



Municipal Development & Lending Fund



SEMI ANNUAL REPORT 2015



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Municipal Development & Lending Fund (MDLF)

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Semi Annual Report 2015

Covering the period from January 1st to June 30th, 2015

Municipal Development and Lending Fund

(MDLF) - Palestine

August, 2015





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Glossary

AFD:	French Development Agency
APLA:	Association for Palestinian Local Authorities
BOD:	MDLF Board of Directors
COA:	Chart of Account
DCF:	Donor Consultation Forum
EC	European Commission
ESMP:	Environmental and Social Management Plan
ESMF:	Environmental and Social Management Framework
EOI:	Expression of Interest
FPPM	Financial Policies and Procures Manual
GD:	Government of Denmark
GIZ:	German Technical Cooperation
IFMIS:	Integrated Financial Management Information System
JSCs:	Joint Service Councils
KFW:	German Development Bank
LGUs:	Local Government Units
LTCs:	Local Technical Consultants
MDLF:	Municipal Development and Lending Fund
MIS:	Management Information System
MOLG:	Ministry of Local Government
MOF:	Ministry of Finance
MOPAD:	Ministry of Planning and Administrative Development
NDP:	National Development Plan
PCU:	Project Coordination Unit
PGMIS:	Project Grant Management Information System
PNA:	Palestinian National Authority
PRDP	Palestinian Reform and Development Plan
SMDN:	Support to Municipal Development for Northern West Bank
Sida	Swedish International Development Cooperation Agency
TOR:	Terms of References
WBG:	West Bank & Gaza
FARV	Fixed Assets Registration and Valuation
SDIP	Strategic Development and Investment Plan



Our Vision

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

Our Mission

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

MDLF Values

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

Our Strategic Themes

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

To Our Municipalities

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





Board of Director (BOD)

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

Mr. Hazem Kawasmi	Acting Director General
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Executive Summary

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

Since its establishment in Oct-2005, MDLF has noticeable achievements on the community development as well as the reform initiatives regarding the MOLG policies towards the local government sector in Palestine. MDLF has implemented hundreds of donor-funded projects in the amount of **"US\$280 million"** in the municipal infrastructure services, capacity development, and innovative initiatives at the municipal level, where the total disbursed amount during the reporting period reached **US\$15 million**.

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

During the reporting period, there was a noticeable progress in the implementation of MDPII-component 1, namely the capital investment for municipal infrastructure, where the majority of municipal sub-projects (**89.5%**) are either under implementation or completed, (**3.2%**) of the sub-projects are under procurement and only (**7.3%**) are still in the pre-tendering phase.

Regarding the implementation of component 2, MDLF has kept the momentum of piloting the E-governance, LED and the renewable energy, where the pilot municipalities were well identified, and the implementation has started since July 2014. Additionally, the support to the newly amalgamated municipalities under this component is progressing where the implementation of such community development projects serving these localities has started late 2014.

Most importantly, the capacity development (CD) packages were well identified. MDLF had effectively communicated with the municipalities informing them about their CD packages. 53 municipalities will be supported in registering and valuating their assets (FARV), 22 municipalities will be supported in establishing citizens services centers (CSC), 2 municipalities will be supported



in preparing their (SDIPs), 14 municipalities will be supported with the integrated financial management information system (IFMIS). The related TORs were prepared and shared with Financing partners for clearance. Following the None-Objection from the FPs on the RORs, MDLF has started the procurement arrangements to hire the individual consultants and firms to support the municipalities in implementing the packages late 2014.

Regarding the implementation status of MDPII-CD packages, the consultancy assignment under the SDIP package was completed late 2014, the FARV was completed by March 2015, and the CSC is under implementation and expected to be completed by September 2015. However, the IFMIS package was subject to delays during 2014 and has not yet started.

In addition to the four components of MDPII, a new components was designed in response to Gaza emergency needs following the 51-day War on Gaza, started on July 7th and lasted until August 26th, 2014. The additional financing from WB, Danish Government, KFW and the Belgian Government in a total of US\$21 Million will be invested to restore the municipal services and alleviate the dire situation of Gaza municipalities after nearly two months of continuous war producing both direct and indirect damages on the municipal sector estimated around US\$ 58.6 million. During the reporting period, there was a noticeable progress in the implementation of this component by allocating the sub-grants to all Gaza municipalities, the majority of municipal sub-projects (**89%**) are either under implementation or completed, (**7%**) of the sub-projects are under procurement and (**4%**) are still in the pre-tendering phase.

Furthermore, MDLF has kept the momentum in implementing the other ongoing Programs/Projects including: the (Local Government Reform Development Programme – “**LGRDP**” funded by the **Belgian Government**, the (Local Development Programme phase III – “**LDPIII**”), and the Gaza solid waste management project – “**GSWMP**” funded by the WB, Sida, AFD and EU.

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

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

Another important program being implemented by MDLF is the Solid Waste Management Program (GSWMP), which is considered as one of the biggest investment in Palestine aiming at improving the solid waste management services in Gaza Strip. This project is financed by the WB, Sida, AFD and the EU in a total of US\$ 35.26 M, where more than 46% of Gaza inhabitants will benefit from the project. During the reporting period, a progress has been made regarding the project activities within components 2 and 4 as outlined in the Project Operations Manual (POM) dated 05th February, 2014 that is in relation to institutional strengthening and project management respectively where the key staff for the Joint Service Council (JSC) were hired and



both MDLF Project Development & Safeguards Unit (PDSU) and JSC's Technical Operations Unit (ToU) were housed together into an independent facility near the landfill site in southern Gaza. MDLF has signed a contract with international consortium for Design Revision, Construction Supervision and Contract Management for the main infrastructure component 1 concerned with the planned Al-Fukhari "Sofa" landfill."

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



Programs / Projects

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





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

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

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

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

1.1 MDP Description

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

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

The MDPII has four windows/components as follows:

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

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

- (a) Strengthening Newly Amalgamated Municipalities that will support newly amalgamated municipalities towards achieving service levels in existing municipalities through financing small-scale social infrastructure and demand driven municipal capacity building packages. It will finance goods, works and consultant services.
- (b) Piloting Innovations for improved municipal responsiveness that will support:
 - (i) Introduction of E-governance in four selected municipalities for more responsive service provision.
 - (ii) Renewable Energy that will assist municipalities in piloting sub-projects with a focus on solar energy for public buildings.



- (iii) Support to Local Economic Development initiatives that will develop a municipal approach to LED and pilot the approach in 12 municipalities (6 per each cycle).

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

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

1.2 Financial Partners Contributions (excluding the emergency component to Gaza Strip)

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

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

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

Table 1: MDPII Financing Partners Contribution for the MDPII

Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
GIZ Agreement	€ 400,000	June 27 th , 2012	March 31 st , 2015	This fund will be utilized in MDPII-1 st cycle
KfW Financing Agreement	€ 13,500,000	December 19 th , 2013	December 19 th , 2016	This fund will be utilized in MDPII-1 st cycle
AFD Financing Agreement	€ 1,000,000	December 15 th , 2014	December 31 st , 2016	This fund will be utilized in MDPII-1 st cycle
World Bank Agreement	\$10,000,000	July 7 th , 2013	February 28 th , 2017	This fund will be utilized in both cycles of MDPII
Multi Donor Trust Fund Agreement	\$ 25,800,000	April 8 th , 2014	June 30 th , 2017	This fund will be utilized in both cycles of MDPII
The Kingdom of Belgium	€ 1,900,000	---	<i>This contribution to MDP is allocated under the 3rd component of the ongoing programme "Local Government Reform & Development Programme", in a total amount of (Euros 2 million)</i>	This fund will be utilized in both cycles of MDPII
SDC Agreement	€ 2,500,000	September 4 th , 2013	March 31 st , 2016	This fund will be utilized in both cycles of MDPII
VNG Agreement	€ 1,200,000	July 1 st , 2013	December 31 st , 2016	This fund will be utilized in both cycles of MDPII
PA-MOLG	NIS 20,000,000	---	---	This fund will be utilized in MDPII-1 st cycle



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

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

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

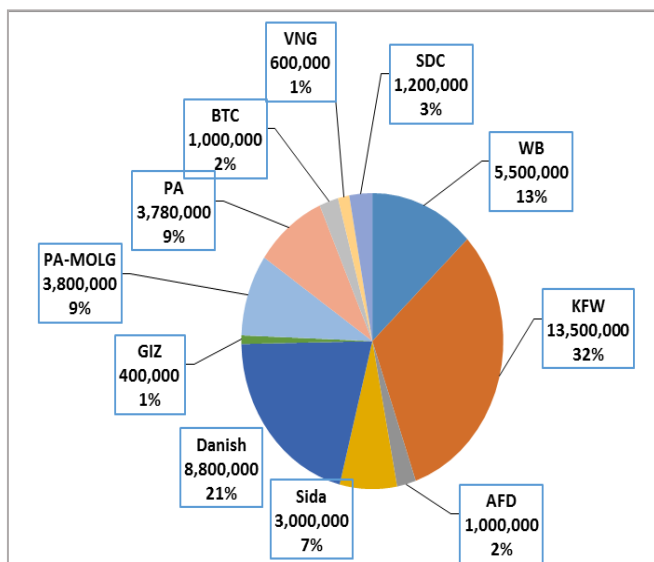
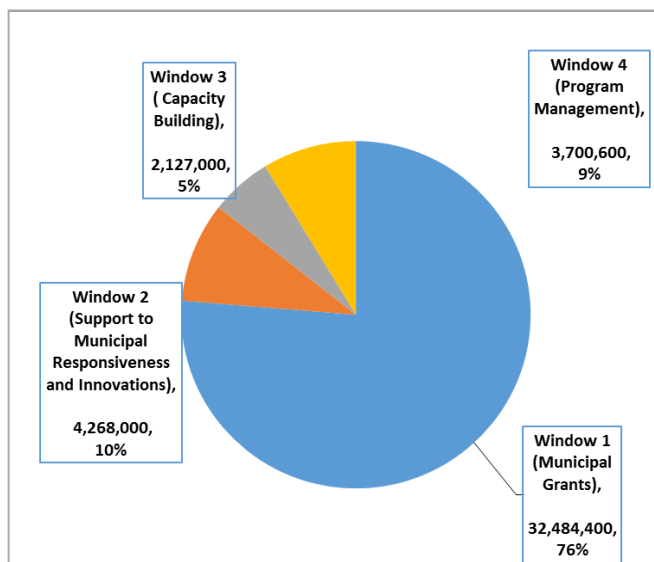


Chart 2: Distribution of MDP Fund Per Window (cycle 1)



1.3: The Grant Allocation Mechanism

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

In regards to the graduation ladder as well as the key performance indicators, and after having long discussions between MDLF, MOLG and the Funding Partners, it was agreed that the **graduation ladder will be 11 levels (E, D, C, C+, C++, B, B+, B++, A, A+, A++)**. Within each ranking level (E, D, C, B and A) specific key performance indicators were identified which reflect the municipal performance in financial management, planning, social accountability and municipal services provision. Funds are allocated based on ranks; municipalities with higher ranking will be eligible for more funding than those with lower ranking. Prior the start of MDPII and early 2013, a **base line survey** was conducted to assess the municipal performance in accordance to the new ranking system. The MDP works closely with municipalities through its capacity building packages to help them graduate from lower levels up to a higher ranking levels. Table 2 , Chart 3 and Chart 4 show the municipal ranking and the compliance of municipalities with the KPI-16 before and after MDPII-cycle 1.



Table 2: Grants Allocation Performance Indicators

Rank	Performance Criteria)	Performance Criteria	No. of Municipalities per Rank 2012 (before cycle 01)	No. of Municipalities per Rank 2012 (end of cycle 01)
A++	Fulfillment of all 16 KPIs	1. Substantial Operation and Enterprise Account Surplus. (more than 15 %)	A++: none	A++: none
A+	Fulfillment of 4 out of 5 in addition to below indicators	2. Unqualified External Audit	A+: none	A+: none
A	Fulfillment of 3 out of 5 in addition to below indicators	3. Use of an Integrated Financial Management System IFMIS	A: none	A: none
		4. Satisfactory Service Quality (Timely delivery of building licenses and clearances; Provided public green space per capita)		
		5. Good Collection Efficiency and own Revenue Generation (Specified own revenues > 100 NIS per capita or 10% above last two years' average)		
B++	Fulfillment of all 5 indicators in addition to all indicators below B	6. Substantial Operation and Enterprise Account Surplus (more than 5%).	B++: none	B++: none
		7. Fixed Assets Register in place and updated		
B+	Fulfillment of 3 or 4 out of 5 in addition to all indicators below B	8. Operation and Maintenance Plan in place and updated	B+: 19 municipalities	B+: 71 municipalities
		9. Public disclosure of all municipal investments, SDIP execution, and external audit reports		
B	Fulfillment of 2 out of 5 in addition to all indicators below B	10. Satisfactory Collection Efficiency and own Revenue Generation (Specified own revenues > 50 NIS per capita or 5% above last two years' average)	B: 18 municipalities	B: 18 municipalities
C++	Fulfillment of all 5 indicators in addition to all indicators below C	11. Municipal Strategic Development and Investment Plan SDIP in place and updated.	C++ : 3 municipalities	C++ : none
		12. Financial Accounting Policies, Procedures and Reports in place.		
C+	Fulfillment of 3 or 4 out of 5 in addition to all indicators below C	13. External Audit according to minimum standards	C+: 87 municipalities	C+: 48 municipalities
		14. Public disclosure of budgets, SDIP plan and ranking		
C	Fulfillment of 2 out of 5 in addition to all indicators below C	15. Basic collection efficiency and own revenue generation (Specified own revenues > 25 NIS per capita or above last two years' average)	C: 6 municipalities	C: 1 municipalities
D	Fulfillment of indicator in rank D	16. Budget forecast and executed properly submitted and approved by MoLG	D: 1 municipality	D: none
E		Minimum requirements not fulfilled	E : 1 municipality	E : none



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

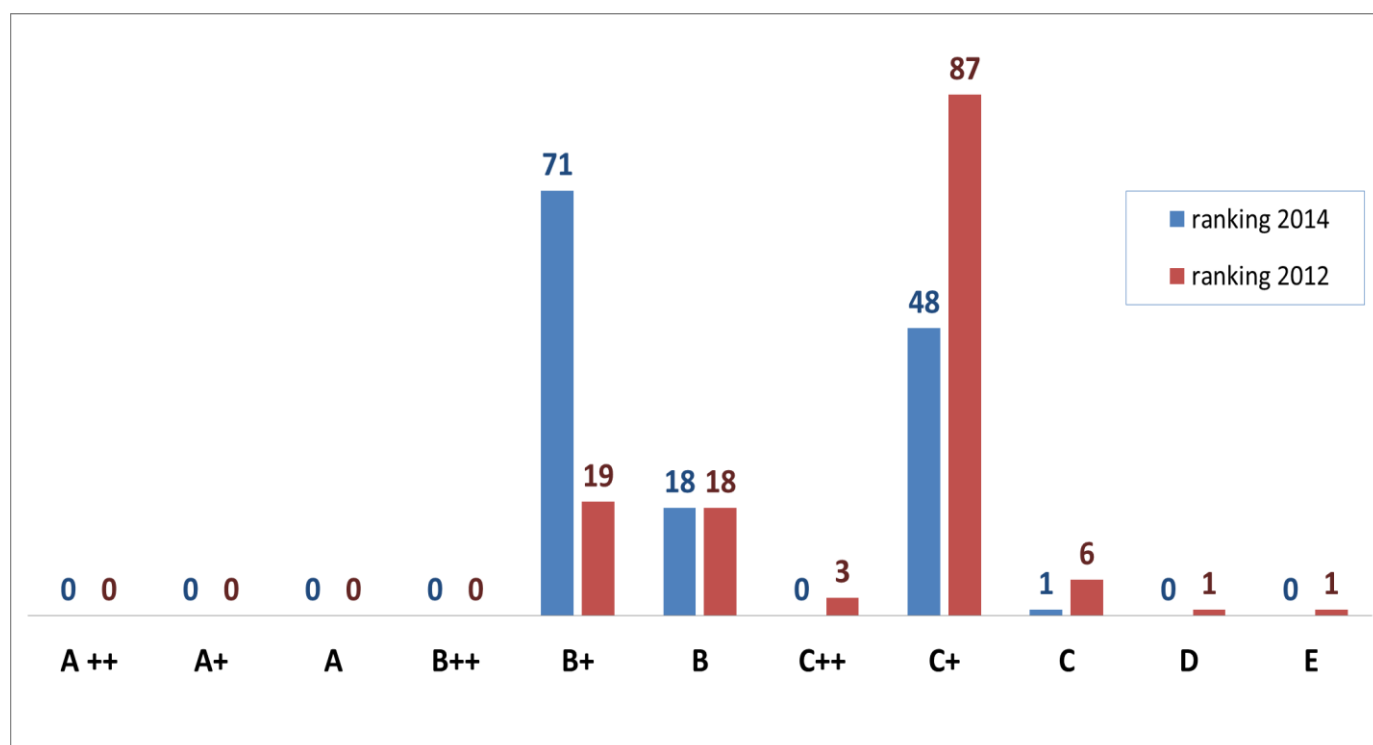
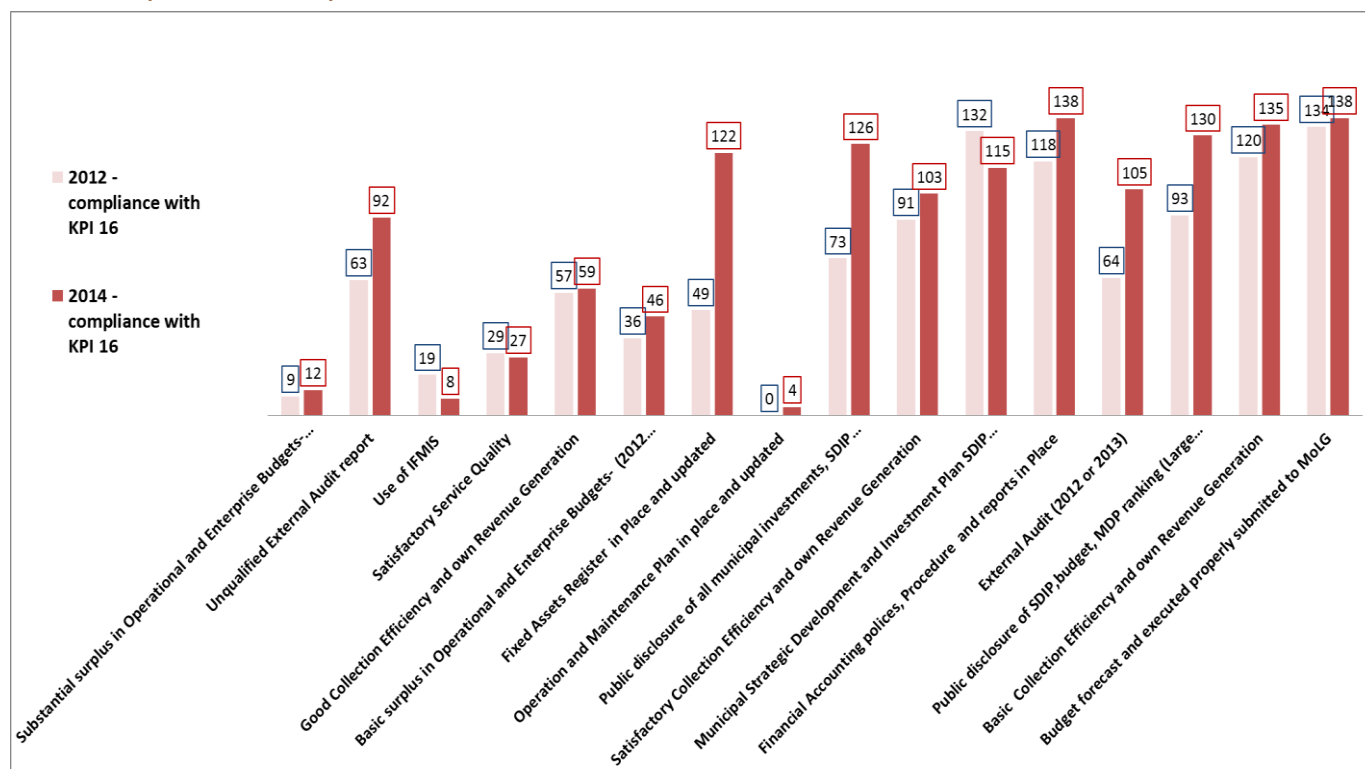


Chart 4: Compliance of Municipalities with KPI-16





1.4 : MDP II - Implementation Status and Activities

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

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

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

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

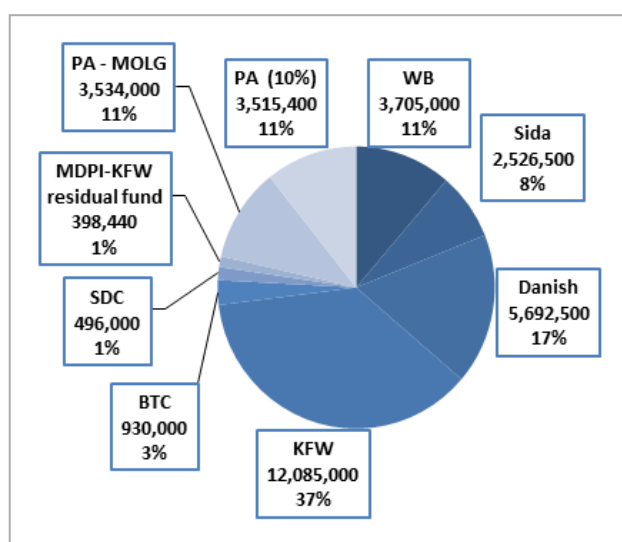
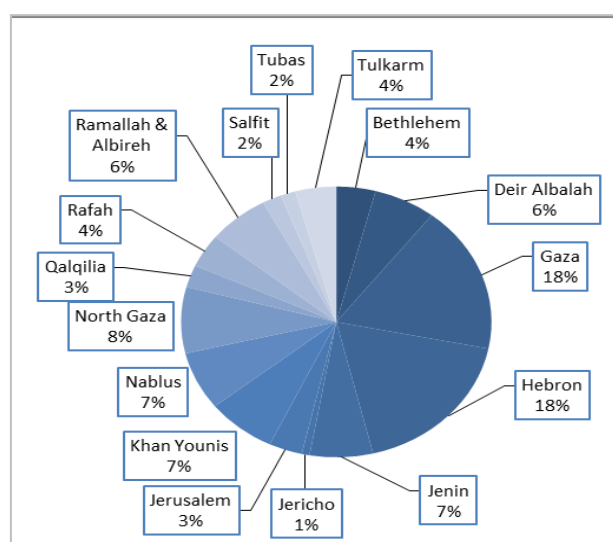


Chart 6: Distribution of MDPII-W1 Fund Per Governorate (cycle 1)



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

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



ESMF Modification and Update

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

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

Summary of Environmental and Social Issues within MDPII Cycle 1 Implementation phase is attached in annex A

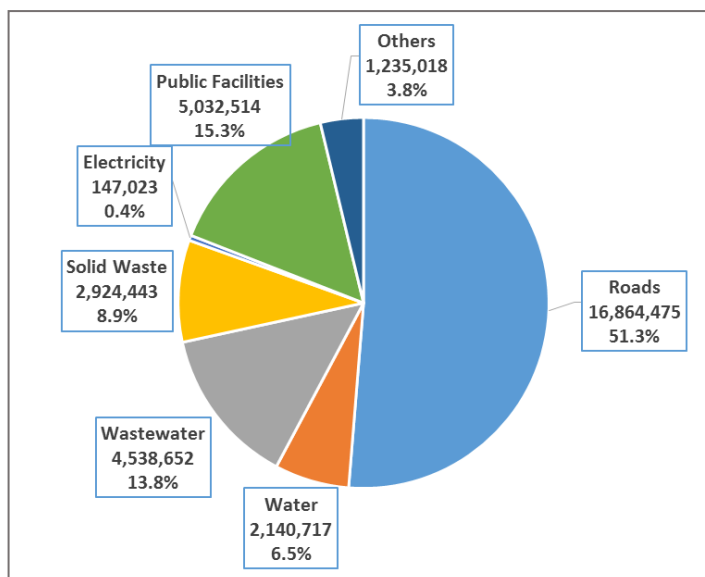


MDLF had received almost all the filled application forms from all municipalities late 2013, the applications/proposals were subject to revision and appraisal from the technical, social and the environmental point views to ensure the compliance with the regulations and guidelines as per the updated operational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

In the same context, **141 sub-projects proposals were received from 110 municipalities in the West Bank in a total allocation (EUR 18,676,527) and 232 sub-projects proposals from 25 municipalities in Gaza Strip in a total allocation (EUR 14,206,314).**

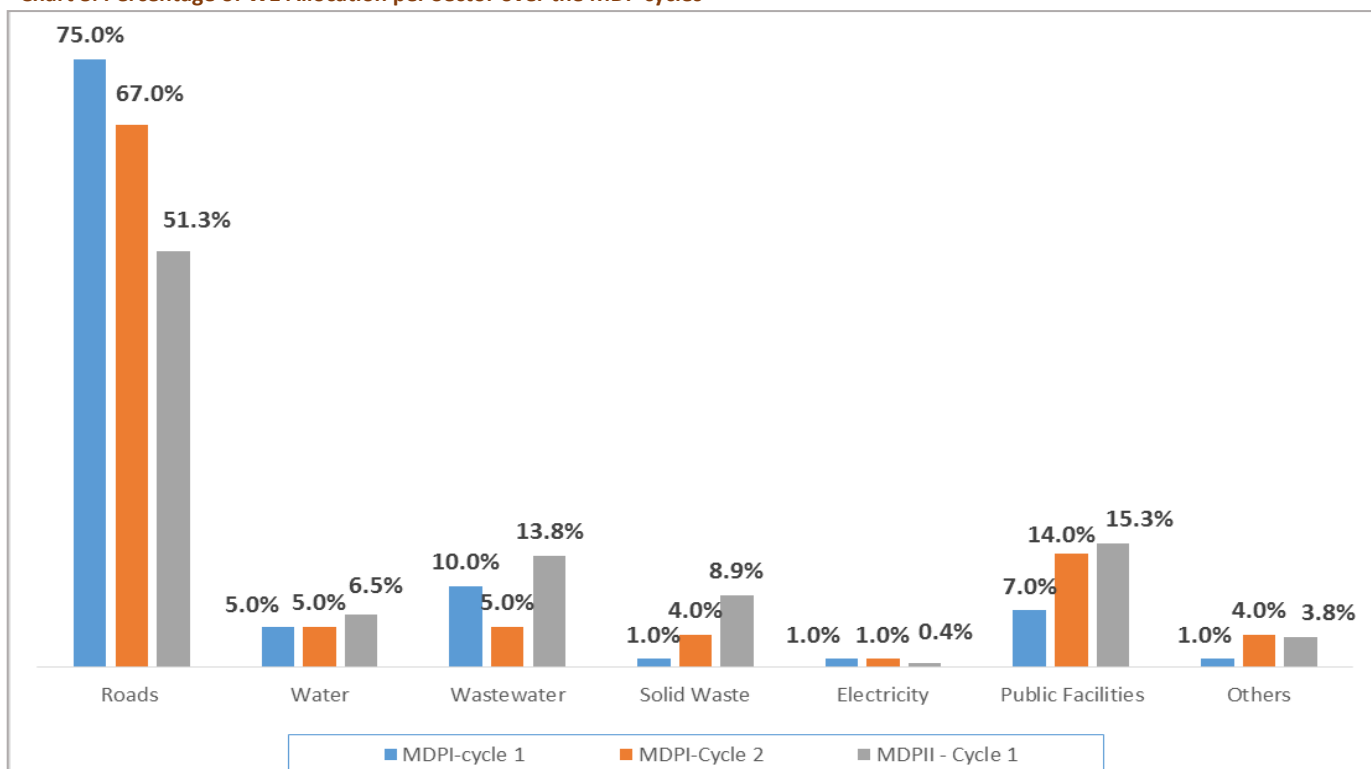
A quick look into the submitted sub-projects proposals reveals that **(51.3%)** of the W1 allocated fund will be invested in road projects. The second sector is the public facilities **(15.3%)** including municipal buildings, libraries, community centers, and public parks. The third needed sectors is Wastewater in a percentage **(13.8%)** followed by solid waste **(8.9%)** and water **(6.5%)**. Chart 7 illustrates the distribution of window 1 allocation by sector.

Chart 7: Distribution of MDPII-W1 Fund Per Sector (cycle 1)



It is worth mentioning that over the MDP cycles the percentage of invested amount in roads was declined (from 75% to 51.3%) whereas the percentage of the investments in public facilities was graduated (from 7% to 15.3%) as shown in chart 8 below:

Chart 8: Percentage of W1 Allocation per Sector over the MDP cycles





✓ Status of W1 sub-projects

The implementation of W1 – 1st cycle sub-projects in the West Bank and Gaza witnessed a noticeable progress where the overall status can be illustrated in table 3 and chart 9.

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

Window 1 - Cycle 1 / West Bank

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
MUN Review	2	1%	663,637	4%
MDLF review	0	0%	0	0%
LTC review	0	0%	0	0%
Tendering	1	1%	180,154	1%
Evaluation	2	1%	505,678	3%
Awarded	1	1%	200,000	1%
on going	19	13%	4,176,775	22%
Completed	116	82%	12,950,282	69%
Total	141	100%	18,676,526	100%

Window 1 - Cycle 1 / Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	25	11%	3,721,281	26.2%
MDLF review	0	0%	0	0.0%
LTC Review	0	0%	0	0.0%
Tendering	8	3%	835,805	5.9%
Evaluation	0	0%	0	0.0%
Awarded	0	0%	0	0.0%
Ongoing	15	6%	1,808,056	12.7%
Completed	184	79%	7,841,172	55.2%
Total	232	100%	14,206,314	100%

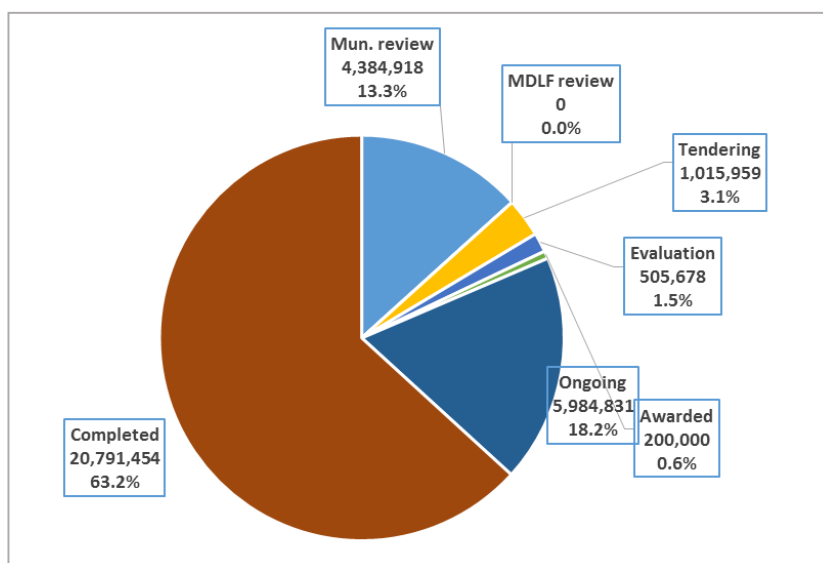
Window 1 - Cycle 1 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	27	7.2%	4,384,918	13.3%
MDLF review	0	0.0%	0	0.0%
LTC Review	0	0.0%	0	0.0%
Tendering	9	2.4%	1,015,959	3.1%
Evaluation	2	0.5%	505,678	1.5%
Awarded	1	0.3%	200,000	0.6%
Ongoing	34	9.1%	5,984,831	18.2%
Completed	300	80.4%	20,791,454	63.2%
Total	373	100%	32,882,840	100%



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

- **300 sub-projects** out of **373** were completed with total allocations **(20,791,454 Euros)** amounting **(63.2%)** of the budget.
- **34 sub-projects** are ongoing with total allocations **(5,984,831 Euros)** amounting **(18.2%)** of the budget.
- **1 sub-project** is awarded with total allocations **(200,000 Euros)** amounting **(0.6%)**.
- **2 sub-projects** are under evaluation with total allocations **(505,678 Euros)** amounting **(1.5%)** and expected to be awarded by end of August 2015.



- **9 sub-projects** are under tendering with total allocations **(1,015,959 Euros)** amounting **(3.1 %)**
- **27 sub-projects** are under revision by the Municipalities with total allocations **(4,384,918 Euros)** amounting **(13.3%)**.





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

2.1: Piloting Innovations

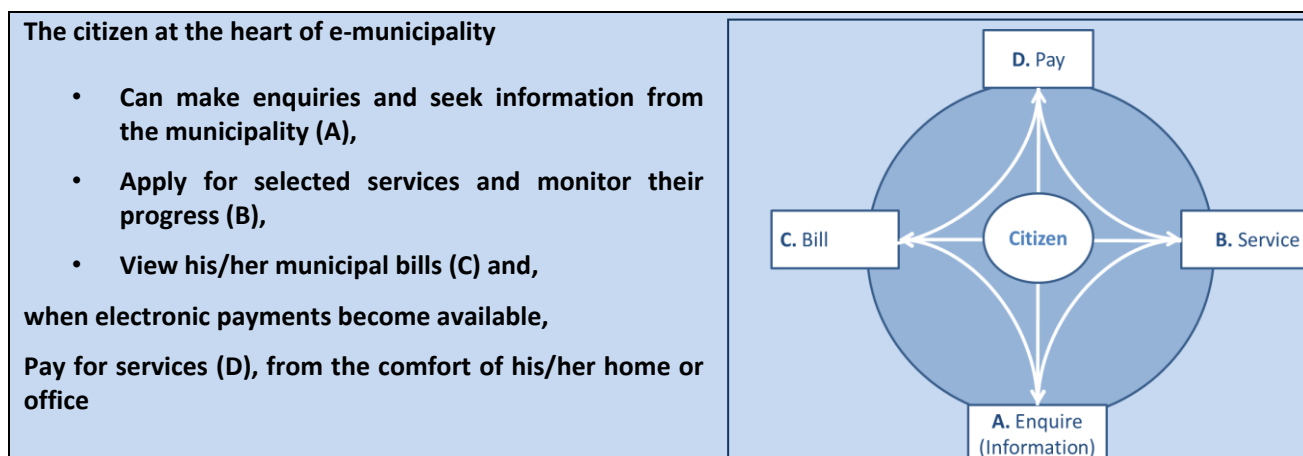
2.1.1: Introduction of e-governance:

The purpose of e-Governance is to utilize advanced information and telecommunication technology (ICT) to deliver services and information to citizens.

The benefits from this approach include but not limited to:

- improved efficiency and quality of public services.
- reduced cost and overheads for both citizens and municipalities
- improved transparency regarding the municipal services delivery

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



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

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

Regarding the implementation status of phase I, the readiness assessment was done, the pilot municipalities were identified (Beit Jala, Halhul, anabta and Beitunia), the TOR along with the functional requirements was developed and cleared by the WB, the procurement arrangements for vendor selection was accomplished by April 2015.

- Phase II: will be the development of the e-Municipality software (EMS), and the testing and deployment of the EMS at the target municipalities. MDLF had contracted the software company to develop the EMS mid-May 2015, where the company started the inception phase by conducting field visits to the target municipalities to better understand the business needs for the proposed EMS concerning the integration with other available systems within the municipalities (financial, OSS, citizens database,....etc). It is anticipated to complete phase II by early January 2016. It is worth mentioning that the needed hardware will be installed at the target municipalities during this phase.



- Phase III: A promotional activities and awareness will be conducted during the 1st quarter of 2016, including the booklet (Arabic and English), and the orientation workshops to disseminate the results of the EMS.

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

This projects will be funded by the WB and will be piloted in 9 municipalities in West Bank and Gaza. The renewable energy pilot project (REPP) aimed to install 100KWp of solar Photovoltaic on municipal buildings roof tops for the pilot municipalities in WB&G, where the piloted system is expected to reduce the municipal building electrical load in range of (20-90)% and minimize the operational expenses on energy. The pilot project is also considered an awareness and knowledge passing for municipalities and citizens.

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

The project stages and progress

- Feasibility Study: had been accomplished within MDP phase I, and its results had been disseminated for municipalities in August 2013.
 - Application form had been prepared and Municipalities were invited to submit their application until November 25th, 2013. **MDLF received 61 application in West Bank and 11 application in Gaza Strip.**
 - The design, supply and installation and the capacity building for the target municipalities were distributed over coherent assignments:
 - Individual Consultancy services to provide the technical support including technical evaluation of applications, verification of evaluation, design and prepare bidding documents in addition to support municipalities gaining license,... etc. Furthermore to provide capacity and awareness for municipal employees during the project period. This stage of consultancy service in West Bank has started since November 21st, 2013. However, the contract for Gaza was signed end of January 2014.
- Under this consultancy assignment the evaluation of applications has been accomplished considering the following Selection criteria resulting the selection of municipalities for this pilot:
- The penetration factor,
 - The space availability,
 - The shade,
 - The building use,
 - Separate Electrical meter,
 - Working hours,
 - Technician availability, and Load separation for Gaza Strip.

Selected Municipalities:

✓ West Bank:

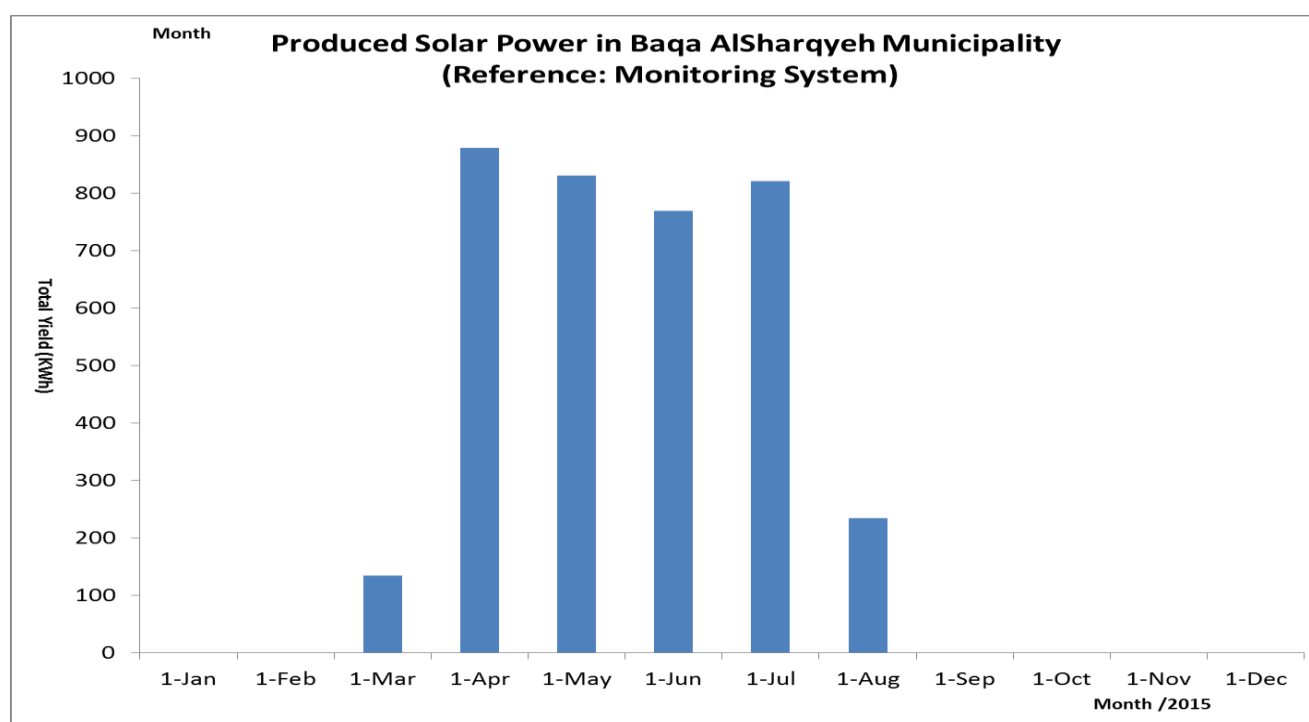
No.	Municipality	Governorate	Scale	PV system capacity
1-	Ad Daheriyya municipality	Hebron	Large municipality	Up to 20 KWp
2-	Hebron municipality	Hebron	Large municipality	Up to 20 KWp
3-	Nablus	Nablus	Large municipality	Up to 20 KWp
4-	Al- Ittihad	Ramallah	Small municipality	Up to 5 KWp
5-	Baqa Alsharqiya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



✓ **Gaza Strip:**

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

- Regarding the Supply and Installation of Solar Photovoltaic system in West Bank, the systems has been installed and operated. The following figure shows an example of the produced power from the Photovoltaic Solar system in Baqa Al-Sharqyeh operated in March 2015.



- Regarding the Supply and Installation of Solar Photovoltaic system in Gaza Strip: The contract was signed with the company on April 12th, 2015. The contract has been hindered since May 10th 2015 until now as Israeli Authorities rejected entry of required equipment's and material to Gaza Strip.
- The company tried to coordinate the entry of the required material with the Israeli authorities through the civil affairs ministry without any success, though they asked MDLF intervention:
 - On June 18th 2015; MDLF has sent full documents to the civil affairs ministry in order to coordinate the material entry through Gram mechanism.
 - On July 15th 2015; MDLF has sent clarification and drawings to the Gram mechanism management upon their request.
 - On July 22nd 2015; the project and the company passed the first stage of the screening process. However the project will be hindered until the 2nd and 3rd stages are finalized.
- TOR for Monitoring and evaluation, and Results Dissemination of the project components for West Bank and Gaza Strip has been drafted with amendment request to integrate the M&E with Result dissemination Individual Consultants contracts for West Bank and Gaza.



2.1.3: Local Economic Development:

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

➤ Institutionalizing LED in municipalities (VNG)

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

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

- Orientation Workshops for the Mayors' of the selected municipalities on the LED concept.
- Training sessions for the municipalities' Employees on LED; how to handle LED in their municipalities and How to implement LED projects.
- Under increasing the capacity building for MDLF staff, training sessions regional (Amman) and international (Netherlands).
- Under this theme, 5 municipalities will be supported in cycle 1 as per the following:
 - **Ramallah municipality** - Developing LED Plan
 - **Albeireh municipality** - Encouragement of Investment & Development in Albeireh
 - **Assamou municipality** -Improve capacity building department for LED
 - **Birzeit municipality**- Tourism Path
 - **Tubas municipality**- Improve capacity building department for LED (Industrial Zoon)
- 7 municipalities will be supported in cycle 2 in institutionalizing LED Department and LED plans for the following municipalities:
 - **Tafffuh municipality**
 - **Yatta municipality**
 - **Dura municipality**
 - **Jericho municipality**
 - **Qalqilia municipality**
 - **Qabalan municipality**
 - **Kufr Rai municipality**
 - except for **Hebron municipality** the project is - Business One stop shop

➤ Feasibility Studies for economic projects (VNG,AFD)

Under this theme the following feasibility studies will be conducted:

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

2.2: Strengthening Newly Amalgamated Municipalities:

This sub-activity will be funded by the MDTF (Danish fund) which provides support for post-amalgamation, e.g., for community development, social activities and capacity development in the amount of (EUR 1.7 million).



More specifically, **(EUR 1.5 million will be distributed among the newly amalgamated municipalities using the new allocation criteria and EUR 0.2 million will be invested in the capacity development activities for the target municipalities)**

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

9 municipalities will be covered (East Bani Zaid, Baqa Al Sharqeyya, Azzaytuna, Al Ittihad, Al-Kafriyyat, Al-Muttahida, Al-Yasiriyya, Marj Bin Amer, and Janata).

Projects under this sub-component are expected to:

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

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

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

A quick look into the submitted sub-projects proposals from the 9 amalgamated municipalities reveals that **(36%)** of the allocated fund will be invested for health sub-projects. The second sector is the public facilities **(30%)**. The third needed sectors is education in a percentage **(29%)** followed by solid waste **(3%)** and street lighting **(2%)**. However, the majority of the submitted sub-projects proposals from the annexed communities are roads sub-projects in a percentage **(87%)** as indicated in Chart 10 and Chart 11 respectively.

Chart 10: Distribution of EUR 1.5M per sector

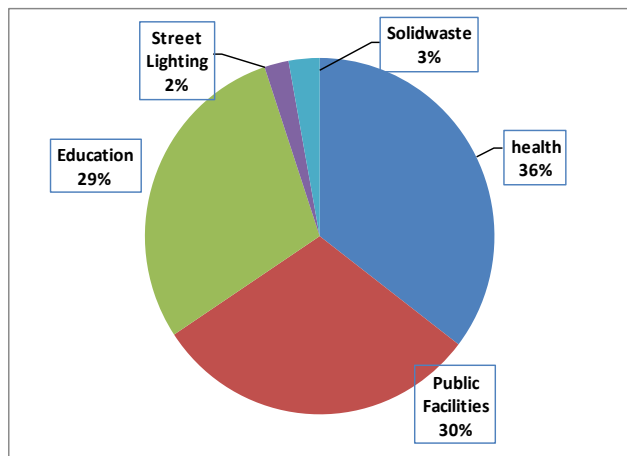
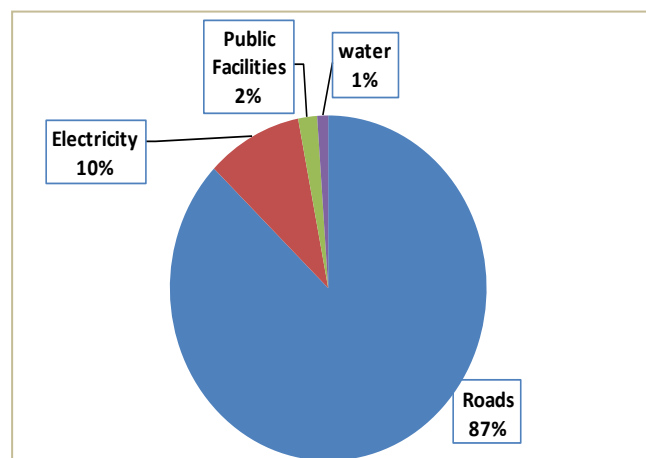


Chart 11: Distribution of EUR 0.4 per sector



Regarding the implementation status of the approved sub-projects, they are still in the design and tendering process (Table 4) and expected to be completed by September 2015.



Table 4: Status of sub-projects under the post amalgamation sub-component

Status of sub-projects within the Newly amalgamated Municipalities				Status of sub-projects within the Annexed/Integrated Communities			
Status	No. of Projects	Amount (EUR)	%	Status	No. of Projects	Amount (EUR)	%
Under Design	0	0	0%	Under Design	1	6,431	2%
Appraisal	6	749,629	50%		1	18,077	5%
Tendering	3	506,755	34%	Tendering	4	55,794	14%
Evaluation	3	194,796	13%	Evaluation	7	43,869	11%
Ongoing	1	17,500	1%	Ongoing	0	0	0%
Completed	2	31,200	2%	Completed	12	275,829	69%
Total	15	1,500,000	100%		25	400,000	100%

Component /(Window) 3:

Window 3.A: Capacity Building for Municipalities

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

The capacity building packages for the 1st cycle included:

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

Table 5 illustrates the distribution of capacity building packages of the 1st cycle by region per donor as well as its implementation status.



Table 5: Distribution of MDPII-W3 Capacity Building Packages

Capacity Building Package	No. of Municipalities	West Bank	Gaza	Financing Partner	Updated implementation status	Anticipated Activities
FARV	53	42	11	GIZ	- TOR was prepared and cleared from the FP - Contract was signed and assignment activities commenced. - Orientation workshops were and conducted. - Tasks related to data collection and verification, were accomplished. - Supporting documents verification was accomplished. - Physical Inspection visits and land valuation were accomplished. Replacement cost was prepared. - The updated standard price lists was finalized. - The fixed assets registration was finalized for WB&G including the coaching of municipalities on FARV updating by end of March 2015.	-----
SDIP	2	2	0	GIZ	- An amendment to an existing contract from MDPI was set in place in order to accelerate the process of supporting the two remaining municipalities who do not yet have an SDIP in place. - An agreement was reached between the MDLF and the consultant regarding the amendment, contract was signed and assignment activities commenced. - The First, second Public meeting and first and second workshops in both Nuba and Al-Ubaidiya were conducted. - Activities were accomplished and now municipalities have SDIPs in place.	-----



CSC	22	17	5	MDTF, SDC	- The TOR for the individual consultant to conduct the institutional assessment and the business flow model was prepared and cleared by the FP (one consultant for WB and one consultant for Gaza). - Both consultants (one in WB) and (one in Gaza) were contracted and the assignment activities kicked off. - Orientation meetings to introduce the assignment to municipalities were conducted. - The institutional processes and municipal delivery procedures were mapped, tracked and documented - Human Resource and IT infrastructure were assessed. - Round table with the three municipalities of the first round (piloted mun.) was conducted to obtain their comments about the efficiency of the current system of CSC in order to consider them in the SRS - Gap Analysis was conducted and the optimized procedures were proposed. - The optimized procedures were revised and approved by municipalities. - The construction/rehabilitation of CSC's physical space is ongoing. - The purchase of hardware for CSCs, the purchase of software was accomplished. - The purchase of furniture for Gaza municipalities was accomplished and still not yet started for West Bank municipalities. - The printing of SCSs charters (services guidance) was tendered, evaluated and expected to complete by mid-July 2015 and will be distributed among the target municipalities. - The Software Requirements Specifications were developed and the contract for purchasing the CSC software was awarded.	- Complete the construction and rehabilitation works of the CSCs' physical space. - Purchasing of Furniture and fixtures for the West Bank municipalities. - Installation and customization of the software at the target municipalities.
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IFMIS	14	11	3	WB & KFW	- The concept note was approved by donors and MoLG. - Commitment Letter was received from MOLG addressing their support to the implementing of IFMIS. - TOR for Institutional Assessment for IFMIS implementation was prepared, No-objection from the Donor has been received and EOI was advertised, the shortlist was prepared, the RFPs were evaluated and the selected firm to conducted the assignment was contracted late June 2015. - TOR for Coaching Municipalities on Implementing IFMIS was prepared, and no- objection was received - TOR for IFMIS' Software was prepared, sent to donors and currently waiting for Donors no-objection	- Follow up for donors no-objection on the other TORs. - Identify the final number of benefited municipalities once the institutional assessment for IFMIS is accomplished.
O&M	4	4	0	KFW	- The concept of Phase three of the O&M package was changed as to be implemented in two parts rather than one as it was proposed in the old concept. * PART ONE is Developing the TOR along with the technical and functional Requirements for Operation and Maintenance (O&M) computerized System * PART TWO is developing a computerized O&M system and test it on a pilot of municipalities. - The TOR for Developing Software Requirements and Specifications (SRS) for (O&M) computerized System was developed. - No objection on the TOR was received for the contract for developing Software Requirements and Specifications (SRS) for (O&M) computerized System was signed and assignment activities commenced. - The investigation task was accomplished including conducting a feedback workshop attended by the consultant, the consulting firm that prepared the O&M manual and the pilot municipalities that implemented the O&M manual. Furthermore, Site visits were conducted to municipalities that implemented	- Develop The SRS document. - Develop a comparative statement and a recommendation to help MDLF to decide either to go for a readymade package or a tailor made package. - Procurement phase for the system - Commence implementation of the system at pilot municipalities.



					the O&M manual. - The system analysis task was commenced. It included conducting meetings with MDLF team and the consultant who prepared the O&M manual to further clarify working process regarding the assets valuation, registration and update the O&M processes. ✓ The workflow of the process, responsibilities, authorities of processing, and requirements of processing was clearly defined. The workflow of the process, responsibilities, authorities of processing, and requirements of processing was clearly defined. Mapping and optimization report was concluded. ✓ Optimized work process was presented and verified by to all stakeholders (MoLG, municipalities participated in piloting the manual, the consultant who prepared the manual and LTC consultants). ✓ A draft version of the comparative statement and recommendation on the shape of the system in addition to the Software Requirements and Specifications document (SRS) were prepared.	
Total Number of Municipalities	95	76	19			



In addition to the above packages, W3 provided further support to municipalities in the following aspects as illustrated in table 6,

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





Table 6: Additional support provided to municipalities under W3

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



Component /(Window) 4: Project Management

❖ Local Technical Consultants (LTCs)

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

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

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



Modification and Update of LTCs TOR

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

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



❖ **Monitoring and Evaluation**

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

Survey	Financing Partner	Objective, Scope and Description of the Assignment	Implementation Status
Municipal Ranking update (end of cycle 1)	KFW	To update the municipal ranking in accordance to MDPII ranking system using the 16 KPIs as indicated in the MDPII – Transfer Mechanism. This assignment will be implemented by an outsourced consulting firm. The consultant is requested to review and verify the supporting documents received from the municipalities, in site inspection at municipalities, document the results with the municipalities and then update municipal ranking using the criteria of MDP-II ranking system (16 KPIs). The results of this assignment will be used as a mid-term evaluation of MDPII.	- This assignment was completed. - Municipalities were informed about their ranks early May 2015 and were given an appeal period until 20th of May. - The updated Ranking after appeals is ready and was used to calculate the municipal allocation of cycle 02.
Technical audit and Usability assessment	KFW	This audit will be carried out in both West Bank and Gaza Strip through two individual consultants one in the West Bank and the other in Gaza. The study aimed at evaluating a representative sample of infrastructure sub-projects implemented in MDPII-cycle 1. The sample of sub-projects will be randomly selected by the two individuals in coordination with MDLF to cover the implemented sub-projects cycle 1. The assessment will focus on the technical quality and structural soundness, and the compliance of implemented sub-projects with technical specifications. Furthermore, it will assess the approaches and processes during the implementation of sub-projects and will provide recommendations for future improvements.	This assignment is ongoing and was amended until mid-August 2015.
Clients and Citizens satisfaction assessment	WB	The objective of this consultancy is to conduct a Beneficiaries, Clients and Citizens Satisfaction Assessment as a mid-term evaluation of the MDP-II by combining three surveys: (1) Beneficiaries satisfaction assessment of MDPII-W1 sub-projects (2) MDLF clients' satisfaction survey with municipalities and (2) citizens satisfaction survey with municipalities' performance. In particular, the aims of the assignment are to: - Assess the satisfaction of municipalities with the performance of the MDLF - Assess the satisfaction of citizens with the performance of municipalities - Performing comparative analysis between the situation before MDPII and after the MDPII-cycle1, i.e. between the 2013 baseline and the 2015 survey - Develop recommendations and lessons learned, based on the empirical findings, to address the identified performance concerns (with 1) and (with 2) - that are within the realm of both	This assignment ongoing and expected to be completed by mid August 2015



		entities. This study will be utilized specifically for mid term evaluation purposes of the ongoing program “MDP-phase II”. MDLF will contract a consultancy firm to conduct the assessment using both quantitative -(questionnaires for beneficiaries satisfaction and citizens satisfaction)- and qualitative methods -(focus groups, key informants interviews for LTCs, SDIP committees, and municipal staff).	
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Component /(Window) 5: Additional Financing for Gaza Emergency Response

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

Table 7: Additional Financing to /Gaza per Donor

Financing Partner	Committed Amount	Committed Amount in EUR	Implementation Status
WB	US\$ 3,000,000	EUR 2,173,913	- The implementation has started since October 2014 - A total of (EUR 2,021,739) were distributed among Gaza municipalities.
MDTF	US\$ 12,000,000	EUR 8,695,652	- The implementation has started since October 2014 - A total of (EUR 8,086,957) were distributed among Gaza municipalities.
KFW	EUR 5 M	EUR 5,000,000	- A total of (EUR 4,550,000) was distributed among Gaza municipalities and the municipalities started preparing the application forms supported with the needed documents.
BTC	EUR 0.35 M	EUR 350,000	Not yet started

1 EUR = 1.38 \$

➤ Allocation mechanism

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



insured during the Gaza War in July-August 2014. Emergency needs will reflect critical repairs and response funds required to address service interruptions affecting population in the beneficiary municipalities.

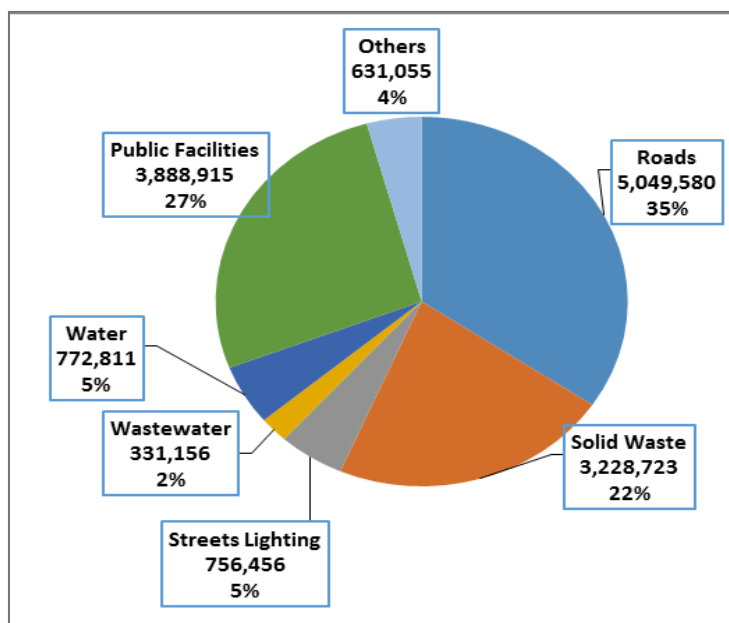
Based on the proportional allocation, municipalities will then propose priority sub-projects out of their emergency needs identified in the damage assessment report. Minimum allocation to each Municipality is to be sufficient enough to ensure restoring the critical repair of basic municipal services in need based on the number of beneficiaries. Sub-project appraisal of identified interventions will reflect the following criteria:

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

➤ Analysis Per Sector

A total of **EUR 14,658,696** from WB, MDTF, and KFW grants were allocated to Gaza municipalities, 268 sub-projects proposals were received from 25 municipalities. Those proposals were subject to screening and appraisal in accordance to MDLF operational manual. A quick look into the submitted sub-projects proposals reveals that **(35%)** of the W5 allocated fund will be invested in roads maintenance and rehabilitation. The second sector is the public facilities **(27%)** including the maintenance of municipal buildings, libraries, community centers, and public parks. The third needed sectors is solid waste in a percentage **(22%)** followed by street lighting **(5%)**, water **(5%)** and wastewater **(2%)**. Chart 12 illustrates the distribution of window 5 allocation by sector.

Chart 12: Distribution of MDPII-W5 Fund Per Sector

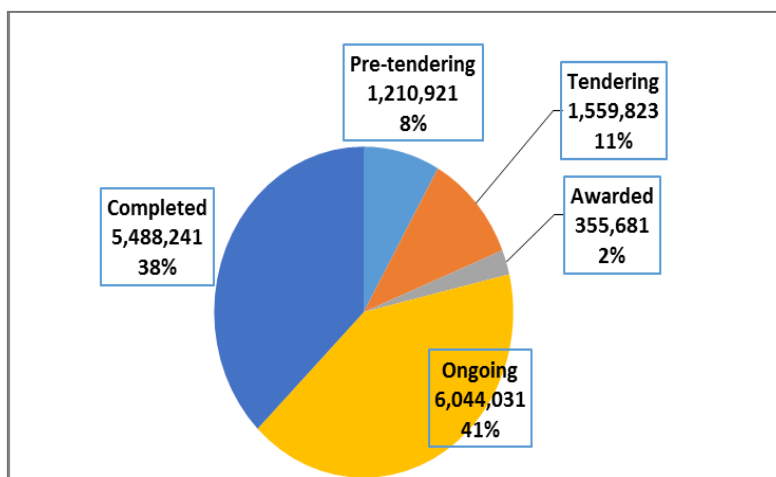


➤ Status Analysis of W5

The implementation of W5 sub-projects in the witnessed a noticeable progress since the effectiveness date and the overall status can be illustrated in table 8 and chart 13.

- **173 sub-projects** out of **268** were completed with total allocations **(5,488,241 Euros)** amounting **(37%)** of the budget.
- **66 sub-projects** are ongoing with total allocations **(6,044,031 Euros)** amounting **(41%)**.
- **3 sub-projects** are awarded with total allocations **(355,681 Euros)** amounting **(2%)**
- **16 sub-projects** are under tendering with total allocations **(1,559,823 Euros)** amounting **(11%)**

Chart 13: Status of MDPII-W5 sub-projects





- 10 sub-projects are under revision by the municipalities (*bidding documents preparation*) with total allocations (1,210,921 Euros) amounting (8%)

Table 8: Status of Window 5 sub-projects

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-tendering	10	4%	1,210,921	8%
Tendering	16	6%	1,559,823	11%
Awarded	3	1%	355,681	2%
Ongoing	66	25%	6,044,031	41%
Completed	173	65%	5,488,241	37%
Total	268	100%	14,658,697	100%

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

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

Window 1:

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

Window 3:

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



1.6: Lessons Learnt and Recommendations

- It is recommended to minimize the gap between municipalities regarding their capacities in procurement and the ESMF by concentrating the effort from the LTCs towards those municipalities with low capacities.
- It is recommended to activate the communication with MDPII stakeholders from the initial stages of the implementation to ensure the effective management and to avoid the miss communication.
- It is recommended to have a unified approach for implementing the pilot innovative under window 2 to maximize the benefit and to ensure the possibility of rolling out these initiatives under window 3 in the future, in particular, the E-governance and the LED.
- Eventhough the renewable energy law has not yet approved, the advancement in calling for similar projects is visible.
- The renewable energy project is easy to be implemented among municipalities which can be replicated with effort from municipalities if trained employees are available.
- A kick off meeting should be conducted per contract attended by the municipal council, municipal operational meager (where applies) and the technical team. In this meeting, the communication plan and the action should be will illustrated.
- There is a need to include penalties and incentives accompanied with the level of municipal responsiveness.
- There is a need to develop indicators that reflects the performance of municipalities regarding the implementation sub-projects eirther infrastructure of capacity building.
- There is a need to study the possibility to add penalties to the lump-sum contracts.
- A Black list for the contactors is needed.
- Institutionalizing the references for the Consultants (individuals /Firms) per assignment and the result to be used to the evaluation criteria.
- MDLF past experience should be translated within the evaluation criteria.





II: Local Development Programme (LDP III)

2.1: Background

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

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

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

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

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

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



- The governance aspects of the entire process should generally be strengthened – in particular, issues related to women's and youth's participation in the interim municipal council structures and later permanent municipal council.

2.2: (LDP III) Description

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

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

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

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

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

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

2.3: Financing Partners Contributions

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

2.4: Implementation Status and Progress

During the reporting period the following activities were conducted:

- An updated work plan for the year 2015 for all outputs under is ready to be presented to the stirring committee for confirmation purpose.
- 13 joint projects in all clusters under output3 were successfully implemented and accomplished, whereas 12 joint projects are ongoing in implementation stages and the rest 7 projects are in the final stages of Design & appraisal.
- The local consultant First Option is finalizing the appraisal stage of his tasks of designing with Reef Dora JSC (Al burij School) and ongoing his tasks in supervising the projects implementation.
- Two new Local Technical Consultant (LTCs) were contracted to develop SDIP, Arial photos and Physical plans for the three clusters. The first consultant is Center for Engineering & Planning (CEP) for north Area (Salfeet cluster) & for the south Area (Reef Dura cluster). The second consultant is Arabtech Jardaneh (AJ) for South East Nablus (Al Mashareq cluster).



- Two new individual Consultants were contracted to help Salfeet & Al Mashareq JSCs in supervising their joint projects implementation and especially the SDIP & Physical plans.
- One contractor for Vehicle rent was contracted to provide each cluster with car to facilitate the JSCs' engineer's movement and performing projects implementation.
- 7 tenders for supplying materials and providing logistics services for clusters were contracted to help the JSCs in implementing their social activities.
- 12 out of 22 social activities were successfully implemented and the rest are in preparation stages.
- Individual Consultant (AL Najah University's for folklore Band) was contracted to support the implementation of the social activities in the JSCs.
- Under output1 (communication and awareness raising) all JSCs' premises were Furnished and provided with electronic equipment and Stationery through 6 contracted tenders.
- More than 46 site visits were conducted concerning the bid opening sessions and following up the implementation the joint projects in all clusters, in addition to participate in the social activities evets in each JSC.
- The TORs for the institutional studies, and the fixed assists registration for all the clusters were prepared and ready to be published.
- During the coming month, it is anticipated to have a steering committee meeting to approve the list of the updated joint projects, social activities, communication plans, adjusted budget plan and 2015 updated work plan for all clusters.
- 12 technical committee meetings, 3 for Dura Cluster, 4 for Salfeet cluster, and 5 for South East Nablus (Al Mashreq JSC) cluster were conducted.

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

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



Immediate Objective	Progress since the beginning of the Programme	Progress during the reporting Period	Challenges and Obstacles
<i>Strengthened base for better service delivery of LGUs through sustained processes of LGU amalgamation and improved local governance.</i>	- Formation of the services councils or local committees for amalgamation representing the target communities. - Identification of the intervention for all LDPIII outputs. - Starting the implementation for the activities under all outputs.	- 12 Technical committee meetings were conducted with all clusters. - More than 46 site visits were conducted concerning the bid opening sessions and site visits. - Two individual consultants were contracted to assist the JSCs. - Two Local technical consultants were contracted to develop SDIPs & Physical plans. - Seven tenders for supplying materials and providing logistics services for clusters were contracted. - One tender for Vehicle rent was contracted. - 6 tenders were contracted for all JSCs to provide the premises Furniture and electronic equipment and Stationery.	- The amalgamation strategy has not yet approved by MOLF - Apprehensive of the target communities from the merging process due to the dilemmas faced in the previous experiments of amalgamation. - Some of the target areas are located in area C.



Output	Output target	Output result (accumulative)	Accomplished Activities	Anticipated Activities for the next six months	Key Challenges
<u>Output 1:</u> Participatory amalgamation process/Local communities support the amalgamation process	Active participation and interaction of all community groups in the amalgamation process are ensured	Participation of the local councils members and the representatives of the civil institutions as well as the local community in the amalgamation process	- Study on feasibility and willingness to amalgamate for Salfit & South East Nablus clusters was accomplished - 12 social activities were successfully implemented. - 7 tenders for supplying materials and providing logistics services for cluster were contracted. - Individual Consultant (folklore Band) was contracted to support the implementation of the social activities - Two new individual Consultants were contracted. - All JSCs' premises were Furnished and provided with electronic equipment and Stationery by 6 contracts.	- 12 social activities were completed. - 6 tenders for furniture and equipment were completed under the Communication and awareness plan - The Joint Social activities (including the local study tours) for the target three clusters were conducted.	- Lack of capacity within the target services councils to follow up the implementation of social activities. - There is no operation budget for the new JSCs



<u>Output 2:</u> The institutional development of emerging municipalities is technically strengthened	Accomplishment of the institutional arrangements regarding the (SDIPs, Physical plans, asset registration and valuation)	The target is not yet achieved, however all the TORs for these institutional arrangements were all prepared	- The TORs for the institutional studies, and the fixed assists registration for all the clusters were prepared and ready to be published. - Two new Local Technical Consultant (LTCs) were contracted to develop SDIP, Arial photos and Physical plans for the three clusters.	The direct implementation of the mentioned assignments is anticipated to take place in the coming months	
<u>Output 3:</u> Joint projects are implemented with a potential for sustainability	Paving 20km of connection & Internal Roads and construct 1500 square meter of public facilities including: buildings, playground and public gardens, purchasing one electrical platform and one excavator	This target is not yet achieved, The joint projects in Salfit & South East Nablus and Dura clusters were identified to be implemented during the coming months.	- The joint projects were identified through an investment study for SE Nablus and Salfit clusters. - 13 out of 21 joint projects were successfully accomplished for the two clusters in the north WB . - 5 out of 11 joint projects in Reef Dora were contracted and 4 projects are ongoing .	- Continue the implementation for the projects in North area - Preparing the design and the bidding documents for the approved projects. - Start implementation for Dura Cluster.	- Lack of staff and capacity building for the new JSCs. - Some of the target areas are located in area C.



Output 4: Local governance (and community empowerment) mechanisms are strengthened (cross cutting component)	- Clear and approved amalgamation strategy and manuals are all endorsed. - Improve the capacity building for the JSCs	This target is not yet achieved However, a new amalgamation strategy was suggested by the MOLG/Policy Unit waiting for the approval from the Cabinet.	Effective coordination between MDLF and the MOLG/ Policy Unit took place during the reporting period to identify the activities under this output.	- Action plan for the activities under this output is anticipated. - Starting the direct implementation of the activities under this output.	Not clear approach and policy for amalgamation
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Status of outstanding issues and follow-up on decisions made by the Steering Committee (or similar body)

Issue	Decision (incl. timeframe agreed for follow-up)	Responsible	Status on follow-up
The Work plan	- The SC approved the work plan for 2015.	MDLF	The work plan was prepared.
List of joint projects for Salfit & South East Nablus clusters were	- The SC approved the joint projects for all clusters	MDLF	The joint projects were identified.
Re allocation Budget	- The SC approved the budget adjustment for LDPIII.	MDLF	The budget adjustment was prepared



2.5: Challenges Encountered and Obstacles

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

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

2.6: Lessons Learnt and Recommendation

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



III: Local Government Reform and Development Programme (LGRDP)

3.1: Background

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

3.2: LGRDP Description

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

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

Component 1 – Support for MoLG Capacity Development

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

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

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

The programme will support reform and improved capacities and services of smaller LGUs in four selected clusters as shown in table 9 below:



Table 9: LGRDP Targeted Clusters

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

The LGUs will receive four broad areas of support:

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

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

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

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

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



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

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

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

Result 5 - Newly amalgamated municipalities are continuously progressing their performance

The Municipal Development and Lending Fund (MDLF) is the implementation agency for components 2 and 3 of the programme.

Description of Beneficiaries

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

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

3.3: Financing Partners Contributions

The program will be implemented over five-years period with total budget of **(Euro 15 million)**, where the agreement between the Belgian Development Agency and the MoP was signed on October 28th , 2010. Table 10 illustrates the budget breakdown.



Table 10: LGRDP Budget Break Down

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





3.4: Implementation Status

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

Component 2: Support for reform and improved capacities and services in smaller LGUs.		
Result 2: Smaller LGUs in selected clusters have developed appropriate joint institutional arrangements for joint services and amalgamation	Activity 2.1: An initial survey of the technical and financial viability as well as social acceptability of the proposed future institutional arrangements	Sub-Activity 2.1.1: - The 1st and the 2nd phases of awareness campaign assignment were completed whereas the 2nd phase is still in progress. (100% completion) Tasks completed in the 1st phase of awareness campaign : - Revision of the data collected by the consultant. - Revision of the LGUs assessment and the citizen's survey questionnaire. - Conducting a visit to a successfully example of amalgamation "Al-Kafriyyat municipality". - Distribution of brochure. - Conducting a public meetings in each cluster. - Revision of the data collected by the consultant regarding the (post survey after the awareness campaign) - Identifying the social and infrastructure projects. - Revision and approval of the final report for the awareness campaign assignment. Tasks completed in the 2nd phase of awareness campaign : - Preparation of Communication Action Plans. - Drafting of 4 communication action plans for the 4 JSCs - Review and revisit of the action plans with the JSCs - Finalizing the contents of the action plans with cost estimates - Preparation of specifications for all the sub activities in the action plans. - awareness Camping implemented - The bidding documents, advertising, RFQ evaluation and the request orders were accomplished regarding the (Supply of Printing and Advertising Materials for JSCs) and the (Supply of Logistic services and Materials for JSCs). - Part of the printing and advertising materials were supplied. - logistic services and materials for social activities were provided. - Completion of Wall Art Painting in Jort eshama' Cluster, including 9 drawings in selected sites. - Awareness Camping was conducted
	Activity 2.2: In cooperation with the LGUs, a valuation will be made of the each local council's assets that would be incorporated in the new municipality	Sub-Activity 2.2.1: The Fixed Assets Registration and Valuation assignment was completed (100% completion) . Tasks completed: - Work Plan with LGUs. - Gathering of fixed asset sheets. - Investigation of data. - Carry out physical inspection of fixed assets. - Coordinate with MDLF, MoLG, and local committees for standards and regulations. - Preparation of the final fixed asset register.
	Activity 2.3: The LGU will be supported with consultants hired under the project and technical staff from MDLF to develop a comprehensive development plan in line with the national guidelines.	Sub-activity 2.3.1: The Strategic Development and Investment Plans were completed whereas the physical planning is still in progress. (100% completion) . Tasks completed regarding the SDIPs: - Follow up the diagnosis of the current status. - Follow up the formulation of the vision and objectives. - Setting integrated operation plans and evaluation plan.



		- Preparation of the draft SDIP. - Follow up with Municipal Council to Approve the SDIP - Conduct The Second Public Meeting - Prepare the final SDIP <u>Tasks completed regarding the Physical Planning:</u> - Review the planning framework report. - Determining the possibilities and challenges. - Supervise the sectorial assessment. - Approving the Spatial Development Framework Plan SDFP. - Submission the negative of the aerial photos. - Final digitized aerial photogrammetry maps were submitted. - Land Use Plan, zoning & building regulations were prepared and approved by the District Planning Commission . - Final Report was submitted.
	<u>Activity 2.4:</u> The LGUs will be supported to develop a comprehensive capacity development plan that inter alia will include recommendations for organizational structures staffing, office facilities, training programmes and minor equipment.	<u>Sub-Activity 2.4.1:</u> The institutional capacity assessment and development assignment was completed. (100% completion) <u>Tasks completed:</u> - LGUs Assessment Questionnaire was prepared - The local government laws were reviewed - Workshops with the concerned communities were conducted. - A draft by-laws was prepared - SWOT analysis was prepared - The municipalities' objectives and main duties were reviewed - The organizational structures proposed by MoLG was reviewed - Jobs descriptions and jobs classifications were prepared. - Departments functions and duties description were prepared - Human resources development plan was prepared - Procedural manual for the municipalities' operations was prepared. - Capacity Development Strategy Plan was prepared. - A final report was prepared . <u>Tasks completed regarding the Technical Assistance to the Common Water Department (CWD) " of the Joint Service Council for Planning and Development (JSCPD) / Beit Liqya Cluster.</u> - Assessment of the existing water service in the area. - Assistance to the legal establishment of the CWD. - Fixed assets identification, registration, and valuation. - Preliminary training for the Board of Director. - Material and equipment needs' assessment - Organisational structure, job descriptions and management procedures for Human Resources - Proposed tariff structure and business plan - Training needs assessment - Preparation of operation and maintenance procedures - Preparation of customers' services procedures and billing system - Preparation of financial procedures - Preparation of communication and internal reporting regulations - Support to the CWD for awareness of the population - Procurement of equipment - Recruitment of personnel - Implementation of the set of procedures - Supervision of external activities - On-the-job training - Benchmarking - Performance monitoring tools - Long term assistance



Result 3: Capacities of the selected LGUs are enhanced for improved planning, HRM, financial management, service delivery and accountability	Activity 3.1 capacity development programme will be implemented	Sub-activity 3.1.1: The Equipment and Furniture were supplied within the targeted clusters. (100% completion) Tasks completed: - Supply of IT Equipment for JSCs. - Supply of Furniture for JSCs. - Supply of Total Station for JSCs. - Supply of Stationery for JSCs. Sub-Activity 3.1.2: - The office building (extension or renovation) activity is in progress. (postponed) Sub-Activity 3.1.3: The financial support for 12 months initial employment of staff activity was completed (100% Completion) Tasks completed: * 1st phase : (Engineer, Secretary, Urban Planner and Accountant) for each JSC were recruited for one year. * 2nd phase: (Engineer,) for each JSC was recruited for one year. * 3rd phase: - Recruiting of (Engineer) for each JSC (in Progress) : Extension the contracts of the Engineers - Recruiting of executive Manager of each JSCPD for one year. - Executive Manager of each JSCPD (one year contract - Recruitment phase (In Progress))
Result 4: LGUs service delivery is improved through sustainable infrastructure development in the clusters	Activity 4.1: Provision of funding for infrastructure development that enhance the new institutional status of the LGU (amalgamated into municipal council or as JSC).	Sub-Activity 4.1.1: Engage Consultant or Technical Team to assist LGU's (80%) Tasks completed: - <u>Local Technical Consultant - West Bank Clusters (2013) was contracted (on-going)</u> - <u>Supervision for Water Network Rehabilitation in Beit Iegya Cluster was contracted (on-going)</u> - <u>Study and design for Water Supply Network in Beita and Al-Karmel Clusters (cancelled)</u> * Local Technical Consultant - South Bank Clusters (2015) (was contracted (ongoing))



		Sub-Activity 4.1.2: Implementation and follow up of the approved infrastructure sub-projects. (80% completion) Tasks completed: <u>The First Phase of infrastructure projects (connection roads) was completed. (100%)</u> <u>Second phase infrastructure (social infrastructure) (70%)</u> - Review projects identified within public participation (Completed) - Get steering committee approval (Completed) - Bidding phase (completed) Preparing tender documents announce the invitation for bids (IFB) Bids Opening and evaluation Awarding and contracting - Implementation (In Progress) * Rehabilitation of Beit Leqya, Beit Seera, Beit Nuba & Kharbatha Al-Misbah Water Supply System - PHASE 01 project, (completed) <u>Third Phase infrastructure (40%)</u> - Review projects identified within public -participation (Completed) - Get steering committee approval (completed) - Bidding phase (in progress) - Implementation (in progress)
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Component 3: Support for newly amalgamated municipalities (MDP-aligned).

The BTC financial contribution under this component is going to be distributed among the amalgamated municipalities through MDP, starting from the 2nd cycle. Noting that, during the reporting period, MDP- 1st cycle was under implementation where the 2nd cycle planning started by the end of 2011. Consequently, the BTC contribution under (MDP-Window 1- 2nd cycle), was distributed among (10) amalgamated municipalities where MDLF informed the municipalities about their allocations and received their projects priorities.

<u>Result 5:</u> Newly amalgamated municipalities are continuously progressing their performance	<u>Activity 5.1:</u> Undertake regular assessments of municipalities and provide general oversight and guidance to the concerned LGUs (by MDLF staff)	<u>Sub-Activity 5.1.1:</u> Municipal Ranking Assessment was completed (fir MDPI-CII, MDPII-CI, MDPII-CII). (100% completion) <u>Tasks completed</u> - Evaluate the new amalgamated municipality to decide their performance category in accordance to the municipal performance criteria used by MDLF.
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	Activity 5.2: Provide fiscal transfers to municipalities that is linked to their performance during the assessments. In this manner the municipalities will be provided with incentives for continuous improvements in their performance.	Sub-Activity 5.2.1: Fiscal Transfers to the amalgamated municipalities is in progress. (90% completion) Tasks completed - Inform the municipalities about their allocated budget. - Nominate projects for implementation according to their SDIPs or by conducting public participation sessions in case they don't have SDIP. - Projects appraisal phase. - Bidding documents preparation phase - The projects were completed for the MDPI-CII, MDPII-CI). - the Sub-projects under MDPII-CII is under procurement and expected to be completed by end of 2015.
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****Note: For more details on LGRDP please see annex B*

3.5: Challenges Encountered and Obstacles

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

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

3.6: Lessons Learnt and Recommendations

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

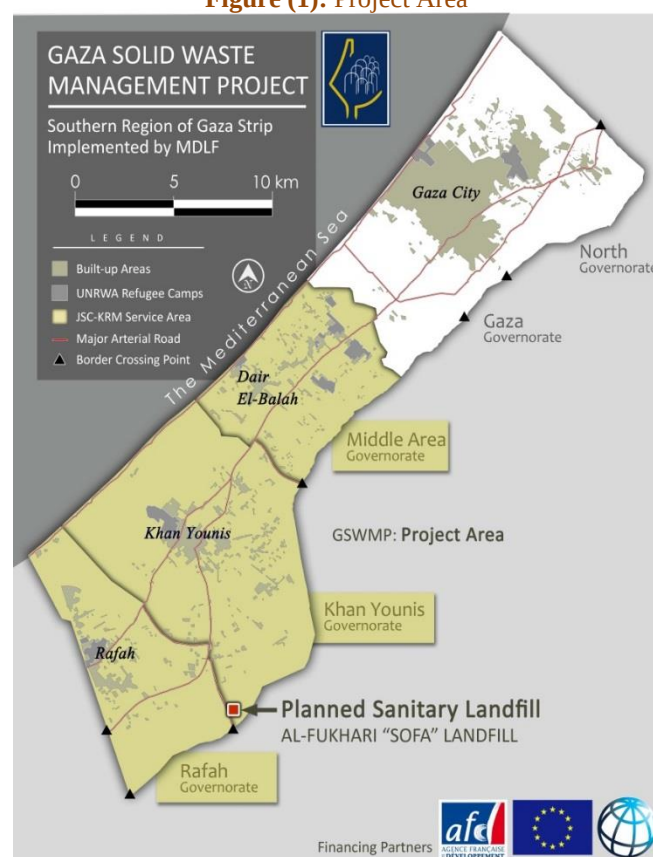


IV: Gaza Solid Waste Management Project

4.1: Background

The Gaza Solid Waste Management Project is a comprehensive strategic infrastructure and capacity building project, where MDLF is managing the southern component of the project covering 3 of 5 governorates in Gaza Strip, namely the Middle Area, Khan Younis, and Rafah Governorates comprising approximately 64% of Gaza Strip's total geographic area inhabited by 46% of the total Gaza Strip's population¹, or approximately 800,000 people according the 2014 Palestinian Central Bureau of Statistics (PCBS) projections. Figure (1) provides map of Gaza Strip with project target area. The GSWMP is aiming at improving solid waste management services in the Gaza Strip through the provision of efficient and environmentally- and socially-sound waste disposal schemes, and initiating measures to improve overall solid waste management systems. Through the GSWMP, a sanitary landfill will be constructed in the southern region of Gaza Strip with capacity to serve the 3 governorates until year 2025, and to serve the entire Gaza Strip until the year 2040. This major construction effort will be implemented in phases on an overall area of 47.2 hectares with immediate land area needed for first three cells of 21.5 hectares. The new facility will be equipped to operate at high standard and it will be complemented by a system of solid waste transfer stations in each governorate in addition to comprehensive capacity building 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 GSWM, studies and investments in recycling and resource recovery will take place encouraging the participation of private sector, in addition to further involvement and participation of the population through broad public outreach and public awareness activities.

Figure (1): Project Area



4.2: Description

MDLF is implementing the GSWMP in the Southern region of Gaza with its financing partners: the France Development Agency (AFD), the European Union (EU), and the World Bank in addition to the Kingdom of Sweden. UNDP and IsDB (through UNRWA) is contributing to the overall Gaza Strip programmatic approach with focus

¹ PCBS projected population by Governorate for 2012: North Gaza (322,126), Gaza (569,715), Middle (238,807), Khan Younis (310,868), and Rafah (202,777).



on Gaza and North Gaza Governorates and on short-term measures, primary collection, and the construction of one transfer station (by IsDB/UNRWA) in the Southern region (Khan Younis).

▪ **Project Development Objective**

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

▪ **Project Development Objective (PDO) Level Results Indicators**

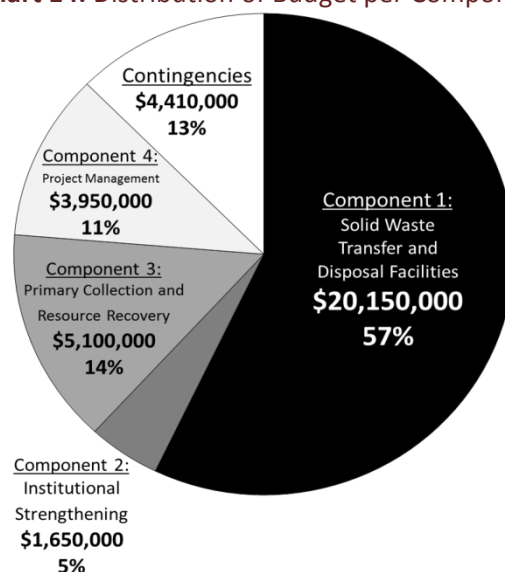
- Percentage of solid waste collected from the targeted population, disposed in a new sanitary landfill developed under the project.
- Percentage of increase in fees collected annually within the member municipalities forwards cost recovery.
- Number of people in urban areas with access to regular solid waste collection under the project.
- Number of waste pickers whose lives depend on the existing solid waste context and who are integrated into livelihood and social inclusion programs under the project.
- Contaminated land or dump-sites closed and rehabilitated under the project (in hectares (ha)).
- Direct project beneficiaries (number) of which females (percentage).

▪ **Project Components**

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

Chart 14 provides investment amounts per component, and Table (11) provides breakdown of components per Financing Partner share of investment and activity.

Chart 14: Distribution of Budget per Component





4.3: Financing Partners' Contributions

The GSWMP will be financed by France Development Agency (AFD), the European Union (EU), and the World Bank in addition to the Kingdom of Sweden in a total of \$35.26 M. Table 11 below illustrates the distribution of fund by component per donor.

Table 11: Total Allocated Budget per Component, Activity and Financing Partner

Item Reference & Total Allocated Budget						
PAD Comp. Ref.	Procurement Plan Ref.		Description	Amount Million USD		
	No.	Category		AFD EU	WB SW	TOTAL
Component 1: Infrastructure Development						
C1a	1.1.1	Works	Construction of Sanitary Landfill	6.75	5.25	12.00
C1b	1.1.4	Works	Construction of Transfer Stations (TS) - RAFAH	0.40		0.40
C1c	2.1.1	Goods	Supply & Installation of TS and LF Equipment	2.50		2.50
C1d	1.1.2	Works	Access Roads to Landfill and TS		1.15	1.15
C1e	1.1.3	Works	Closure of Existing Dump Site		0.60	0.60
C1f	ARAP Implementation (via UNDP-DEEP)					
C1g	Land Acquisition for Landfill and TS (via PNA)					
Component 2: Institutional Strengthening						
C2a	4.1.2	Consultants Services (CS)	Capacity Building of JSC-KRM	0.75	0.10	0.85
C2b	4.1.2		Capacity Building of Municipalities	0.50		0.50
C2c	4.1.3		Public Awareness Campaign (Citizen Engagement)		0.30	0.30
Component 3: Primary Collection & Resource Recovery						
C3a	4.1.4	CS	Studies for Optimization of Waste Collection	0.50		0.50
C3b	2.1.1	Goods	Supply of Waste Collection Equipment	3.50		3.50
C3c	4.1.4	CS	Studies for Waste Recovery (Rec. & Comp.)		0.10	0.10
C3d	Pilot for Rec. and Comp. Facility (via UNDP)					
Component 4: Project Management						
C4a	MDLF Fee			1.20	0.75	1.95
C4b	4.1.1	CS	Design Revision, Const. Supervision & Cont. Mgn't.	0.60		0.60
C4c	3.1.1	Non-Cons.	Operational Management Contract for LF and TS		0.60	0.60
C4d	4.1.5	CS	Independent Consultancies: including independent monitoring of EMP and Beneficiary assessments		0.80	0.80
Total				16.70	9.65	26.35
Contingency				3.42	0.99	4.41
TOTAL				20.12	10.64	30.76
Contribution from PA (2.10), UNDP (1.60), and IsDB (0.80)						4.50
					TOTAL	35.26

4.4: Implementation Status

➤ Implementation set-up

According to Project Operation Manual (POM), "MDLF, as the Project Implementing Entity and legal *owner* of the assets acquired or created under project, would be responsible for ensuring the achievement of the project objectives.

The MDLF would undertake this role primarily through the Project Development and Safeguards Unit (PDSU); which is a new and semi-autonomous project development unit



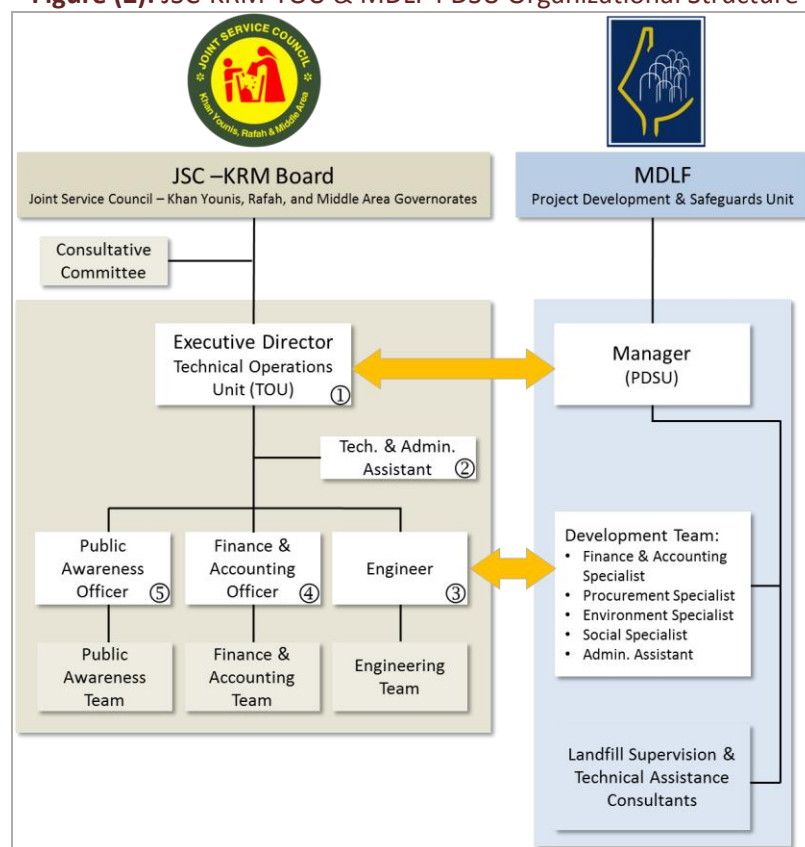
based in Gaza and which reports directly to the MDLF's Director General, and coordinates with financial and procurement managers in Ramallah.

JSC-KRM has been expanded to include municipalities in the Khan Younis, Rafah, and Middle Area Governorates² as a key stakeholder (and possible eventual owner and operator of the new landfill); The JSC-KRM would play an important supporting role during implementation, and would do so in close consultation with the MDLF-PDSU.

The JSC-KRM TOU (Technical Operations Unit) would be the operational arm of JSC-KRM. In order to facilitate cooperation, JSC-KRM TOU and MDLF-PDSU would be housed together in the same premises in Southern Gaza Strip, and would meet regularly to share ideas and to review the progress of the project and the achievement of objectives".

MDLF had established the PDSU in late 2012, and the JSC-TOU set up has been finalized, where the head of TOU has been hired starting in September 2014 and the remaining of the key staff were selected in the first half of 2015 (positions 2 through 5 in **figure 2**).

Figure (2): JSC-KRM-TOU & MDLF PDSU Organizational Structure



➤ Summary of Progress during the reporting period

The Gaza Solid Waste Management Project (GSWMP) went into effect as of 09 July, 2014 (Project Effectiveness Date) and with an expected closing date on 30 November, 2019. It is important to mention that from 07 July to 26 August 2014, Gaza experienced a war that lasted for 50 days where all sectors suffered damages at various degrees including the solid waste management sector. Delay in project effectiveness that was attributed to the fulfillment of negotiation conditions with

² Previously known as JSC-DB, or SWMC-GM in some literature, was established in 1995 to cover the Governorates of Khan Younis and the Middle Area (Deir El-Balah – DB); based in the City of Deir El-Balah.



World Bank Group, the grant agreement with AFD acting on behalf the EU was announced earlier on 24 August, 2013.

Project preparations were completed by providing the land required for the construction of the landfill and settling all legal requirements in connection to land acquisition. Project preparation experienced delays due to the land acquisition procedures and the associated right of every landowner to negotiate or litigate the process of land expropriation. Land owners were cooperative and supportive of the overall objectives of the project, however legal arrangements required more time than anticipated in order to reach a satisfying conclusion of the land acquisition process. MDLF established the Project Development and Safeguards Unit (PDSU) based in the project area that will be managing the day to day activities in close cooperation with the Joint Service Council for Solid Waste Management (JSC) and member municipalities. In the first half of 2015, the PDSU and the JSC's Technical Operations Unit (ToU) were housed in the same office premises equipped with all essential office furniture and equipment; enabling finer and more practical communication atmosphere that provided solid base for an ideal project implementation in general, and the preparation efforts towards implementing component 2 of the project in particular. The new office facility MDLF contracted an international firm in the first half of 2015 to perform value engineering for the original design documents of Al-Fukhari Landfill; an activity that is necessary to review and check all quantities and provide improvements given the size of investment under the first component of the project.

Furthermore, MDLF recruited most of JSC-KRM-TOU consultants (3 out of 4 key staff) in the first half of 2015 in addition to purchase spare parts solid waste collection vehicles. MDLF evaluated the expression of interests that were submitted by the international firms concerning to studies for optimizing waste collection. MDLF started the preparations for public awareness and public outreach activities by tendering the request for public outreach materials and the preparation of terms of references for beneficiary impact assessment; a longitudinal study that would measure public perception of project impacts.

Table 12 provides the updated activity schedule followed status of each of project components.

Table 12: Updated Activity Schedule

Light grey: tendering
Dark grey: start of activity

Dark grey: Start of activity

Item Reference				Schedule						
PAD Comp. Ref.	Procurement Plan Ref.		Description	2014				2015	2016	2017
	No.	Category		Q1	Q2	Q3	Q4			
Component 1: Infrastructure Development										
C1a	1.1.1	Works	Construction of Sanitary Landfill							
C1b	1.1.4	Works	Construction of Transfer Stations (TS) - RAFAH							
C1c	2.1.1	Goods	Supply & Installation of TS and LF Equipment					Q4		
C1d	1.1.2	Works	Access Roads to Landfill and TS							
C1e	1.1.3	Works	Closure of Existing Dump Site							
C1f	ARAP Implementation (via UNDP-DEEP)									
C1g	Land Acquisition for Landfill and TS (via PNA)									



Item Reference				Schedule						
PAD Comp. Ref.	Procurement Plan Ref.		Description	2014				2015	2016	2017
	No.	Category		Q1	Q2	Q3	Q4			
Component 2: Institutional Strengthening										
C2a	4.1.2	Consultants Services (CS)	Capacity Building of JSC-KRM							
C2b	4.1.2		Capacity Building of Municipalities							
C2c	4.1.3		Public Awareness Campaign (Citizen Engagement)					Q3-4		
Component 3: Primary Collection & Resource Recovery										
C3a	4.1.4	CS	Studies for Optimization of Waste Collection					Q2		
C3b	2.1.1	Goods	Supply of Waste Collection Equipment					Q4		
C3c	4.1.4	CS	Studies for Waste Recovery (Rec. & Comp.)							
C3d	Pilot for Rec. and Comp. Facility (via UNDP)									
Component 4: Project Management										
C4a	MDLF Fee									
C4b	4.1.1	CS	Design Revision, Const. Supervision & Cont. Mgn't.							
C4c	3.1.1	Non-Consulting	Operational Management Contract for LF and TS							
C4d	4.1.5	CS	Independent Consultancies: including independent monitoring of EMP and Beneficiary assessments							

Status of Component 1: Solid Waste Transfer and Disposal Facilities

No progress has been made for this component during the first half of 2015; following are the details on the items that were subject to rescheduling:

Item (C1a): 1.1.1 “Landfill Construction and Rehabilitation and Closure of Sofa Dumpsite”

Quarter 4 of 2015 was planned to witness first advanced payment to the landfill construction contract according to the last period's report.

Status: Date to be shifted to 1st quarter of 2016 due to delay in item 4.1.1 “Design Revision, Construction Supervision, and Contract Management.

Explanation:

Activity (1) of contract 4.1.1 is precedent to item 1.1.1 as the Consultant of 4.1.1 is to review the design documents for the landfill and transfer stations, provides recommendations, and implements any revisions to the design and bidding documents. The Consultant for Item (4.1.1) commenced in June 2015.

Item (C1b): 1.1.4 “Construction / Rehabilitation of Transfer Stations”

Quarter 3 of 2015 was planned to witness first payment to the construction contract for Rafah Transfer Station according to the last period's report.

Status: Date to be shifted to 1st quarter of 2016 due to delay in item 4.1.1 “Design Revision, Construction Supervision, and Contract Management.

Explanation:



Similar to the explanation of previous point, this contract shall follow Activity (1) of contract 4.1.1.

Item (C1e): 1.1.3 “Closure of Dair El-Balah Landfill”

Quarter 1 of 2015 witnessed the preparation of number of small contracts targeting the mitigation of the old landfill and prepare for the main activity of closure works.

Status: the following sub items are expected to take effect in the second half of 2015: 1.1.3.1 “Compaction Works for Deir Al Balah landfill”, 1.1.3.2 “Supply of Spare parts”, 1.1.3.3 “Supply of fencing and leachate recirculation materials”, 1.1.3.4 “Supply and install of CCTV at facility Entrance for Deir Al Balah landfill”, 1.1.3.5 “Conducting Topographic Survey”, and 1.1.3.6 “MW Sampling and Analysis”.

Item (C1g): Land Acquisition for Landfill and TS:

- **A: Landfill:** the land required to construct the landfill had been expropriated following Palestinian laws where a Presidential Decree was declared on 25 December, 2012. Prior to the presidential decree, Land Assessment Committee was established by the JSC-KRM for the purpose of valuation of the property and to negotiate with owners. Following the presidential decree, one owner contested the acquisition act and the land categorization change, and another contested the value. The first case was turned down, while the second was settled through court-appointed committee taking the form of arbitration. An independent legal opinion was issued on 14 January, 2014 validating the legality of the land acquisition process. The JSC-KRM paid an amount of US\$ 727,424 on 02 February, 2014. The Palestinian Ministry of Finance committed the amount of US\$ 1.15 million to compensate the rest of land owners in four installments starting February, 2015. Table 13 summarizes the process, and table 14 provides details on the land owned by 5 families and the status for each lot.

Table 13: Land Acquisition Process

Item	Activity	Status
1.	Establishing a Land Assessment Committee (LAC)	Complete
2.	Estimate the price of the land	Complete
3.	Land Acquisition, Presidential Decree	Complete
4.	Legal opinion on land acquisition process	Complete
5.	Court appointed valuation committee for owners contesting land valuation in point 2.	Complete
6.	Payments of land price to each land owner	In process
7.	Liaising the land needed for the transfer station	2 complete, 1 in process

Table 14: Land Acquisition Status per Land Owner

Owner	Size of Lot (x1000m ²)	Status
▪ Abu Raida, Sulaiman	90.000	Pending MoF Payment
▪ Al-Shaer, AbdelKareem (Zeyad)	47.606	Pending MoF Payment
▪ Al-Shaer, Abdallah (Munir)	64.000	Compensated on 02 Feb., 2014
▪ Abu Sneima Family	11.360	Price renegotiation was complete, JSC had previously notified owner to collect payment on 20 Jan., 2015 and the court appointed new committee in June 2015.
▪ Shubair, Salaheddin	19.840	Pending to MoF Payment



Ministry of Finance (MoF) Payment:

The MoF has renewed its commitment to disburse the PA committed amount of US\$ 1.15 million over four installments starting February, 2015. The issue of bank accounts at which the payment will be transferred is still being resolved. MDLF is expected to open a special account to receive the money and then redirect to each owner. JSC-KRM had provided MDLF with official letter of assurance delegating the MDLF to act on its behalf in receiving the funds. Nevertheless, the MoF had reverted to directly compensate owners, but no installments were made in the reporting period.

A schedule of payments was communicated with the MoF, where owner (5. Shubair, Salaheddin) was placed as the first recipient given the location of his lot near the Short Term landfill.

- **B: Transfer Stations:** 3 transfer station are required to be constructed in the southern region (project area)³, one of which (Khan Younis) will be constructed by UNRWA financed by IsDB. The other two transfer stations, in Tal Al-Sultan – Rafah and Dair El-Balah – Middle Area, are financed within this project. The site in Rafah is available and it is owned by the Municipality of Rafah as it is located near a pilot composting plant, “a project financed by the Government of Japan through UNDP”⁴.

The second site for the Middle Area (in Dair El-Balah), is still being sought, as public lands are limited in that area and the process of private land acquisition could be of difficulty given the higher land prices in the narrowest area of Gaza Strip and as a lesson learnt from the land acquisition for the landfill, seeking a public property is the fastest and easier way to locate a site for Dair El-Balah transfer station. The Municipality of Dair El-Balah is still in the process of allocating a public land for the transfer station in coordination with the Land Authority. Preliminary information provides that the lot will be available within the second half of 2015.

Status of Component 2: Institutional Strengthening

During the reporting period, the first contract under this component was initiated (hiring the executive director of JSC-KRM); following are the details of progress under component 2 (refer to table 12 for item reference in procurement plan):

Item 4.1.2 “Capacity Building of Joint Service Council (JSC-KRM)”

Status: This item started in third quarter of 2014 after project effectiveness in 09 July, 2014. Below is the status of the other items during the reporting period:

Sub-items 4.1.2.1(A):	Contracting JSC Key Staff, Executive Director
	<u>Complete</u> , contract effective 01 September, 2014
Sub-items 4.1.2.1(B):	Contracting JSC Key Staff: Operations Engineer
	<u>To be completed:</u> Contract expected 01 September, 2015
Sub-items 4.1.2.1(C):	Contracting JSC Key Staff: Financial

³ Pp. 142, Fig. 23 Waste Flows Preferred Scenario, *UNDP - PAPP/Feasibility Study and Detailed Design for Solid Waste Management, 2012*

⁴ Pp. 113, Environmental and Social Impact Assessment (ESIA) for Gaza Solid Waste Management Project, 2012



	& Accounting Officer
	<u>To be completed:</u> Contract expected 01
July, 2015	
Sub-items 4.1.2.1(D):	Contracting JSC Key Staff: Public
Information	
	& Outreach Officer
	<u>To be completed:</u> Contract expected 01
July, 2015	
Sub-items 4.1.2.1(E):	Contracting JSC Key Staff: Administrative
	& Technical Assistant
	<u>To be completed:</u> Contract
	expected 01 July, 2015
Sub-items 4.1.2.2(A) through (E):	
	<u>Complete:</u> Preparation of New JSC-
	TOU/MDLF-PDSU New Office.
Sub-items 4.1.2.4:	<u>Ongoing:</u> JSC-KRM Job Analysis,
	Consultant commenced to activity during
	reporting period.

Status of Component 3: Primary Collection and Resource Recovery

Item 4.1.4.1 “Study on Optimizing Waste Collection” was announced for REoI in the reporting period, 21 international firms and joint ventures expressed interest. The procurement process is ongoing and expected to be concluded in the second half of 2015.

Component 4: Project Management

The procurement process was concluded for the first major contract, “Design Revision, Construction Supervision and Contract Management” – item 4.1.1 in approved procurement plan. Contract 4.1.1 was signed with an international joint venture on 01 June, 2015. Item 4.1.1 experienced unexpected delay to the originally planned schedule due to revision to shortlisted firms called to submit technical and financial proposal, and consequently to the deadline of the proposals submittal (39 days); such delay had therefore reflected on the expected dates to start long term landfill construction (item 1.1.1). The procurement process for will start in the second half of 2015 for the following items: 4.1.5.1 “Environmental Impact Assessment for 3 Transfer Station Sites” and 4.1.5.2 “Beneficiary Impact Assessment”.

4.5: Work Plan 2015

Several activities were planned for 2015 focusing on the preparation for starting the landfill construction (item 1.1.1 in procurement plan), but schedule shifting too place where the connected contract item 4.1.1 Design Revision, Construction Supervision and Contract Management kicked off near the end of the 1st quarter of 2015. Component 2 was planned to have activities that add to the JSC-KRM new expanded identity through training workshops to both new and existing staff followed by capacity building measures targeting member municipalities and its health departments. Such activities were shifted as well as series of meetings are planned with the community and mayors to introduce project activities and provide hope for a better environment and improved services through the Project. A study on Optimization of Waste Collection (item 4.1.4.1) is planned to start near the end of 2015 that would provide a solid base for improving the system from the collection stage through the system of planned transfer station,



meeting the other end at the disposal facility, Sofa “Al-Fukhari” Landfill, which is expected to start in 1st quarter of 2016. Therefore, the objectives for the second half of 2015 action plan are to:

- Continue with the soft components of GSWMP (Comp. 2 and 3)
- Position the JSC-KRM in the service area in a stronger manner (Comp. 2 Institutional Strengthening)
- Finalizing the design revision activities and prepare for launching the hard components of GSWMP (Comp. 1 Infrastructure Development)
- Design a Community Outreach Plan utilizing past experience of JSC and present ideas provided by the project.

4.6: Achievements

As none of the main infrastructure activities in the GSWMP were initiated. Table (15) provides Project Development Objectives and respective PDO Level Results Indicators as shown in Project Appraisal Document (PAD) and Project Operation Manual (POM) dated 05 February, 2014. Project Effectiveness Date was on 09 July, 2014 and Expected Closing Date 30 November, 2019. None of the indicators in Table (15) were fulfilled as the land acquisition issue was still pending on the compensation which is expected to be finalized being processed in the second half of 2015 due to the delay of necessary action by the MoF.

Table (15): Project Results Monitoring

Project Development Objective (PDO)	Core	Unit of Measure	Base Line	Cumulative Target Values				
				YR 1 2015	YR 2 2016	YR 3 2017	YR 4 2018	YR 5 2019
PDO Indicator One: Percentage of solid waste collected from the targeted beneficiary population that is disposed in a new sanitary landfill developed under the project.	☐	Percent	0%	-	-	15%	50%	80%
PDO Indicator Two: Improved Solid Waste management as measured by the percentage point increase in fees collected annually within the JSC-KRM member municipalities.	☐	%	15%	-	-	20%	40%	60%
PDO Indicator Three: People in urban areas provided with regular solid waste collection under the project.	☒	%	263K people (35%)	-	-	45% 374K	60% 515K	80% 709K
PDO Indicator Four: Number of waste pickers whose lives depend on the existing solid waste context integrated in livelihood and social inclusion programs offered under the project.	☐	Number	18	-	10	18	18	18
PDO Indicator Five: Contaminated land managed or dump sites closed under the project (ha)	☒	Number	0	-	0.5	1.5	3	3
PDO Indicator Six: Direct Project Beneficiaries (number) of which females (percentage)	☒	Number	N.A	778K (49)	804K (49)	831K (49)	858K (49)	886K (49)
Intermediate Results (Component One): Solid Waste Transfer and Disposal Facilities								
1.1: 1 Sanitary Landfill in the Southern Gaza Strip (Al-Fukhari (Sofa)) with capacity of 300,000 tons/year is constructed and operational.	☐	Yes/No	No	-	-	-	Yes/No	Yes/No
Status								
1.2: Industrial and municipal waste disposal capacity created under the project (tons)	☒	Number/year	0	-	-	-	300K	300K
Status								
1.3: At least two transfer stations in (1 in Rafah, and 1 in Dair Al-Balah) area are constructed, fully equipped, and operational, by the end of Project	☐	Number	0	-	1	2	2	2
Status								



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	2019
1.4: About 7 dumpsites in the Project locations are gradually closed in a sanitary manner.	☐	Number	7	-	2	5	7	7
Status								
1.5: Temporary jobs created (person-day) under the various activities of Component 1.	☐	Number	0	-	30K	60K	100K	100K
Intermediate Result (Component Two): Institutional Strengthening								
2.1: JSC-KRM management plan for optimization of primary collection and transportation of solid waste in the targeted areas is created by year 2 and implemented by year 3.	☐	Yes/No	No	-	Yes/No	Yes/No	Yes/No	Yes/No
Status								
2.2: 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	0	TBD based on training plan				
Status								
2.3: At least two schemes on cost efficiency and cost recovery of solid waste management services designed launched and implemented to the benefit of services providers of the Gaza Strip.	☐	Yes/No	No	-	-	Yes/No	Yes/No	Yes/No
Status								
2.4: Intended beneficiaries that are aware of project information and <u>project</u> supported investments (percentage)	☒	%	0%	-	-	25%	-	50%
Intermediate Result (Component Three): Primary Collection and Waste Recovery								
3.1: At least 2 Schemes for pilot waste recovery through waste separation and composting are designed and launched by end of Project;	☐	Number	0	-	-	1	-	2
Status								
3.2: Primary collection system at JSC-KRM member municipalities provided with adequate primary collection equipment and containers.	☐	Yes/No	No	-	Yes/No	Yes/No	Yes/No	Yes/No
Intermediate Result (Component Four): Project Management								
4.1: MDLF-PDSU maintains adequate staffing for project management, environmental and social safeguards and fiduciary staff throughout the life of the Project	☐	Yes/No	No PDSU	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Status				Yes				
4.2: Donor share of initial operation and maintenance of the sanitary landfill and the transfer stations (US\$ 0.60 million) declines as follows on an annual basis: – Yr(1) and Yr (2):...100% – Yr(3):.....90% – Yr(4):.....70% – Yr(5):.....50%	☐	Yes/No	No	-	-	Yes/No	Yes/No	Yes/No
Status								
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								

4.7: Challenges Encountered and Obstacles

Difficulties were mainly due to concluding the land acquisition process for the area reserved to constructing the main infrastructure component: Sofa Landfill. The Joint Service Council (JSC-KRM) has been closely following up the developments with landowners, Court procedures, and with the PA. The unanticipated delay in concluding the land acquisition process had led to the shift project activities and to the postponement of project effectiveness since land availability is a central requirement



with meeting all social and environmental safeguards associated with the process, which had been fulfilled in accordance with the ARAP.

The shift of dates had directly influenced the need to start the short term measures, such measures include:

- A. The construction of a short term landfill at the existing landfill in Sofa “Al-Fukhari”;
- B. The closure of Dair El-Balah Sanitary Landfill, which has exceeded its design capacity.

Item (A) above; the construction of the short-term landfill was planned to be implemented by UNDP. The delay had put UNDP under pressure since the financing partner (Government of Japan) expected this activity to take place in line with the time frame set by the feasibility study (2013-2015); where “It was agreed that the Short Term upgrade of the landfills would be effective from 2013 onwards, followed by a 5 year operation period for construction and completion of the long term sanitary landfills”⁵.

Series of follow up meetings among MDLF, UNDP, JSC, and financing partners brought common understanding of the conditions on the ground, and it was agreed that UNDP would wait until end of 2014 for positive update on the land acquisition status (as stated in minutes of meeting on 19 November, 2014). In the reporting period, the UNDP had communicated its intend to reallocate the fund reserved for the Short Term landfill elsewhere.

On the other hand, Dair El-Balah Landfill is becoming overburden as it exceeded its design capacity in addition to deterioration in the leachate recirculation system. JSC-KRM had temporarily reorganized the landfilling operations inside Dair El-Balah Landfill. Extra precautions and immediate measures are required to lessen potential outbreak of landfill fires or collapses, importance of such measures increase given the location of the landfill; being located directly on the border line with the Israeli side and surrounded by agricultural lands. MDLF has launched small contracts in the reporting period in order to mitigate the situation of JSC-KRM through the provision of spare parts. In addition, topographic survey is expected in the second half of 2015 for Dair El-Balah Landfill for the purpose of accurately assess the volumes of the landfill and provide essential data for the closure plan.

Finally, with the adjustments to landfill boundary as a result of finalizing the land acquisition process where the feasibility study of 2012 relied on the available boundaries back then in order to design cells’ capacities and service years. In addition, the nearby Waste Water Treatment Plant (KY WWTP, implemented by UNDP) is undergoing a design revision as well where questions were raised with respect to facility accessibility and accumulated solid waste in the interface area between the two projects. Meetings and joint site visits were conducted in 2014 and continued into the first half of 2015 by MDLF, JSC-KRM, UNDP, PWA, and CMWU in order to coordinate the activities on the interface area between the two projects and to exchange updates and plans.

4.8: Changes introduced in implementation

Changes in implementation were limited to shifting schedules of implementation to accommodate the process of land acquisition, project effectiveness, and the overall situation in Gaza. No changes to the described activities in Project Appraisal Document or Project Operation Manual had taken place in the first half of 2015. Completion of land acquisition reserved for constructing the landfill contributed to overall project delay; however the commitment of the Ministry of Finance to disburse payments to land

⁵ Pp. 10, UNDP - PAPP/Feasibility Study and Detailed Design for Solid Waste Management, 2012



owners which was scheduled to start February, 2015 had positioned the infrastructure component implementation on a more accurate time schedule if the plan was executed as anticipated. More challenge is experience now with the delay of the compensation putting the project into a critical course.

4.9: Lessons Learnt and Recommendations

As the project was announce effective in July, 2014 more lessons and recommendations will emerge as the project progresses.



V: Development of Marginalized Communities in West Bank and Gaza

5.1: Background:

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

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

In 1972, there were some 1000 settlers in the West Bank. This population grew exponentially and at the end of 2012 there were an estimated 341,000 Israeli settlers living in 135 settlements and 100 outposts in Area C. Palestinian access, movement and use of land in Area C is restricted by a complex system of physical and administrative rules and regulations. The settlements are physically occupying 11% of Area C but the territory actually under their control is much higher. 70% of Area C is included within the boundaries of the regional councils of Israeli settlements and therefore off-limits for Palestinian use and development. Palestinian construction is heavily restricted in 29% of the remaining area, so that less than 1% has been planned for Palestinian development.⁶

Palestinian population in Area C are among the most vulnerable and marginalized in the West Bank. Demolitions of housing and livelihood and forced evictions are causing severe poverty. 24% of the households in Area C are food insecure⁷. Over 70% of communities located entirely or mostly in Area C are not connected to the water network and rely on rainwater or on tanked water at vastly increased cost.⁸ The Israeli Civil Administration (ICA) takes action to disrupt the supply of water that residents try to obtain from alternate sources⁹.

Area C is a very resource rich area. The restrictive planning and permitting systems imposed by the ICA prevent Palestinians to have access to the land and the resources in Area C. The World Bank published a comprehensive study in October 2013 assessing the

⁶ OCHA, Area C of the West Bank: key humanitarian concerns, January 2013

⁷ PCBS, UNRWA, FAO, WFP, Socio-Economic & Food Security Survey, 2012

⁸ OCHA, Area C of the West Bank: key humanitarian concerns, January 2013

⁹ B'Tselem, Acting the Landlord: Israeli Policy in Area C, the West Bank, 2012 - Between 2000 and 2012, the Israeli Civil Administration (ICA) destroyed 90 cisterns, 61 wells and 17 reservoirs belonging to Palestinians

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

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

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



impact of the inaccessibility of Palestinian populations to the agricultural land and natural resources in Area C, on the Palestinian economy. The potential impact of this 'withheld land' sets the loss to the Palestinian economy at about US\$ 3,4 billion¹⁰, or 35% of the Palestinian GDP in 2011. Under this context, development in Area C is undermined and the resilience of the Palestinian communities in Area C is strongly affected.

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

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

5.2: Financing Partner Contribution

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

5.3: Objectives, expected results (as per the agreement)

A. Objectives

The main objective of this project is to support the marginalized communities in West Bank and Gaza Strip with basic services including "Community development projects, small scale infrastructure & social infrastructure projects". More specifically, **the project will target 8 localities in area C in the West Bank and 7 localities in Gaza strip.**

Those localities are urgently in need to get the basic services including: "access to roads, access to water and wastewater networks, kinder gardens and schools".

The suggested sub-projects are all related to the urgent needs of those marginalized communities as prioritized in the consultation meetings between the local

¹⁰ World Bank, Area C and the Future of the Palestinian Economy, October 2013.



government units and their local communities. Most importantly, those priorities were also emphasized on during the field visits conducted by MDLF and the MOLG where the people there had a chance to present their needs for the mentioned basic services.

B. Expected Results:

By the completion of the proposed sub-projects, it is expected to achieve the following targets **“4.2km of roads rehabilitation, construction and rehabilitation of 150 sq.m of school, construction and finishing of 150 sq.m of kinder garden, construction and expansion of 1.9 Km of water networks, rehabilitation of water reservoir, construction of 9.125 km of wastewater networks, construction of small wastewater treatment plant”**, where the estimated number of direct/indirect beneficiaries from the proposed project is about **11,671 inhabitants** in the West Bank and **23,800 inhabitants** in Gaza.

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

Roads sub-projects:

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

Wastewater sub-projects:

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

5.4: Projects Identification and Description

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



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

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

As for the sectors, for the sub-projects included under this fund, these are classified into roads, water, and public facilities. Table 16 shows the percentage of the allocation of money for each sector. It is noticed that roads projects form the majority of projects, forming 84% of total allocations in Area C. However, 100% of the Gaza sub-projects allocation are categorized under the wastewater sector.

Table 16. The Distribution of the Allocated Money by Sector.

region	Sector	Allocation (\$)	Percent of Total
West Bank (Area C)	Roads	787,000	84.2%
	Water	67,000	7.2%
	Public Facilities	80,000	8.6%
	Sub-Total	934,000	100.0%
Gaza Marginalized Communities	Wastewater	900,000	100.0%
	Sub-Total	900,000	100.0%
Total West Bank & Gaza		1,834,000	

5.5: Implementation Status

Since the signature of the agreement between MDLF and the SDC, MDLF has started the coordination with the key stakeholders effectively (SDC, the MOLG and the target LGUs) to meet the planned targets and to avoid any miss communication during the implementation. In this regards MDLF had conducted several meetings with the MOLG and the target LGUs to make sure that all the preparatory activities were done regarding the permits and approvals from the inline ministries such as, getting the needed approval from the Ministry of Education for adding class rooms, getting the approval from the Palestinian Water Authority for expansion or construction of water networks,.....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 and Gaza for design and supervision. In this context, MDLF had prepared a clear TOR for the consultancy service of the design and the supervision work package where the MDLF is responsible for technical review of the LTCs deliverables and to ensure that the project is moving on the right track according to the implementation plans prepared from the beginning.



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

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

Regarding the implementation status of West Bank/Area C sub-projects, table 17 shows a summary of the projects status and the verified description of the sub-projects as well. It is worth mentioning that upon the field visits to the target LGUs, there have been changes to the scope of work and the extent of some of the sub-projects.

Most importantly, MDLF and the LTC has faced such difficulties to access the sub-projects sites in Al-Nabi Samweel, Arab Abu Farda and Al-Ramadeen, where a special arrangement is needed to facilitate reaching the site by the LTC staff and MDLF which needs special coordination with the MOLG directorates to get the needed permission from the Israelis authorities. Hence, more time was spent in the coordination to get the permits more than expected.



Table 17: Summary of the Status of sub-projects / West Bank –Area C

No.	Governorate	LGU	Sector	Project Name	Estimated Cost (\$)		No. of Beneficiaries/ Population	Brief Description		Status
					As per the proposal	Upon the field visit by the LTC		As per the grant proposal	Upon the field visit by the LTC	
1.	Qalqilia	Arab Abu Farda	Water	Rehabilitation of water network	80,000	75,794.4	134	Installation of 1000 m (3/4") water line (HDBE) and 900 m (3") transition line (HDBE)	Installation of 840m (3") (HDBE) 476 (3/4") (HDBE) + manholes	The design phase was completed and still under revision by MDLF
2.	Qalqilia	Arab Al-Ramadeen	Roads	Rehabilitation of internal roads	90,000	60,680	256	Rehabilitation of 1000 m, 5m width	Rehabilitation of 603m, 5m width	The project was tendered and expected to be awarded mid-August
3.	Jerusalem	Al-NabiSamweel	Roads	Rehabilitation of internal roads	70,000	54,535	286	Rehabilitation of 700 m, 5m width	Rehabilitation of 566.5m, 5 m width.	The design and the bidding documents were completed and still under revision by MDLF
4.	Jerusalem	Al-NabiSamweel	Public Facilities	Rehabilitation of Existing School	7,000	10,000		Rehabilitation of 150 Sq. m school	N.A.	The LGU asked to replace the project with a ready class room (caravan), since the original proposed project was implemented by another donor.



5.	Jericho	Fasayel	Roads	Rehabilitation of internal roads	132,000	75,280	1,258	Rehabilitation of 700 m access road, 5 m width. The work includes pipe culvert (1m diameter).	Rehabilitation of 905m access road, 5 m width.	The project was tendered, evaluated and waiting for none objection from MDLF to award.
6.	Hebron	Southern Tarqumia	Roads	Rehabilitation of internal roads	175,000	207,224	2,000	Rehabilitation of two roads segments (Al-Zaytoun road 800 m, Abu Al-Reesh road 200 m), 5m width. The work also includes the construction of stone walls (150 m), concrete shoulders (200 m), and the installation of pipe culvers (1m Diameter)	1606 m, 5m width replacement sub grade 5 m asphalt, and 80 cm concrete shoulders	The project was tendered, evaluated and waiting for none objection from MDLF to award.
7.	Salfeet	Bruqin	roads	Rehabilitation of Bruqin entrance (Al-Buq'an area)	160,000	158,040	3,674	Rehabilitation of Bruqin entrance (4500 m ²). The work includes excavation, base course, asphalt , retaining walls and curbstone.	Rehabilitation of Bruqin entrance with 722mlength, 8m asphalt width, 12 m base course 2m sidewalk from each side.	The project was tendered, evaluated and waiting for none objection from MDLF to award.



8.	Jericho	Al-Rashayda	Roads	Rehabilitation of internal roads	60,000	66,270	1690	Rehabilitation of 500 m of roads, 5 m width.	429.58m, 5 m width Box culvert 2*2 m ²	The project was tendered, evaluated and waiting for none objection from MDLF to award.
9.	Jericho	Al-Rashayda	Public Facilities	Construction of kindergarden	60,000	60,000		Construction and finishing of 150 m ² kindergarden	193.86m ² building	The LGU asked to replace the project with a multi-purpose Hall instead of kinder-garden, since the original proposed project was implemented by another donor.
10.	Bethlehem	Al-Walaja	Roads	Rehabilitation of internal roads (schools street)	100,000	118,050	2,373	Rehabilitation of 800 m of roads, 7 m asphalt width. The work includes base course, excavation and backfilling, retaining walls construction and culverts.	Rehabilitation of 1,139m of roads, 5 m asphalt width. The work includes base course, excavation and backfilling, boulders and Irish crossing.	The project was tendered, evaluated and waiting for none objection from MDLF to award.
	Total				934,000	849,338.4*	11,671			



Regarding the implementation status of Gaza sub-projects under this fund, one sub-project has been canceled (AL Musdar Municipality Project) as the Municipality at a late stage informed MDLF that the Municipality has received funding from the CMWU as part of CMWU intervention to conduct repairs of damaged water facilities as a result of the 2014 conflict. The saved fund “30,000.00 US \$” was re-distributed to the other six projects as Beit Lahia Municipality project needs extra funding due to the nature of the selected area.

Table 18 below shows the selected projects and the progress achieved, the six projects have been contracted and the construction is ongoing. Materials needed for the projects implementation have been secured mostly (pipes as all the projects are waste water projects) from the local market which produced in Gaza Private Factories, for the needed cement MDLF provided the support and facilities the coordination of material entry through the GRM wherever needed.

There are no major major obstacles recorded during the implementation of the projects except In Beit Lahia Project, a delay is recorded due to prolonged discussions on the final design between municipality, LTC and the CMWU.

Table 18: Status of Gaza sub-projects

NO.	Component Reference	Description - (Project Name)	Municipality	Allocation (USD)	Contract Amount (USD)	Percentage of completion	Status
1	SDC-Gaza-ASH 1	Construction of wastewater network in Al Shoukah	Al-Shouka	160,000	146,860	98%	The project planned to be completed by 20/08/2015.
2	SDC-Gaza-MOG 1	Construction of wastewater network in Al Iman Area and North Area	Al-moghraqa	150,000	128,870	85%	The project is planned to be completed by 25/08/2015.
4	SDC-Gaza-BL 1	Construction of wastewater network in Al Berka Area	Beit lahia	180,000	142,483	%35	Delay in this project has been recorded due to delay in the final design approval by CMWU.
5	SDC-Gaza-BAS 1	Construction of wastewater network and pump in Abu Sruor Area And Jamal abdulnaser street	Bani Suhaila	150,000	149,998	78%	It is planned to complete the project by 31/08/2015.



6	SDC-Gaza-Zawy 1	Construction of wastewater network in Al Qu'ann Area	Al-Zawayda	140,000	137,000	85%	It is planned to complete the project by 31/08/2015.
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6: Lessons learnt And Recommendation

- Due to difficulties experienced to access the sub-project sites in Al-Nabi Samweel until the preparation of this report, it is recommended that more coordination efforts is needed to coordinate with the MOLG, and SDC ,(to facilitate reaching the site by the LTC staff and MDLF and granting them the needed permit).
- Due to access restrictions to most of the locations which are located in closed areas near the walls, it is recommended to invite contractors from these areas or have access to these areas to facilitate their work.
- Due to some differences or changes observed in the site visits, compared with those stated in the grant proposal, the modified construction cost estimates as presented in Table 17 are recommended to be considered as verified estimated cost upon the field survey and the projects design.



VI: Area C Development Program

6.1: Background

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

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

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

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

Given the Civil Administration's policy, the prospects for receiving a building permit outside the scope of the master plans are very slim. Therefore, most Palestinians feel it is futile to apply and do not even submit an application. The Civil Administration refuses to grant building permits even for public buildings, such as schools and medical clinics and to infrastructure such as roads. In addition, the authorities prevent Palestinians from building even on lands that are enclosed between the Green Line and the Separation Barrier. After deducting for overlap among the various areas described above, Palestinians are prohibited from building on some 70% of Area C. Moreover, the Palestinian access, movement and use of land in Area C is restricted by a complex system of physical and administrative rules and regulations. The settlements are physically occupying 11% of Area C but the territory actually under their control is much higher. According to recent statistics by the United Nations in (2013) the following facts should be highlighted:

- Approximately 297,000 Palestinians live in area C¹¹ including Bedouin in more than 250 Palestinian Communities

¹¹ OCHA – Area C Vulnerability Profile 2013
http://www.ochaopt.org/documents/ocha_opt_fact_sheet_5_3_2014_En_.pdf



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

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

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

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

6.2: Description

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

The development of 9 plans has so far been completed. These 9 plans were published in Palestinian and Israeli newspapers for a 60-day public objection period. Only 2 of those plans have so far received full authorization. In order to prevent endless discussions and delays of the planning process by the ICA the EU and PA have agreed on the following approach for implementing infrastructure projects in localities in Area C engaged in the planning process. Implementation of infrastructure projects in communities in Area C may start once a statutory outline plan has been formally approved by the Israeli authorities or is considered as tacitly approved if no major objection has been raised within 18 months following the submission of the plan by the Village Councils to the ICA. This approach was agreed upon between the PA and the EU in the Financing Agreement 2012/023-776 *Land Development and Access to Basic Infrastructure in Area C*.

The statutory outline plans and the action plans were prepared for a set of villages in area C taking into consideration the demographic and socioeconomic needs including the priorities for



such development per each sector. Accordingly, a set of sub projects was suggested and identified by the local communities to be implemented within the boundaries of the statutory outline plans. All proposed projects are public and social infrastructure aimed at improving the quality of life for the inhabitants within those localities.

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

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

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

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

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

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

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

➤ **Target Areas and Beneficiaries**

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

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

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

The expected direct beneficiaries from the proposed action are around 3,221 inhabitants distributed among the nine targeted localities.



6.3: Financing Partner Contribution

This program 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” towards the cost of “Development of Area C in the West Bank “ in a total of **(EUR 2.0 million)**. The agreement was signed on December 15th ,2014 for one year. Table 19 illustrates the budget breakdown of the budget:

Table 19: Breakdown Budget – Area C program

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

6.4: 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 IPCC. The outline plans were validated by the communities through community participation workshops in the field, involving a broad spectrum of the affected communities, including the women, boys and girls and the elderly in the community, and then endorsed by the Ministry of Local Government.

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

There is one component that would be supervised in this assignment which is directed to supporting the selected LGUs services and rehabilitation subprojects. The total amount of money allocated for sub-projects in the targeted LGUs in the West Bank is € 1,610,000.

Breakdown of the projects allocated money for the LGUs by governorate is illustrated in Table 20.



Table 20. The Distribution of Allocated Money by Governorate

Governorate	Allocated Money €
Qalqilia	514,500
Hebron	432,850
Bethlehem	46,400
Jenin	149,600
Jerusalem	466,650
Total	1,610,000

The approved sub-projects are classified into four sectors as shown in table 21 below, the roads with a total of € 1,060,000 forming 65.8% of the total budget, the Public Facilities with a total of € 501,700 forming 31.2% of the total budget, the Water with a total of € 37,000 forming 2.3% of the total budget and the Electricity with a total of € 10,500 forming 0.7% of the total budget.

Table 21: The Distribution of the Services Component Allocated Money by sectors

Sector	Value (Euro)	Percentage
Roads	1,060,800	65.8%
Public Facilities	501,700	31.2%
Water	37,000	2.3%
Electricity	10,500	0.7%
Total	1,610,000	100%

6.5: Implementation Status

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

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

The LTC was contracted on 18th of March 2015. Following the contract with the LTCs, a kick off meeting was conducted to ensure the clear understanding from the consultant of the scope of work and the main tasks he/she is responsible for. Upon the kick off meeting, the LTC was



requested to start communicating with the target LGUs and conducting the field visits to projects locations to verify the description and the costing of sub-projects as well.

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

- **Preliminary Stage:**

- A kick-off meeting with LTC representatives and EU engineer was conducted on March 24th, 2015 to discuss the project components, allocations and other issues.
- Field visits had been conducted to the target LGUs in all Governorates with MDLF's Engineers in order to know each other and to introduce the team and start collecting the needed data.
- The field survey was carried out including the projection of all structures, manholes, poles, walls and any underground facilities if any within the affective corridor of the road project and within the affective area of the public facilities.
- Following the field investigation, MDLF and the LTC had communicated effectively with the planning department/MOLG to make sure that all the projects sites are located within the master plans boundaries.
- A procurement plan (PP) was prepared for all the work packages where some of them are consultancy, non-consultancy services, works and goods. The PP was sent to the EU for their feedback and comments.
- Regarding the infrastructure sub-projects There are 3 NCB sub-projects with total allocation of € 1,060,800 forming about 65.9% of the total allocated money and 12 Shopping sub-project with total allocation of 549,200 forming about 34.1% of the total allocated money as shown in table 22, shows the distribution of the total allocated money by the procurement method.

Table 22: Distribution of infrastructure work package (allocation) by procurement method

Procurement Method	Value €	Percentage %
Shopping	594,200	65.9 %
NCB	1,060,800	34.1 %
TOTAL	1,610,000	100%

- A communication and visibility plan for the program was prepared by MDLF cleared by the EU.

- **Design Stage :**

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

- The needed design data were collected and the site investigation was conducted to decide and verify the steps needed in each single project.



- The collected data was represented in the format that would assist in preparing environmental risk assessment and social impact and social risk assessment.
- Direct consultation was conducted with the target LGUs concerning the legal status and license for each project and also consult the LGUs as well as with the in line ministries to verify the required standards and design criteria.
- The LTC with a direct support from MDLF instructed the LGUs to create and organize an independent project file for each single project.
- The needed soil and structural investigations and tests was conducted for some projects.
- The project license for some projects from the concerned inline ministries was obtained.
- The LTC has completed the design phase of the majority of sub-projects, where the tender documents were prepared in accordance to the MDLF procurement manual. Table 23 below, illustrates the status of the sub-projects.

Table 23: Status of infrastructure sub-projects

NO.	Description	Cost Est. (proposal) (EUR)	Proc. Method	Cost Estimate Euro (verified)	Implementation Status	
1	Construction and finishing of kindergarten - Dab'a & Ras Tira	55,600	Shopping -Works	67,000	The design was completed, the tender document was submitted by the LTC to MDLF for review, (the project is ready to be advertised)	ready for advertising
2	Expansion of water network - Dab'a	37,000	Shopping -Works	45,000	The final design of the water network was completed and sent to MDLF for review, however, the LTC is still working on the design of pump and accessories, and it will be submitted to MDLF in few days. (the project will be ready for advertising in few days)	under design
3	Supply of transformer - Dab'a	10,500	Shopping -Goods	24,350	The design was completed, the BOQ was submitted by the LTC to MDLF for review. (the project will be ready for advertising in few days)	bidding documents preparation
4	Construction of public play ground in Ras Tira	56,000	Shopping -Works	65,000	The project already announced at newspaper on 30.07.2015.	advertised



5	Finishing of public hall- Ezbit Al-Tabeeb	11,400	Shopping -Goods	13,115	The project already announced at newspaper on 30.07.2015.	advertised
6	Rehabilitation of internal roads- Ezbit Al-Tabeeb	344,000	Shopping -Works	283,000	MDLF is still waiting for the technical opinion from the planning department at MOLG regarding the implementation of the roads projects in Izbit Altabib, given the fact that - The ROW will be respected wherever is implementable according to the master plan and taking into consideration the obstacles indicated in the LTC report. - Some of the roads segments, in Izbit Al-Tabib are existing roads within the master plan boundaries, which needs rehabilitation in accordance to the current status in terms of length and width. - the outline plans and the transportation plans indicated that these plans were developed to be achieved in 20 years (the target year), i.e the plans were set to be implemented gradually. Hence, the implementation of this projects is considered a phase towards achieving the full target of the master plan.	still pending
7	Construction of Kinder Garden - Immnaizel	62,500	Shopping -Works	67,000	The design work is in progress, the tender document will be submitted by the LTC to MDLF for approval in few days. (the project will be ready for advertising in few days)	under design



8	Development of Existing Clinic - Immnaizel	10,000	Shopping -Goods	14,500	the project is still under design (waiting for the specification from the ministry of health regarding the health equipment's)	under design
9	Rehabilitation of internal roads - Twaneh	262,150	Shopping -Works	250,000	MDLF is still waiting for the technical opinion from the planning department at MOLG regarding the implementation of the roads projects in Izbit Altabib, given the fact that - The ROW will be respected wherever is implementable according to the master plan and taking into consideration the obstacles indicated in the LTC report. - Some of the roads segments, in Izbit Al-Tabib are existing roads within the master plan boundaries, which needs rehabilitation in accordance to the current status in terms of length and width. - the outline plans and the transportation plans indicated that these plans were developed to be achieved in 20 years (the target year), i.e the plans were set to be implemented gradually. Hence, the implementation of this projects is considered a phase towards achieving the full target of the master plan.	still pending
10	Construction of additional floor for Twaneh basic school - Twaneh	98,200	Shopping -Works	83,368	The design was completed, the tender document was submitted by the LTC to MDLF for review, (the project is ready to be advertised)	ready for advertising



11	Construction of Kindergarden - Ras Al-Wad	46,400	Shopping -Works	54,000	The design work is in progress, the tender document will be submitted by the LTC to MDLF for approval in few days. (the project will be ready for advertising in few days)	under design
12	Construction and finishing of multipurpose center - Abdallah Al-Younis	88,000	Shopping -Works	88,000	The design work is in progress, the tender document will be submitted by the LTC to MDLF for approval in few days. (the project will be ready for advertising in few days)	under design
13	Construction of Kindergarden - T'innik	61,600	Shopping -Works	66,500	The design work is in progress, the tender document will be submitted by the LTC to MDLF for approval in few days. (the project will be ready for advertising in few days)	under design
14	Rehabilitation of internal roads - Um Al-Lahim	454,650	Shopping -Works	348,000	MDLF is still waiting for the technical opinion from the planning department at MOLG regarding the implementation of the roads projects in Izbit Altabib, given the fact that - The ROW will be respected wherever is implementable according to the master plan and taking into consideration the obstacles indicated in the LTC report. - Some of the roads segments, in Izbit Al-Tabib are existing roads within the master plan boundaries, which needs rehabilitation in accordance to the current status in terms of length and width. - the outline plans and the transportation plans indicated that these plans were developed to	still pending



					be achieved in 20 years (the target year), i.e the plans were set to be implemented gradually. Hence, the implementation of this projects is considered a phase towards achieving the full target of the master plan.	
15	External works for the multipurpose center - Um Al-Lahim	12,000	Shopping -Works	11,966	The design was completed, the tender document was submitted by the LTC to MDLF for review, (the project is ready to be advertised)	ready for advertising

6.5: Obstacles and Challenges

- The lack of the capacity and needed skills of most LGU's to design their sub-project and to prepare ESMP, to overcome this challenge through on-job training and site visits.
- The low capacity of the LGU's in general related to procurement procedures, preparation of bidding documents and procurement plans.
- The need of permits to inter some areas such as Abdallah Al –Younis hindering the smooth performance of the project especially in case of refusing of some staff to inter the area.
- There is a big challenge regarding the implementation of the roads sub-projects in accordance to the specified right of way (ROW) as stated in the outline plans. This means that the Right of Way (ROW) could not be achieved in some locations within the outline plans boundaries.
- The coordination with the MOLG took more time than expected, especially for the verification of projects locations (within/out of the outline plans).

6.6: 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 efficient and sustained institution.
- Pay more attention for training and workshops especially for social and environmental aspect.
- More attention has to be ensured from the beginning regarding the projects identification and description, particularly the roads sub-projects.



VII: iLED (The Innovation Local Economic Development programme)

7.1: Background

The Innovative Local Economic Development Program (iLED) is considered a strategic process to benefit from all resources and local capacities. It assures uniting the efforts of the private sectors and non-profit organizations and civil societies to encourage and stimulates productivity initiatives & competitive; in addition to increasing sustainable growth ensuring that inclusive growth will contribute to the alleviation of poverty.

(iLED) is a programme implemented by Municipal development and lending Fund (MDLF) , Local Governance and Civil Society Development programme in GIZ in partnership with the Swiss Agency for development and Cooperation SDC.

7.2: Programme Description

(iLED) programme aims to develop the capacity of 15 qualified municipalities out of 25 municipalities (which population are more than 25000 person)to learn how to create an enabling and comprehensive environment to develop local economy .

The journey of iLED started after evaluation of SDIPs of the qualified fifteen municipalities and analyzing the economic situation in Gaza strip, which showed that the best opportunities for municipalities to in these four main productive sectors: agriculture, industry, information technology (IT) and communications.

Selection of the candidate projects

To select the four pilot projects, GIZ invited the qualified 15 Municipalities to prepare a draft proposal for local economic and development program. The project has been undertaken in two phases:

- Finding the ideas
- Formulation of a project proposal
- ✓ 15 municipalities have submitted draft proposals for iLED programme showing high interesting which was visible through the work and communications during the two phases.
- ✓ Projects proposals were evaluated in professional manner by independent international and local experts.
- ✓ Eight of the fifteen proposals exceeded the first phase and only four Municipalities were selected to the second stage.



7.3: Financing Partner Contribution

The Municipal Development and Lending Fund (MDLF) had received a fund from the GIZ towards the implementation of the iLED program in Gaza Strip as a pilot. The financing agreement between the MDLF and the GIZ was signed on May 5th, 2014 where the total fund is equal to EUR 318,971.

7.4: Implementation Status

4 Different iLED pilot projects were selected to be implanted in four municipalities as shown in table 24 below:

Table 24: List of iLED sub-projects – Gaza Strip

#	Municipality	Project name	Main component of the project	Status
1	Gaza	Improving of the quality & efficiency of surveying works in the public and private sector with support of GIS	- Training for municipal staff and private sector employees on the state of the art GIS and surveying. - Acquiring relevant GIS software. - Development of a curriculum with academic institutions for GIS and surveying works.	Completed
2	Al Zawayda	Improvement of the local employment market in the field of ICT	- Establishing of ICT market need assessment with the support of private sector. - Providing expert training for young graduates in ICT related fields such as web- design, network support and mobile applications.	Completed
3	Abssan Al Kabera	Improving the quality of olive oil and its production by enhancing the knowledge of public and private sector.	- Developing website for data base to collect relevant data on olive oil production. - Training olive oil producers on state of the art techniques in production & marketing - Establishing a marketing strategy for olive oil sale.	Completed
4	Al Nuseirat	Improving the efficiency of the business licenses process within and outside of the municipality	- Analyzing work- flow for business licensing - Holding workshop with relevant stakeholders to overcome challenges in work-flow - Purchasing relevant software to make the business licensing process traceable for customers	Completed



Detailed budget for each subproject

- 1- Improving of the quality & efficiency of surveying works in the public and private sector with support of GIS.

#	Subproject Name	Cost Category	Contact Amount (Euro)
1	Purchase of GIS Software	Procurement of goods	38,000
2	Supply of Refreshments	Training	1,400
3	Supply of Stationary & Printing material	PR & advertisements	1,896
4	Supply of office & surveying devices	Procurement of goods	16,800
5	Rental of training Halls	Training	10,000
6	Preparation of Procedures Manual For Surveying and GIS Works	Consultancy	8,000
7	Preparation of Classification and Ranking Regulation for GIS Offices	Consultancy	3,000
8	Selection of Surveying Science Trainer	Training	1,100
9	Selection of Surveying Works Trainer	Training	2,200
10	Selection of Business Skills Trainer	Training	1,100
Total			83,496



2- Improvement of the local employment market in the field of ICT

#	Subproject Name	Cost category	Contact amount (Euro)
1	Supply devices for training hall	Procurement of goods	19,963
2	Supply of electric generators for training hall	Procurement of goods	2,640
3	Supply Furniture for training halls	Procurement of goods	2,000
4	Procurement of stationary office	Training	1,980
5	Supply of Refreshments for training	Training	9,681
7	Need assessment of domestic labor market for IT service's needs.	Consultancy	8,000
8	Implementation of the training program.	Training	25,160
Total			69,424



3- Improving the quality of olive oil and its production by enhancing the knowledge of public and private sector.

#	Subproject Name	Cost category	Contact amount (Euro)
1	Procurement of office furniture	Procurement of goods	1,900
2	Procurement of stationary office	Training	1,297
3	Procurement of hospitality	Training	1,575
4	Procurement of PC&LCD	Procurement of goods	1,210
5	Supply of Containers for olive with capacity 500kg per each	Procurement of goods	20,000
6	Supply of Gallons for olive oil with capacity 20 Lit per each	Procurement of goods	11,880
7	Procurement of olive trees and other agricultural inputs	Procurement of goods	15,764
8	design & development of internet website	Consultancy	2,628
9	Formation of Local Economic council	Consultancy	3,450
10	Formation agricultural cooperative council and provision of awareness sessions on olive oil good farming practices in Abssan Al- Kabera.	Consultancy	9,485
Total			69,189



4- Improving the efficiency of the business licenses process within and outside of the municipality

#	Subproject Name	Cost category	Contact amount (Euro)
1	Supply of server for the software	Procurement of goods	3,000
2	Preparation of licensing procedures manual	Consultancy	13,190
3	Develop and install an integrated electronic system to manage the licensing process and training municipal staff to use the system.	Consultancy	19,000
4	Evaluation of integrated electronic system for the crafts and professions permit in Nusseirat Municipality	Consultancy	5,000
5	Supervision and Technical support for " Development of Crafts and profession licensing software at Nuseirat Municipality	Consultancy	3,500
Total			43,690



Annexes

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



Annexes



ANNEX A

Municipal Development

Program – Phase 2

(MDP-II)



MDPII - 1st cycle estimated cost

No.	Financing Partner	WB	WB-AF-Gaza	KFW	KFW-AF-Gaza	AFD	MDTF	<i>Sida</i>	<i>Danish</i>	MDTF-AF-Gaza	GIZ	PA-MOLG	PA	BTC	BTC-AF-Gaza	VNG	SDC	Total (Euro)
		Euro	Euro	Euro	Euro	Euro	Euro	<i>Euro</i>	<i>Euro</i>	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	
1	Window 1: Municipal Grants	3,705,000	0	12,085,000	0	0	8,219,000	<u>2,526,500</u>	<u>5,692,500</u>	0	0	3,534,000	3,515,400	930,000	0	0	496,000	32,484,400
2	Window 2: Support to Municipal Responsiveness and Innovations	600,000	0	0	0	700,000	2,110,000	<u>0</u>	<u>2,110,000</u>	0	0	0	0	0	0	558,000	0	3,968,000
<u>2.1</u>	<u>Piloting Innovations</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>700,000</u>	<u>0</u>			<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>558,000</u>	<u>0</u>	<u>1,858,000</u>
2.1.1	E-governence	325,000	0		0		0			0								325,000
2.1.2	Renwable Solar Energy	275,000	0		0		0			0								275,000
2.1.3	Local Economic Development		0		0	700,000	0			0						558,000		1,258,000
<u>2.2</u>	<u>Post Amalgamation Support</u>		<u>0</u>		<u>0</u>		<u>2,110,000</u>	<u>0</u>	<u>2,110,000</u>	<u>0</u>					<u>0</u>			<u>2,110,000</u>
3	Category 3 (W3): Capacity Building	250,000	0	410,000	0	230,000	545,000	<u>163,500</u>	<u>381,500</u>	0	372,000	0	0	0	0	0	620,000	2,427,000
<u>3.1</u>	<u>Capacity Building for Municipalities</u>	<u>250,000</u>	<u>0</u>	<u>410,000</u>	<u>0</u>	<u>0</u>	<u>545,000</u>	<u>163,500</u>	<u>381,500</u>	<u>0</u>	<u>372,000</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>620,000</u>	<u>2,197,000</u>
<u>3.1.1</u>	<u>Improved Financial managemnet</u>	250,000	0	265,000	0	0	0	<u>0</u>	<u>0</u>	0	306,000		0	0	0	0	0	821,000
3.1.1.1	Integrated Financial Management Information System (IFMIS)	250,000	0	265,000	0		0			0								515,000
3.1.1.2	Fixed Assets Registration and Valuation (FARV)		0		0		0			0	246,000							246,000
3.1.1.3	Training on financial management including: (revenues generation, external audit, budgets,FPM manuals)		0		0		0			0	60,000							60,000
<u>3.1.2</u>	<u>Strategic Development and Investment Plans (SDIP)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>			<u>0</u>	<u>66,000</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,000</u>
3.1.2.1	Develop SDIPs for Municipalities		0	0	0		0			0	66,000							66,000
<u>3.1.3</u>	<u>Citizen Service Center</u>		0	0	0		545,000	<u>163,500</u>	<u>381,500</u>	0							590,000	1,135,000
<u>3.1.4</u>	<u>Operation and Maintenance</u>		0	145,000	0		0			0	0							145,000
<u>3.1.5</u>	<u>Citizenship, communication and outreach guidelines</u>		0		0		0			0							30,000	30,000
<u>3.2</u>	<u>Capacity Byuilding for MDLF as of strategic plan</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>230,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>230,000</u>
3.2.1	Informative Researches	0	0		0	100,000	0			0								100,000
3.2.2	Coordination on LED and lending initiatives		0		0	100,000	0			0								100,000
3.2.3	E-MDLF		0		0	30,000	0			0								30,000
4.	Window 4: Program Management	945,000	152,174	1,005,000	450,000	70,000	926,000	<u>310,000</u>	<u>616,000</u>	608,696	28,000	266,000	264,600	70,000	0	42,000	84,000	4,911,470
<u>4.1</u>	<u>MDLF Management Fee (7%)</u>	<u>385,000</u>	<u>152,174</u>	<u>945,000</u>	<u>350,000</u>	<u>70,000</u>	<u>826,000</u>	<u>210,000</u>	<u>616,000</u>	<u>608,696</u>	<u>28,000</u>	<u>266,000</u>	<u>264,600</u>	<u>70,000</u>		<u>42,000</u>	<u>84,000</u>	<u>4,091,470</u>
<u>4.2</u>	<u>Technical Supervison and Assistance (LTC)</u>	<u>460,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>			<u>0</u>								<u>560,000</u>
<u>4.3</u>	<u>Monitoring and Evaluation</u>	<u>40,000</u>	<u>0</u>	<u>60,000</u>		<u>0</u>	<u>0</u>			<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>	<u>100,000</u>
<u>4.4</u>	<u>Outreach and communication campaign</u>	<u>60,000</u>	<u>0</u>				<u>100,000</u>	<u>100,000</u>		<u>0</u>								<u>160,000</u>
5	Window 5: Gaza Emergency Response - Additional Financing	0	2,021,739	0	4,550,000	0	0	<u>0</u>	<u>0</u>	8,086,957	0	0	0	0	350,000	0	0	15,008,696
	<u>Total</u>	<u>5,500,000</u>	<u>2,173,913</u>	<u>13,500,000</u>	<u>5,000,000</u>	<u>1,000,000</u>	<u>11,800,000</u>	<u>3,000,000</u>	<u>8,800,000</u>	<u>8,695,652</u>	<u>400,000</u>	<u>3,800,000</u>	<u>3,780,000</u>	<u>1,000,000</u>	<u>350,000</u>	<u>600,000</u>	<u>1,200,000</u>	<u>58,799,565</u>

MDPII/Cycle 1- Costing by Donor Per Window (original Fund)

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

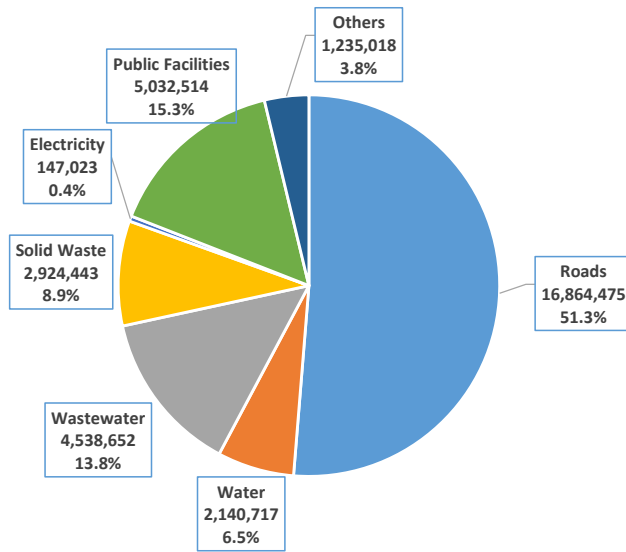
MDPII Costing - Additional Financing to Gaza Strip

	WB	KFW	MDTF	BTC	Total (Euro)
	Euro	Euro	Euro	Euro	
Window 4: Municipal Grants	152,174	450,000	608,695	0	1,210,869
Window 5: Program Management	2,021,739	4,550,000	8,086,957	350,000	15,008,696
Total	2,173,913	5,000,000	8,695,652	350,000	16,219,565

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

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

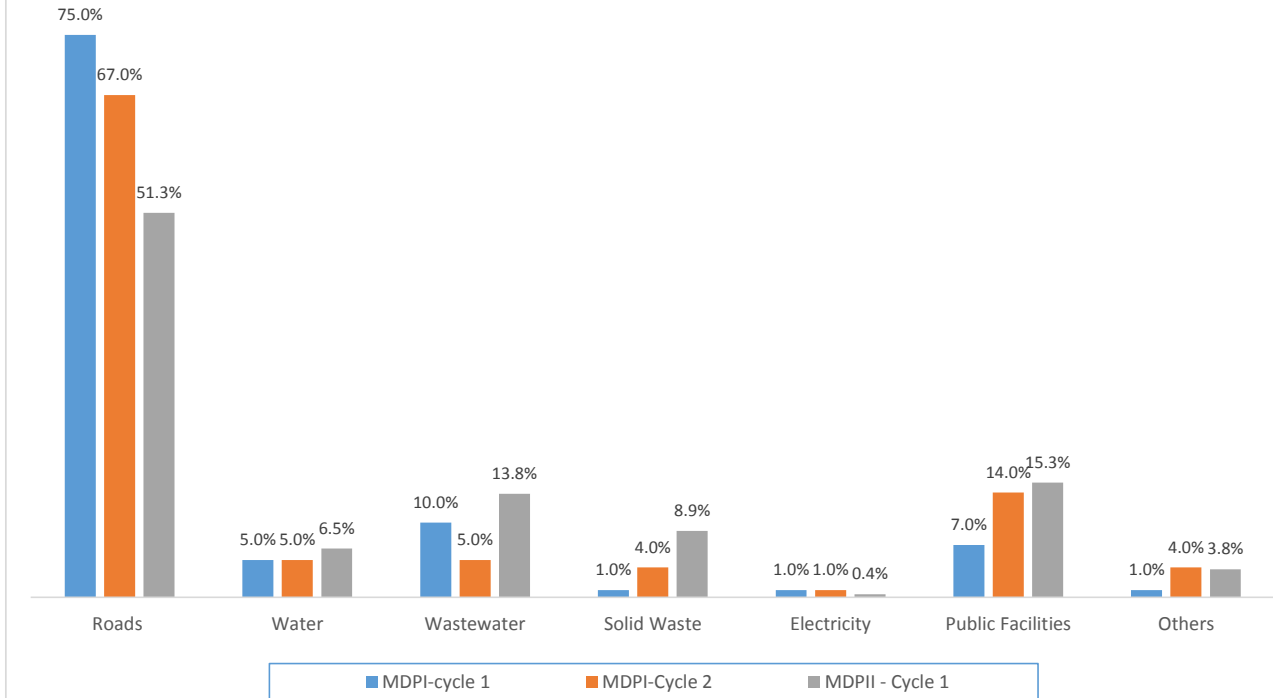
Distribution of MDPII/ Cycle 1 / Window 1 Allocation Per Sector



Percentage of W1 Allocation Per Sector over the MDP Cycles

Sector	Roads	Water	Wastewater	Solid Waste	Electricity	Public Facilities	Others
MDPI-cycle 1	75.0%	5.0%	10.0%	1.0%	1.0%	7.0%	1.0%
MDPI-Cycle 2	67.0%	5.0%	5.0%	4.0%	1.0%	14.0%	4.0%
MDPII - Cycle 1	51.3%	6.5%	13.8%	8.9%	0.4%	15.3%	3.8%

Percentage of W1 Allocation Per Sector Over the MDP cycles



Window 1 - Cycle 1 / West Bank

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
MUN Review	2	1%	663,637	4%
MDLF review	0	0%	0	0%
LTC review	0	0%	0	0%
Tendering	1	1%	180,154	1%
Evaluation	2	1%	505,678	3%
Awarded	1	1%	200,000	1%
on going	19	13%	4,176,775	22%
Completed	116	82%	12,950,282	69%
Total	141	100%	18,676,526	100%

Window 1 - Cycle 1 / Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	25	11%	3,721,281	26.2%
MDLF review	0	0%	0	0.0%
LTC Review	0	0%	0	0.0%
Tendering	8	3%	835,805	5.9%
Evaluation	0	0%	0	0.0%
Awarded	0	0%	0	0.0%
Ongoing	15	6%	1,808,056	12.7%
Completed	184	79%	7,841,172	55.2%
Total	232	100%	14,206,314	100%

Window 1 - Cycle 1 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	27	7.2%	4,384,918	13.3%
MDLF review	0	0.0%	0	0.0%
LTC Review	0	0.0%	0	0.0%
Tendering	9	2.4%	1,015,959	3.1%
Evaluation	2	0.5%	505,678	1.5%
Awarded	1	0.3%	200,000	0.6%
Ongoing	34	9.1%	5,984,831	18.2%
Completed	300	80.4%	20,791,454	63.2%
Total	373	100%	32,882,840	100%

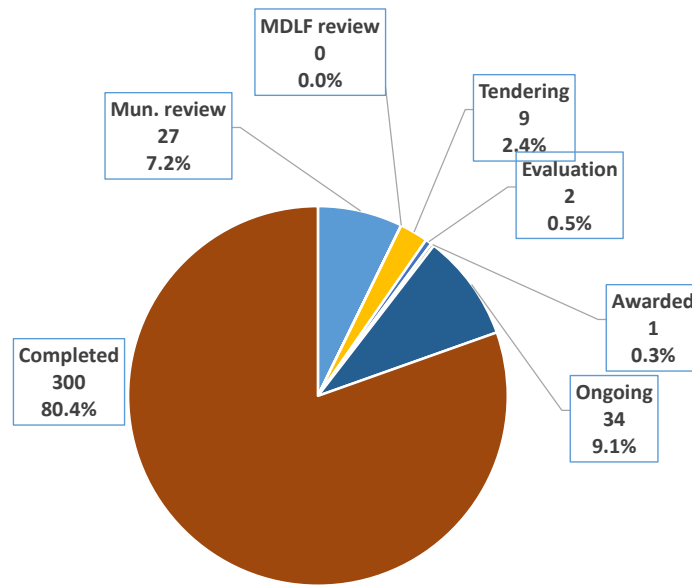
notes:

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

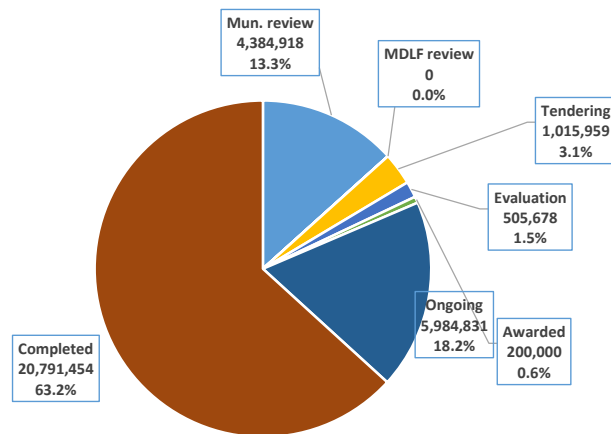
LTCs review: verify the desing, the specification and the bidding documents

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

Status of W1 in terms of No. of Sub.projects



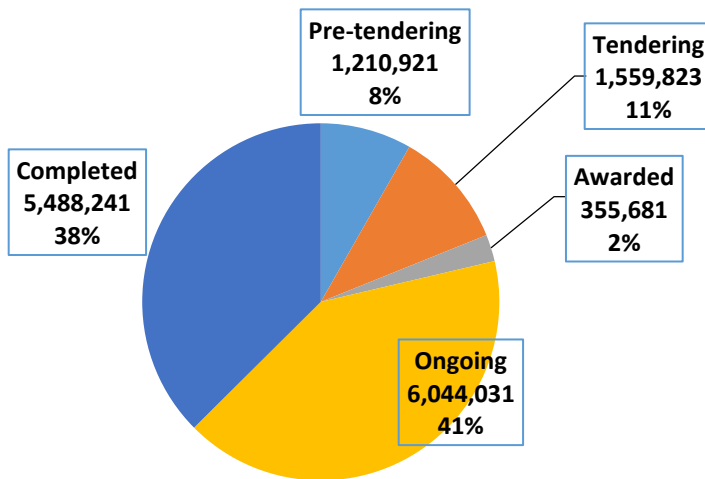
Status of W1 in terms of Sub.projects Allocation



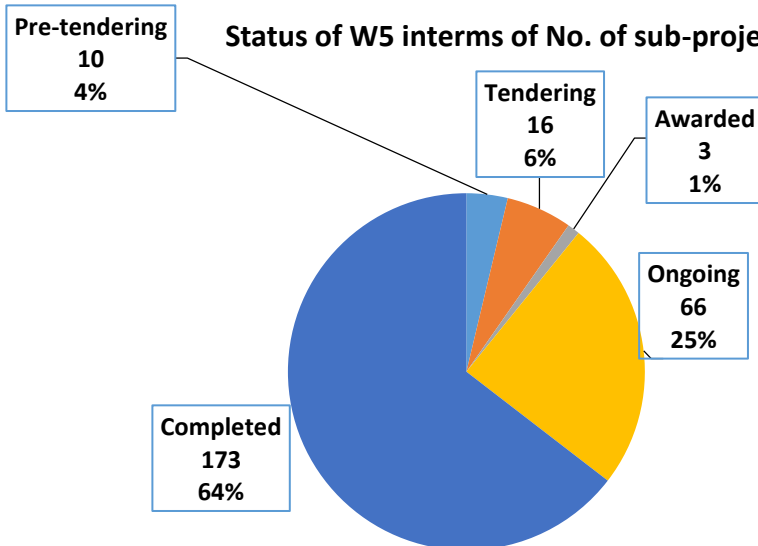
Status of Window 5 sub-projects

	No.	Percentage	Allocation in Euro	Percentage
Pre-tendering	10	4%	1,210,921	8%
Tendering	16	6%	1,559,823	11%
Awarded	3	1%	355,681	2%
Ongoing	66	25%	6,044,031	41%
Completed	173	65%	5,488,241	37%
Total	268	100%	14,658,697	100%

Status of W5 interms of allocation



Status of W5 interms of No. of sub-projects



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

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

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

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

▪ **Social Complaints**

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

MDPII/Cycle 1 - Capacity Development Package

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

MDPII/Cycle 1 - Capacity Development Package

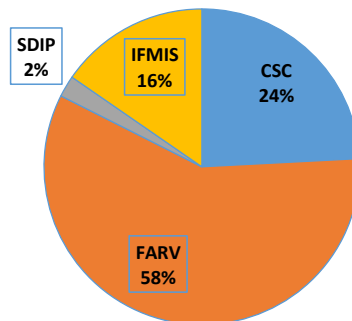
No	Municipality	CD Package
1	Abasan Al Jadeeda	FARV
2	Abwein	
3	Al Fokhari	
4	Al Masdar	
5	Al Mazra'a Ash Sharqeyya	
6	Al Moghraqa	
7	Al Naser	
8	Al Newe'emeh	
9	Al Oja	
10	Al Shokeh	
11	Al Tayybeh	
12	Al Zahra	
13	Al Zawayda	
14	Al Zawyeh	
15	Al-Kafriyyat	
16	Allar	
17	Aqqaba	
18	As Sawahreh Ash Sharqiyya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

MDPII/Cycle 1 - Capacity Development Package

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

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

Distribution of CD packages- MDPII/Cycle 1



Results Framework and Monitoring

Country: West Bank and Gaza

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

Results Framework

Project Development Objectives

PDO Statement

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

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Update as of June 2015
				YR1	YR2	YR3	YR4	End Target				
Affected population in Gaza with access to restored municipal services	☐	Number	0.00					1000000	End of MDPII	Municipal Application forms	MDLF/Local Technical Consultants	1,147,133
Number of municipalities that graduate up the performance category in which they are currently classified, by the end of MDP-II	☐	Number	0.00			25.00		40.00	End of each Cycle	Ranking criteria, Municipal Ranking surveys, Published municipal data	MDLF, Independent Consultants	70 municipalities were graduated by end of cycle 01

Number of municipalities that graduate to A ranking, by the end of MDP-II	☐	Number Sub-Type Breakdown	0.00					5.00	End of each Cycle	Ranking criteria, Municipal Ranking surveys, Published municipal data	MDLF, Independent Consultants	No municipality was graduated to rank A by end of cycle 01.
Number of Municipalities that graduate to B ranking	☐	Number Sub-Type Breakdown	0.00					20.0	End of each Cycle	Ranking criteria, Municipal Ranking surveys, Published municipal data	MDLF, Independent Consultants	54 municipalities were graduated to rank B by end of cycle 01. 12 mun. to rank B 42 mun. to rank B+
Percentage of municipalities that apply social accountability measures, specifically, at least two public disclosure mechanisms, by the end of MDP-II.	☐	Percentage	68.00			75.00		80.00	End of Each Cycle	Municipal Ranking survey, Published Municipal data, Citizen Satisfaction survey (for verification)	MDLF, Independent Consultancy (for verification)	94% had applied at least two public disclosure mechanism by end of cycle 01.
Municipalities publically disclosing external audit reports with minimum standards, and with unqualified opinion	☐	Number Sub-Type Supplemental	0.00					55.0	End of Each Cycle	Municipal Ranking surveys, Published Municipal data	MDLF, Independent Consultancy	72% (76 mun. out of 105mun had disclosed their external audit reports).
Municipalities publically disclosing participatory SDIP execution and updates.	☐	Number Sub-Type Supplemental	0.00					90.0	End of Each Cycle	Municipal Ranking surveys and mapping, Published municipal data, Citizen Satisfaction Surveys (for verification).	MDLF, Independent Consultancy (for verification)	95.5% (129 mun. out of 135 mun. had disclosed the SDIP execution)
Municipalities establishing service	☐	Number Sub-Type	8.00					16.00	End of Each Cycle	Municipal Ranking Survey,	MDLF, Independent	By end of Cycle 1

quality standards for tracking in Citizen Service Support Centers		Supplemental							Published Municipal data, Citizen Satisfaction Survey (for verification)	Consultancy (for verification)	22 municipalities (18 in WB and 5 in Gaza) will be having CSCs. (by September 2015), 22 CSC will be completed.
Percentage of investments financed under the Project that are operational and in an adequate state of usability, according to technical audits.	☐	Percentage	0.00			90.00	90.00	End of Each Cycle	Technical Audits, Sample of infrastructure sub-projects, site visits, Citizen Satisfaction Surveys (for verification)	MDLF, Independent Consultancies	To be measured by July 2015 - This indicator will be measured through a technical compliance audit and usability assessment for MDPII-Cycle 01. - This assignment is under implementation through two individual consultants (one in WB and one in Gaza)
Direct project beneficiaries	☒	Number	0.00				3,000,000	End of Each Cycle	Municipal Application forms	MDLF/Local Technical Consultants	W1 – (WB : 2,106,382) (Gaza: 1,902,158) W5: (1,147,133) Total Direct Beneficiaries: (5,155,673) <i>Note: there is a multiple count, particularly for Gaza, where the beneficiaries of W1 might be the same beneficiaries of W5.</i>
Female beneficiaries	☒	Percentage Sub-Type Supplemental	0.00				49.00				49% * 5,155,673 = 2,526,280
Beneficiaries from roads and public parks established/rehabilitated, by the end of MDP-II	☐	Number	0.00				1,200,000	End of Each Cycle	Municipal Application forms	MDLF, Local Technical Consultants, Municipalities	W1 – (WB roads : 1,039,089) (Gaza roads: 689,162) W1 – (WB-gardens : 97,826) (Gaza-gardens: 30,000) W5: (roads: 625,343) (gardens: 4,000) Total: 2,485,420

Intermediate Results Indicators												
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	
				YR1	YR2	YR3	YR4	End Target				
Share of identified priority damages repaired by Gaza municipalities.	☐	Percentage	0.00					30	End of MDPII	Damage assessment report, application forms	MDLF/Local Technical Consultants	- The total allocated fund to Gaza emergency component is (\$21 Million) from WB, MDTF, KFW and BTC. - The total estimated damage is (\$ 72 million including the cost of recurrent expenditures needed to restore the basic services) - % of W5 contribution to restore the basic services = 21 / 72 = 29%
Affected population in Gaza with access to restored municipal services	☐	Number	0.00					1000,000	End of MDPII	Municipal Application forms	MDLF/Local Technical Consultants	1,147,133
Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project	☒	Number	0.00					260,000	End of Each Cycle	Municipal Application forms	MDLF, Local Technical Consultants, Municipalities	W1- West Bank : 1,039,089 Gaza : 156,128 W5: : 82,943 Total = 1,278,160

Roads rehabilitated, by the end of MDP-II	☐	Kilometers	0.00					200.00	End of Each Cycle	Municipal Application forms, Municipal Infrastructure Database	MDLF, Local Technical Consultants, Municipalities, PCBS	W1 – West Bank : 143 Km W1 – Gaza : 20 Km W5: 24 Km Total = 187 Km for cycle 1.
Number of municipalities that have succeeded in implementing one of the following innovative ideas under Component 2 (renewable energy, E-Municipality, and Local Economic Development)	☐	Number	0.00					8.00	By the End of MDP-II	MDLF Evaluation/Verification	MDLF	- E-Municipality: the MDLF is currently piloting the E-Municipality on 4 municipalities in West Bank, where the pilot is expected to be completed by end of 2015. Renewable Energy: the MDLF is currently piloting the renewable energy on 8 municipalities (6 in WB and 2 in Gaza) LED: MDLF is currently piloting the LED approach on 5 municipalities in WB under cycle 01-funded by the VNG. Another 7 municipalities are anticipated to be supported with LED projects during the 2 nd cycle.
Direct Beneficiaries from social infrastructure projects implemented in merged municipalities	☐	Number	0.00					40,000	End of MDP-II	Municipal Application Forms	MDLF, Local Technical Consultants, Municipalities	The total no. of beneficiaries from social infrastructure sub-projects is equal to 113,731
Number of municipalities that have updated their fixed assets and valuation database	☐	Number	0.00			25.00		50.00	End of Each Cycle	Municipal Ranking surveys	MDLF, Independent Consultancy	122 mun. had updated their fixed assets
Number of municipalities that have updated their Strategic	☐	Number	0.00			30.00		60.00	End of each Cycle	Municipal Ranking Surveys	MDLF, Independent Consultancy	115 mun. had updated their SDIPs

Development and Investment Plans (SDIPs) through applying participatory approach												
Number of municipalities where the Operations and Maintenance Manual is rolled out and being applied, by the end of MDP-II.	☐	Number	10.00			30.00		50.00	End of Each Cycle	Municipal Ranking Surveys, Technical Audit, MDLF Verification	MDLF	A manual was developed under MDPI. MDLF is currently working on developing a software for O&M to be piloted and rolled out in cycle 2. The total No. of mun. that will be targeted by this software is not yet determined due to the nature of demand driven for CB packages. It is expected to apply the software on 40-50 mun in MDPII-cycle 02.
Percentage of municipalities that recorded at least 20% reduction in processing time for at least two of the defined set of services in Citizen Service Centers.	☐	Percentage	0.00			90.00		100.00	End of each Cycle	Citizen and Client Beneficiary Satisfaction Surveys, Municipality records, MDLF verification	MDLF, Independent Consultancy	To be measured once the CSC is in operation (expected by September 2015)

Social Accountability (SA) in MDPII – June 2015 Update

Social accountability pillar	Area where this concept is incorporated	How this concept is incorporated into MDPII	Window/ cycle/ CD package	Update – June 2015
Transparency	Budgets	1. Participatory Budgeting: The MDLF in collaboration with GIZ are tackling the concepts of readable budget and participatory budgeting. This was discussed in details and appropriate approaches were agreed upon. The pilot project of participatory budget, planned to be done by GIZ through the LGP, has not yet started. MDLF is still working with GIZ on the appropriate implementation approach for participatory budgeting. 2. Budget Disclosure: a) (a) Budget disclosure is considered a key element within the MDPII-ranking criteria, particularly rank (C,C+,C++). Hence MDLF had conducted a survey at the municipal level in early 2013 (MDPII baseline ranking survey) to assess the compliance of municipalities with this indicator. <u>(75 municipalities out of 135 had disclosed their budgets, i.e. 55%).</u> b) (b) Under the LGP (to be completed by March 2015), the MDLF will work with the MOLG budget directorate to include the need for LGUs to disclose their Budget in the ‘Call for Budget’ that the MOLG issues to the LGUs each year. c) (c) Under the LGP, the MDLF will conduct an annual orientation workshop to discuss the Call for Budget with municipalities and emphasize the requirements to be adhered to during budget preparation.	Window 3	GIZ presented findings thus far of the ongoing SA pilot in 9 municipalities - MDLF did 8 orientation workshops regarding the call for budgets in Nov 2014. The MDLF emphasized the importance of disclosing the municipal budgets and encouraged the municipalities to do so as the 1st step in the SA ladder. An assessment of budget disclosure was part of the Municipal Ranking Survey – which was completed by May 2015. Disclosure figures was updated as part of the Municipal Ranking Survey, the results as of mid-term review <u>(109 municipalities out of 138 had disclosed their budgets, i.e. 79 %).</u>
	SDIPs	1. SDIP Manual and Policy Note: The SDIP Manual and the SDIP Policy Note were updated, considering the quota of at least 30% of youth and women in the community committees. The updated SDIP Manual and Policy Note were endorsed by MOLG in June 2014 and published electronically on the MOLG Website and via baladiyyat.ps 2. SDIP Disclosure: The SDIPs were presented in public meetings near the end of the planning process for 90 municipalities (West Bank and Gaza) in both cycles of MDP I. Additionally, 41 municipalities out of 90 had printed 1000 copies of their SDIPs for disclosure (i.e 1st cycle SDIPs), which the MDLF supported with stands with touch screens (to disclose SDIPs, budgets, external audit reports). Now, MDLF is following up with those and other municipalities to ensure the full utilization of the touch screens. 52 municipalities had updated their SDIPs through MDP I-cycle 2, where a public meeting was conducted to evaluate the progress of SDIP implementation 3. MDLF Workshops: In MDPII-cycle 1, it is anticipated to conduct orientation workshops/ training sessions for all municipalities in WB&G (by end of 2014) to enable them to update their SDIPs in a participatory manner. These workshops will be also utilized by MDLF to give orientation sessions to the municipalities on the MDPII performance criteria to be well prepared prior the ranking assessment by end of MDPII-cycle1.	Window 3	A. The MDLF does ongoing quality assurance assessments as municipalities prepare their SDIPs. Results of municipalities’ usage of SDIP Manual and Policy Note - For SDIPs preparation: SDIPs are improving - For M&E of SDIP: will be done by municipalities annually using updated manual and tools. B. 2 additional municipalities were supported in developing their SDIPs (Nuba and Al-Ubaidiyya) in MDPII-cycle 1, and their SDIPs are almost complete. Regarding SDIP disclosure, MDLF will print 200 SDIP copies for the 38 municipalities (under MDPI-2nd cycle SDIPs) – this currently under procurement. - Regarding touch screens, they are partially used by municipalities, i.e. those municipalities with CSC; others do not use screens as some mayors are not fully supportive. The MDLF is following up with the latter to ensure the full utilization of the screens. C. Orientation workshops for the SDIP update were conducted in December 2014, and municipalities communicated with MDLF using templates and tools as per their updated SDIP Manual. Most municipalities disclosed the updated SDIPs , had public meetings to review and update priorities (should be approved by local communities), municipalities should send SDIP updates to MoLG as this is part of ranking criteria for MDPII, , MDLF is going to print 200 copies for municipalities of updated SDIPs – currently under procurement.

Social accountability pillar	Area where this concept is incorporated	How this concept is incorporated into MDPII	Window/ cycle/ CD package	Update – June 2015
	Transfer mechanism criteria	KPIs on Disclosure: The updated MDPII performance criteria consist of KPIs related to the disclosure as a first step in the SA ladder. Those KPIs focus on the disclosure of - SDIPs, budgets, and municipal ranking as indicated in rank C,C+,C++. - external audits, municipality investments, and SDIP execution are included in rank B,B+,B++. Additionally, the MDLF had measured the compliance of municipalities with the mentioned KPIs in early 2013 as a baseline for MDPII. <u>Disclosure results:</u> - budget disclosure: 75 out of 135 - ranking disclosure: 89 out of 135 - SDIP disclosure: 119 out of 133 <u>In conclusion 93 out of 135 have complied with the rank C indicator regarding the disclosure (2 out of 3 from the above mentioned)</u> - SDIP execution: 66 out of 133 - Municipal Investments: 107 out of 135 - External Audit Report: 41 out of 64 <u>In conclusion 73 out of 135 have complied with the rank B indicator regarding the disclosure (2 out of the 3 from the above mentioned)</u> This assessment will be repeated twice, i.e. by the end of cycle 1 and by the end of cycle.	Municipal ranking	Regarding the disclosure indicators (KPIs) in rank C and B, the updated figures were subject to verification from MDLF and the consultancy firm as part of the municipal ranking update which was completed by May 2015. The updated figures by end of MDPII - Cycle 01: <u>Disclosure results (Rank C, C+, C++):</u> 109 out of 138 - Ranking disclosure: 121 out of 138 - SDIP disclosure: 135 out of 135 <u>In conclusion 130 out of 138 have complied with the rank C indicator regarding the disclosure (2 out of 3 from the above mentioned)</u> <u>Disclosure results (Rank B, B+, B++):</u> - SDIP execution: 129 out of 135 - Municipal Investments: 126 out of 138 - External Audit Report: 76 out of 105 <u>In conclusion 126 out of 138 have complied with the rank B indicator regarding the disclosure (2 out of the 3 from the above mentioned)</u>
	Citizens Service Centers (CSC)	Booklet: By the end of the CSC pilot, a booklet will be published to the public that includes - the service guide booklet/ service charters, - the charges per service and - the time needed to have the service completed. The booklet will include services related to - administration (e.g. clearance, profession license, building license, etc.) and - related to fees for water, solid waste, etc Complaint system: within the CSC will be developed where the citizens will be able to track their transactions/services via the web. It is anticipated to have these CSC in operation by the end of MDPII - cycle 1 in 22 municipalities (17 in WB, 5 in Gaza)	Window 3	- The Complaint Handling software requirement specification was completed in Jan 2015 Service Charters will be prepared in Feb 2015, incl. Complaint Handling Mechanisms. Printing the services charter will be completed by early July 2015. the charted will be distributed to 22 municipalities. The CSCs will be completed by September 2015
Citizen participation	SDIPs 4+5	Orientation workshops: Under the SDIP module 4+5, related to monitoring and updating of the SDIP, MDLF will conduct orientation workshops for all municipalities in WB&G by the end of 2014 to enable them to update their SDIPs in a participatory manner. These workshops will be utilized by MDLF to also give orientation sessions to the municipalities on the MDPII performance criteria to be well prepared in time of the ranking assessment by the end of MDPII-cycle1.	Window 3	The orientation workshops for the SDIP update were conducted in December 2014.
	Infrastructure project selection and implementation	Municipal infrastructure projects (window 1) are all selected from the municipalities' SDIPs, except for 12 municipalities that didn't have SDIPs during the request for window 1 application; instead, it was decided to conduct consultation workshops and focus groups for sub-projects prioritization, taking into consideration the gender issue. Social and environmental safeguards were well identified through focus groups representing the local communities, which had been conducted in all municipalities. The	Window 1	- No safeguards issues reported at this time. MDLF will do safeguards awareness workshops for municipalities and contractors in (August-September 2015).

Social accountability pillar	Area where this concept is incorporated	How this concept is incorporated into MDPII	Window/ cycle/ CD package	Update – June 2015
		social and environmental risks were discussed and the mitigation measures were well identified and reflected in the submitted application forms for MDLF's appraisal.. The grant application form was updated, considering social accountability, particularly the complaint system		
Monitoring	SDIP 4+5	▪ Monitoring and Updating of SDIP modules 4+5 to be prepared in a participatory manner. The committees will be able to monitor the implementation of the SDIPs. ▪ Orientation/training workshops Under the SDIP module 4+5, MDLF will conduct workshops for all municipalities in WB&G by the end of 2014 to enable them to update their SDIPs in a participatory manner. These workshops will be also utilized by MDLF to give orientation sessions to municipalities on the MDPII performance criteria to be well prepared in time of the ranking assessment by the end of MDPII-cycle1. ▪ SDIP Update: is specified as a KPI for rank C,C+, C++ in the MDPII performance criteria.	Window 3	The orientation workshops for the SDIP update were conducted in December 2014. The number of municipalities with updated SDIPs is 115 out of 135 having SDIPs. (85%). this figure was verified by the consultancy firm as part of the municipal ranking update (end of cycle 01)
	Citizens Service Centers (CSC)	▪ CSC monitoring by citizens will be possible, as the system will enable the citizens to track municipal service provisions/ transactions. ▪ Citizen Satisfaction: pre- and post-survey will be conducted to assess the satisfaction of citizens with the services provided by the CSC. ▪ CSC operational in May 2015 (by the end of MDPII - cycle 1) in 22 municipalities (17 in WB, and 5 in Gaza)	Window 3	Regarding the satisfaction survey for the services provided by the CSCs, this will be part of the overall satisfaction survey of MDPII cycle 2 (for Beneficiaries, clients and citizen's satisfaction survey – currently) to ensure that CSC are in operation and citizens' satisfaction with these CSC can be measured
Response	Citizens Service Centers (OSS)	▪ Monitoring Municipalities' response through CSC Reports that will indicate the actual time and charges needed to deliver the services to the citizens. This can then be compared to the time and charges mentioned in the service guide booklet/ service charters. The booklet will include such services related to ○ administrative services (e.g. clearance, profession license, building license, etc.) and ○ services related to fees for water, solid waste, .etc.) ▪ Computerized Citizen Complaint and Response Mechanisms will be part of the CSC and aim at enhancing and documenting communication with and response by municipalities. ▪ It is anticipated to have these CSC in operation by mid 2015 (by the end of MDPII - cycle 1) in 22 municipalities (17 in WB) and (5 in Gaza)	Window 3	▪ The CSCs will be completed by September 2015 ▪ CSC CHM is computerized, complaint transferred to CH committee, consistent of Mayor or Municipal Director. Complaint to be handled in 1.5 days for feedback to complainant or resolution (previously it took 10 days). If simple compliant, resolved quickly. If complaint is complex, transferred to technical dept to do a technical report to CH committee which will decide on handling complaint and referred back to CSC in 1.5 days. CHM will provide statistic report reg number and type of complaint, response time by municipality, recording of gender, age, disability (if applicable) of complaint
	SDIPs	▪ SDIP Monitoring and Updating: Under the SDIP module 4+5, MDLF will conduct orientation/training workshops for all municipalities in WB&G by the end of 2014 to enable them to update their SDIPs in a participatory manner. These workshops will be also utilized by MDLF to give orientation sessions to the municipalities on the MDPII performance criteria to be well prepared in time for the ranking assessment by the end of MDPII-cycle1.	Window 3	▪ The orientation workshops for the SDIP update was conducted in December 2014..

➤ **Update on SA policy Note**

- It is worth mentioning that MDLF is an active member of the national committees for social accountability. MDLF was heavily involved in several meetings/workshops at the policy and the technical levels and participated in preparing a draft policy note on SA.
- The SA policy note is still under revision and will be endorsed by MOLG soon.
- **SA Manual**
- The mission and MDLF have not yet seen the Manual. As the manual was developed in parallel to the implementation of the 9 municipality pilot, the mission suggests that manual should be revised to reflect
 - (i) the findings/ lessons learnt from the GIZ pilot, and
 - (ii) the lessons learnt from the MDLF work on SA under MDP II across the 138 municipalities in the West Bank and Gaza.
 - Consultation workshops should be organized with key stakeholders to get feedback on the Manual and to integrate stakeholder comments in the revisions of the Manual
- **SA Capacity Building as complementary activity under Window 3 – but not as a package**
 - MDLF needs to raise awareness of municipalities on (i) SA approach, as SA is still a new concept for many municipalities, (ii) SA tools as per the Manual, (iii) on SA Policy Note,
 - MDLF and FPs need to determine if this activity could be done under cycle 2 after the SA Manual is revised

Gender

- The grants application forms were updated to be gender sensitive. The municipalities do not have issues with completing these.
- Two guidelines (in Arabic) were completed, i.e.:
 - i. citizenships (rights and duties for both municipalities and the citizens) and
 - ii. outreach and communication guidelines for the municipalities towards their citizens.

MDLF had organized consultation workshops with MOLG and the target municipalities to receive feedback on the manuals. Additionally, orientation workshops will be conducted for all municipalities in 2015.

- The CSCs, implemented within 22 municipalities under MDPII/cycle 1, will be able to generate gender sensitive reports (i.e. records and statistics per gender). It is anticipated to have these CSC in operation by September 2015 (by the end of MDPII - cycle 1).
- Women within the municipal council as well as female municipal engineers benefited from the training on procurement, ESMF and the quality control which the MDLF had conducted (via the LTCs) at the start of cycle 1. (27 out of 90 participants – in the West Bank and Gaza - were female).
- The focus groups and workshops for the window 1 sub-project identification had been conducted with considering a quota of at least 30% of women and youth.
- The MDLF internal training on Gender issue was conducted in Nov. 2014.

Annex B

LGRDP



LGRDP - List of 1st phase of infrastructure projects

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

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

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

Beit leqya	Kharbatha al misbah	Construction and finishing of 5 additional classrooms in the Boys' Secondary School.	The existing building is stone and consists from 2.5 floors (320 m2 for each floor). The construction for the 5 classrooms will be on the second floor.	320 m ²
	Beit leqya	Rehabilitation and equipping two computer centers in both Secondary Boys and Girls Schools.	The work is to rehabilitate the girl's school computer lab and to renovate new room in the boy's school to be the lab. The labs need to be equipped with (50 computer, 50 desks, 100 chairs, 2 TVs). In addition to installing related networks.	
		Construction and finishing of additional floor and rehabilitation of the Public Health Center.	The existing building is concrete and consists from one floor (200 m2) area suffer from humidity and water leakage in the courtyard. The constructions for the additional floor will depend on the building's structural and physical condition and the ministry requirements.	200 m ²
	Beit nuba	Tiling and lighting of internal roads.	Tiling with interlock blocks for internal roads (550 x 3 m). Works may include 1 m concrete sidewalks. In addition to installing 15 lighting units (lamp and arm) on the existing Electrical poles.	1650 m ²
	Beit seera	Rehabilitation of the Primary Boys School.	The existing building is concrete and consists from three floors (350 m2 for each floor). Rehabilitation will include painting the whole school, replacing stairs tiling, renovate 6-8 utility units, construction of (4 x 5 m) canteen, and construction of drinking fountain and install metal cantilever (30 x 4 m).	140 m ²
		Tiling of kindergarten entrance road.	Tiling with interlock blocks for internal roads (300 x 4.5 m). Works may include 1 m concrete sidewalks.	1350 m ²

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

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

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

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

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

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

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

CO-FINANCED PROJECT DESCRIPTION

1) Summary

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

2) Objectives of the Project

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

3) Components, of the Project

The project would consist of the following 2 components:

Component 1 – Water infrastructures in Beit Sira Cluster:

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

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

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

Component 2 – Capacity building of CWD:

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

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

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

4) Main Project Stakeholders

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

Parallel Financing by Co-Financiers

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

CO-FINANCED FINANCING PLAN

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

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

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

¹ Includes the 7% for MDLF management fees.

LGRDP - List of 3rd Phase of infrastructure projects

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

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

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

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

LGRDP achievements

Infrastructure Sector	Description	By the end of 2013	During 2014	By the end of 2014
Roads	Construction and Paving	11.01 Km	0.35 Km	11.36 Km
	Rehabilitation	4.38 Km	0	4.38 Km
	Tiling	0.41 Km	0.70 Km	1.11 Km
Electricity	Raising electricity power	0	5 Schools	5 Schools
	Street Lighting units	0	665 units	665 units
Water	HDPE Main Lines	0	20.97 Km	20.97 Km
	HDPE House Connections	0	4.15 Km	4.15 Km
	Prepaid water meter	0	0 Units	0 Units
Public Buildings	Construction	0	1770 m2	1770 m2
	Rehabilitation	0	540 m2	540 m2
	Equipping and furnishing	20 offices (IT+Furniture)	3 Labs (44 computer+44 tables)	- IT & furniture of 20 offices - Equipment of 3 labs (44 computers & 44 tables)
Public Facilities	Construction	0	350 m2	350
	Rehabilitation	0	0	0

ANNEX C

Gaza Solid Waste Management Project



Annex C: 2015 Action Plan - GSWMP

							ToR & Tendering		Start						
Item Reference & Total Allocated Budget							2015							Planned Disbursement USD	Notes
PAD Comp. Ref.	PP Ref.		Description	Amount Million USD			Q1				Q2	Q3	Q4		
	No.	Categ.		AFD EU	WB SW	TOTAL	JAN	FEB	MAR	APR					
Component 1: Infrastructure Development															
C1a	1.1.1	Works	Construction of Sanitary Landfill	6.75	5.25	12.00							OCT	1,200,000	10% of Total: Mobilization & Site Prep.
C1b	1.1.4	Works	Construction of Transfer Stations (TS) - RAFAH	0.40		0.40						JUL		400,000	Related to output 4.1.1 and 4.1.4
C1c	2.1.1	Goods	Supply & Installation of TS and LF Equipment	2.50		2.50									
C1d	1.1.2	Works	Access Roads to Landfill and TS		1.15	1.15							DEC		Related to progress in 1.1.1 and 1.1.4
C1e	1.1.3	Works	Closure of Existing Dump Site		0.60	0.60					JUN			240,000	Clearing SW from TS & Temp. Locations
C1f	ARAP Implementation (via UNDP-DEEP)														Update ARAP and Contact UNDP
C1g	Land Acquisition for Landfill and TS (via PNA)														Still in Process, Payments Pending
Component 2: Institutional Strengthening															
C2a	4.1.2	CS	Capacity Building of JSC-KRM	0.75	0.10	0.85								200,000	See details (4 Items)
C2b	4.1.2	CS	Capacity Building of Municipalities	0.50		0.50								50,000	See Details (supplies and workshops)
C2c	4.1.3	CS	Public Awareness Campaign (Citizen Engagement)		0.30	0.30								75,000	See Details (Several Activities)
Component 3: Primary Collection & Resource Recovery															
C3a	4.1.4	CS	Studies for Optimization of Waste Collection	0.50		0.50					JUN			250,000	See details (2 contracts – 175,000 & 75,000)
C3b	2.1.1	Goods	Supply of Waste Collection Equipment	3.50		3.50					AUG			1,750,000	Related to output 4.1.4
C3c	4.1.4	CS	Studies for Waste Recovery (Rec. & Comp.)		0.10	0.10									
C3d	Pilot for Rec. and Comp. Facility (via UNDP)														
Component 4: Project Management															
C4a	MDLF Fee			1.20	0.75	1.95									
C4b	4.1.1	CS	Design Revision, Const. Supervision & Cont. Mgn't.	0.60		0.60			MAR					150,000	
C4c	3.1.1	Non-Cons	Operational Management Contract for LF and TS		0.60	0.60									
C4d	4.1.5	CS	Independent Consultancies: including independent monitoring of EMP and Beneficiary assessments		0.80	0.80									
Total				16.70	9.65	26.35							USD	4,315,000	
Contingency				3.42	0.99	4.41							EURO	3,656,780	FX rate 1.1810 (11 Jan. 2015)
TOTAL				20.12	10.64	30.76	NOTES:								
Contribution from PA (2.10), UNDP (1.60), and IsDB (0.80)						4.50									
TOTAL						35.26									

ANNEX D

Financial Data



MDPII Disbursement by end of June 2015 - (excluding Emergency Component to Gaza) in EURO

Financing Partner	WB		MDTF		KFW		VNG		AFD		PA		GIZ		SDC		BTC		Total		Percentage
Window	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	(%)
Window 1	3,705,000	3,371,407	8,219,000	7,295,540	12,085,000	8,663,857	0	0	0	0	7,049,400	599,000	0	0	496,000	372,663	930,000	867,746	32,484,400	21,170,213	65%
Window 2	600,000	64,725	2,110,000	170,466	0	0	558,000	57,651	700,000	0	0	0	0	0	0	24,283	0	0	3,968,000	317,125	8%
Window 3	250,000	885	545,000	79,952	410,000	3,150	0	0	230,000	12,387	0	0	372,000	284,012	620,000	41,751	0	0	2,427,000	422,137	17%
Window 4	945,000	691,851	926,000	550,697	1,005,000	608,891	42,000	0	70,000	0	530,600	21,000	28,000	20,988	84,000	40,049	70,000	58,803	3,700,600	1,992,279	54%
Total	5,500,000	4,128,869	11,800,000	8,096,656	13,500,000	9,275,898	600,000	57,651	1,000,000	12,387	7,580,000	620,000	400,000	305,000	1,200,000	478,746	1,000,000	926,549	42,580,000	23,901,755	56%

MDPII Additional Financing to Gaza Strip - Disbursement by end of June 2015 in Euro

Financing Partner	WB		MDTF		KFW		BTC		Total		Percentage
Allocated	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	(%)
Window 4	152,174	84,000	608,695	168,007	450,000	0	0	0	1,210,869	252,007	21%
Window 5	2,021,739	1,515,033	8,086,957	3,240,467	4,550,000	0	350,000	0	15,008,696	4,755,500	32%
Total	2,173,913	1,599,033	8,695,652	3,408,474	5,000,000	0	350,000	0	16,219,565	5,007,507	31%

LDPIII Disbursement by end of June 2015 in US\$

Component	Allocated in US\$	Disbursed Amount During the 1st half -2015	Total Disbursed by end of June 2015	% of Disbursement
Output 1: Participatory amalgamation process	456,030.00	136,303.73	309,315.44	68%
Output 2: Institutional Development of New Municipalities	729,649.00	1,456.86	47,410.02	6%
Output 3: Joint Projects Implemented	4,742,717.00	481,999.94	589,846.59	12%
Output 4: Strengthened Local Governance	660,332.00	-	-	0%
5. Programme Management	995,970.00	143,516.37	366,400.43	37%
5.1 Technical Assistance (Local/International)	259,025.00	43,458.36	116,300.48	45%
5.2 Reviews (mid-term and annual)	200,653.00	-	-	0%
5.3 MDLF management fee (*)	536,292.00	100,058.01	250,099.95	47%
Unallocated (1%)	76,613.00	-	-	0%
Total	7,661,311.00	763,276.90	1,312,972.48	17%

LGRDP Disbursement by end of June of 2015 in EURO

Component	Allocated in Euro	Disbursed Amount During the 1st half - 2015	Total Disbursed by end of June 2015	% of Disbursement
Support for amalgamation in 4 areas (incl. equivalent of 7% management fee)	9,000,000.00	689,657.42	3,809,928.92	42%
Total	9,000,000.00	689,657.42	3,809,928.92	42%

GSWMP Disbursement by end of June 2015 in Euro

WB

Description	Allocation EUR	Actual EUR 2013	Actual EUR 2014	Actual EUR 2015	Total by end of June 2015	Remaining
Com. 1: Solid Waste Transfer and Disposal Facilities	4,927,536	0	0	0	0	4,927,536
Com. 2: Institutional Strengthening	289,855	0	23,285	53,147	76,433	213,422
Com. 3: Primary Collection and Resource Recovery	72,464	0	0	0	0	72,464
Com. 4: Project Management	1,355,072	0	100,000	0	100,000	1,255,072
Contingencies	601,449	0	0	0	0	601,449
Total uses of Funds	7,246,377	0	123,285	53,147	176,433	7,069,944
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>7,246,377</u>	<u>0</u>	<u>123,285</u>	<u>53,147</u>	<u>176,433</u>	<u>7,069,944</u>

GSWMP Disbursement by end of June 2015 in Euro

AFD

Description	Allocation EUR	Actual EUR 2013	Actual EUR 2014	Actual EUR 2015	Total by end of June 2015	Remaining
Com. 1: Solid Waste Transfer and Disposal Facilities	7,074,428	0	0	0	0	7,074,428
Com. 2: Institutional Strengthening	916,377	0	0	0	0	916,377
Com. 3: Primary Collection and Resource Recovery	2,932,406	0	0	0	0	2,932,406
Com. 4: Project Management	1,319,583	0	62,840	0	62,840	1,256,743
Contingencies	2,507,207	0	0	0	0	2,507,207
Total uses of Funds	14,750,000	0	62,840	0	62,840	14,687,160
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>14,750,000</u>	<u>0</u>	<u>62,840</u>	<u>0</u>	<u>62,840</u>	<u>14,687,160</u>

Disbursement of Area C Development Program - EU (by end of June 2015)

Item	Budget (Euro)	Disbursement by end of June 2015 (Euro)	Percentage
1- MDLF management fees (indirect cost) = 7% of direct eligible cost	128,100	0	0%
2- Total Direct Eligible Cost	1,830,000	0	0%
2.1 Other Costs and Services	55,000	0	0%
- Expenditure Verification/Audit	5,000	0	0%
- Evaluation Cost	20,000	0	0%
- Visibility Actions	30,000	0	0%
2.2 Other	1,775,000		0%
- Legal Fees	50,000	0	0%
- Cost of Infrastructure Sub-Projects	1,610,000	0	0%
- Local Technical Consultancy for Design and Supervision (Approximately 7% of cost of infrastructure sub-projects)	115,000	12,179	11%
3- Provision for contingency reserve (indirect cost)	41,900	0.00	0%
Total Cost of the Action	2,000,000	12,179	1%

Disbursement of HIMI -SDC - (by end of June 2015)

No.	Item	Cost (\$)	Disbursement by end of June 2015 (\$)	Percentage
1	Infrastructure (WB)	934,000	0	0%
2	Infrastructure (Gaza)	900,000	52,860	6%
3	LTC for design and supervision (WB)	120,263	8,120	7%
4	Audit	4,000	0	0%
5	Management fees (7%)	147,000	0	0%
Total Budget		2,105,263	60,980	3%