



صندوق تطوير وإقراض البلديات
Municipal Development & Lending Fund

MDLF CAPACITY BUILDING

A practical training manual
March, 2010



Preface

The Municipal Development and Lending Fund (MDLF) is a sustainable semi-government institution that effectively manages funds to enable local government units to provide quality services and achieve sustainable development in harmony with national plans and policies.

The municipal development program (MDP) is a ground breaking new effort in development and reform. Designed by the MDLF under the guidance of the Palestinian National Authority (PNA), the MDP recognizes that the first step toward improving municipal service is well-managed and more accountable local governments. MDLF will manage and implement the Municipal Development Program (MDP) in the next coming three years.

MDLF will manage, monitor, and evaluate projects and capacity building programs funded under the umbrella of MDP, and will directly report the progress and the impact of these projects and programs to stakeholders, in particular to the public, the national government and donors.

For effective management of the projects, programs and grants, MDLF has developed four integrated manuals. These manuals can be described briefly as illustrated in the following table:

Table No. (1) MDLF Manuals Description

Manual	Brief Description
Technical Operational Manual (TOM)	The purpose of this manual is to elucidate, step by step, the operations and procedures to be implemented by MDLF in ranking municipalities, allocating their grants for capital investment & operation, helping them to plan and implement projects to improve their services and hence improve the quality of life to their residents. This manual covers projects under Window 1 of the MDP
Capacity Building Manual (CBM)	The purpose of this manual is to elucidate, step by step, the operations and procedures to be implemented by the Municipal Development and Lending Fund (MDLF) (Institutional Development and Technical Assistance Department in particular) in implementing Window 3 of the MDP
Financial Manual (FM)	This manual describes in details all financial procedures to be followed by the MDLF in managing grants and projects.
Procurement Manual (PM)	This Manual provide straightforward and detailed guidance on the individual stages of the procurement process to be followed when conducting procurement against projects funded by the MDLF. It is designed to be simple to use, by breaking the overall procurement process down into a series of individual stages



This manual (Capacity Building Manual CBM) is designed to be used mainly by MDLF - IDTA department staff, alongside with a number of other documents, including in particular MDLF's Grant Allocation Mechanism (GAM) and MDLF's Procurement Manual, Technical Operational Manual, and Financial Manual.

As part of its purpose, this manual includes all necessary tools (forms) needed to implement Window 3 of the MDP (MDP comprises of 4 windows – for more details please refer to the Project Appraisal Document PAD).

Finally, this manual is a living document and needs to be reviewed and updated (if necessary) at the end of each cycle of window 3. Updates or revisions to the contents of the manual are subjected to the review and agreement of the World Bank and project partners.

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Attached Forms

Form Number	Form Title
CBM-F-01	Request For Application
CBM-F-02	Capacity Building Program Application Form
CBM-F-03	Orientation Workshop Invitation Letter
CBM-F-04	CB Application Register Form
CBM-F-05	Acknowledgment of CB Application Receipt Letter
CBM-F-06	CB Application Status Note
CBM-F-07	MOU – GIA Signing Ceremony Invitation Letter
CBM-F-08	Milestone Progress Report- Municipality
CBM-F-09	Final Report
CBM-F-10	Milestone Progress Report- MDLF
CBM-F-11	Memorandum of Understanding (MOU)

Abbreviations

BOD	Board of Directors
CB	Capacity Building
CBM	Capacity Building Manual
GAM	Grant Allocation Mechanism
GD	General Director
GDO	General Director of Operations
GIA	Grant Implementation Agreement
FY	Fiscal Year
FD	Financial Department
FM	Financial Manual
IDTA	Institutional Development and Technical Assistance
LGUs	Local Government Units (municipalities or Municipal Areas for the purpose of this manual)
LTC	Local Technical Consultant
MDLF	Municipal Development and Lending Fund
MDP	Municipal Development Program
MOU	Memorandum of Understanding
MoLG	Ministry of Local Government
O&M	Operations and Maintenance
PNA	Palestinian National Authority
PRDP	Palestinian Reform and Development Plan
PD	Procurement Department
PM	Procurement Manual
RFA	Request for Applications
RFP	Request for Proposals
SDIP	Strategic Development and Investment Plan
SPD	Strategic Planning Department
TD	Technical Department
TOM	Technical Operational Manual
TOR	Terms of Reference
EOI	Expression of Interest



Part One

Introduction

1.0 Background

To support the goals of the Palestinian Reform and Development Plan (PRDP) for development at local level, the Palestinian National Authority (PNA) has conceived the Municipal Development Program (MDP). The MDP will be implemented by the Municipal Development and Lending Fund (MDLF). The MDLF has developed the MDP to operationalize the PRDP's goals for promoting local development. The MDP contributes to the larger PRDP goal of strengthening local governments by enhancing their efficiency and effectiveness and by moving them towards fiscal stability. The MDP is a multi-phase national program which provides municipalities with a combination of technical assistance and periodic cyclic performance based grants for sub-projects that improve service delivery. The formula for performance grants is designed to create incentives for municipalities to progress towards creditworthiness.

The MDP has 4 Windows through which funds will be disbursed in its first Phase (2009-2012) as described in table no. (2) below:

Table No. (2) MDP Windows

	Windows
Window 1	Municipal Grants for Capital Investments
Window 2	Support to Municipal Innovations and Efficiency
Window 3	Capacity Building
Window 4	Program Management (including Monitoring and Evaluation, Audits, Technical Assistance to municipalities)

Window 3 (which is the focus of this manual) will support municipalities to graduate to higher performance categories in the performance ranking system in which they are currently classified. It will cover the costs of goods and services. Building on the Local Government Capacity Building Project (LGCBP) that is currently being implemented by the MDLF, MDP will provide technical assistance to municipalities to improve their:

- Financial management, including revenue enhancement for municipal service provision
- Planning capacities, with a specific focus on community participation.
- Technical capabilities, in particular for operations and maintenance.

The technical assistance packages described in this manual are demand driven and training targets are determined by the number of municipalities within each rank.



2.0 The Grant Allocation Mechanism (GAM)

The Grant Allocation Mechanism (GAM) proposed for MDP strongly aims at creating incentives for the presently 132 Palestinian municipalities to improve their performance and capacities, in particular in the fields of:

- Financial Management,
- Development Planning,
- Operations and Maintenance of municipal services and infrastructure.

For this purpose, the transfer mechanism (TM) establishes a system with 6 main ranks ranging from 6-F as the lowest rank to 1-A as the highest, best-performing rank. Moreover, it defines 12 variables as key performance criteria (indicators) that determine how a municipality will be classified in the ranking system. Annex No. 1 describes the indicators of performance criterion and the definition of each indicator.

For more information about the allocation mechanism please refer to the GAM document.

3.0 Eligible Applicants

All Municipalities are eligible to apply for the capacity building packages, however the capacity building packages will be distributed to municipalities based on their initial ranking and ability to migrate to upper rankings as MDP proceeds. An assessment criterion will be used to assess the applications of the municipalities. Based on the assessment process the capacity building packages will be distributed to municipalities in each cycle of the program.

Table No. 3 below describes the CB packages each municipality could apply for.

Table No. 3 The CB packages each municipality could apply for

Municipality Rank	The CB Packages that the municipality could apply for
1-A	<ul style="list-style-type: none"> • Integrated Financial Management Information System (IFMIS)
2-B	<ul style="list-style-type: none"> • Operation and Maintenance plan • Fixed assets registration and valuation • Integrated Financial Management Information System (IFMIS)
3-C	<ul style="list-style-type: none"> • Strategic Development and Investment Plan • Financial policies and procedures • Fixed assets registration and valuation
4-D	<ul style="list-style-type: none"> • Financial policies and procedures • Municipal Strategic Development and Investment Plan
5-E	<ul style="list-style-type: none"> • Financial policies and procedures
6-F	<ul style="list-style-type: none"> • No municipalities in this rank

4.0 Technical Assistance Areas of Intervention and Packages

4.1 Technical Assistance Areas of Intervention

The following is a description for the areas where technical assistance will be provided:

a) Improved Financial Management

- i. Support will be provided for:
- ii. The roll out of the financial management manual which includes the basic use of the new chart of accounts,
- iii. Asset registration and valuation support to a group of municipalities;
- iv. Roll out of the municipal budgeting procedures;
- v. Promotion of municipal external audits;
- vi. Office and IT equipment based on MDLF's assessment of the municipal financial departments for a group of municipalities; and
- vii. The roll out of an Integrated Financial Management Information System for a group of municipalities.

b) **Strategic Development and Investment Plans (SDIP):**

- i. This activity will support a group of municipalities to develop simple strategic development and investment plans with the participation of communities and relevant stakeholders.
- ii. Technical Assistance to Municipalities for overall improved management, especially for operations and maintenance (O&M) plans and procurement
- iv. This will include:
- v. Development of O&M guidelines and a procedural manual
- vi. Piloting use of the manual in a group of municipalities

4.2 Capacity Building Packages

The following four CB packages will be implemented in the next coming three years:

- Strategic Development and Investment Plan
- Fixed Asset Registration and valuation
- Financial policies and procedure manual
- Integrated Financial Management Information system
- Operation and Maintenance plan

Annex No.2 Contains a description for the CB Packages

Annex No.3 shows the CB program (W3) lifecycle and implementation plan

5.0 MDP Window 3 Main Phases

Implementation of Window 3 will be through a cycle of five phases as follows:

Phase One: Preparation Phase

- Designing and developing the technical assistance CB packages
- Orientation of municipalities about MDP CB window

Phase Two: Initiation Phase

- Announce for Request of Applications
- CB Packages Selection, Submission, Evaluation, Grouping, and Approval
- Applications Evaluations and Revision by MDLF
- Signing MOUs and GIAs

Phase Three: Procurement Phase

- Procurement Process by the Municipalities
- Procurement Process by the MDLF

Phase Four: Implementation Phase

- Implementation by the Municipalities
- Implementation by MDLF

Phase Five: Close up Phase

- Monitoring and Evaluation



Part Two

MDPs Window (3) Operations Flow Chart

Phase	Activity	Responsibility	Tools / Forms	Output	Time Frame
Phase One: Preparation Phase	Designing and developing the Technical Assistance Packages	IDTA – Design – Preparation GDO – Revision GD – Final Approval	--	documents for each the of the Technical Assistance Packages: This bundle will include at least the following: - Terms of Reference (TOR) for each package: - Request For Application (to be announced for the municipalities) - Capacity Building Application Form - Request for EoI (to be announced for the consultants / Providers) - Evaluation Criterion for the EoIs - Request for Proposals (RFP) (to be announced for the consultant / providers) - Proposals evaluation criterion - MOUs templates - No. of municipalities to be targeted by this TA package	First two months of the cycle
	Preparing Package of Documents to be distributed to Municipalities	IDTA – Design – Preparation GDO – Revision GD – Final Approval	Request for Application (CBM – F-01) CB Application Form (CBM-F-02)	The package includes basically the following documents: - Request for Application - CB Application Form - Any other necessary document that may help the municipalities	
	Preparing Proper Orientation/ Training Material	IDTA Department (Design – Preparation) GDO – Revision	---	Orientation Materials	
	Grouping Municipalities according to geographic locations and Sending Official Invitation Letters	IDTA department in coordination with TD (preparation) GD – Signature	Orientation Invitation Letter (CBM-F-03)	- Four groups (three WB and One GS) - Sending Orientation Invitation Letter	
	Conducting One Identical Orientation Workshop for Each Subgroup	IDTA Department or LTC	Orientation Presentation Materials	4 Workshops	



Phase	Activity	Responsibility	Tools / Forms	Output	Time Frame
Phase Two: Initiation Phase	Announcement for Request of Applications	IDTA Department in coordination with PD(preparation) PD – announcement and follow up	Request for Application (CBM-F-01),	Asking municipalities to apply for the CB program officially	Third and fourth month of the cycle
	Completing Application Form	Municipality: Submission of the Application MDLF: registration of the application and issuance of Acknowledgment of Application Receipt Letter	Applications Register form (CBM-F-04) Acknowledgment of Application Receipt Letter (CBM-F-05)	Receiving Complete applications from municipalities	
	Evaluation of applications & initial grouping according to priorities	IDTA Department (Design – Preparation) GDO – Revision	CB Application form (CBM-F-020)	CB groups	
	Identification of Contracting Modalities	IDTA department	CB Application form	List of municipalities capable of managing the bidding process and the implementation phase by itself in coordination with MDLF and under its supervision and list of municipalities that the MDLF will manage the bidding and implementation process on behalf	
	Signing CB MOU - GIA	MDLF GD and Municipalities mayors	MOUs - GIAs	Signed MOUs - GIAs	

Phase	Activity	Responsibility	Tools / Forms	Output	Time Frame
<p>Phase Three: procurement Phas</p>	<pre> graph TD A[Tendering CB Packages] --> B[Through LGUs] A --> C[Through MDLF] B --> D[Contracting] C --> D D --> E[] </pre>	<p>MDLF & LGUs</p>	<p>Request for No Objection to Award</p>	<p>Contracts</p>	<p>fifth month of the cycle</p>



Phase	Activity	Responsibility	Tools / Forms	Output	Time Frame
Phase Four: Implementation Phase	Progress Reports	MDLF follow up implementation by municipalities and consultants	Milestone Progress Report - Municipalities (CBM-F-10) Final Report (CBM-F-11) Milestone Progress Report - MDLF (CBM-F-12)	Implemented Projects	from the sixth month to the twelfths of the cycle
	↓				
	Final Reports				
	↓				
	Monitoring and Evaluation				

Phase	Activity	Responsibility	Tools / Forms	Output	Time Frame
Phase Five: Close up Phase	↓	IDTA department in coordination with M&E staff will conduct an overall evaluation for the program cycle	--	evaluation report	The thirteenth month of the cycle
	Projects Evaluation				

Part Three

Capacity Building Window (3) Operations Detailed Description



1.0 Phase One: Preparation Phase

This phase is a preparatory phase for Widow3 to start; in this phase MDLF will design, develop, and finalize the CB Packages, prepare package of necessary documents to be distributed to municipalities, and aware municipalities regarding MDLF's capacity building packages, its conditions and requirements. This Phase will take approximately one month implementation

1.1 Designing and developing the Technical Assistance Packages

1.1.1 In this stage the IDTA department will design, develop and finalize a bundle of documents of each Technical Assistance Package. This bundle will include at least the following:

- Terms of Reference (TOR) for each package: This TOR will include:
 - Background
 - Assignment Objectives
 - Assignment Scope of Work
 - Assignment Phases, Activities, tasks
 - Implementation Methodology
 - Reporting
 - Main deliverables
 - Assignment Administration
 - Consultant Qualifications
 - Payments
- Request For Application (to be announced for the municipalities)
- Capacity Building Application Form
- Request for EoI (to be announced for the consultants / Providers)
- Evaluation Criterion for the EoIs
- Request for Proposals (RFP) (to be announced for the consultant / providers)
- Proposals evaluation criterion
- MOUs templates
- --- as MOLG and Donors to take their feedback.

1.2 Orientation of Municipalities about MDP CB Window

This step consists of two main activities; these are preparing necessary documents and proper presentation material to be delivered to municipalities, explaining the MDP support program / CB packages conditions and requirements, and conducting the orientation workshops.

1.2.1 Preparing Package of Documents to be distributed to Municipalities

1.2.1.1 In this activity the IDTA Department prepares a package of documents to be available on line (at the MDLF website) to all eligible municipalities at the launching stage of MDP/ Window three.

1.2.1.2 The package includes basically the following documents:

- List of eligible Municipalities and their ranks, and the CB packages each municipality could apply for
- Request for Application (CBM – F-01)
- CB Application Form (CBM-F-02)
- Any other necessary document

1.2.1.3 IDTA department manager submits the prepared package to GDO for revision and approval.

1.2.1.4 GDO reviews the package and forward it to the GD for final approval before disclosure on the MDLF'S website.

1.2.1.5 Upon final approval, the IDTA department submits the package to the Public Relations Officer to post it on MDLF'S website.

1.2.1.6 The IDTA department notifies municipalities/LGUs with the availability of packages on the MDLF website (e.g. via fax, E-mail, advertisement in newspaper, etc.), and inform them that if they do not have access to internet they could receive the package form MDLF offices.

1.2.2 Preparing Proper Orientation/Training Material

1.2.2.1 This activity has to be completed before posting the CB packages and related documents on MDLF website; IDTA department may request local technical consultant (LTC) support for the first program cycle to prepare a proper orientation material and to conduct the orientation workshops.



1.2.2.2 The orientation material should basically focus on the following issues:

- Raising awareness of municipalities regarding MDLF's Municipal Development Program/ Windows, CB Packages, its schedule, conditions and requirements.
- Completion of the CB application form and provision of supporting documents
- Details of the Memorandum of Understanding (MOU) and Grant Implementation Agreement (GIA)
- Procurement Instructions

1.2.2.3 IDTA department submits copy of the orientation material to GDO for comments and feedback.

1.2.3 Grouping Municipalities and Sending Official Invitation Letters

1.2.3.1 The IDTA department will coordinate with the TD to conduct the orientation/training workshops for both Window 1 and Window 3 at the same time.

1.2.3.2 The IDTA department (in coordination with the TD) splits the 132 municipality into 4 subgroups in the West Bank (North, Middle, and South) and one in Gaza Strip.

1.2.3.3 IDTA department (in coordination with the TD) schedules the orientation to be conducted; one identical orientation workshop for each subgroup.

1.2.3.4 IDTA department in coordination with the TD submits the orientation/training schedule to GDO for feedback

1.2.3.5 GDO reviews and forwards his recommendations to GD for final approval

1.2.3.6 The IDTA department prepares invitation letter to each municipality (see Orientation Workshop Invitation Letter (CBM-F-03): the information listed below to be provided in the workshop:

- Municipality Rank incl. explanation
- Amount of allocation for the municipality
- MDP windows and its description / requirements
- Capacity Building Package/Packages each municipality is eligible to apply for
- Place and date of the orientation/ training workshop
- Link address for downloading orientation material

1.2.3.7 IDTA department submits all letters to GDO for audit

1.2.3.8 GDO forwards all letters to GD for signature

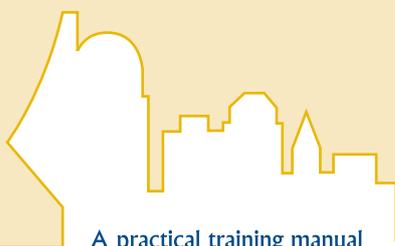
1.2.3.9 Signed letters must be sent to all municipalities by IDTA department

1.2.4 Conducting One Identical Orientation Workshop for Each Subgroup

1.2.4.1 While TD and IDTA department schedule the orientation workshops, they also arrange for workshops place and light hospitality; estimated expenses have to be approved by MDLF'S financial department (FD), and arrangements of these events should be done in full coordination with the SP&PR department

1.2.4.2 TD and IDTA department will conduct one identical orientation/training workshop in the four different places; One in Gaza, and Three in West Bank (north, middle and south).

1.2.4.3 TD/IDTA department may request LTC support to conduct the training/ Orientation workshops.



2.0 Phase Two: Preliminary (Initiation) Phase

This Phase will take approximately two months

2.1 Announcement for Request of Applications

2.1.1 After Completing Orientation/ Training workshops the MDLF will issue a Request for Application (CBM-F-01), inviting municipalities to apply for the CB packages and selecting / requesting one or more of the CB packages according to the CB application form.

2.1.2 The RFA will be sent officially through fax and e-mail (when possible) to municipalities.

2.1.3 The RFA may also be advertised in local newspapers (according to the instructions of the procurement manual) and will be published on the MDLF website.

2.1.4 The RFA shall contain the following:

- Brief description of the MDP
- Available CB packages for that year, and submission conditions.
- Asking municipalities to apply for the CB packages and informing them how they can obtain the application form and other related documents (download the Application form and other necessary documents from MDLF website or picking them directly from MDLF offices (in West Bank and Gaza Strip).
- Dead line for application
- Specifying the places to submit the applications, the submittal provisions, responsible persons to receive the applications, and any other applicable provisions at the time of the announcement.
- Asking each municipality to confirm receiving the letters and RFA (and downloading or taking the application form) in an official letter to be sent to MDLF within 10 days from the advertisement.

2.2 CB Packages Selection, Submission, Evaluation, Grouping, and Approval.

2.2.1 Completing Application Form

- 2.2.1.1 Each municipality, and according to its rank and the requirements to pass to higher ranks must select the appropriate CB packages. MDLF/ IDTA department may request the service of LTC to help municipalities in completing the application form.
- 2.2.1.2 Each municipality must complete the CB application and provide all needed information and data. (during the orientation workshops, the MDLF staff will explain to participated municipalities that the MDLF staff at MDLF offices (or the LTC) will be available to help them in completing the application form)
- 2.2.1.3 The completed application dossier shall consists of the following:
 - a. Complete CB application form
 - b. Municipality cover letter signed by the Mayor
 - c. Any other documents that may be requested by the IDTA Department.
- 2.2.2 Completed application dossier shall be submitted to the MDLF offices. For each application two hard copies and one soft copy (one CD) must be submitted.
- 2.2.3 The IDTA Department at MDLF will register the receipt of the Application Form in the Applications Register form (CBM-F-04) (after checking the availability of two hard copies and one CD soft copy) and provide the municipality representative with Acknowledgment of Application Receipt Letter (CBM-F-05).

2.3 Applications Evaluation and Revision by MDLF

- 2.3.1 Assessing and Evaluating the application forms
- 2.3.1 MDLF IDTA Department will review and assess all applications using the CB application assessment criteria attached to the application form.
- 2.3.2 The revision and assessment process will take 4-6 weeks and the municipalities will be informed of this period through the Application Receipt letter (CBM-F-05).
- 2.3.3 Table No. (4) below explain the assessment criterion main issues to be followed by MDLF / IDTA department to assess and evaluate the application form, to decide the most appropriate CB packages for each municipality, and to asses the readiness of the municipalities to manage the procurement process by their own

Note: the CB application assessment annex attached to the application form contains further explanation for the assessment criterion.



Table No. (4) Applications assessment Criterion Main Items

No.	Scope	Main Items to be assessed
1	Assessing Financial Situation at the Municipality	Availability of Organizational Structure, job description for the employees in the Financial Department Availability of documented financial and accounting procedures, policies, internal control procedures Availability of external auditor Nature and type of Accounting System Using new Unified Chart of Accounts Available IT employee/s
2	Assessing Fixed Assets Registration at the Municipality	Availability of Fixed Asset department / Employees Availability of list of assets Availability of records of fixed assets (lands, buildings, vehicles, equipment, machines, furniture's... etc)? according to the Excel sheets prepared by the MDLF The municipal staff participated in training courses on fixed asset registration of the Engineers Association
3	Assessing Strategic Development and Investment Planning at the Municipality	Availability of Strategic Plan Availability of Strategic Planning / Urban planning Department at the municipality Availability of employees specialized in proposal writing and fundraising Outreach activities and public participation
4	Assessing the Capacity of the Municipality in Procurements and Projects Management	Availability of specialized procurement department Availability of documented procurement procedural manual Participation of Municipality Staff in the MDLF procurement Training Managing consulting or individual expert contracts for technical assistance, training or similar services on its own Availability of Documented Project Management and Procedural Manual

2.3.4 Based on the revision and assessment process for the CB application forms, the IDTA Department will:

2.3.4.1 Group the municipalities into groups (according to the available CB packages for that year)

2.3.4.2 Chose the municipalities that have the required capacity to manage the procurement process directly and the municipalities that the MDLF will manage the procurement process instead of it (in coordination with the procurement department).

- 2.3.4.3 The IDTA department will prepare a report composed of two parts, the first part describes the two CB groups, and the second part contains list of municipalities that are recommended to manage the procurement process themselves, and the municipalities that the MDLF is recommended to manage the procurement process on their behalf as they do not have the required procurement capacity.
- 2.3.4.4 The IDTA department will send the report to the GDO for revision and approval.
- 2.3.4.5 The GDO will discuss his notes with the IDTA department manager and forward the modified report to the GD for final approval.
- 2.3.4.6 According to the GD approval, the IDTA department will prepare a letter (See the Application Status Notice form (CBM-F-06)) to be send to municipalities informing them with:
- The CB packages they will benefit from
 - Whether they will manage the Procurement process by their own or not.

These letters should be reviewed by the GDO and signed by the GD, and the IDTA department should follow up sending the letters to all municipalities.

- 2.3.5 The MDLF decisions regarding the grouping and procurement management issues are open to appeal by the municipalities. In such a case, the municipality shall submit whatever arguments it has through an official letter to the General Director within 10 days of receiving the MDLF initial decision. In his or her turn, he will follow up their appeal with the IDTA department manager and the GDO. Appeals are settled by a committee formed by the GD, with no further right of appeal. The committee will be headed by the GDO and, the TD manager, the IDTA department manager in addition to the PD manager). The GD will send an official letter to the municipalities informing them with the result of their appeal and any other consequence may result from the revision process.
- 2.3.6 The appraisal and approval period shall not exceed four -six weeks from the date the MDLF receives a completed Application.
- 2.3.7 A summary of revision, and assessment processes results (CB groups and procurement responsibility) shall be published on the MDLF's website.
- 2.3.8 Municipalities whom are selected to manage the procurement process by themselves will be asked to provide the MDLF with a procurement plan (according to the PPM form (TOM-F-04) from the technical operational manual)



2.4 Signing Memorandums of Understanding (MOU), and Grant Implementation Agreements (GIA)

- 2.4.1 The IDTA department will prepare the MOU (CBM-F-011) documents for all municipalities whom the MDLF will manage the procurement process on their behalf of them.
- 2.4.2 The IDTA department will prepare the GIA documents for all municipalities who will manage the procurement process by their own (The GIA is similar to that used in the technical operations manual).
- 2.4.2 IDTA department manager –in coordination with the Public Relation officer-coordinates MOUs, and GIAs ceremonies for each group of municipalities. (Either in the MDLF offices or in a certain appropriate selected place)
- 2.4.3 The signing ceremonies must be attended by each municipality mayor and MDLF GD (and BOD chairman if possible).
- 2.4.4 An official letter has to be sent to each (MOU – GIA Signing Ceremony Invitation Letter (CBM-F-07) municipality informing them with the date, time and place of the signing ceremony and requesting the attendance of the mayor bringing with him official stamps of the municipality.
- 2.4.5 Two copies of the MOU or GIA must be prepared and signed. One copy for the municipality and the second copy to be archived in the procurement department files.
- 2.4.6 The GIA must be attached with an approved PPM.

3.0 Phase Three: Procurement Phase

Note: Eligible expenditure under the technical assistance packages may be for goods or consultants services.

This Phase will take approximately one month

3.1 Procurement Process by the Municipalities

3.1.1 The IDTA department will coordinate with the PD for determining the following:

- Relevant Procurement Method
- Evaluation criterion
- Preparing a package containing any documents or forms (according to the MDLF procurement manual) which may help municipalities in the procurement process.

3.1.2 The IDTA department manager will prepare a letter to be sent to the municipalities attached with the related package of documents. The letter shall be reviewed by the GDO and signed by the GD

3.1.3 The IDTA Department will take the responsibility to send the packages and signed letters to the municipalities (which are selected to manage the procurement process by themselves.)

3.1.4 MDLF may request the service of LTC to help municipalities in the procurement process.

3.1.5 Contracting shall be used to the greatest extent practicable in projects financed by the MDLF funds. Procurement methods and their applicability limits/thresholds are explained thoroughly in the MDLF Procurement Manual.

3.1.6 The IDTA Department may participate in any tender opening and evaluation session conducted by the municipality and must participate in a sample (at least 20%) of such events as a witness.

3.1.7 The municipality shall prepare a Tender evaluation report endorsed by the procurement committee and submit it to the IDTA department for review attached with Request for MDLF's No Objection to Award (if requested and according to the instructions of the procurement manual). The IDTA department may review the Tender opening procedures and may investigate any aspect of the Tender and the award, including but not limited to the consultant/provider qualifications and history.



- 3.1.8 The IDTA department (in coordination with the Procurement Department) recommend that the MDLF issue a No Objection to Award (according to the procurement manual), for signing the contract between the municipality and the selected consultant.
- 3.1.9 The municipality, after receiving the no objection from the MDLF, will inform the consultant to execute the contract (or the provider to provide the requested goods) by sending Notification of Award. The municipality shall ensure that all contractual conditions for executing the contract are met.
- 3.1.10 An official contract shall be prepared and signed between the municipality and the selected consultant/provider.
- 3.1.11 Three original copies of the contract shall be executed, and they shall be retained by the consultant, the municipality, and the MDLF.

3.2 Procurement Process by MDLF

- 3.2.1 The IDTA department will coordinate with the PD for determining the following:
- Relevant Procurement Method
 - Evaluation criterion
 - Any other issues concerning the procurement process
- 3.2.2 The IDTA department manager will prepare a procurement process initiation cover letter asking the procurement department to start the procurement process. The letter shall be reviewed by the GDO and approved by the GD.
- 3.2.3 The procurement department will manage the procurement process according the procurement manual.
- 3.2.4 Once the procurement department receives the procurement process initiation cover letter from IDTA department to start the procurement process, the PD shall start the procurement process according to the instructions of the procurement manual.
- 3.2.5 The GD will form a committee to evaluate the proposals / EoI / offers and send a committee formation letter to the PD and a copy to each member of the committee.
- 3.2.6 The Evaluation committee will open and evaluate the proposals / offers and select the best responsive one. (For further details, refer to the procurement manual)
- 3.2.7 The committee shall prepare an evaluation report signed by the committee members and submit it to the GDO for review.

- 3.2.8 The GDO will forward the evaluation report to GD for final approval.
- 3.2.9 If requested, the MDLF will coordinate with the corresponding donor to issue a No Objection to Award (according to the Procurement Manual instructions)
- 3.2.10 The IDTA department, after receiving the final decision of the GD (and the no objection from donors if requested), will inform the consultant to execute the contract (or provider to provide goods) By sending Notification of Award. The IDTA department shall ensure that all contractual conditions for executing the contract are met.
- 3.2.11 An official contract shall be prepared (by the PD) and signed between the MDLF and the winner consultant / provider.
- 3.2.12 Two original copies of the contract shall be executed, and they shall be retained by the consultant and the MDLF.



4.0 Phase Four: Implementation Phase

This Phase will take approximately 8 months

4.1 Implementation by the Municipalities

- 4.1.1 The municipality will issue an official letter asking the consultant (or provider) to start implementation or provision according to signed contract. A copy of this letter must be send to MDLF/IDTA.
- 4.1.2 The consultant (provider) shall start implementation according to the schedule provided in the contract.
- 4.1.3 The municipality throughout the implementation phase shall ensure the following are done:
 - a. Supervision of all quality control, technical, and financial provisions in accordance with the contract agreement, the technical requirements, and MDLF/MDP guidelines.
 - b. Verification and approval of payments requested by the consultant (provider).
 - c. Preparation of milestones progress reports (connected to consultant payment requests) which will be forwarded to the MDLF no later than 15 days from completing the milestone. Such reports shall include: progress of the work against the original working schedule, technical and managerial constraints facing the project and the solutions adopted to overcome these constraints divergence from MDLF guidelines and justification, consultant performance, and payments request submitted by the consultant approved by the Municipality. (See the Milestone Progress Report template-Municipalities (CBM-F-08).
- 4.1.4 MDLF may request the assistance of LTC to help municipalities to supervise the implementation phase.
- 4.1.5 The MDLF will process the payment requests according to the contract administration guidelines documented in the procurement manual.
- 4.1.6 The MDLF throughout the implementation phase shall monitor the implementation and verify the output and the progress of the work to ensure compliance with MDLF guidelines and quality control. More specifically, the IDTA department staff shall, from time to time and as needed:
 - Oversee the work implementation and solve any arising constraints
 - Ensure the quality control of the implementation and outputs.

- 4.1.7 The IDTA department and the M&E officer (and based on the progress reports submitted by municipalities and the follow up, will update the MDLF monitoring system to document actual achievement and the percentages of disbursements.
- 4.1.8 Within thirty days from contract items completion date, the municipality shall prepare and submit the Assignment final report to the IDTA department. Such a report will include and verify the following:
- a. All deliverables
 - b. Actual time schedule vs. contract time schedule
 - c. Approved time extension
 - d. Actual dates of payments to the consultant /provider
 - e. Documentation for all quality control measures
 - f. Special problems encountered during the implementation
- (See the Final Report template (CBM-F-09))
- 4.1.9 The municipality shall submit two copies of the final report.
- 4.1.10 The final report will be published on the MDLF website.
- 4.1.11 At least, the MDLF will summarize the progress of the program cycle semi-annually and annually and post them on the web and include them in its communication campaign material.

4.2 Implementation By MDLF

- 4.2.1 The IDTA department will issue an official letter asking the consultant (or provider) to start implementation or provision according to signed contract.
- 4.2.2 The consultant/provider shall start the implementation/provision according to the schedule provided in the contract.
- 4.2.3 The IDTA department throughout the implementation phase shall ensure that the following are done:
- a. Supervision of all quality control, technical, and financial provisions in accordance with the contract agreement, the technical requirements, and MDP guidelines.
 - b. Verification and approval of payments requested by the consultant/provider.
 - c. Preparation of milestones progress reports (connected to consultant payment requests),



the report shall be prepared by the consultant. Such reports shall include: progress of the work against the original working schedule, technical and managerial constraints facing implementation and the solutions adopted to overcome these constraints, divergence from MDLF guidelines and justification, and payments request submitted by the consultant. (See the Milestone Progress Report template- MDLF (CBM-F-10).

- 4.2.4 The MDLF will process the payment requests according to the contract administration guidelines documented in the procurement manual.
- 4.2.5 The MDLF throughout the implementation phase shall monitor the work process and verify the output and the progress of the work to ensure compliance with MDLF guidelines and quality control. More specifically, the IDTA department staff shall, from time to time and as needed:
 - a. Conduct selective supervision visits to municipalities
 - b. Oversee the work implementation and solve any arising constraints
 - c. Ensure the quality control of implementation and outputs
- 4.2.6 The IDTA department and the monitoring and Evaluation Officer will update the Monitoring and Evaluation system to document the achievement and the percentages of disbursements.
- 4.2.7 Within thirty days from contract items completion date, the IDTA department shall prepare project final report. Such a report will include and verify the following:
 - a. All deliverables of the project
 - c. Approved variation orders
 - d. Actual time schedule vs. contract time schedule
 - e. Approved time extension
 - f. Actual dates of payments to the consultant
 - g. Documentation for all quality control measures; and(See the Project Final Report template (CBM-F-09))
- 4.2.8 The final report will be published on the MDLF website.
- 4.2.9 At least, the MDLF will summarize the progress of the program cycle semi-annually and annually and post them on the web and include them in its communication campaign material.

5.0 Phase Five: Closure / Evaluation Phase

5.1 Upon completion of each cycle of CB window, the IDTA department in coordination with M&E staff will conduct an overall evaluation for the cycle. The purposes of such evaluation will be to:

- a. Evaluate the outputs against its objectives
- b. Verifying that the project is consistent with the support program indicators.
- c. Meet with the benefitted municipalities; if necessary.

5.2 A copy of the project evaluation report shall be sent to the GDO for revision and approval.

5.3 Annually, the MDLF will summarize all evaluation reports and post the results on its Website.

5.4 This Phase will take approximately one month



