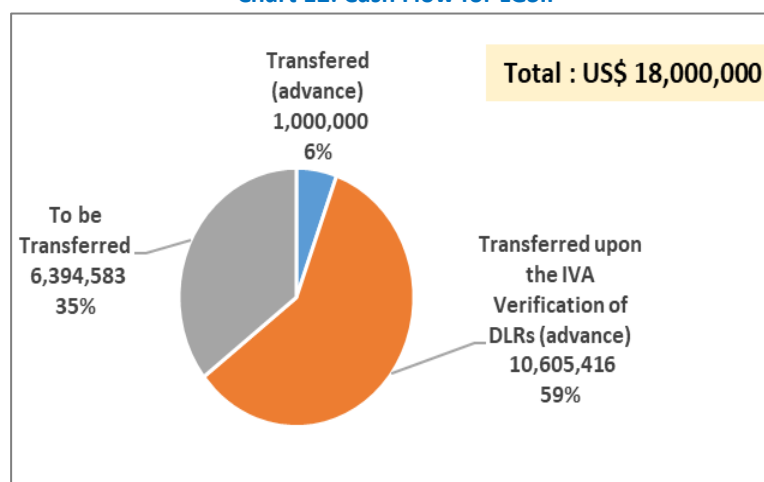


- Document and literature review
- Semi-structured Key Informant Interviews and
- Validation-Verification Assessment
- The IVA submitted the 4 verification reports which were shared with the WB and the program committee as per the following:

Table 55: IVA Reports

	DLR Subject to Verification	Conclusion
IVA Report # 1	- (DLR 1.2: MoLG Issued Procurement Instructions for LGUs to follow in procuring local services) - (DLR 7.1: Five Year Capacity Development Plan prepared). The IVA confirmed the achievement of both DLRs	- \$ 1,000,000 was transferred to MOLG through MOFP upon the achievements of the DLRs.
IVA Report # 2	- DLR#2.1: Communication of the ACIG allocation to VCs by January 15, 2017. - DLR#2.2 Communication of the ACIG allocation to VCs by January 15, 2018. - DLR#3.1: 50% of Program eligibility criteria met by Jan 15, 2017 (30% achieved). - DLR#3.2: 60% of Program eligibility criteria met by Jan 15, 2018 (53% achieved). - DLR#7.2: Annual Capacity Development Plan for the year 2017 executed.	- \$ 3,677,500 was transferred to MOLG through MOFP upon the achievements of the DLRs.
IVA Report # 3	- DLR #4.2 10 (accumulative) joint projects approved for the year 2018.	- \$ 1,333,333 was transferred to MOLG through MOLG upon the achievement of the DLR.
IVA Report #4	- DLR#2.3 Communication of the ACIG allocation to VCs by January 15, 2019. - DLR#3.3: at least 50% of VCs, maximum of 70% of Program eligibility criteria met by Jan 15, 2019. - DLR #4.3: 14 joint projects approved. - DLR #6.1: The Recipient submitted its Transportation Fee reform directive to its Cabinet of Ministers for approval. - DLR#7.3: Annual Capacity Development Plan for year 2018 executed	- \$ 4,594,583 was transferred to MOLG through MOLG upon the achievement of the DLR.

Chart 12: Cash Flow for LGSIP





Progress Per Component

Annual capital grants for the delivery of Local Services

1 st round annual grants to VCs (2016-2017)
- All of the involved villages carried out meetings, and steps agreed upon under the clauses of simplified procedures for the preparation of the annual development plans. The presence of previous experience in the field of planning helped achieve these results, as well as the assistance of consultants and volunteers on the ground that facilitated these meetings. - All of the plans were received except for two villages in Jerusalem governorate. - All received development plans were publicly disclosed through one or two methods, namely: (i) The gateway/website to the local government units: <i>baladiyat.ps</i>, a total of 63. (ii) Through social networking pages for the village councils. - All budgets totaling 63, were disclosed through the <i>baladiyat.ps</i> website. Noting that it will be published through the program of public administration for budgeting, following the completion of approvals from the MoLG. - The list of 61 eligible VCs was approved by the project committee. - The total estimated value of the projects listed for the year 2017 through LGSIP was 1.684M USD, where the contribution from the village councils would be to cover the difference between the allocated amount and the estimated cost. - The value of financial allocations for the eligible 61 village councils is US\$ 1,541,682 where the projects implementation status is described as follows: • 14 Large VCs out of 61 eligible VCs with a total allocation of US\$ 661,482. • 14 small VCs out of 61 eligible VCs – members of qualified JSCs – with a total allocation US\$ 234,239. • 33 small VCs out of 61 VCs are eligible and not members of a qualified JSC, thus they signed agreements with the nearest Municipality or eligible large VC (the sum of their allocations is \$ 645,961). - In terms of implementation status, out of 61 VCs, 27 VCs completed their projects in (2017) and 34 VCs merged their 1st round allocation with the 2nd round allocation to be implemented in (2018-2019).
2 nd round annual grants to VCs (2017-2018)
- All of the involved villages carried out all field activities, meetings and steps agreed upon under the clauses of simplified procedures for the preparation of the annual development plans. The presence of previous experience in the field of planning helped achieve these results, as well as the assistance of consultants and volunteers on the ground that facilitated these meetings. - All of the plans were prepared and disclosed on time. - All received development plans were publicly disclosed through one or two methods, namely: (i) The gateway/website to the local government units: <i>baladiyat.ps</i>, a total of 139. (ii) Through social networking pages for the village councils. - All budgets submitted, totaling 139, were disclosed through the <i>baladiyat.ps</i> website. Note that it will be published through the program of public administration for budgeting, following the completion of approvals from the MoLG. - Meetings were conducted with the mobilizers and Planning Department to clarify the procedures for preparing the ACIP and communication mechanism (Planning Department, District Offices, Program Coordinator). In the current cycle, the arrangement became more institutionalized at the district level. - In each governorate, launching meeting was conducted under the supervision of MOLG district office. - The list of 139 eligible VCs was approved by the project committee out of which 17 VCs are located in Area C, meaning that only 122 VCs will be targeted by the 1st component of the project. - In terms of the annual grants to the eligible VCs, a total of US\$ 3,296,889 targeting 122 eligible VCs. Out of which: • 37 large VCs with a total allocation of US\$ 1,721,484. • 33 small VCs-members of qualified JSCs- with a total allocation of US\$ 600,534. • 52 small VCs – members of unqualified JSC- with a total allocation of US\$ 974,871. - In terms of implementation status, the projects were all successfully completed.



3rd round annual grants to VCs (2018-2019)
- All of the involved villages carried out all field activities, meetings and steps agreed upon under the clauses of simplified procedures for the preparation of the annual development plans. The presence of previous experience in the field of planning helped achieve these results, as well as the assistance of consultants and volunteers on the ground that facilitated these meetings. - All of the plans were prepared and disclosed on time. - All received development plans were publicly disclosed through one or two methods, namely: (i) The gateway/website to the local government units: <i>baladiyat.ps</i>, a total of 204. (ii) Through social networking pages for the village councils. - All budgets submitted, totaling 204, were disclosed through the MOLG website. Note that it will be published through the program of public administration for budgeting, following the completion of approvals from the MoLG. - Meetings were conducted with the mobilizers and Planning Department to clarify the procedures for preparing the ACIP and communication mechanism (Planning Department, District Offices, Program Coordinator). In the current cycle, the arrangement became more institutionalized at the district level. - In each governorate, launching meeting was conducted under the supervision of MOLG district office. - The list of 204 eligible VCs was approved by the project committee out of which 31 VCs are located in Area C, meaning that only 173 VCs will be targeted by the 1st component of the project. - In terms of the annual grants to the eligible VCs, a total of Million US\$ 4,275,351 targeting 173 eligible VCs. Out of which: • 35 large VCs with a total allocation of Million US\$ 1,665,063. • 138 small VCs with a total allocation of Million US\$ 2,610,288. - In terms of implementation status, out of 173 eligible large or small VC, (136 VCs started preparing the bidding documents for their projects, and 37 VCs are preparing their projects documents) - More focus on the VCs who initiated the procurement process , out of 136 VC, 108 VCs awarded their projects (undergoing or handed over) with a value of Million US\$2,818,154) and 28 VC are still evaluating the bids.
4th round annual grants to VCs (2019-2020)
- All of the involved villages carried out meetings, and steps agreed upon under the clauses of simplified procedures for the preparation of the annual development plans. The presence of previous experience in the field of planning helped achieve these results, as well as the assistance of consultants and volunteers on the ground that facilitated these meetings. - All of the plans were received. - All received development plans were publicly disclosed through one or two methods, namely: (i) The gateway/website to the local government units: <i>baladiyat.ps</i>, a total of 204. (ii) Through social networking pages for the village councils. - All budgets totaling 204, were disclosed through the MOLG website. Noting that it will be published through the program of public administration for budgeting, following the completion of approvals from the MoLG. - The list of 204 eligible VCs was approved by the project committee by Dec 12, 2019. - The Allocation value of the projects listed for the year 2020 through LGSIP was US\$ 4,301,280M, where the contribution from the village councils would be to cover the difference between the allocated amount and the estimated cost. - The value of financial allocations for the eligible 204 village councils is distributed as follows: • 34 Large VCs out of 204 eligible VCs with a total allocation of Million US\$ 1.613907. • 170 small VCs out of 204 eligible VCs with a total allocation Million US\$ 2.687373. • 88 small VCs out of 204 VCs are eligible and not members of a qualified JSC, thus they signed agreements with the nearest Municipality or eligible large VC - In terms of implementation status, out of 204 VCs, 178 VCs are preparing their projects profiles

Conditional Capital Grants for Investment in Joint Projects

- The joint services council's by-law was updated and endorsed as of 26th of February 2016.
- The establishing agreement of the Joint Service Council and its affiliated villages was upgraded.



- The Program Committee approved three eligible JSC's in the first round, four JSCs in the second round and two JSCs for the third round.
- Twenty one subprojects were approved by the program committee and DPs concerning the 1st two rounds, however the projects for the 3rd round is still in the identification process.
- The priorities of the LGUs and the JSCs were nearly different and the process of identification of joint projects between the JSCs and the eligible VCs took some time.
- The allocation and the progress of the 1st , 2nd and 3rd round projects are summarized in **tables 56, 57, 58.**

Table 56: Status of Joint projets (Round 1)

JSCs	No. of Eligible VCs		Sub-Project	Donor	Allocation (US\$)	Status
High JSC for Solid waste Management- Hebron and Bethlehem	20	4,349,457	Supply of industrial machinery and equipment	MDTF	26,410	completed
			Supply & delivery of 4x4 Pickup vehicles.	MDTF	223,840	completed
			Supplying of Solid Waste Steel containers	KFW(598,117)+ MDTF(271,513)USD	869,630	Ongoing
			Supply Solid Waste Plastic containers	KFW	156,968	completed
			Garbage Truck and Carrier and Trailer transfer trucks	KFW	1,073,925	Ongoing
			Waste Tank and sewage tank	KFW	414,030	Ongoing
			A Building(Garage and warehouse)for maintenance and operation for the equipment's	MDTF	434,894	Ongoing
			Supply of a Track Skid loader, Wheel Excavator	KFW	849,283	Ongoing
			Backhoe loader		249,750	completed
			Skid Steer loader		50,727	completed
Multi-Purpose JSC (Planning and Development) in Tubas	4	594,864	Supply, install and operate the solar Photovoltaic system of capacity 500 kWp for (Wadi Al Far'a ,Tyaseer,Al Aqaba, and Atoof)	MDTF	594,864	ongoing
JSC for Solid Waste Management/ Salfit	6	991,035	Supply, install and operate the solar photovoltaic system of 293 kWp for South Salfet (Yasooof, Farkha, and Iskaka)	MDTF	326,329	ongoing
			Supply of Construction Equipment's for West Salfet (Masha, Rafat, and Sarta) phase 1	MDTF	636,654	on going
			Supply of Construction Equipment's for West Salfet (Masha, Rafat, and Sarta) phase 2	MDTF	28,052	MDLF Review



Table 57: Status of Joint Projects (Round 2)

JSCs	No. of Eligible VCs		Sub-Project	Donor	Allocation	Status
JSC North Nablus for planning and development	6	1,099,656	Supplying Waste collection truck Electrical platform and pick up car , supplying GPS (Surveying equipment) (Nablus)	MDTF	375,656	Ongoing
			Rehabilitation and finishing works for existing JSC building and supplying furniture(Nablus)	MDTF	100,000	Design
			Supplying plastic and steel solid waste containers	KFW	104,000	Evaluation
			Vocational school	MDTF	520,000	Design
Qalqilya /Middle JSC for planning and development	3	268,191	Supplying Electrical platform and solid waste truck collection (Qalqilya)	MDTF	268,191	Ongoing
JSC for Solid Waste Management/ Tulkarm	4	727,542	Supplying equipment's (Tulkarem)	MDTF	468,400	Ongoing
			Supplying equipment's (Tulkarem)	KFW	28,848	Preparation of Tenders
			Supplying plastic and steel solid waste containers	KFW	165,212	Evaluation
			Rehabilitation of existing facilities (Piston and Washing area)(Tulkarem)	KFW	65,082	Design
JSC for Solid Waste Management/ Bethlehem	9	1,736,883	Supply collection and transfer solid waste trucks, and solid waste service equipment's	KFW	757,000	Evaluation
			Supply collection and transfer solid waste trucks, and solid waste service equipment's (Bethlehem)	KFW	540,681	Ongoing
			Supplying solid waste containers	KFW	300,000	Design
			Extension of existing JSC building	KFW	139,202	
			To be proposed later or distributed to other projects after tendering if needed	KFW		



Table 58: Status of Joint Projects (Round 3)

JSCs	No. of Eligible VCs	Sub-Project	Donor	Allocation	Status
JSC for Solid Waste Management for Nablus Governorate	30	Not Yet Identified (still under appraisal)	KFW	1,819,937	Identification and Appraisal
JSC for Planning and Development west Ramallah villages (Nilin)	12	Not Yet Identified (still under appraisal)	KFW	780,063	Identification and Appraisal

Capacity Support for Strengthening Local Governance Institutions

- A general framework for capacity building plan was introduced and adopted by the MoLG as well as FPs, with activities designed in line with the MoLG's policies. Where the operational capacity building plan for 2018 included the capacity building in the areas of planning, procurement management, budgeting, financial management, infrastructure management, and environmental management.
- MOUs and partnerships were signed with GIZ through LGRP program as well as the BTC through LGRDP Program in February 2017.
- The capacity building plan has been approved by the ministry and also by the DP's.
- The contract of building the financial management capacity for VCs, JSCs MOLG accountants has been signed and the activities regarding this assignment are ongoing
- Conducting surveying study regarding local economic development is now in the tendering process.
- # of beneficiaries regarding to the FM-CB as follows :

#	Year	# of targeted VCs	# of targeted JSCs
1	2017-2018	139	22
2	2018-2019	48	10
3	2019-2020	48	10

- Several training workshops related to general procurement will be carried out as soon as the HCPPP finalizing the preparation of the Standard Bidding Document. The workshops will target engineers at village councils and joint-service councils as well as individuals responsible for procurement, in addition to the staff of MoLG and related directorates. The objective of these workshops is to familiarize the participants with the framework of the procurement law for 2014 and the system related to it.
- Several pieces of training in the fields of Procurement, Budgeting, Financial, Infrastructure management, Community Planning will be conducted to the new eligible VCs staff and repeated for the old eligible VC upon needs.
- The updating of the ACIP for the VCs has taken place by the beginning of August over the last 4 years.
- The MOLG (Budget dept.) finalized the preparation of the budget portal.
- The MOLG is trying to finalize all of the activities before the end of the year 2020 ,however the on Job Training will continue



13.8 DLIs Achievements

Table 59: The achievement against the DLRs

	Total Financing Allocated to DLI	% of Total Financing	DLI Baseline	Indicative timeline for DLI achievement					
				Prior Result	Year 1	Year 2	Year 3	Year 4	Year 5
DLI 1: Enabling steps to strengthen local governance adopted by MoLG			No	DLR 1.1 (i) Standardized Governance framework for joint service provision adopted; (ii) adoption of formula for Annual Capital Grant allocation for VCs/JSCs	DLR 1.2 MoLG Issued Procurement Instructions for LGUs to follow in procuring local services	N/A	N/A	N/A	N/A
Allocated amount (\$m):	1.8	10%		1.0	0.8	-	-	-	-
Achievement Status				<i>Achieved previously upon the verification from the Prime Minister Office.</i>	<i>Achieved previously upon the verification from the IVA-Report # 01</i>				
DLI 2: Timely communication to VCs of the formula-based Annual Capital Investment Grant (ACIG) allocations and timely transfer of ACIGs to eligible VCs			No		N/A	DLR 2.1 Communication of the ACIG allocation to the VCs by January 15 and transfer of ACIGs to eligible VCs by January 31	DLR 2.2 Communication of the ACIG allocation to the VCs by January 15 and transfer of ACIGs to eligible VCs by January 31	DLR 2.3 Communication of the ACIG allocation to the VCs by January 15 and transfer of ACIGs to eligible VCs by January 31	DLR 2.4 Communication of the ACIG allocation to the VCs by January 15 and transfer of ACIGs to eligible VCs by January 31
Allocated amount (\$m):	3.2	18%				0.8	0.8	0.8	0.8



	Total Financing Allocated to DLI	% of Total Financing	DLI Baseline	Indicative timeline for DLI achievement					
Achievement Status						<i>Achieved previously upon the verification from the IVA- Report # 02</i>	<i>Achieved previously upon the verification from the IVA- Report # 02</i>	<i>Achieved upon the verification from the IVA – Report # 04</i>	
DLI 3: Percentage of VCs meeting the Program eligibility criteria annually			No		N/A	DLR 3.1 50%	DLR 3.2 60%	DLR 3.3 70%	DLR 3.4 70%
Allocated amount (\$m):	5.0	28%				1.0	1.0	1.5	1.5
Achievement Status						<i>Partially Achieved upon the verification from the IVA- Report # 02</i>	<i>Partially Achieved upon the verification from the IVA – Report # 02</i>	<i>Achieved upon the verification from the IVA – Report # 04</i>	
Revised Amount						0.7	0.9775	1.66125	1.66125
DLI 4: Cumulative number of Joint Projects approved			0		N/A	DLR 4.1 6	DLR 4.2 10	DLR 4.3 14	DLR 4.4 18



	Total Financing Allocated to DLI	% of Total Financing	DLI Baseline	Indicative timeline for DLI achievement					
Allocated amount (\$m):	4.0	22%				1.0	1.0	1.0	1.0
Revised Amount						0	1.33	1.33	1.33
Achievement Status						Not Achieved – the amount was reallocated for the following 3 years	Achieved upon the verification from the IVA – Report # 03	Achieved upon the verification from the IVA – Report # 04	Achieved upon the verification from the IVA – Report # 04
DLI5: Aggregated expenditure percentage of approved Joint Projects			0		N/A	N/A	DLR 5.1 30%	DLR 5.2 40%	DLR 5.3 50%
Allocated amount (\$m):	1.5	8%					0.5	0.5	0.5
Achievement Status							Not Achieved	Not Achieved	
DLI 6: Steps to improve transparency and predictability in the allocation Transportation Fee adopted by MoLG			No		N/A	DLR 6.1 Transportation fee reform directive submitted for approval to Cabinet of Ministers	DLR 6.2 At least 25% of the annual allocation of TF to VCs is disbursed using the criteria set out in the	N/A	N/A



	Total Financing Allocated to DLI	% of Total Financing	DLI Baseline	Indicative timeline for DLI achievement					
							Program Operations Manual		
Allocated amount (\$m):	1.0	6%				0.3	0.7		
Achievement Status						Achieved upon the verification from the IVA – Report # 04			
DLI 7: Capacity Building Activities delivered by MoLG based on their Annual Capacity Development Plan			N/A		DLR 7.1 Five Year Capacity Development Plan prepared	DLR 7.2 Annual Capacity Development Plan executed	DLR 7.3 Annual Capacity Development Plan executed	DLR 7.4 Annual Capacity Developme nt Plan executed	N/A
Allocated amount (\$m):	1.5	8%			0.2	0.4	0.5	0.4	N/A
Achievement Status					Achieved upon the verification from the IVA- Report # 01	upon the verification from the IVA – Report # 02	Achieved upon the verification from the IVA – Report # 04		
Total Financing Allocated (in the US \$ million) as per the PAD	18	100%		1.0	1.0	3.5	4.5	4.2	3.8
Total Financing Allocated (in the US \$ million) as per the revision by the IVA	18	100%		1.0	1.0	2.2	4.8075	4.69125	4.29125



13.9 Results Framework

Table 60: Assessment of PDO Results

Indicator	Target	Achieved
PDO Indicator 1: VCs receiving transparent and predictable Annual Capital Grants	Target FY 2016-2017 40%	Partially Achieved FY 2016/2017 $61 / (241 - 34 - 6) = 30\%$ (confirmed by the IVA) <u>Note:</u> - # VC with pop. Share > 60% = 34 - 6 VCs were promoted to municipalities
	Target FY 2017-2018 50%	Achieved FY 2017/2018 $122 / (272 - 44) = 53\%$ (confirmed by the IVA) <u>Note:</u> # VC with pop. Share > 60% = 44
	Target FY 2018-2019 60%	Achieved $173 / (284 - 45) = 72.4\%$ (confirmed by the IVA) # VC with pop. Share > 60% = 45
	Target FY 2019-2020 70%	Achieved $178 / (278 - 45) = 76.4\%$ (to be confirmed by the IVA) # VC with pop. Share > 60% = 45
PDO Indicator 2: Timely communication to VCs of the formula based Annual Capital Investment Grant (ACIG) allocations and timely transfer of ACIGs to eligible VCs.	Target FY 2017 - Yes Target FY 2018 - Yes Target FY 2019 - Yes Target FY 2020 - Yes	Achieved FY 2017 - Yes Achieved FY 2018 - Yes Achieved FY 2019 - Yes Achieved FY 2020 - Yes



Indicator	Target	Achieved
PDO Indicator 3: People benefiting from improved service delivery in Program villages	Target FY 2018 (midterm) 230,000	Achieved FY 2019 (accumulative) (423,123) distributed among eligible VCs (1st & 2nd & 3rd rounds) Female % : 49% totaling (207,330) Double counting was avoided (1st & 2nd rounds beneficiaries 338,157) 3rd round after deducting the previously eligible VCs in the first two rounds is 84,966)
PDO Indicator 4: Beneficiaries that feel Program investments reflected their needs	Target FY 2018 (midterm) 65%	Achieved 74% of beneficiaries stated that the projects are very relevant to their needs, 16% stated that the projects are somewhat relevant to their needs.

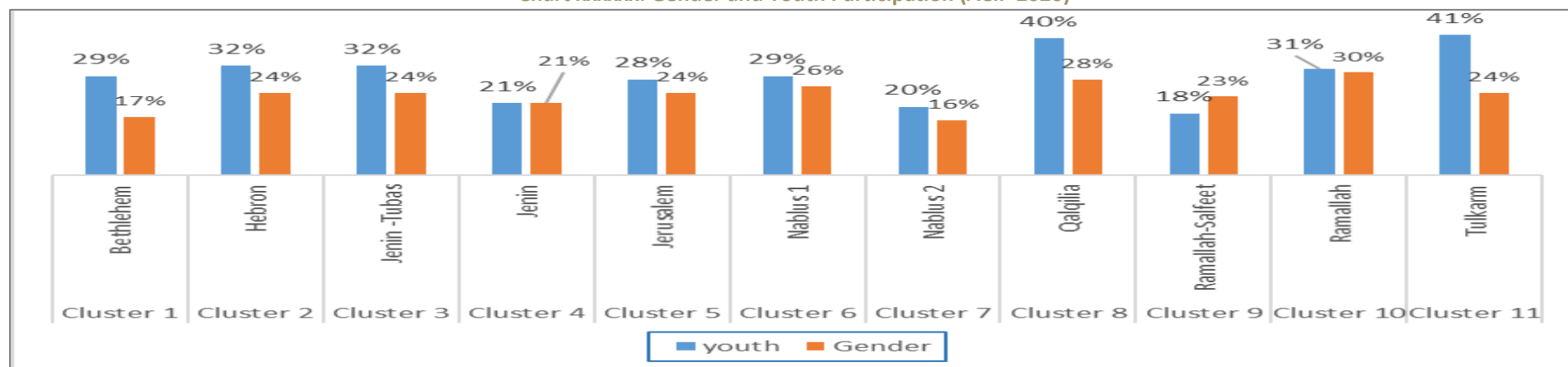
Table 61: Assessment of Intermediate Results

Indicator	Target	Achieved
Intermediate Results Indicator 1: Annual Capital Grant Allocation Formula approved by MoLG	Target FY 2017 Yes Target FY 2018 Yes Target FY 2019 Yes Target FY 2020 Yes	Achieved FY 2017 Yes Achieved FY 2018 Yes Achieved FY 2019 Yes Achieved FY 2020 Yes
Intermediate Result Indicator 2: Steps to improve transparency and predictability of Transportation Fee adopted by MoLG	Target FY 2017 Transportation Fee reform directive submitted for approval to Cabinet of Ministers	Achieved



Indicator	Target	Achieved
Intermediate Results Indicator 5: Cumulative number of joint projects approved	Target FY 2017 – 6 projects Target FY 2018 - 10 (accumulative) Target FY 2019 – 14(accumulative) Target FY 2020 – 18(accumulative)	Not Achieved FY 2017 Zero Achieved FY 2018 - 10 (accumulative) Achieved FY 2019 & FY 2020 - 21 (accumulative)
Intermediate Results Indicator 6: Number of JSCs qualifying for financing under the Program	Target FY 2017 18	Achieved in accordance to the JSC assessment conducted by MOLG (19 JSC are qualified out of which 4 JSCs will be targeted by the 2nd comp.)
Intermediate Results Indicator 7: Share of vulnerable groups who participated in ACIP consultations.	Target FY 2018 (midterm review) 30%	In average (29% youth participation and 23% female participation in the ACIP preparation) based on the reports received from the community mobilizers.

Chart xxxxxx: Gender and Youth Participation (ACIP 2020)





13.9 Obstacles and Challenges

Obstacles faced during annual planning can be summarized as follows:

- Most residents were busy with their work, thus were unable to find the necessary time for meetings. This meant that meetings were only carried out during weekends or at night, limiting the public participation in developing the plan, specifically affecting women and youth from participating.
- Short-period limited the ability to carry out a major community mobilization, which was necessary to increase the participation of citizens.
- Limited skills by the staff of village councils in different areas of capacity, including skills to draft, utilizing tools for disclosure, ability to conduct meetings, describe projects...etc. All of which meant higher reliance on consultants.
- Challenges in coordination between various public departments at the ministry, donors, as well as MDLF.
- Lack of staff meant to aid the coordinator in logistics.
- Standard Bidding Documents (SBD) are not ready yet, however, the MOLG in cooperation with the world bank update forms and those will be used until the SBDs become ready.



Success Stories



Success Story

Construction of internal roads in Marginalized Communities

As part of the MDLF initiatives to improve the lives and livelihoods of citizens in marginalized communities, a project to construct internal roads was implemented in several localities. In this short report, we represent two such localities, the village of Ein Shibli and the village of Khashm ad-Daraj.

Of the benefiting communities was Ein Shibli, a small village north of the West Bank known across the West Bank for its water springs, and often serving as an outlet for people to enjoy nature in the spring. During the rest of the year, this village withstands poverty and life under the harsh conditions of the occupation.

Thus, a project to improve the Ein Shibli's main road alongside the main water pipe was reached, leading to the village's school, the Ein Shibli School. This project consisted of construction 500 LM road. The work included road excavation & levelling, layered with base course, and asphalt (5.5m width) complemented with concrete shoulders and road furniture. Work also included construction of water pipe line of 687L.M of 2" diameter alongside the road.

In Khashm ad-Daraj, a Bedouin village south of the West Bank, another project to lay down the most basic foundations was set in place. The project consisted of construction of about 2Km length road. The roads' width was 4m of asphalt. The work included excavation and levelling complemented with concrete shoulders, and roads furniture.

The project was part of the MDLF program on the Development the Marginalized Communities in West Bank, funded by the European Union (EU), with a total cost of 103,614.67 Euro in Ein Shibli, and with a total cost of 186,387.76 Euro in Khashm ad-Daraj.

It is worth mentioning that these projects had a significant impact on the local communities, and will continue to have a positive social and environmental impact. With a total of 5500 beneficiaries in both localities, such roads currently facilitate accessibility and mobility by the villagers as well as visitors, as these roads provide safe transportation for the community including students.



Part of Al- Ein Shebli internal Road



Part of the road in Khashm ad-Daraj



Success Story

Renovation of a Water Spring in Yanun

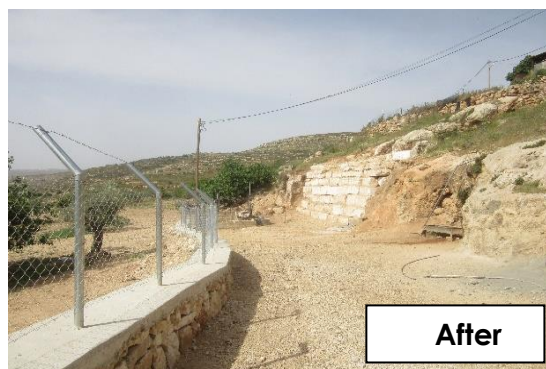
Approximately 15 KM away from the City of Nablus, sits the micro village of Yanun, forgotten amid the ever expanding Israeli settlements. In fact, the village is sometimes referred to in media as “The Forgotten” village, as most of its residents have fled in pursuit of a better life outside of the village due to extreme poverty.

All of Yanun’s remaining villagers work in agriculture, yet cannot afford the expenses that entails their sector. According to a villager “all of us work in agriculture, we only have one school with less than seven students. We make use of everything and recycle everything. We even use our animals byproducts as fertilizer. Yet, we needed water, which we cannot afford”.

In fact, only a handful of villagers were capable of affording water, often exceeding their monthly income. Life was even harder for those villagers who herded sheep far away. “We needed water, and we knew where to find it, but it was a hassle to get there and get our sheep to drink, the spring had never been properly renovated”.

“We have spoken numerous times to officials about the need to provide affordable water sources for us, unfortunately we pay a lot every month, sometimes we are faced with the option to either pay for water, or sell some of our animals in order to survive”. For the shepherds, finding a natural source of water was crucial, it meant saving them from further expenses, which meant better adjusting their income at home.

Thus, as part of the MDLF’s efforts to reach out to all citizens, including those in the most marginalized localities such as Yanun, it became evident that rehabilitating the source of water outside the village would at least improve the lives of a number of families, and shorten the time spent tending the sheep. The project required building retaining walls, stone chains, concrete shoulders, manholes, fences, and even a gate in order to make sure the herd did not wander off. With as little as 30K Euros, the project was well received by the villagers, aiding the often misrepresented villagers to alleviate their hardships by just a little.





Success Story

Arraba's Historical Bath Gets a Facelift

One of the most exceptional municipalities in the West Bank is Arraba, a village of over 11 thousand inhabitants. The municipality has a long history, but it's most prolific took place during the Ottoman era, as it served as the last standing independent parishes that challenged the Ottoman Empire.

With its long history comes historic buildings and architecture that the municipality, as well as the MDLF, understood were crucial to retain and preserve.

As with all of the Palestinian towns that have had a history of affluence and local leadership, the town boasted a number of historic businesses, including its Ottoman-era "Turkish" bath. The location of the bath is not only pleasing for the eyes, but also holds a historic and cultural significance.

The municipality of Arrabeh have always worked on renovating the ancient palaces in the village. One of these palaces, the current "Turkish Bath", was known as the "Seven-Gates Palace", through a Public-Private Partnership agreement with the owner, who agreed to lease the space for the municipality for the town's interests and to create jobs.

The municipality received aid from the MDLF to help in converting the space, and found ingenious ideas to save on energy including connecting the renovated building to a solar grid in order to create a green building. The grey water, for instance, will be used to water the plants and for other agricultural usage. Currently, the bathhouse is rented out to a local resident who will use the space for possible weddings, gatherings, a coffee shop, as well as to provide traditional Turkish Bath services. The project is expected to bring Arrabeh back on the local tourism map, serving as a major attraction for those escaping everyday hustle and bustle, which will ultimately encourage others to find complimentary tourist services such as restaurants, hotels, and cafes.



Before



After



SUCCESS STORY

A New Municipality Building for Tarqumiya

The town of Tarqumiya is located 12 kms northwest of the city of Hebron. Its landmass area covers about (21,000) dunums situated over high hills approximately 500 meters above sea level. It links the stretch of the Mediterranean coast and the heights of the Hebron Mountains.

Tarqumiya is where the road connecting the West Bank and the Gaza Strip (known as the safe passage) starts through the "Tarqumiya crossing".



The town is surrounded on the east by the mountains of Hebron and the town of Beit Kahil, on the west by the Palestinian town of Beit Jibreen (ethnically cleansed in 1948), the north by the town of Beit Ula, and on the south by the town of Idna and Tafouh. With a population of approximately 15,000 people, Tarqumiya is famous for growing olives, grapes, vegetables, and grains.

The objective of this project was meant to improve the services provided by the Municipality of Tarqumiya, which is the central civil establishment in the town. The old building suffered the lack of facilities and was crowded with clients and citizens who underwent hard and slow process of transactions due to difficult conditions, particularly the space limitations in the old building. Thus, this project is meant to contribute to improving the service provided to the target groups, such as heads of families, stakeholders, and commercial/ industrial activities in the town of Tarqumiya.

The operations at the new building significantly reduced the pressure on the facilities of the municipality of Tarqumiya and contributed to solving the problem of the crowded offices of the municipality with clients, and solved the problem of slow-running transactions. The 3-story building was constructed with an area of 1500 square meters. The finishing on the ground floor was funded by the Ministry of Local Government, and the One-Stop-Shop center on the ground floor was equipped with funding from the Municipal Development and Lending Fund. The first and second floors were completed, and the external works have been completed and put to use, with funding from the MDLF for 240,000 Euros and the contribution of the municipality with a value of 126,000 Euros.

The old building was located within the old town, which caused congestion in the area due to the large number of visitors, the narrow streets and the lack of parking spaces. In addition to an inadequate space for both the employees and the clients, due to the small number and small sizes of the offices. One of the most important obstacles that have been resolved is the compatibility of the new building was meant for people with special needs, as the old building did not have special access for the disabled visitors as well as no elevators, and no proper stairs; thus, this group of citizens was deprived from benefiting from most services as well as their inability to participate in community activities that were held inside town hall.

The implementation of the project was completed in May 2019 during the period specified in the contract which was meant to for six months. The building was opened and started to operate after, workers and clients moved to the new building. Currently, the public service center provides privacy, ease of transaction, and speed in completing transactions for all citizens. Also, the new building has enough parking spaces outside, making it easier to park for both employees and visitors. Moving the municipality from the old building resolved not only the problem of over-crowdedness in the old city in general, but more specifically the surrounding of the former municipal building.



SUCCESS STORY

Al-Ubeidiya Expands its Old School

The town of Al-Ubeidiya, a historic town in Bethlehem Governorate, is located to approximately 5 kms to the east of Bethlehem. The town, renowned internationally for having numerous historic buildings, is bordered to the east by the Dead Sea, to the north by the town of Al-Sawahrah in the East within Jerusalem Governorate, to the west by the village of Dar Salah, and the south by the town of Taqua. According to the municipality's website, the town has seven schools which are supervised by the Palestinian Ministry of Education. These schools accommodate over 3,260 students from Al-Ubeidiya and the surrounding towns and villages.

The municipality presented a project in 2018 for the Municipal Development and Lending Fund to expand the number of classrooms in response to the increase in educational needs. However, the proposal requested that no harm to the existing building and the historical shape of the school will take place:

whether it meant not demolish old classes yet taking into account the necessity to harmonize the way of construction stones with the existing building. This request was taken into account by the MDLF during the design phase as well as the implementation of the project.

The benefiting school, known as “Dar Salah School”, was built in 1947, nearly 70 years ago, but remained the same building despite the increase in the population, and the high enrollment rates in the school in general, thus, its capacity to absorb more students remained inadequate due to the limited classrooms in the town and neighboring towns.

Through the grant, six new classrooms were added, which contributed to reducing the cost of moving students to neighboring villages, by increasing the school's absorption capacity and reducing dropout from the educational system. Thus school became more compatible, and the educational system as well as municipalities helped in developing existing schools.

The importance of the project, in addition to this aspect, lies in providing an appropriate environment for teachers and reducing crowding in the classroom. The project was meant as an investment in an educational facility that take into account the differences between genders, the disability of some beneficiaries, and children. According to the school principal, improving the school meant “ameliorating the level of existing educational facilities, creating an effective, safe, and violence-free educational environment for all, which adhere to the goals adopted by the United Nations in what is known as the sustainable development goals, specifically in the framework of the fourth goal of education for all and this role that Played by both the Ministry and the municipality of Al-Ubaidiya”.

The project is also considered one of the distinguished projects in terms of implementation, taking into account environmental, social and heritage procedures. During the construction of the second floor, adhering to the project timeframe, isolating the project work area, and providing safety-friendly spaces for both students and school workers (as well as the construction workers who carried out construction work during the implementation phase. This resulted in a plan to conduct excavation work in parts of the school, so that the educational process would not be disrupted. 200 students enrolled in the new building at the start of the 2019 school year.





SUCCESS STORY

A New Road Breathes a New Life into a Marginalized Area

For the residents of the Lawza Area, the only road that connected them to the city of Hebron is Lawza Street, located to the west of the City of Hebron. It is not only the single street that connected them to the city, but it also links the city of Hebron to the town of Tafouh. For a marginalized area, the road suffered dire conditions, often flooding, with major pits and bumps rendering it inadequate for use by cars and by pedestrians alike.

Before the implementation of the project, the street was narrow and the existing asphalt was only three meters wide in very poor conditions and eroded sides. According to a citizen of Lawza Area, “the lack of pedestrian pavements caused great hardship for citizens in residential buildings, those using it to go to the commercial and industrial facilities nearby, but especially students attending a nearby school”. According to officials, an existing and outdated water line that ran across the street had also deteriorated and was deemed insufficient to provide the needs of citizens.

Thus, a request to rehabilitate the street was submitted, approved and funded by the Municipal Development and Lending Fund for 400,000 Euros. The design plans included necessary expansion work of the street in several sections, including the removal of some of the existing walls that were not built properly, which formed an obstacle to the rehabilitation and expansion work. The municipality conducted a community consultation sessions with the residents of Lawza Street, intended to reach a consensual agreement with the citizens who welcomed the idea of rehabilitation and expansion and the consequent removal of obstacles. The length of the section that has been rehabilitated was 1200 meters.

The municipality signed 19 agreements with the residents of the street, with a clear commitment by the municipality to rebuild the citizens with the same specifications and previous conditions and to remove any waste as a result of the demolition and expansion works. This was a necessary step to ensure the full commitment and cooperation of the citizens who witnessed the reconstruction of their demolished walls. According to the Project Manager “the rehabilitation operations could not be carried out without the cooperation and support of the local community”.

The works included constructing safe and tiled pavements with a width of 1.5 meters on each side, paving the street with a width of 11 meters, installing traffic lights and painting the street, and installing a new water network that meets the current needs of citizens as well as the future urban expansion. Meeting with the citizens, they expressed their satisfaction and appreciation for this achievement, which led to their comfort and facilitated their lives after suffering for too long. Some citizens requested that the municipality puts waste containers to maintain the cleanliness and beauty of the street, even suggested a need to connect them with the public transportation system to further connect them with the city. According to the Project Manager “the completion of this project contributed to solving numerous problems and difficulties through reducing the risks faced by citizens and drivers of vehicles. Upon the completion of this project, the street granted the citizens with their most necessary and basic need.

