

Local Government Units Development and Lending Fund-MDLF

Local Governance and Services Improvement Program

**Co-Funded by the International Development Association & Partnership for
Infrastructure Development MDTF**

**And Implemented by Local Governments Units Developments and Lending
Fund and the Ministry of Local Government**

***Financial Statements
For Year Ended December 31, 2020***

Local Government Units Development and Lending Funds-MDLF

Local Governance and Services Improvement Program

Co-Funded by the International Development Association & Partnership for
Infrastructure Development MDTF

And Implemented by Local Government Units Development and Lending
Fund and the Ministry of Local Government

Balance Sheet

(FUND Balance, Cash vs. Amount Restricted from Donor)

AS of December 31, 2020

All Amounts are in USD Units

Assets	Note	<u>December 31,2020</u>	<u>December 31,2019</u>	<u>December 31,2018</u>	<u>December 31,2017</u>
<u>Current Assets</u>					
Cash at Bank, maintained by MOLG within the PA's Single Treasury Account and MDLF	7	3,522,240	4,569,064	2,395,629	522,670
Total Current Assets		<u>3,522,240</u>	<u>4,569,064</u>	<u>2,395,629</u>	<u>522,670</u>
Total Assets		<u>3,522,240</u>	<u>4,569,064</u>	<u>2,395,629</u>	<u>522,670</u>
<u>Liabilities and Fund Balance</u>					
Fund Balance	7	3,522,240	4,569,064	2,395,629	522,670
Total Liabilities and Fund Balance		<u>3,522,240</u>	<u>4,569,064</u>	<u>2,395,629</u>	<u>522,670</u>

- *These Financial Statements were authorized for issuance by MOLG and MDLF management on 28/09/2021 and were signed on its behalf by:*

Mr. Magdi Al Salh

Minster of MOLG - chief MDLF of
BOD

Mr. Muhammad al Ramahi

Acting Director General

Mr. Ra'ed Sharabati

Director of Financial Department

Local Government Units Development and Lending Fund-MDLF

Local Governance and Services Improvement Project

**Co-Funded by the International Development Association & Partnership for
Infrastructure Development MDTF**

**And Implemented by Local Governments Units Development and Lending
Fund and the Ministry of Local Government**

**Statement of Cash Receipts and Payments
For the year ended December 31,2020**

All Amounts are in USD Units

Cash BALANCE	No te	<u>December 31,2020</u>	<u>December 31,2019</u>	<u>December 31,2018</u>	<u>December 31,2017</u>	<u>Cumulative</u>
SOURCES OF Cash						
Amount Received by MOLG - Disbursement Linked Indicators (DLI) Payments	3	<u>4,894,583</u>	<u>5,927,916</u>	<u>3,677,500</u>	<u>2,000,000</u>	<u>16,499,999</u>
Total Sources of Cash		<u>4,894,583</u>	<u>5,927,916</u>	<u>3,677,500</u>	<u>2,000,000</u>	<u>16,499,999</u>
USES OF Cash						
Part 1 : Annual Capital Grants for Delivery of Local Services	4	2,432,266	2,907,379	1,642,996	1,444,669	8,427,310
Part 2 : Conditional Capital Grants for Investment in Joint Project	5	2,496,623	171,104	0.	0.	2,496,623
Part 3 : Capacity Support for strengthening Local Governance Institutions	6	194,409	272,449	144,681	32,605	644,144
Part 5 : Program Management	7	<u>940,709</u>	<u>403,549</u>	<u>16,864</u>	<u>56</u>	<u>1,361,178</u>
Total Uses of Cash		<u>5,941,407</u>	<u>3,754,481</u>	<u>1,804,541</u>	<u>1,477,330</u>	<u>12,977,759</u>
CHANGE IN Cash BALANCE		<u>(1,046,824)</u>	<u>2,173,435</u>	<u>1,872,959</u>	<u>522,670</u>	<u>3,522,240</u>
ADD Beginning Cash BALANCE .		<u>4,569,064</u>	<u>2,395,629</u>	<u>522,670</u>	=	=
Cash BALANCE at Year END	8	<u>3,522,240</u>	<u>4,569,064</u>	<u>2,395,629</u>	<u>522,670</u>	<u>3,522,240</u>

Local Government Units Development and Lending Funds-MDLF

Local Governance and Services Improvement Project

**Co-Funded by the International Development Association & Partnership for
Infrastructure Development MDTF**

**And Implemented by Local Governments Units Developments and Lending
Fund and the Ministry of Local Government**

**Statement of Comparison of Budget and Actual Amount
For the Year ended December 31,2020**

All Amounts are in USD Units

Budget Vs Actual	Not e	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
<u>Receipt</u>		2020	2019	2018	2017
Budget Line Allocation as Approved from MOF		<u>8,000,000</u>	<u>7,000,000</u>	<u>5,500,000</u>	<u>3,397,000</u>
Actual Transferred from World Bank through MOF		<u>4,894,583</u>	<u>5,927,916</u>	<u>3,677,500</u>	<u>2,000,000</u>
Difference Between Budget and Actual (Receipt)	12-a	<u>3,105,417</u>	<u>1,072,084</u>	<u>1,822,500</u>	<u>1,397,000</u>
<u>Uses of Funds</u>					
Budget Line Allocation as Approved from MOF		<u>8,000,000</u>	<u>7,000,000</u>	<u>5,500,000</u>	<u>3,397,000</u>
<u>Actual Uses of Funds</u>					
Part 1 : Annual Capital Grants for Delivery of Local Services	9	2,432,266	2,947,022	1,642,996	1,444,669
Part 2 : Conditional Capital Grants for Investment in Joint Project	11	2,506,126	722,163	0.	0.
Part 3 : Capacity Support for strengthening Local Governance Institutions	5	194,409	272,449	144,681	32,605
Part 5 : Program Management		<u>951,000</u>	<u>403,549</u>	<u>16,864</u>	<u>56</u>
Total Uses of Funds		<u>5,961,201</u>	<u>4,345,183</u>	<u>1,804,541</u>	<u>1,477,330</u>
Difference Between Budget and Actual (Uses of Funds)	12-b	<u>2,038,799</u>	<u>2,654,817</u>	<u>3,695,459</u>	<u>1,919,670</u>

This Statement was prepared based on MOF allocation to MOLG budget and disbursement based on Commitment Budgetary basis.

Local Government Units Development and Lending Funds-MDLF
Local Governance and Services Improvement Program
Co-Funded by the International Development Association & Partnership for
Infrastructure Development MDTF
And Implemented by Local Governments Units Development and Lending
Fund and the Ministry of Local Government

Notes to LGSIP Financial Statements
For the Year ended December 31, 2020

1. LGSIP and its Financing

The Palestinian Liberation Organization (PLO), for the benefit of the Palestinian Authority (PA), the International Development Association (the World Bank), acting as an administrator of the Trust Fund for Gaza and West Bank and Partnership for Infrastructure Development MDTF signed a Trust Fund Grant Agreement number TF0A1039 dated March 14, 2016 (the Grant Agreement) and Trust Fund Grant Agreement number TF0A4511 dated March 14, 2017 (the Grant Agreement) whereby the World Bank made a grant, to the PA, in an amount equals to USD 5,000,000 and the World Bank made a grant, to the PA, in an amount equals to USD 13,000,000 . to finance part of a program entitled "**Local Governance and Services Improvement Program**" (LGSIP, the Program). In accordance with the Grant Agreement, LGSIP is to be carried out jointly by Local Government Units Development and Lending Fund (LGUDLF)/ (MDLF hereafter) and the Ministry of Local Government (MoLG), (together the "Implementing Agencies"). hereinafter

The objective of the Program is to strengthen the local government financing system and improve local service delivery in Program Villages.

The Program is a part of the PA's public-sector reform program as outlined in the National Development Plan 2014-2016 and in the supplemental sector strategies developed by MoLG.

The Program consists of the following parts:

- Part 1:** Supporting local services delivery through provision of Annual Capital Investment Grants to eligible Village Councils (VCs) for carrying out activities identified in the Annual Capital Investment Plans (ACIPs).
- Part 2:** Supporting community infrastructure development through the provision of Conditional Capital Investment Grants to eligible Joint Service Councils (JSCs) for carrying out projects identified in the ACIPs jointly developed by two or more VCs (Joint Projects).
- Part 3:** Strengthening the capacity of VCs and JSCs to improve their local governance functions, service delivery, and prepare and implement ACIPs; and strengthening the capacity of relevant agencies at the central level, including, inter alia, MoLG and MDLF, to effectively implement the Program.

The following table specifies each category of withdrawal of the proceeds of the Financing (including Disbursement Linked Indicators (DLI) as applicable) (“Category”), the Disbursement Linked Results (DLRs) for each Category (as applicable), and the allocation of the amounts of the Grant Agreement to each Category: -

Category, including DLI as applicable	DLR as applicable	Amount of the Financing Allocated (expressed in USD)
DLI 1: Enabling steps to strengthen local governance adopted by MoLG.	DLR 1.1: MoLG adopted standardized Governance Framework for joint local service provision by more than one VC and adopted formula for Annual Capital Investment Grant allocation for VCs/JSCs.	DLR 1.1: 1,000,000
	DLR 1.2: The MoLG issued Procurement Instructions for LGUs to follow in procuring local services.	DLR 1.2: 800,000
DLI 2: Timely communication to VCs of the formula-based Annual Capital Investment Grant (ACIG) allocations and timely transfer of ACIGs to eligible VCs.	DLR 2.1: Communication of the ACIG allocation to VCs by January 15 and transfer of ACIGs to eligible VCs by January 31, in FY 17.	DLR 2.1: 800,000
	DLR 2.2: Communication of the ACIG allocation to VCs by January 15 and timely transfer of ACIGs to eligible VCs by January 31, in FY 18.	DLR 2.2: 800,000
DLI 3: Percentage of VCs meeting the Program eligibility criteria annually.	DLR 3.1: 50% in FY 17.	DLR 3.1: 1,000,000
	DLR 7.1: Five Year Capacity Development Plan prepared in FY 16.	DLR 7.1: 200,000
DLI 7: Capacity building activities delivered by MoLG based on their Annual Capacity Development Plan.	DLR 7.2: Annual Capacity Development Plan executed in FY 17.	DLR 7.2: 400,000
	Total Amount	5,000,000

The closing date of the Grant Agreement is December 31, 2020.

Category, including DLI as applicable	DLR as applicable	Amount of the Financing Allocated (expressed in USD)
DLI 2: Timely communication to VCs of the formula-based Annual Capital Investment Grant (ACIG) allocations and timely transfer of ACIGs to eligible VCs.	DLR #2.3 : Communication of the ACIG allocation to VCs by January 15 and transfer of ACIGs to eligible VCs by January 31,in FY 19	DLR 2.3: 800,000
	DLR #2.4 : Communication of the ACIG allocation to VCs by January 15 and transfer of ACIGs to eligible VCs by January 31,in FY 20.	DLR 2.4: 800,000
DLI 3: Percentage of VCs meeting the Program eligibility criteria annually.	DLR 3.2: 60% in FY 18.	DLR3.2: 1,000,000
	DLR 3.3: 70% in FY 19.	DLR3.3: 1,500,000
	DLR 3.4: 70% in FY 20.	DLR3.4: 1,500,000
DLI 4: Cumulative number of Joint Projects approved.	DLR #4.1 : 6 joint projects approved in FY 17	DLR4.1: 1,000,000
	DLR #4.2 : 10 joint projects approved in FY 18	DLR4.2: 1,000,000
	DLR #4.3 14 joint projects approved in FY 19	DLR4.3: 1,000,000

	DLR #4.4 : 18 joint projects approved in FY 20	DLR4.4: 1,000,000
DLI 5: Aggregated Expenditure percentage of approved Joint Projects	DLR 5.1: 30% in FY 18. DLR 5.2: 40% in FY 19. DLR 5.3: 50% in FY 20.	DLR5.1: 500,000 DLR5.2: 500,000 DLR5.3: 500,000
DLI 6: Steps to improve transparency and predictability in the allocation of the Transportation Fee adopted by MOLG	DLR #6.1 : Not later than FY 17 , the Recipient submitted its Transportation Fee reform directive to its Cabinet of Ministers for Approval DLR #6.2 : Not later than FY 18 , at least 25% of annual allocation of the Transportation Fee is disbursed using the criteria set out in the Program Operations Manual	DLR6.1: 300,000 DLR6.2: 700,000
DLI 7: Capacity building activities delivered by MoLG based on their Annual Capacity Development Plan.	DLR 7.3: Annual Capacity Development Plan executed in FY 18. DLR 7.4: Annual Capacity Development Plan executed in FY 19	DLR 7.3: 500,000 DLR 7.4: 400,000
Total Amount		13,000,000

The project closing date is amended to be December 31,2021 instead December 31, 2020.

In addition to the above-mentioned World Bank Grant Agreement, the Program is to be co-funded (expected to be co-funded) from the following partners:

Financing Partner	Currency	Expected Amount	Granted Amount	Date of Agreement
KfW, Frankfurt am Main (KfW)	EUR	-	8,000,000	March, 6, 2017
Palestinian Authority (PA)	USD	2,000,000	-	-
The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	EUR	700,000	-	-
The Belgian Development Agency (Enabel, formerly BTC)	EUR	800,000	-	-
European Union (EU)	EUR	7,400,000	-	-
The Swiss Federal Department of Foreign Affairs (FDFA/SDC)	USD	3,000,000	-	-

The PoM is an operational guide for all activities supported under the LGSIP, whether through the Program for Results (PforR) instrument, or through parallel financing, and has been prepared in a manner that is consistent with the rules and regulations of the Government Systems applicable to LGSIP, and in accordance with the requirements and core principles of the World Bank's OP/BP 9.0. As such, MoLG, MDLF, LGUs, and all other Program users shall adhere to the procedures detailed under this PoM, for the implementation of LGSIP activities.

The main law, that cover the work:

- Local Authorities Law No. (1) of 1997 and its further amendments.
- Financial Regulations of Local Authorities for the Year 1999.
- Law No. (7) For the Year 1998 Regarding Organizing the General Budget and Financial Affairs and its further amendments.
- Decision of the Council of Ministers No. (43) for the Year 2005 Regarding Financial Regulations for Ministries and Public Entities and its further amendments.
- The Law by Decree No. 8 of 2014 on Public Procurement and its further amendments.
- Decision of the Council of Ministers No. (5) for the Year 2014 Regarding The Regulation on Public Procurement and its further amendments.
- The Law by Decree No. 25 of 2016 Regarding The Local Government Units Development and Lending Fund.
- The Labour Law No. (7) of 2000.
- The Law by Decree No. 8 of 2011 Regarding The Income Tax and its further amendments.
- Regulations on Value-Added Tax.

2. Summary of Significant Accounting Policies

The financial statement has been prepared in accordance with:

- The financial statement has been prepared in accordance with the cash bases IPSAS, Financial Reporting Under the Cash bases of Accounting and comply with the requirements of part 1 of this standard.
- LGSIP Statement of Comparison of Budget and Actual Amount are prepared using the Commitment Budgetary basis which is the commitments are planning to take in the year whether will pay this commitment within the year or not
- **Presentation Currency-** The presentation currency is USD.
- *These Financial Statements were authorized for issuance by MOLG and MDLF management on 28/09/2020.*
- *The preparation of Financial Statements is the responsibility of MDLF.*

3. Amount Received by MoLG - DLI Payments

Amount received represents funds transferred form the World Bank to Ministry of Finance and Planning (MoFP) then channeled by MoFP to MoLG using the PA public disbursement mechanism and comprise:

<u>Withdrawal Application (WA) #</u>	<u>Date of transfer</u>	<u>Amount (USD)</u>
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LGSIP -1	August 18, 2016	1,000,000
LGSIP -2	October 25, 2017	1,000,000
LGSIP -3	June 10,2018	2,700,000
LGSIP -4	June 28,2018	977,500
LGSIP -5	January 03,2019	1,333,333
LGSIP -6	July 23,2019	4,433,333
LGSIP -7	July 23,2019	161,250
LGSIP -8	June 23,2020	4,755,833
LGSIP -9	June 23,2020	138,750
Total		<u>16,499,999</u>

4. Part 1: Annual Capital Grants for Delivery of Local Services

This part includes the advances transferred to large VCs as follows allocation for 2017: -

<u>Village Councils (VCs)</u>	<u>Advance Payment</u>	<u>Liquidation of the Advance</u>	<u>Advance Balance</u>
Kharbatha Al-Misbah	58,265	58,265	-
Qibya	54,891	32,935	21,956
Al-Ramadin	44,367	26,620	17,747
Handaza and Breidaa	59,346	15,170	44,176
Salem	54,099	31,950	22,149
Al Jib	43,544	25,600	17,944
Dar Salah	30,915	22,335	8,580
Shuqba	50,364	30,000	20,364
Saffa	40,903	25,547	15,356
Kafr Ni'ma	41,160	24,704	16,456
Khalet al-Maiyya	47,385	28,430	18,955
Al-Shawawreh	41,841	25,100	16,741
Beit Ur Al-Tahta	48,967	29,380	19,587
Beit Dajan	37,242	22,345	14,897
Abu Al Asja	<u>32,020</u>	<u>0</u>	32,020
Total	<u>685,309</u>	<u>398,381</u>	<u>286,928</u>
Advance from 2017	-411,777	-79,816	-
Advance from 2018	-190,763	-235,200	=
Advance during 2019	-55,265	0	
Advance during 2020	<u>27,504</u>	<u>83,365</u>	

This part includes the advances transferred to large VCs as follows allocation for 2018:

<u>Village Councils (VCs)</u>	-	<u>Advance Payment</u>	-	<u>Liquidation of the Advance</u>	-	<u>Advance Balance</u>
الفندقومية		38,044		22,715		15,329
فقوعة		38,780		23,269		15,511
عانين		41,292		24,775		16,517
صانور		44,142		27,297		16,845
الجديدة		53,001		31,801		21,200
سيريس		32,794		0		32,794
دير ابو ضعيف		62,234		62,234		0
دار صلاح		22,972		0		22,972
ارطاس		41,490		22,815		18,675
الشواورة		25,396		0		25,396
هندازة وبريضة		36,542		0		36,542
حوسسان		62,874		34,584		28,290
الجيب		44,397		25,722		18,675
ابو العسجا ابو الغزلان		28,632		20,000		8,632
الصرة		21,773		21,773		0
خرسا		24,532		13,622		10,910
الرماضين		45,758		27,441		18,317
الريحية		28,161		0		28,161
خلة المية		48,915		48,915		0
دير سامت		74,133		44,000		30,133
بيت دجن		38,061		20,002		18,059
برقه		40,085		24,052		16,033
روجيب		45,891		45,891		0
تل		47,439		28,463		18,976
سالم		55,287		33,143		22,144
عورتا		61,416		36,700		24,716
دير ابو مشعل		40,562		24,237		16,325
كوبر		42,345		25,400		16,945
كفر نعمة		43,191		25,915		17,276
صفا		43,785		43,778		7
دير جرير		27,545		0		27,545
خربة ابو فلاح		46,026		31,818		14,208
بيت عور التحتا		50,355		30,115		20,240
شقبا		51,000		30,697		20,303
قبيا		56,216		33,869		22,347
خربتا المصباح		58,923		36,007		22,916
Total		<u>1,563,989</u>		<u>921,050</u>		<u>642,939</u>
Advance from 2017		-1,032,892		0		-
Advance from 2018		-15,511		-23,269		-
Advance during 2019		<u>-350,476</u>	-	<u>-571,289</u>	-	-

This part includes the advances transferred to large VCs as follows allocation for 2019:

Village Councils (VCs)	Advance Payment	Liquidation of the Advance	Advance Balance
مجلس قروي صانور	27,535	0	27,535
مجلس قروي دار صلاح	24,775	0	24,775
مجلس قروي الشواورة	22,469	0	22,469
مجلس قروي برقه	22,421	0	22,421
مجلس قروي روجيب	53,676	53,662	14
مجلس قروي دير جرير	24,133	0	24,133
مجلس قروي ارطاس	31,023	0	31,023
مجلس قروي حوسان	38,059	0	38,059
مجلس خلة الميه	36,979	0	36,979
مجلس الرماضين	38,726	25,099	13,627
مجلس الريحيه	31,072	0	31,072
مجلس سالم	55,120	33,836	21,284
مجلس قبيا	54,810	54,810	0
مجلس فقوعه	39,690	39,690	0
مجلس الفندقوميه	23,031	0	23,031
مجلس الجديده	32,130	0	32,130
مجلس بيت عور التحتا	45,360	27,000	18,360
مجلس الصره وخلة العقده..	23,161	0	23,161
مجلس بيت دجن	40,141	20,228	19,913
مجلس ابو فلاح	39,224	39,224	0
مجلس شقبا	49,131	29,385	19,746
مجلس دير ابو مشعل	22,858	0	22,858
مجلس كفر نعمه	41,931	25,159	16,772
مجلس بيت ايبا	22,027	0	22,027
مجلس دير ابو ضعيف	63,405	63,405	0
مجلس تل	46,458	46,448	10
مجلس الزعيم	56,430	56,430	0
مجلس سيريس	32,508	0	32,508
مجلس صفا	38,373	23,620	14,753
مجلس عانين/جنين	22,766	0	22,766
مجلس عورتا	63,486	63,486	0
مجلس فرعون	37,179	37,179	0
مجلس حارس	22,340	0	22,340
مجلس هندازه وبريضعه	44,075	0	44,075
خربثا المصباح	56,917	56,917	0
Total	1,323,419	695,578.00	627,841

Advance from 2018		-999,040		
Advance from 2020		324,379		

This part includes the advances transferred to large VCs as follows allocation for 2020:

USD				
Village Councils (VCs)	Advance Payment	Liquidation of the Advance during the Period		Advance Balance
مجلس دار صلاح	25,099	-		25,099
مجلس دير جرير	24,451	-		24,451
مجلس الشواوره	22,761	-		22,761
ارطاس	31,428	-		31,428
الفندقوميه	23,306	-		23,306
فقوعه	24,100	-		24,100
الصره ومراح البقار	23,306	-		23,306
خريثا المصباح	34,830	-		34,830
دير ابو ضعيف	38,497	-		38,497
مجلس الجديده	32,513	-		32,513
برقه	22,658	-		22,658
عورتا	38,491	-		38,491
تل	28,166	-		28,166
صفا	23,933	-		23,933
سيريس	32,897	-		32,897
فرعون	22,513	-		22,513
بيت دجن	24,338	-		24,338
ابو فلاح	24,041	-		24,041
الجيب	22,610	-		22,610
الريحيه	31,628	-		31,628
شقبيا	29,867	-		29,867
وادي الفارعه	21,881	-		21,881
قبيا	33,318	-		33,318
كفر نعمه	25,488	-		25,488
خلة المليه	37,633	-		37,633
روجيب	32,546	-		32,546
سالم	48,440	-		48,440
بيت ايبا	22,259	-		22,259
حوسان	38,556	-		38,556
حارس	22,675	-		22,675

هندازه وبريضعه	44,647	-		44,647
دير ابو مشعل	23,161	-		23,161
عائين	23,036	-		23,036
صانور	27,518	-		27,518
رنتيس	28,988	=		28,988
دير بزيع	<u>23,616</u>	=		23,616
Advance	<u>1,035,195</u>	=		<u>1,035,195</u>
Advance during 2019	<u>968,344</u>			
Advance during 2020	<u>66,851</u>			

- *The amount Paid to small VCs for allocation 2017 & 2018 on 2018: 437,682 USD. And the amount Paid to small VCs for allocation 2017 & 2018 on 2019: 1,533,294 USD.*
- *The Amount Paid to small VCs for Allocation 2017-2020 on 2020:1,956,595 USD.*

5. Part 2: Conditional Capital Grants for Investment in Joint Project:

Project Information			Years		
NO	Project	VC	2019	2020	Total
1	Supply, install and operate the solar Photovoltaic system of capacity 500 kWp for (Wadi Al Far'a ,Tyaseer,Al Aqaba, and Atoof)	JSC for planning and development/ Tubas	112,061	394,535	506,597
2	Supply of industrial machinery and equipment	High JSC for Solid waste Management- Hebron and Bethlehem	26,410	0	26,410
3	Supply & delivery of 4x4 Pickup vehicles.	High JSC for Solid waste Management- Hebron and Bethlehem	0	223,840	223,840
4	Supplying of Solid Waste Steel containers	High JSC for Solid waste Management- Hebron and Bethlehem	0	276,161	276,161
5	A Building(Garage and warehouse)for maintenance and operation for the equipment's	High JSC for Solid waste Management- Hebron and Bethlehem	0	117,118	117,118
6	Supplying Waste collection truck Electrical platform and pick up car , supplying GPS (Surveying equipment) (Nablus)LGSIP- North-NJSC/ -0421027 -01	JSC North Nablus for planning and development	0	152,000	152,000
7	Rehabilitation and finishing works for existing JSC building and supplying furniture(Nablus)LGSIP- North-NJSC/ -0421027 -02	JSC North Nablus for planning and development	0	0	0
8	Vocational school LGSIP- North-NJSC/ -0421027 -04	JSC North Nablus for planning and development	0	0	0
9	Supplying Electrical platform and solid waste truck collection (Qalqilia)LGSIP-Q-MJSC/ -0621047-01	Qalqilya /Middle JSC for planning and development	0	268,191	268,191

10	Supplying equipment's (Tulkarem)LGSIP-TUL JSC/ -0521036-01	JSC for Solid Waste Management/ Tulkarm	0	175,900	175,900
11	Supply, install and operate the solar photovoltaic system of 293 kWp for South Salfeet (Yasoof, Farkha, and Iskaka)	JSC for Solid Waste Management/Salfit	32,633	252,304	284,937
12	Supply of Construction Equipment's for West Salfeet (Masha, Rafat, and Sarta) LGSIP-SJSC/ 0722052-02-A	JSC for Solid Waste Management/Salfit	0	250,300	250,300
13	Supply of Construction Equipment's for West Salfeet (Masha, Rafat, and Sarta) LGSIP-SJSC/ 0722052-02-B	JSC for Solid Waste Management/Salfit	0	77,384	77,384
14	Supply of Construction Equipment's for West Salfeet (Masha, Rafat, and Sarta) LGSIP-SJSC/ 0722052-02-C	JSC for Solid Waste Management/Salfit	0	145,300	145,300
15	Supply of Construction Equipment's for West Salfeet (Masha, Rafat, and Sarta) LGSIP-SJSC/ 0722052-02-D	JSC for Solid Waste Management/Salfit	0	128,600	128,600
16	Supply of Construction Equipment's for West Salfeet (Masha, Rafat, and Sarta) LGSIP-SJSC/ 0722052-02-E	JSC for Solid Waste Management/Salfit	0	34,990	34,990
17	Supply of Construction Equipment's for West Salfeet (Masha, Rafat, and Sarta) phase 2	JSC for Solid Waste Management/Salfit	0	0	0
Total			<u>171,104</u>	<u>2,496,623</u>	<u>2,667,728</u>

6. Part 3: Capacity Support for strengthening Local Governance Institutions

This part comprises:

Description	USD 2020	USD 2019	USD 2018	USD 2017
Preparing development plans - Consultants	194,409	219,109	104,620	18,133
Workshops	=	<u>53,340</u>	<u>40,061</u>	<u>14,472</u>
Total	<u>194,409</u>	<u>272,449</u>	<u>144,681</u>	<u>32,605</u>

7. Part 5: Program Management

This part comprises:

Description	USD 2020	USD 2019	USD 2018	USD 2017
Management Fees & Bank Charges	910,045	350,049	82	56
Independent Verification Agent	8,391	8,391	16,782	-
Beneficiaries Impact Assessment (Twice over the project lifecycle)	-	32,851	-	-
Local Technical Consultant	<u>22,273</u>	<u>12,258</u>	=	=
Total	<u>940,709</u>	<u>403,549</u>	<u>16,864</u>	<u>56</u>

8. Fund Balance - End of Period

Fund balance, end of period represents the excess of cash inflows over cash outflows as of December 31, 2020, maintained by MoLG within the PA's Single Treasury Account and MDLF.

9. Budget Allocation:

All budget allocation based on MOLG request from MOF to Allocated amount to the activity under LGSIP project.

10. Part 1: Annual Capital Grants for Delivery of Local Services - Statement of Comparison of Budget and Actual Amount:

Description		USD 2020
Expenditures and Payments for 2020		2,432,266
A/P Al Shwawr Accrued payment for 2019 Paid 2020		(16,741)
Commitments regarding Small Council		327,444
Total		<u>2,432,266</u>

11. Part 2: Conditional Capital Grants for Investment in Joint Project - Statement of Comparison of Budget and Actual Amount:

Description		USD 2020
Expenditures and Payments for 2020		2,496,623
A/P Masader Co. Accrued payment for 2019 Paid 2020		(327,219)
A/P Al Arabia Co Accrued payment for 2019 Paid 2020		(223,840)
A/P Al Burj Co. Accrued payment for 2020		78,000
A/P Al Burj Co. Accrued payment for 2020		115,000
A/P Al Burj Co. Accrued payment for 2020		198,000
A/P Masader Co. Accrued payment for 2020		40,258
A/P Al Burj Co. Accrued payment for 2020		72,487
A/P Alm Al Jawaher Accrued payment for 2020		<u>56,817</u>
Total		<u>2,506,126</u>

12. Part 5 : Program Management

Description		USD 2020
Expenditures and Payments for 2020		940,709
A/P IVA Accrued payment for 2020		8,391

A/P LTC Co. Accrued payment for 2020		1,900
Total		<u>951,000</u>

13. Disclosures of Budgetary Basis Comparison with Actual , Period and Scope:

-LGSIP Statement of Comparison of Budget and Actual Amount are prepared using the Commitment Budgetary basis.

-The approved Budget dated 31/03/2020 and covers I year from 01/01/2020 till 31/12/2020.

-The entities included in the approved budget MDLF, MoLG and LGUs finance under the mentioned program.

14. Disclosures of difference according to Budget:

• **12-a:**

1. Justification of variance 1,500,000.00 USD: this amount related to DLI 5: Aggregated Expenditure percentage of approved Joint Projects /DLR 5.3: 50% in FY 20, and due the delay of meeting the mentioned DLI5 we received this amount in 2021 instead of 2020, on the other hand this amount included in approved budget from MOF.
2. Justification of variance 1,605,417.00 USD: this amount related to PA contribution allocated from MOF to LGSIP program budget and still not transferred to MOLG.

<u>DLI</u>	<u>Amount</u> MOF Budget	<u>Amount</u> world Bank Transfer	<u>Amount</u> Difference
DLI 2: Timely communication to VCs of the formula-based Annual Capital Investment Grant (ACIG) allocations and timely transfer of ACIGs to eligible VCs			
DLR #2.4 : Communication of the ACIG allocation to VCs by January 15 and transfer of ACIGs to eligible VCs by January 31,in FY 20	800,000.00	800,000.00	-
DLI 3: Percentage of VCs meeting the Program eligibility criteria annually.			
DLR 3.4: 70% in FY 20	1,661,250.00	1,661,250.00	-
DLI 4: Cumulative number of Joint Projects approved			

DLR #4.4 : 18 joint projects approved in FY 20	1,333,333.00	1,333,334.00	-
DLI 5: Aggregated Expenditure percentage of approved Joint Projects			
DLR 5.3: 50% in FY 20.	1,500,000.00	--	1,500,000.00 ¹
DLI 6: Steps to improve transparency and predictability in the allocation of the Transportation Fee adopted by MOLG			
DLR #6.2 : DLR #6.2 : Not later than FY 18 , at least 25% of annual allocation of the Transportation Fee is disbursed using the criteria set out in the Program Operations Manual	700,000.00	700,000.00	-
DLI 7: Capacity building activities delivered by MoLG based on their Annual Capacity Development Plan.			
DLR 7.4: Annual Capacity Development Plan executed in FY 19.	<u>400,000.00</u>	<u>400,000.00</u>	-
<u>PA contribution</u>	<u>1,605,417.00</u>	=	<u>1,605,417.00</u> ²
Total	<u>8,000,000.00</u>	<u>4,894,584.00</u>	<u>3,105,417.00</u>

- 12-b: the following reasons for delay of implementation of components:

Justification of variance 2.07 million USD: Due to Coronavirus there was a delay on implementation of sub-projects.

Budget Line	Budget Line Allocation as Approved from MOF	Actual	Variance
Part 1 : Annual Capital Grants for Delivery of Local Services	4.24	2.43	1.81
Part 2 : Conditional Capital Grants for Investment in Joint Project	2.44	2.37	0.07
Part 3: Capacity Support for strengthening Local Governance Institutions	0.38	0.19	0.19
Part 5 : Program Management	<u>0.94</u>	<u>0.94</u>	-
Total	<u>8.00</u>	<u>5.93</u>	<u>2.07</u>

*All amounts in millions

15. VC Balance –General Note

<u>Village Councils (VCs)</u>	Advance Payment	Liquidation of the Advance during the Period	Advance Balance
خريثا المصباح	208,935	151,189	57,746
قبيبا	199,235	121,614	77,621
الرماضين	128,851	79,160	49,691
هندازة وبريضعه	184,610	15,170	169,440
سالم	212,946	98,929	114,017
الجيب	110,551	51,322	59,229
مجلس دار صلاح	103,761	22,335	81,426
شقبيا	180,362	90,082	90,280
صفا	146,994	92,945	54,049
كفر نعمه	151,770	75,778	75,992
خلة الميه	170,912	77,345	93,567
مجلس الشواوره	112,467	25,100	87,367
Beit Ur Al-Tahta	144,682	86,495	58,187
بيت دجن	139,782	62,575	77,207
ابو العسجا	60,652	20,000	40,652
الفندقومية	84,381	22,715	61,666
ققوعة	102,570	62,959	39,611
عائين	87,094	24,775	62,319
صانور	99,195	27,297	71,898
الجديدة	117,644	31,801	85,843
سيريس	98,199	-	98,199
دير ابو ضعيف	164,136	125,639	38,497
ارطاس	103,941	22,815	81,126
حوسسان	139,489	34,584	104,905
الصرة	68,240	21,773	46,467
خرسا	24,532	13,622	10,910
الريحية	90,861	-	90,861
دير سامت	74,133	44,000	30,133
برقه	85,164	24,052	61,112
روجيب	132,113	99,553	32,560
تل	122,063	74,911	47,152
عورتا	163,393	100,186	63,207
دير ابو مشعل	86,581	24,237	62,344

كوبر	42,345	25,400	16,945
دير جرير	76,129	-	76,129
خربة ابو فلاح	109,291	71,042	38,249
مجلس حارس	45,015	-	45,015
مجلس الزعيم	56,430	56,430	-
مجلس فرعون	59,692	37,179	22,513
مجلس بيت ايبا	44,286	-	44,286
رنتيس	28,988	-	28,988
دير بزيغ	23,616	-	23,616
وادي الفارعه	<u>21,881</u>	-	<u>21,881</u>
Total	<u>4,607,912</u>	<u>2,015,009</u>	<u>2,592,903</u>