

Annual Report 2015

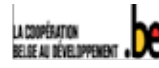
Covering the period from January 1st to December 31st, 2015

**Municipal Development and Lending Fund
(MDLF) - Palestine**

February, 2016

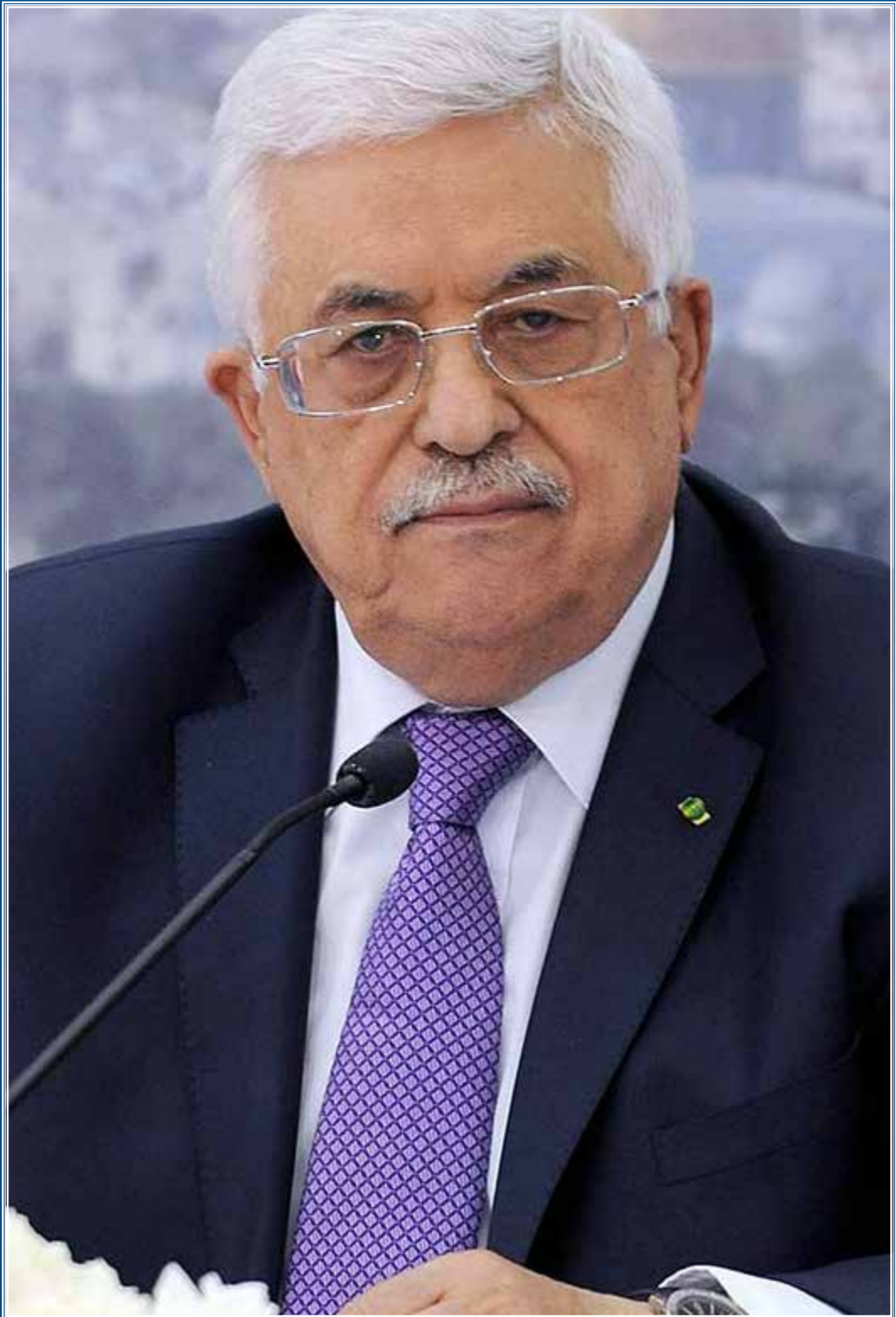


صندوق تطوير وإقراض البلديات Municipal Development & Lending Fund





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The President
Mahmoud Abbas



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The Prime Minister
Rami Hamdallah



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Municipal Development & Lending Fund

For better life



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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



MDLF Team: Dedication and Professionalism



Our Vision

Effective Local Government units able to achieve better life for their citizens.



Our Mission

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



MDLF Values

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



Our Strategic Themes

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



To Our Municipalities

It is our promise to invest in our Municipalities to help them to succeed and help them to develop their skills for better management, to provide better services for a better life for citizens.





Achievements

Since the introduction of MDLF programs whose purpose to improve the municipal services and to enhance the municipal performance capacities. We believe our work contributes to the building of our Palestinian State through improving the quality and quantity of vital services at Local Government Units.

The following are the accumulated accomplishments achieved until the end of December of 2015:



Roads

767 kilometer
of roads were paved,
developed and rehabilitated,

11.6kilometer
of street lighting networks
were rehabilitated,

18,066 lighting
units were supplied,

15 kilometer
of retaining walls were
constructed,

108 kilometer
of sidewalks were constructed.



Water

51 kilometer
of water networks were
rehabilitated/constructed,

31,459 L.m
of pipes were supplied,

2,135 water meters
were installed,
3 water pumps were installed.



Wastewater

71 kilometer
of wastewater networks were
rehabilitated/constructed,

7,498 L.m
pipes were supplied,
6 wastewater pumps were installed,

11.6kilometer
of street lighting networks were
rehabilitated,

18,066 lighting
units were supplied,

15 kilometer
of retaining walls were constructed,

108 kilometer
of sidewalks were constructed.



Electricity

11 kilometer
of electrical networks were
rehabilitated,

1,647 pre-paid meters
were installed.



Public Facilities

61,103 Sq. meter
of public buildings were
constructed,

96,179 Sq. meter
of parks and public gardens
were constructed.



Solid Waste

6,367 solid waste
containers were provided,

2 tractors
were provided,

4 trailers
were provided,

2 garbage trucks
were provided.



SDIPs

99 municipalities
were supported in preparing
SDIP



FPPM

130 municipalities were
coached on using the financial
policies and procedures manual
“FPPM”.



Physical Plans

6 municipalities
were supported in developing
their physical plans



IFMIS

34 municipalities
were supported in applying the
Integrated Financial
Management Information
System “IFMIS”



Fixed Assets Registration

123 municipalities
were supported in registering and
valuation their assets



Persons Days

About 2.5 million Persons day
were created



Key Achievements **2015**

Work Progress:

- Implementation of Area C projects was initiated from the EU and the SDC Funds.
- MDLF was assigned by the Ministerial Council to be a member of the ministerial committee of Area C development.
- Two Financing agreements with AFD and the KFW were signed under MDPII-2nd cycle.
- A new agreement with the SDC was signed for the benefit of Gaza Municipalities under MDPII/Window 5
- The midterm evaluation for MDPII took place - the results were viewed positively among key stakeholders.
- The preparation of the Local Government and Services Program (LGSIP) was completed.
- E-Archiving was activated.
- Web application survey was activated and used for the MDPII ranking update as well as the call for capacity development packages.
- Implementation plans for all MDLF interventions were developed.

Disbursement:

- During 2015 the MDLF disbursed nearly US\$ 34.5 million of infrastructure, capacity building and innovative initiative projects to all municipalities in West Bank and Gaza.

Communication and Outreach:

- MDLF PR function was activated.
- Workshops were organized to outreach to Mayors and municipal staff.
- External relations were improved.

MDLF Human Resources:

- HR development including equipment, tools, and facilities.
- Training provided to enhance the capacity of MDLF staff.
- Job security for MDLF staff improved which included incentives and promotions.

Projects Outputs (sample):

- More than 115 Km of roads have been paved.
- 27.2 Km of sidewalks/ shoulders and 4 Km of retaining walls have been constructed.
- 2,730 street lighting units were installed.
- 14km of water networks and 12 Km of sewage network were rehabilitated.
- More than 4,777 solid waste containers were provided.
- 19,023 Sq.m public buildings were constructed,
- 10,621 Sq.m parks and gardens were constructed.
- 250,000 Person-Day was created.
- Hundreds of thousands of US\$ were channeled to Gaza municipalities as budgetary support to cover operational expensive and maintenance cost of municipal equipment.



Board of Director (BOD)



Dr. Husein Al-Aíraj

Chairman of the Board,
Minister Local Government



Dr. Daoud Al Zatari

Board Member,
Mayor of Hebron Municipality



Mr. Fayege Al-Deek

Board Member,
Representing Ministry of Public Works and Housing



Mr. Mahmoud Nofal

Board Member
Representing Ministry of Finance



Mr. Nabil Diab

Board Member
Representing Association of Banks in Palestine (ABP)



Mr. Majdi Saleh
Board Member
Representing Engineers Association



Mr. Musa Hadid
Board Member
Representing Association of the Palestinian Local Authorities (APLA)



Mr. Nitham Ayoub
Board Member
Representing Ministry of National Economy



Ms. Zahera Kamal
Board Member
Representing Palestinian Women's Research
and Documentation Center (PWRDC)



Mr. Hazem Kawasmi
Acting Director General



Message from the BOD Chairman

It is with great pleasure that I introduce the 2015 Annual Report in my Capacity as the Board Chairman of the Municipal Development and Lending Fund, a distinguished national institution that contributes to the development of the State of Palestine through enabling Local Government Units ñ Municipalities, village councils, and joint service councils ñ improving services delivery, achieving sustainable development, and promoting municipal efficiency and accountability. MDLF has claimed its role as the preferred instrument that the Palestinian Government can effectively rely on in channeling technical and financial assistance and grants to all municipalities in the West bank and Gaza.

With guidance from the Palestinian National Authority and the MoLG, MDLF has accomplished one more successful year, realizing the bulk of its targets. This has been achieved by translating the policies and strategies related to the local government into programs and activities, whilst not missing the opportunity to provide feedback and lessons learned for reform and enhancement of these policies. The MDLF approach to address urgent needs of infrastructure work, capacity building, and performance was marked with innovation and creativity through developing the multi-phase Municipal Development Program “MDP”. In 2015, the MDP second phase proceeded with distinguished sub-projects and works on the ground. We recognize that the first step toward improving municipal services comes as a result of a well-managed, more accountable, Local Government Units. The cornerstone of MDP is the linkage between the municipal infrastructure allocations with the municipalities’ performance, yet it provides technical capacities to the municipalities in aspects of operation and maintenance, planning and financial management. It is highly appreciated that the MDLF has remained fully aligned with national policies and agendas, established as part of an overall initiative to ensure reform, transparency, and efficiency as a crucial step in the development of a viable, sustainable Palestinian state. This is why the Palestinian Government has always focused on the integration of local economic development within its policy and strategy.

Finally, we take pride in the achievements we have reached together with the MDLF dedicated staff and team members. On behalf of the Palestinian government, and within my capacity as the Minister of Local Government, I would like to extend our sincerest gratitude to our development partners’ support, which made it possible to reach where we are today.

Dr. Husein Al-Aíraj
Chairman of the Board of Director,
Minister local Government



Introduction from MDLF Acting Director General

In today's challenging development context facing Palestine, whether providing accessible roads and access to land, achieving sustainable economy, education and social services and access to reliable infrastructure – including water, wastewater, public facilities, electricity and solid waste – the Municipal Development and Lending Fund has set new standards to approaching these necessities, proving true to our motto “For Better Life”.

In 2015, we chose to focus on enhancing the quality of our projects and linking them to the advancement of the local development. Our strategy is to focus and capitalize on our strengths, to improve operational performance and outcome, yet never losing sight of our responsibility to municipalities, as well as environmental and social issues, that will have their direct effect on the Palestinian citizen.

Our piloting initiatives under “Window 2” focused on introducing municipal e-services which allows to utilize advanced Information and Communication Technology to better deliver services and information to citizens and interact with them; also, MDLF resumed its work in the field of renewable energy, connecting the benefiting municipalities with solar photovoltaic to reduce the municipal building electrical load and minimize the operational expenses on energy. During 2015, MDLF launched another phase of local economic development initiatives (LED) and continued with activities from the previous cycle. The aim was for enhancing municipalities’ understanding of their local economies, assessing their needs, developing their economic development plans, and institutionalizing the concept of LED in the municipal organizational structure. Furthermore, a number of feasibility studies for a number of economic projects for municipalities were conducted.

The end of 2015 witnessed the starting of new phases and the closure of existing phases of different programs. For example, MDLF started with the implementation of the second cycle of the second phase of its Municipal Development Program (MDP2 C2), and worked on putting the final touches on the execution of the third phase of its development program Local Development Program (LDP-III), and closing the first phase of the Local Government Reform and Development Program (LGRDP). Additionally, MDLF continued its responsibilities towards the Gaza Solid Waste Management Project (GSWMP), and launched the multi-donor funded and EU-led “Area-C” development project targeting rural and remote areas of the West Bank, a vast area controlled by the Israeli Occupation.

Furthermore, MDLF's response to the urgent needs of Gaza reconstruction efforts was emphasized through the fifth Window of MDP2; namely Additional Financing for Gaza Emergency Response. During 2015, efforts to rehabilitate areas destroyed by war was resumed in the form of grant proportionally allocated for municipalities based on the emergency needs identified in the Municipal Damage



Assessment Report, prepared the previous year. Emergency needs will reflect critical repairs and response funds required to address service interruptions affecting populations in the benefiting areas.

At a time when issues facing Palestine are increasing in their complexity and demand, MDLF professionals are fully mobilized and up to challenge, still aiming towards more transparency, professionalism, and credibility.

I would like to express my deep gratitude to all who supported MDLF mission in the year 2015 and made it successful. Specifically, many thanks to H.E. Dr. Husein Araj, Minister of local government chairman of the board and for all MDLF board members and staff. Special thanks goes to our financing partners for their full and continuous support, as well as to the municipalities and local government units who worked closely with MDLF to utilize the support for the benefit of the Palestinian people.

Hazem Kawasmi
Acting Director General



Executive Summary





Executive Summary

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

Since its establishment in Oct-2005, MDLF has noticeable achievements on the community development as well as the reform initiatives towards the local government sector in Palestine. MDLF had implemented hundreds of projects exceeding the amount of "US\$295 million" in the form of municipal infrastructure services, capacity development, and innovative initiatives at the municipal level. The total disbursed amount during 2015 reached US\$34.5 million.

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

The year 2015 witnessed a noticeable progress in the implementation of MDPII- component 1, namely the capital investment for municipal infrastructure under cycle 1. The majority of municipal sub-projects (88.9%) are completed, (2.9%) of the sub-projects are under implementation, and only (8.2%) are still in the pre-tendering phase particularly those sub-project financed by the PA for the benefit of Gaza municipalities.

It is worth noting that during the year 2015, the municipal allocations for MDPII-Cycle 2 were distributed among the municipalities where the implementation status for infrastructure sub-projects under cycle 2 has recorded noticeable progress, (13.3%) are either completed or ongoing, (4%) are awarded, (13%) are under tendering, and (69.7%) are still in the pre-tendering phase where the municipalities are working in preparing the design and the bidding documents for tendering.

Regarding the implementation of component 2, MDLF has kept the momentum of piloting the E-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 and expected to be accomplished by mid-2016.



Under Component 3, namely the Capacity Development (CD) packages, the year 2015 witnessed progress in the implementation of these packages under Cycle 1. More specifically, 53 municipalities were supported in registering and valuating their assets (FARV), 22 municipalities have been supported in establishing citizens services centers (CSC), and two municipalities were supported in preparing their (SDIPs). However, the IFMIS package was subject to delays during 2014 and 2015.

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

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

The municipalities sub-grants were distributed among all Gaza municipalities for the (WB, MDTF, KFW and Belgian Government), where the majority of municipal sub-projects (98.5%) are either under implementation or were completed, (0.8%) of the sub-projects are under tendering and (0.7%) are still in the pre-tendering phase. It is anticipated to start the implementation of the KFW and the Belgian additional financing late March 2015.

Regarding the SDC fund for window 5, the agreement was signed late 2015, where the implementation is expected to start in May 2016.

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

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

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

The year 2015 witnessed noticeable progress in the implementation of the HIMI project which was designed to target the marginalized communities in the west Bank and Gaza. The majority of the identified sub-projects in area C in the West Bank and the sub-projects in Gaza strip were either completed or are under implementation. However, the additional sub-projects for Gaza Strip under this fund are still under procurement and expected to start early March 2016 and to be completed by mid-June 2016.



Municipal Development & Lending Fund

In the same context, and particularly the project entitled “Development of Area C in the West Bank which is funded by the EU” was progressing during the year 2015. The design phase was completed and the projects are either ongoing or ready to be awarded except three sub-projects which were agreed to be postponed –due to budget limitation - until having the overall idea about the actual cost of the sub-projects. It is worth mentioning that this projects was subject to amendment during the year 2015 where the description of the action was revised and the completion date was amended until August 15th 2016.

The year 2015 witnessed progress in Solid Waste Management Program (GSWMP), which is considered one of the biggest investment in Palestine aiming at improving the solid waste management services in Gaza Strip. This project is funded by the WB, Sida, AFD and the EU in a total of US\$ 35.26 M, where more than 46% of Gaza inhabitants are expected to benefit from the project. During the reporting period, an international consulting consortium was contracted to review and improve the design of the planned landfill in Al-Fukhari “Sofa” area in Southern Gaza with a number of improvements and adjustments were incorporated in the design. A comprehensive solid investigation program was conducted in the landfill site (area 215 dunom~21.3ha). Additionally, MDLF contracted the key staff for the Technical Operations Unit (TOU) of the JSC, completing the first package under component 2 of the project: institutional strengthening.

This report presents the activities and achievements of the MDLF programs and projects carried out between January 1st until December 31st, 2015. It intends to keep the Palestinian Government and other MDLF Partners informed about the various programs and projects, as well as to highlight the future plans to reform and improve Local Government Units for better quality of life for the citizens of Palestine.





MDLF Institutional Development

MDLF Strategic Dimensions (2013 – 2016)

The focus of the present Palestinian National Authority (PNA) plans and policies is arranging for the establishment of the Palestinian state. The Local Government strategy for state building builds on and extends the reform process outlined in the Local Government Reform Action Plan 2004 and the Local Administration Reform Process 2007, followed by the Cross-Sectoral Strategy for the Palestinian Local Governments (2011 – 2013), and the Ministry of Local Government's (MoLG) own Strategic Framework (2010-2014). To in order to achieve this the Ministry of Local Government has been shifting towards legislative and guidance role, introducing new laws and adapting reforms in financial components, administrative factors and planning aspects.

In this context MDLF has finalized its Mid-Term Strategic Plan (2013-2016) during early 2013 where a framework for the MDLF strategic dimensions were derived from the overall national plans and policies regarding the LG sector development. The developed vision, mission, and values of the MDLF were translated into twelve (12) strategic objectives clustered according to three strategic themes. For each strategic objective, set of activities were outlined and the relevant performance indicators were identified. Thus the focus of the plan was tackling the following:

1. Contribute to the implementation of the national Local Government policies & plans:

Strategies include contributing to policies, exploring lending opportunities, implementation and management of large scale infrastructure projects.

2. Empower Palestinian Local Government Units.

Strategies include Strengthening LGUs institutional systems towards better governance, strengthening LGUs role in local economic development, contribute to improved infrastructure and services, generate additional financing and rationalize expenditures and increase revenues, as well as promoting innovation in Local Governments.

3. Strengthen the institutional development of the MDLF.

The strategies' objectives will require that MDLF policies, rules and regulations are all completed and up-to-date, keeping qualified and committed human resources and that MDLF strengthen its role in conducting informative research and publish studies in the areas of municipal development, and give more attention for financial sustainability of MDLF through institutionalization of inter-governmental transfers.

It is worth mentioning that in identifying MDLF Mid-Term Strategy (2013-2016), MDLF carried out in-depth consultation with its Board of Directors (BoD) and Executive Management from one side and with municipalities and Ministry of Local Government from the other side. Comments and feedback from development partners were also considered in the process of formulating the midterm strategic plan of MDLF. The Plan was set to contribute to the existing National Plans objectives and to benefit from lessons learned and surveys conducted at the local level. The following graph illustrates the main framework of MDLF mid-term strategic plan (2013-2016).



Effective local government that enables local government units to achieve better life for citizens

IMPACT

Empower Palestinian local government Units

SO. 1: Local government units have institutional systems in line with the policies of local government sector and the principles of good governance.

SO. 2: Local government units are capable to enhance the local economic development and participate with the private sector PPP

SO.3: Improved infrastructure and services provided by the local government units.

SO.4: Local government units are capable to generate additional financing and rationalize expenditures and increase revenues.

SO.5: Local government units are capable to implement innovative initiatives.

Strengthen the institutional development of the MDLF

SO. 6: MDLF laws, rules and regulations are all completed and updated and the procedural manuals are issued/ updated accordingly.

SO. 7: MDLF is capable to conduct informative research and publish studies in the areas of municipal development and urban development.

SO.8: Qualified and committed human resources perform their functions efficiently.

SO. 9: MDLF achieve financial sustainability, with institutionalization of inter-governmental transfers in place.

Contribute to the implementation of the national local government plans & policies

SO.10: MDLF is capable to manage the implementation of large scale infrastructure projects with national dimensions.

SO.11: MDLF is capable to explore the LGUs lending opportunities.

SO.12: MDLF is capable to plan and manage the implementation of programs that contribute to the implementation of policies for local government sector.



MDLF Capacity Development

Human Resources Development

As outlined in the Strategic Plan of the MDLF (2013 - 2016) under the strategic objective (SO.08) key issues included maintaining and developing the MDLF's Human Resources in order to maintain the level of professionalism and credibility particularly the capacity enhancement of middle management staff.

The Human Resources Unit has conducted and prepared the HR Development plan and in the process of preparing a meeting with the higher management to finalize the training needs for all departments, in order to put the HR Development Plan into action.

Different trainings were conducted for the MDLF staff in different subjects including Social Partnerships, Procurement audit, and Advanced Contract Management. In addition to trainings, study tours were conducted by different Donors, in Turkey and in Estonia. The following is a list of training conducted under the supervision of the HR Department:

- Hazardous Waste Management
- Training on the BTC Manuals & Procedures
- Advanced Contract Management
- Procurement Audit and systems for Prevention and Detection of Fraud and Corruption.
- Social Partnership for Business Development
- Climate Change in the Mediterranean area
- A study trip to Estonia to view the Estonian experience in social accountability
- A study trip to learn from the Turkish experience in matters concerning cultural heritage preservation and development

Furthermore, a brain storming workshop was held in Sep. 1st, 2015, for the MDLF employees to discuss the challenges that MDLF encountered during the implementation of the different projects and programs. This workshop also came in the framework of a comprehensive review of the procedures followed in the MDLF which will be reflected positively on the development of the MDLF performance.

MIS Development

The year 2015 witnessed noticeable progress in regards to the E-archiving which has been functioning since 2013. The MDLF has allocated an archivist for this purpose who almost completed the archiving of MDPI files electronically. The MDLF has prepared a plan to upload all the MDLF historical information into the system during 2016.

Most importantly the MDLF has published a web application survey regarding the municipal ranking update late 2014 as well as the Municipal capacity development packages, the municipalities became capable to upload their data using the web and MDLF could be able to manage the municipal data within MDLF database efficiently.

Another activity within the context of IT development is the IT Assessment and Upgrade, accomplished early 2015, after which all the MDLF physical servers were converted to the Virtual Environment.



Outreach and Communication

MDLF prepared a Communication Plan for 2015 to share its vision, goals and activities with the municipalities, key partners and the public. The Plan served as a guide for media and public relations activities in which MDLF was engaged throughout 2015. Various outreach models were considered to establish dialogues and linkages with other institutions and groups. These included presentations at meetings, applying communication products, and collaborative projects among others.

MDLF promotional materials: MDLF issued several printing materials throughout the year 2015, including: Brochure in Arabic and English about MDLF and MDPII, and updated Strategic Plan, Semi-Annual report, technical Fact sheets for many projects within Area C. MDLF used audio and video tools, though creating documentary films that promote MDPII achievements as a core business of MDLF since late 2009. Another promotional three short films about MDLF and three TV spots were made covering briefly the work of MDLF. Similar tools were launched on outlets including the MDLF website and YouTube. A special web page was also launched for the movie to reach larger audience.

MDLF Campaign: Using different media tools, MDLF conducted campaign that stretched over two-month period including: billboard and newspaper advertisements, advertising on major Palestinian news websites and Palestinian Satellite televisions, and conducting Launching Events, as well as dissemination of different printing materials. The campaign concentrated on visibility and image of MDLF for a larger audience.

Events and Workshops: MDLF's belief in creating direct linkages and opening communication channels with our beneficiaries. This resulted with tens of workshops which were made through the different programs of MDLF covering all aspects of its work. Orientation and training workshops were held by MDLF including training workshop on Solar Energy for West Bank and Gaza Strip Municipalities. Furthermore, a Workshop was conducted with MDLF Contractors' Union To Discuss Infrastructure Projects. These events were attended by different Ministries, sometimes under the patronage of the Prime Minister such was the case during the launching of the second phase of Local Economic Development Program of Palestinian Municipalities.

Events: Several events like the Signing an agreement with the European Union to provide 7.3 million Euro for the Municipal Development Program II – Cycle 2. Also, MDLF signed an Agreement with the Swiss International Development Agency to support basic municipal services in Gaza as an additional financing for MDPII/Window 5.

Field Visits & meetings: During 2015, MDLF gave a special focus to reach out to municipalities in West Bank and Gaza, headed by the Director General as well as the executive staff. MDLF visited municipalities and projects in the West Bank to be able to hear feedback on MDLF interventions.

International Engagement: A mission by MDLF - led by the Director General - joined the Palestinian Official mission to France. The purpose of the visit was to act upon the obligations signed within the Cooperation Agreement of the Local Government sectors. Also, it was anticipated to benefit from the experience of France in promoting financial decentralization of Local Government units and developing governmental remittance for supporting Local Government units' ability of implementing its development projects. Additionally: MDLF joined the Palestinian official mission to the Netherland with H.E Palestinian Minister of Local Government Dr. Husain al Araj to discuss mutual cooperation in the field of Local Government.





Receiving missions: During 2015, the MDLF welcomed several missions consisting of different international and national organizations working in the fields of Local Government during which the MDLF discussed their work with special focus on MDPII. For the aim of promoting collaboration between various international governmental and non-governmental bodies, the MDLF conducted meetings with official delegations from South Africa, the EU, and the World Bank.





Programs / Projects

I: Municipal Development Program – Phase II (MDPII)





1: Municipal Development Program – Phase II (MDPII)

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

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

The MDPII adheres to the laid out national objectives of the NDP, recognizing that a viable state requires transparent, effective, and accountable Local Governments. It was through the National Program where the donors jointly support their contribution with a harmonized approach using the same fund allocation system, matching criteria for project selection, equivalent implementation, and similar reporting procedures. This contributes to a sector-wide approach that supports the Palestinian National Authority in implementing a vision and a 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 Program – LGRDP) in the amount of 2 million Euros for both cycles (one million per each).

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

Table 1: MDPII Financing Partners Contribution for the MDPII

Donor	Fund Amount	Signature Date	Completion Date as per the Agreement	Notes
GIZ Agreement (for cycle 1)	400,000 €	June 27 th , 2012	March 31 st , 2015	This fund will be utilized in MDPII-1 st cycle
KfW Financing Agreement (for cycle 1)	13,500,000 €	December 19 th , 2013	December 19 th , 2016	This fund will be utilized in MDPII-1 st cycle
AFD Financing Agreement (for cycle 1)	1,000,000 €	December 15 th , 2014	December 31 st , 2016	This fund will be utilized in MDPII-1 st cycle
World Bank Agreement (for cycle 1 and cycle 2)	\$10,000,000	July 7 th , 2013	February 28 th , 2017	This fund will be utilized in both cycles of MDPII



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Multi Donor Trust Fund Agreement (for cycle 1 and cycle 2)	25,800,000 \$	April 8 th , 2014	June 30 th , 2017	This fund will be utilized in both cycles of MDPII
The Kingdom of Belgium (for cycle 1 and cycle 2)	1,900,000 €	---	<i>This contribution to MDP is allocated under the 3rd component of the ongoing Program "Local Government Reform & Development Program", in a total amount of (Euros 2 million)</i>	This fund will be utilized in both cycles of MDPII
SDC Agreement (for cycle 1 and cycle 2)	2,500,000 €	September 4 th , 2013	March 31 st , 2016	This fund will be utilized in both cycles of MDPII
VNG Agreement (for cycle 1 and cycle 2)	1,200,000 €	July 1 st , 2013	December 31 st , 2016	This fund will be utilized in both cycles of MDPII
PA-MOLG for cycle 1	NIS 20,000,000	---	---	This fund will be utilized in MDPII-1 st cycle
GIZ Agreement (for cycle 2)	400,000 €	January 15 th , 2016	March 31 st , 2018	This fund will be utilized in MDPII-2 nd cycle
KFW agreement for cycle 2	8,000,000 €	January 15 th , 2016	January 15 th , 2018	This fund will be utilized in MDPII-2 nd cycle
KFW additional financing for cycle 2	10,000,000 €	---	--	Not yet signed
EU through KFW for cycle 2	6,974,110 €	December 13 th , 2014	March 30 th , 2018	This fund will be utilized in MDPII-2 nd cycle
Multi donors Trust Fund – Additional Financing for cycle 2	6,900,000 \$	----	---	Not yet signed

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

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



Chart 1: Distribution of MDPII fund by Donor Per Cycle

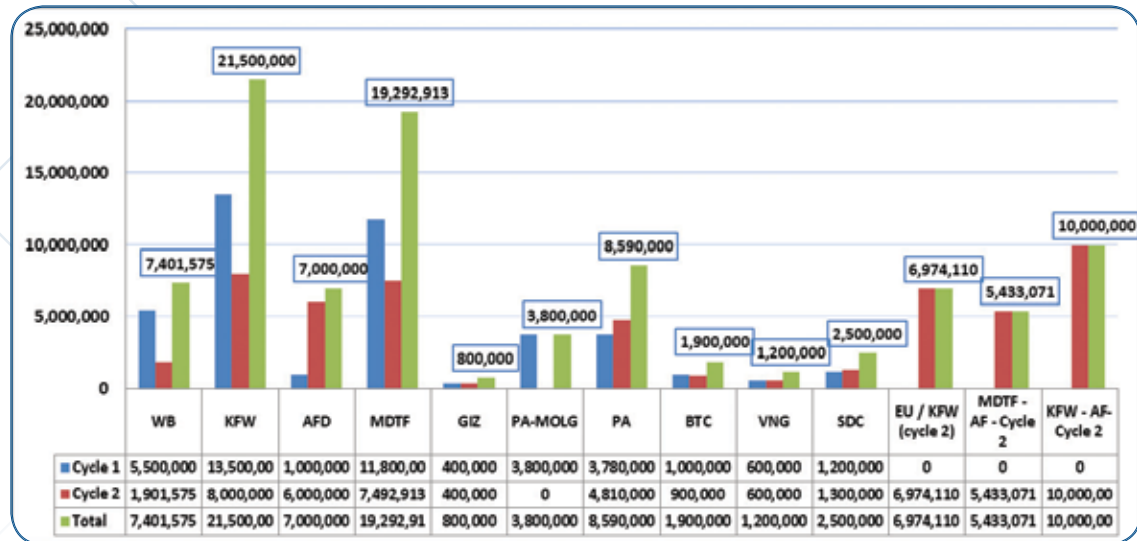
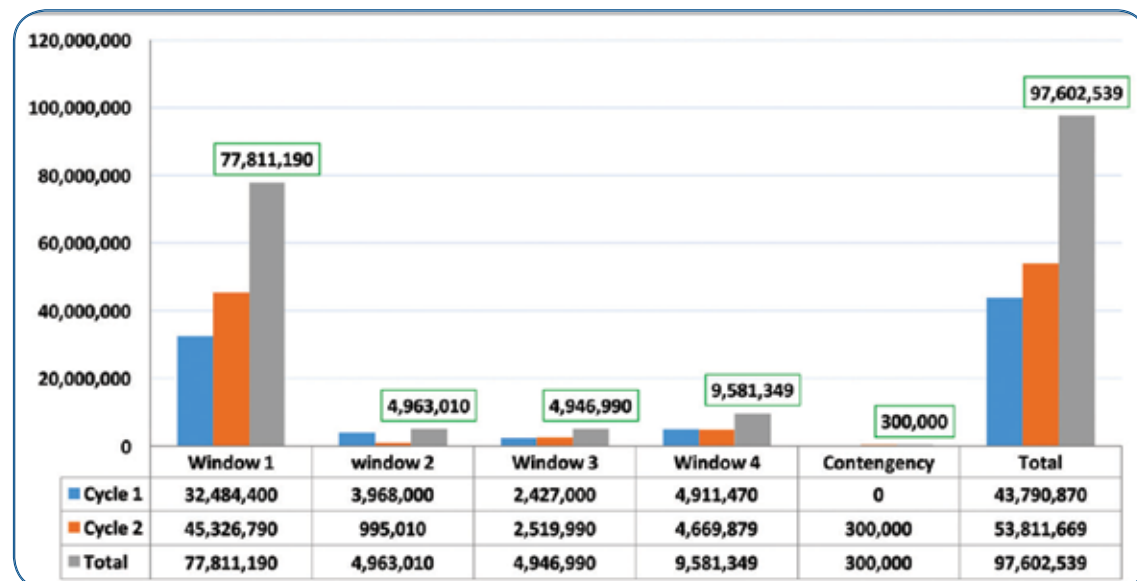


Chart 2: Distribution of MDPII Fund by Window Per Cycle



1.3: The Grant Allocation Mechanism

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

As for the scale ladder as well as the key performance indicators; after having long discussions between MDLF, MOLG and the Funding Partners, it was agreed that the **Scale Ladder will consist of 11 levels from bottom-up: (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;



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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)
A++	<i>Fulfillment of all 16 KPIs</i>	- Substantial Operation and Enterprise Account Surplus. (more than 15 %) - Unqualified External Audit - Use of an Integrated Financial Management System IFMIS - Satisfactory Service Quality (Timely delivery of building licenses and clearances; Provided public green space per capita) - Good Collection Efficiency and own Revenue Generation (Specified own revenues > 100 NIS per capita or 10% above last two years' average)	A++: none	A++: none
A+	<i>Fulfillment of 4 out of 5 in addition to below indicators</i>		A+: none	A+: none
A	<i>Fulfillment of 3 out of 5 in addition to below indicators</i>		A: none	A: none
B++	<i>Fulfillment of all 5 indicators in addition to all indicators below B</i>	- Substantial Operation and Enterprise Account Surplus (more than 5%). - Fixed Assets Register in place and updated - Operation and Maintenance Plan in place and updated - Public disclosure of all municipal investments, SDIP execution, and external audit reports - Satisfactory Collection Efficiency and own Revenue Generation (Specified own revenues > 50 NIS per capita or 5% above last two years' average)	B++: none	B++: none
B+	<i>Fulfillment of 3 or 4 out of 5 in addition to all indicators below B</i>		B+: 19 municipalities	B+: 71 municipalities
B	<i>Fulfillment of 2 out of 5 in addition to all indicators below B</i>		B: 18 municipalities	B: 18 municipalities
C++	<i>Fulfillment of all 5 indicators in addition to all indicators below C</i>	- Municipal Strategic Development and Investment Plan SDIP in place and updated. - Financial Accounting Policies, Procedures and Reports in place. - External Audit according to minimum standards - Public disclosure of budgets, SDIP plan and ranking - Basic collection efficiency and own revenue generation (Specified own revenues > 25 NIS per capita or above last two years' average)	C++ : 3 municipalities	C++ : none
C+	<i>Fulfillment of 3 or 4 out of 5 in addition to all indicators below C</i>		C+: 87 municipalities	C+: 48 municipalities
C	<i>Fulfillment of 2 out of 5 in addition to all indicators below C</i>		C: 6 municipalities	C: 1 municipalities
D	<i>Fulfillment of indicator in rank D</i>	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 ñ Cycle 01)

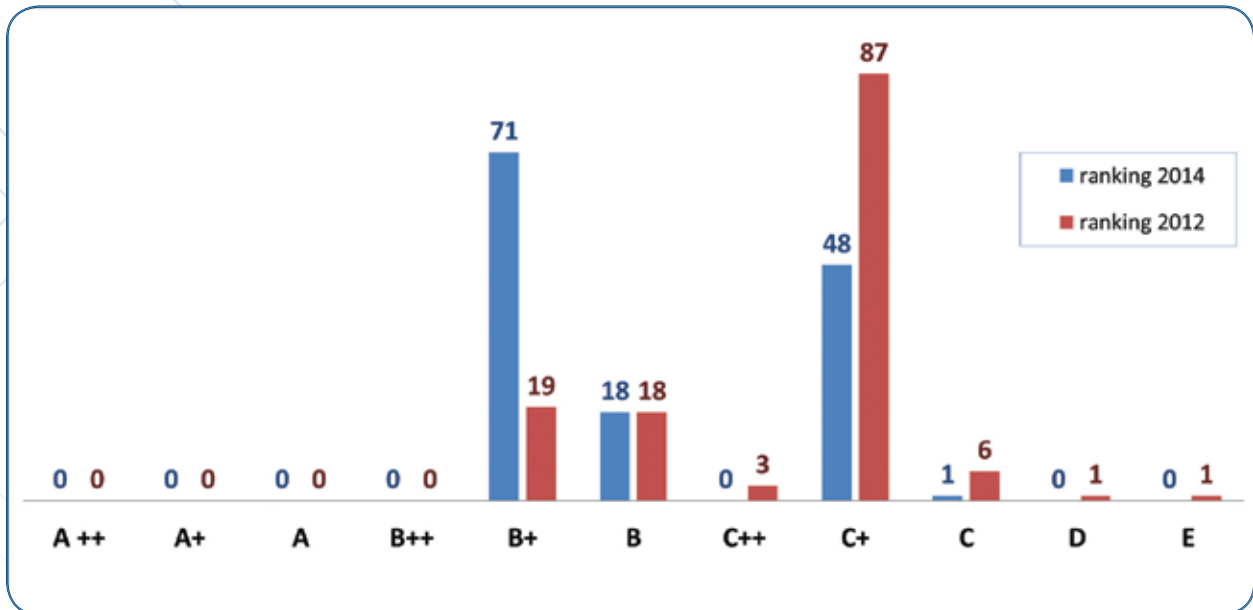
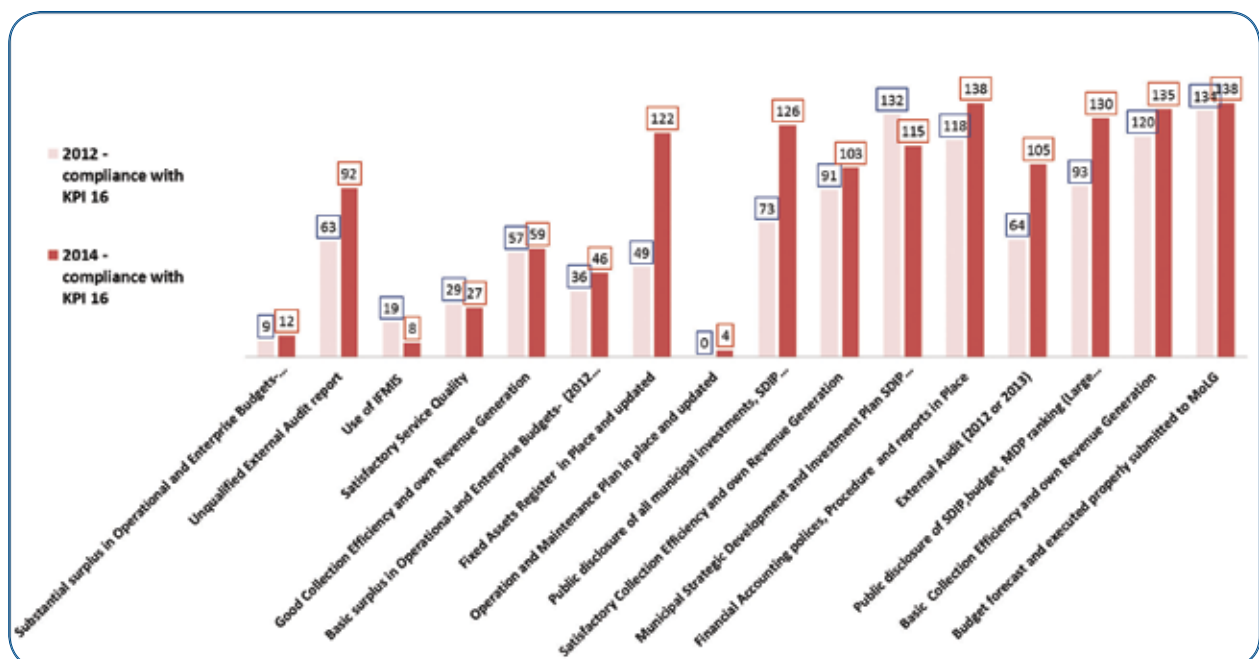


Chart 4: Compliance of Municipalities with KPI-16





Municipal Development & Lending Fund

Municipalities Allocation (1st cycle)

Allocations were calculated using the new criteria for MDPII (50% for Performance, 30% for Population, 20% for 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.

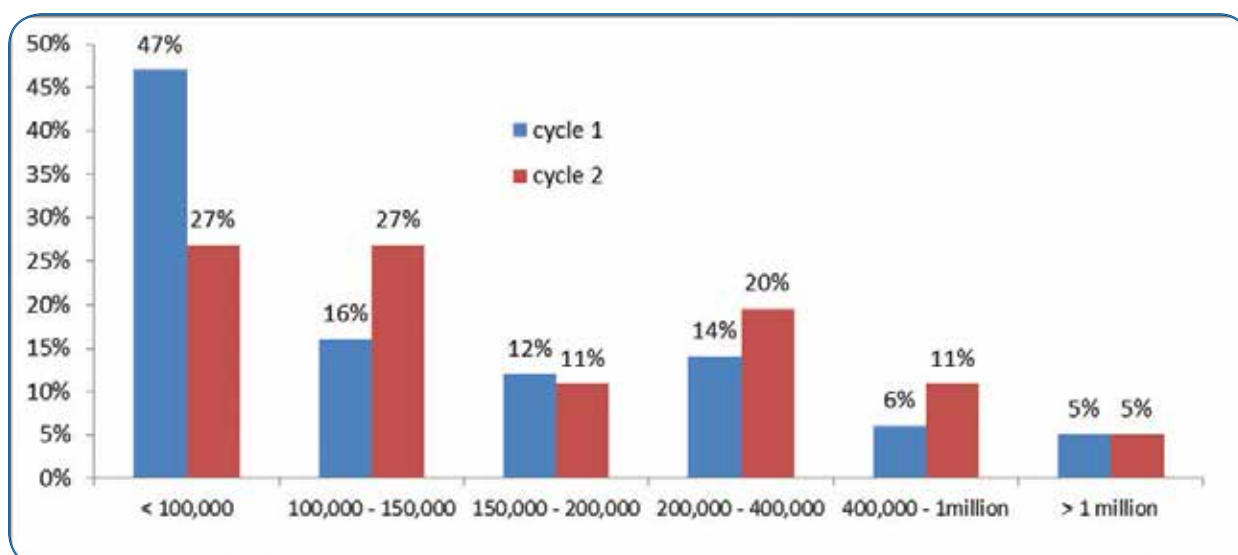
Based on the allocation formula, the majority of municipalities (48%) were allocated less than EUR 100,000; around 16% was allocated EUR (100,000-150,000); around 12% was allocated EUR (150,000-200,000); around 14% was allocated EUR (200,000-400,000); around 6% was allocated EUR (400,000-1.0 million)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

Municipalities Allocations (2nd cycle)

The total allocated amount for this component under cycle 2 equals 46,377,630 Euro which includes the fund allocated for W1-cycle 2 with a total of (EUR 45,356,790) and the savings due to currency exchange from the WB and the MDTF financing agreement in a total of (EUR 179,724) and (EUR 871,116) respectively.

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

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





1.4 : MDP II - Implementation Status and Activities

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

This Component allocates performance-based grants for capital investments in municipal service provision and for operating expenditures especially for Gaza municipalities, and will be financed by the majority of FPs. It will be implemented in two cycles of approximately 18 months each. Where the total allocated amount for this component equals **32,882,840 Euro**: (32,484,400 Euro) from MDPII and (398,440 Euro) from MDPI-KFW residual fund. **Chart Six (6) and Chart Seven (7) illustrate the distribution of (window 1- cycle 1) allocation by donor and by governorate.**

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

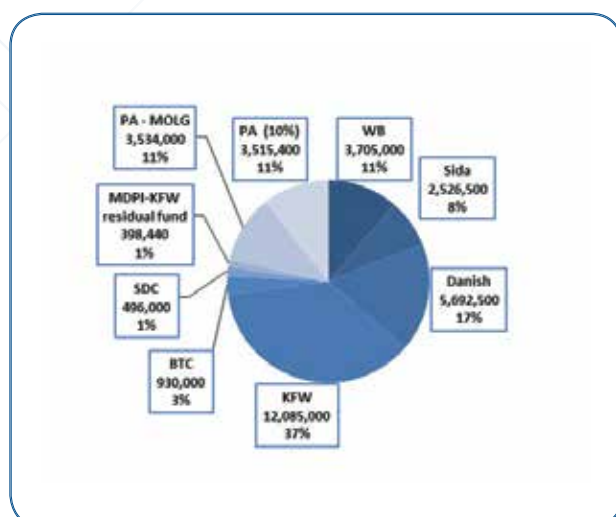
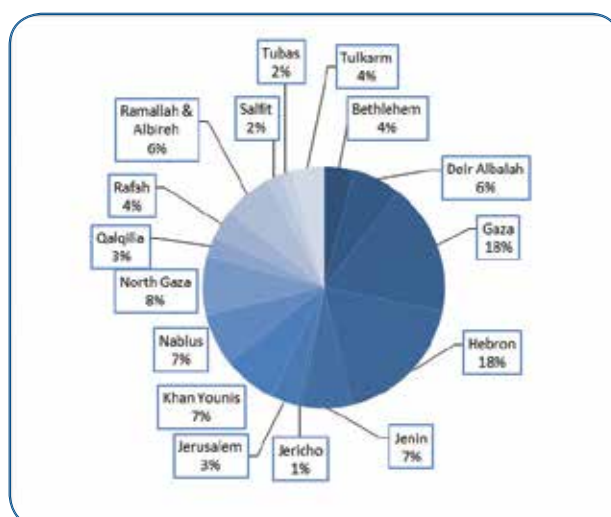


Chart 7: Distribution of MDPII-W1 F und Per Governorate (cycle 1)



The municipalities were informed of their allocation during **August 2013** and they were asked to apply for their investment priorities using a standardized application form which was published online. The municipalities started filling out the application forms since September 2013 during which MDLF conducted four **(4) Orientation Workshops attended by all municipalities in West Bank and Gaza.** During these workshops the MDLF presented the updated ranking, infrastructure application forms, Environmental and social Management Framework (EMSF), Cost-Benefit Analysis and the Energy Efficiency manual. Also, MDLF presented the lessons learned 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 municipalities during the appraisal stage. A great effort from MDLF was made by conducting similar visits on weekly basis. The executed site visits were conducted during the Request for Application form stages, 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 take photo documentation.

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

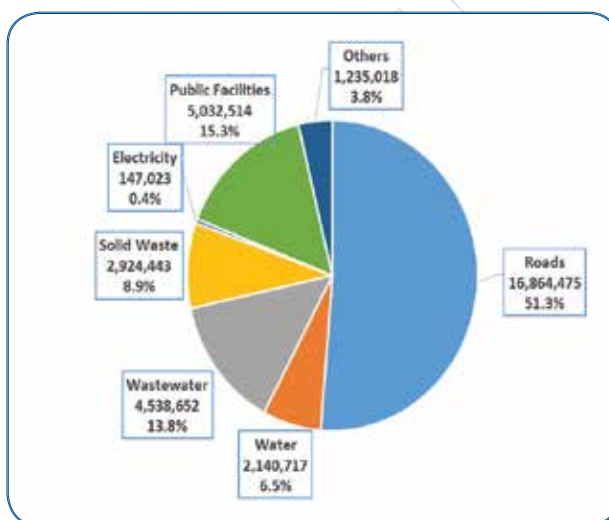


Analysis per Sector (cycle 1)

In the same context, **143 sub-projects proposals were received from 110 municipalities in the West Bank in a total allocation (EUR 18,676,527) and 234 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 Eight (8) illustrates the distribution of (window 1- cycle 1) allocation by sector:

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





Status of W1 sub-projects (cycle 01)

The implementation of W1 – 1st cycle sub-projects in the West Bank and Gaza witnessed 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	3	2%	683,031	4%
MDLF review	0	0%	0	0%
LTC review	0	0%	0	0%
Tendering	0	0%	0	0%
Evaluation	0	0%	0	0%
Awarded	2	1%	680,875	4%
on going	6	4%	1,415,970	8%
Completed	132	92%	15,896,650	85%
Total	143	100%	18,676,525	100%

Window 1 - Cycle 1 / Gaza

Status	No. of projects	Percentage	(Allocation (Euro	Percentage
Mun. review	0	0%	0	0%
MDLF review	28	12%	3,647,603	25.7%
LTC Review	0	0%	0	0.0%
Tendering	0	0%	0	0.0%
Evaluation	0	0%	0	0.0%
Awarded	0	0%	0	0.0%
Ongoing	3	1%	535,489	3.8%
Completed	203	87%	10,023,222	70.6%
Total	234	100%	14,206,314	100%

Window 1 - Cycle 1 / West Bank & Gaza

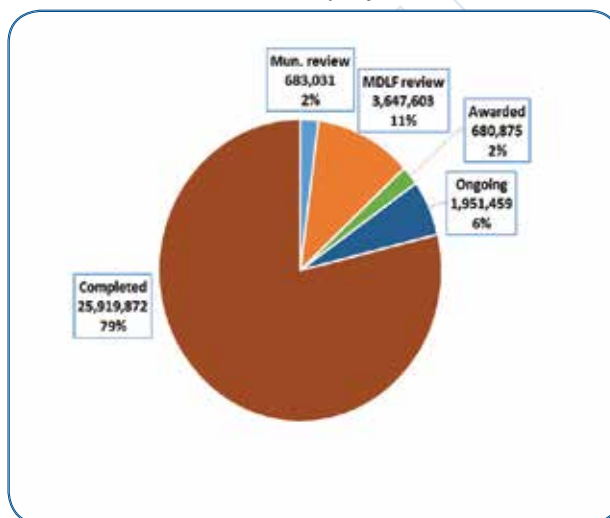
Status	No. of projects	Percentage	(Allocation (Euro	Percentage
Mun. review	3	0.8%	683,031	2.1%
MDLF review	28	7.4%	3,647,603	11.1%
LTC Review	0	0.0%	0	0.0%
Tendering	0	0.0%	0	0.0%
Evaluation	0	0.0%	0	0.0%
Awarded	2	0.5%	680,875	2.1%
Ongoing	9	2.4%	1,951,459	5.9%
Completed	335	88.9%	25,919,872	78.8%
Total	377	100%	32,882,839	100%



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- 335 sub-projects out of 377 were completed with total allocations (25,919,872 Euros) amounting (78.8%) of the budget.
- 9 sub-projects are ongoing with total allocations (1,951,459 Euros) amounting (5.9%) of the budget.
- 2 sub-project is awarded with total allocations (680,875 Euros) amounting (2.1%).
- 3 sub-projects are under revision by the Municipalities with total allocations (683,031 Euros) amounting (2.1%), mainly in Hebron and Nablus municipalities.
- 28 sub-projects are under revision by MDLF with total allocations (3,647,603 Euros) amounting (11%), mainly the projects financed by the PA in Gaza Strip.

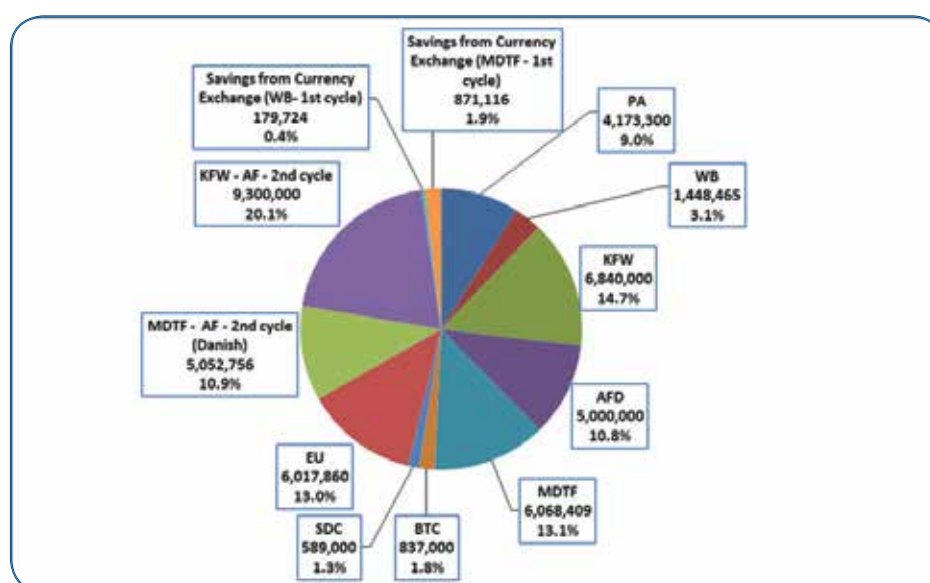
Chart 9: Status of W1 sub-projects in WB&G



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

The total allocated amount for this component under cycle 2 is equal to 46,377,630 Euro including the fund allocated for W1-cycle 2 in a total (EUR 45,356,790) and the savings due to currency exchange from the WB and the MDTF financing agreement in a total (EUR 179,724) and (EUR 871,116) respectively. Chart 10 illustrates the distribution of window 1-cycle 2 allocation by donor and per governorate.

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





The municipalities were informed of their allocation during June 2015. The municipalities 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 during July 2015.

MDLF had received all the filled application forms from all municipalities by the end of September 2015. The applications/proposals were subject to revision and appraisal from the technical, social and the environmental perspectives to ensure the compliance with the regulations and guidelines per the updated operational manual.

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

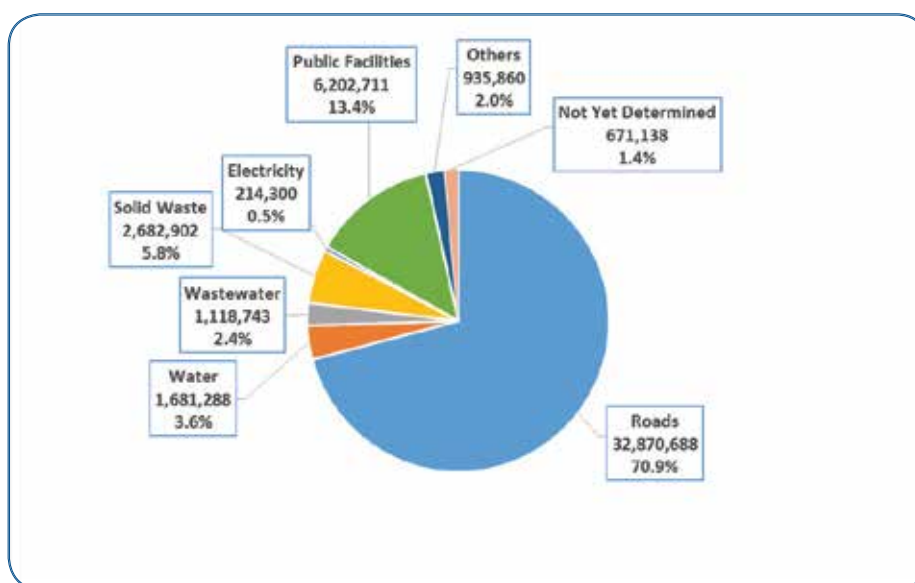
Additionally, MDLF with assistance from the Local Technical Consultants conducted training sessions to the technical staff of all municipalities in West Bank and Gaza to enhance their knowledge and capacities on the roads projects and quality control issues. This is one of the recommendation from the Technical Audit and usability assessment conducted by end of Cycle 1.

Analysis per Sector (cycle 2)

In the same context, **141 sub-projects proposals were received from 113 municipalities in the West Bank in a total allocation (EUR 26,150,945) and 205 sub-projects proposals from 25 municipalities in Gaza Strip in a total allocation (EUR 20,226,686).**

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

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





Municipal Development & Lending Fund

Status of W1 sub-projects (cycle 2)

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

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

Window 1 - Cycle 2/ West Bank

Status	No. of projects	Percentage	(Allocation (Euro	Percentage
Pre-Approved	83	59%	16,682,028	64%
Approved - Mun. Re-view	15	11%	1,978,159	8%
LTC review	0	0%	0	0%
Tendering	25	18%	4,481,871	17%
Evaluation	0	0%	0	0%
Awarded	13	9%	2,171,887	8%
on going	5	4%	837,000	3%
Completed	0	0%	0	0%
Total	141	100%	26,150,945	100%

Window 1 - Cycle 2 / Gaza / August-2015

Status	No. of projects	Percentage	(Allocation (Euro	Percentage
Pre-Approved	0	0%	0	0.0%
Approved - Mun. Re-view	143	70%	14,387,994	71.1%
LTC Review	0	0%	0	0.0%
Tendering	20	10%	3,344,010	16.5%
Evaluation	0	0%	0	0.0%
Awarded	1	0%	16,207	0.1%
Ongoing	30	15%	1,967,423	9.7%
Completed	11	5%	511,052	2.5%
Total	205	100%	20,226,686	100%

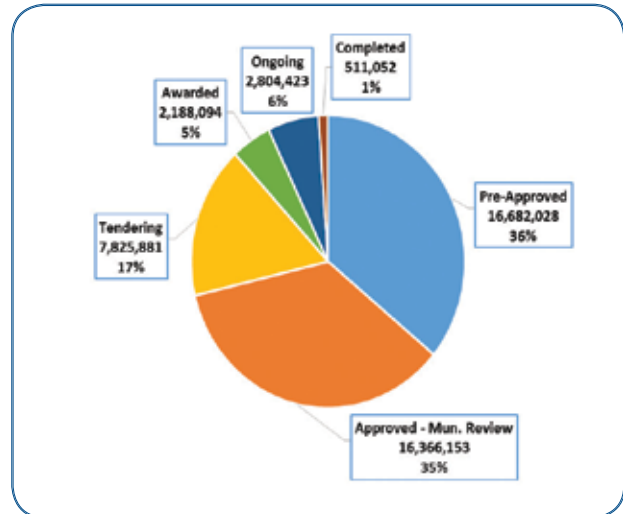
Window 1 - Cycle 2 / West Bank & Gaza /August-2015

Status	No. of projects	Percentage	(Allocation (Euro	Percentage
Pre-Approved	83	24.0%	16,682,028	36.0%
Approved - Mun. Re-view	158	45.7%	16,366,153	35.3%
LTC Review	0	0.0%	0	0.0%
Tendering	45	13.0%	7,825,881	16.9%
Evaluation	0	0.0%	0	0.0%
Awarded	14	4.0%	2,188,094	4.7%
Ongoing	35	10.1%	2,804,423	6.0%
Completed	11	3.2%	511,052	1.1%
Total	346	100%	46,377,631	100%



- 11 sub-projects out of 346 were completed with total allocation of (511,052 Euros) amounting (1.1%) of the budget.
- 35 sub-projects are ongoing with total allocation of (2,804,423 Euros) amounting (6%) of the budget.
- 14 sub-project are awarded with total allocation of (2,188,094 Euros) amounting (4.7%).
- 45 sub-projects are under tendering with total allocation of (7,825,881 Euros) amounting (16.9 %)
- 241 sub-projects were approved by MDLF and still under the pre-tendering phase, where the municipalities are preparing the design and the bidding documents with the assistance from the LTCs, with total allocation of (33,048,181 Euros) amounting (71.3%).

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





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

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

2.1.1: Introduction of e-governance:

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

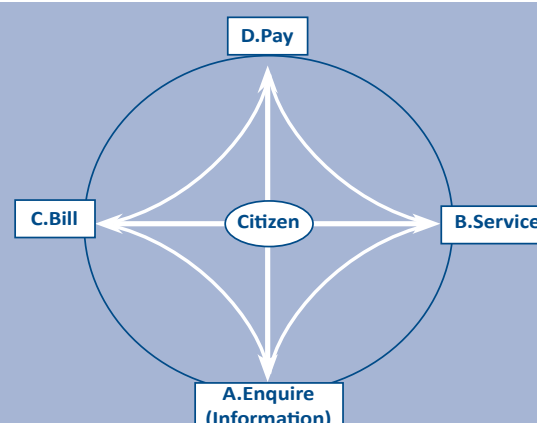
The benefits from this approach include but not limited to:

- improve efficiency and quality of public services.
- reduce cost and overheads for both citizens and municipalities
- improve 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-participationÖ..etc.).

The citizen at the heart of e-municipality

- Can make enquiries and seek information from the municipality (A),
- Apply for selected services and monitor their progress (B),
- View his/her municipal bills (C) and when electronic payments become available pay for services(D), from the comfort of his/her home or office



This project will be financed by the World Bank and will be piloted in four selected municipalities in the West Bank (namely: 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.). The system was developed and still under testing by MDLF to ensure the full compliance with the functional requirements before the deployment at the target municipalities. It is worth mentioning that the needed hardware will be installed at the target municipalities during this phase and expected to be accomplished by end of February 2016.
- **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 Energyñ Solar Photovoltaic Pilot Project “REPP”

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

A feasibility study for this initiative was prepared. The outputs show 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 was accomplished within MDP phase I, its results were disseminated for municipalities during August 2013.
 - Application form were 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 several 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 during the 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

- In regards to 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 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, then they asked for 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.
 - MDLF followed this issue where an initial approval was received on October 6th 2015.
- The project is under progress and supplier is expected to hand over the project by the end of February 2016
 - The TOR for Monitoring and evaluation, and Results Dissemination of the project components for West Bank and Gaza Strip was drafted with amendment request to integrate the M&E with Result dissemination Individual Consultants contracts for West Bank and Gaza.
 - The EOI for Monitoring and evaluation and Results Dissemination for west Bank Municipalities Component is under evaluation. The EOI has been evaluated in West Bank.





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 of municipalities.
- Institutionalize LED Departments/ Units in the municipalities by initiating new LED department or integrating LED in an existing department in the structure of the municipality.
- Developing LED Plans for 4 municipalities for Phase I, a promotional tourism map will replace the LED plan for a 5th municipality, and 8 Municipalities in Phase II.

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

- Orientation Workshops for the Mayorsí of the selected municipalities on the LED concept.
- Training sessions for the municipalitiesí 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)

8 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
- Hebron municipality ñ Institutionalizing a Business One-stop-shop/Unit

Feasibility Studies for economic projects (VNG,AFD)

Under this theme the following feasibility studies will be conducted:

- Ramallah Municipality : will conducted 2 feasibility studies for 2 different projects (result of LED Plan/VNG).
- Kufor Rai will conduct 1 feasibility study (Result of LED Plan/VNG)
- Ramallah Municipality : Multi-Story Garage and shopping Complex Project (AFD)
- Al Bireh Municipality : Al Bireh Tourist 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).



Cycle	No. of Municipalities	West Bank	Gaza	Financing Partner	Updated implementation status	Anticipated Activities
LED Phase I	5	5	0	VNG	• Business Needs Assessment was conducted for 5 municipalities. It was introduced to the municipalities and stakeholders, and feedback was reflected. • Four LED plans were developed at 4 different municipalities according to the municipalities' request. • LED was institutionalized at 5 municipalities. This includes institutionalizing a unit at each municipalities concerned with LED, all units were furnished and equipped. • Depending on each municipality's LED project requirements, most sub-projects were finalized and paid for. This includes conducting exhibitions, purchasing needed specified equipment such as (GIS), conducting Capacity Building training in various subjects related to LED, installing various supporting software for LED. Specific for al-Samou Municipality, two One-Stop-Shops were inaugurated in support of the municipality's efforts to facilitate the lives of their residents, and encourage further transactions between residents and municipality, and to enhance the services that the municipality provides the private sector, to save time and effort. • In lieu of conducting LED plans, Birzeit municipality was unique in conducting and implementing a tourism map, supporting the Local Economic sector of tourism. The project is expected to introduce Birzeit as a new tourism destination. Promotion and printing of the needed material (including maps, guides, signs...etc.) is currently underway. • MDLF and VNG were partners in enhancing the capacity of LED understanding for the municipalities. This was achieved thru an LED tour of all target municipalities to several Dutch municipalities (The Netherlands) for an entire duration of 10 days. The experience is expected to set the ground for further participation between the Netherlands and Palestine in issues related to LED, and was deemed as perfectly educational which increased understanding and improved the perspective of LED for each municipality.	• Remaining Media, Film and Printing for all municipalities will be finalized in the first quarter of 2016. During the implementing phases of 2015, part of the media and printing was conducted, this included updating websites and producing promotional films and material. • MDLF and VNG will provide further LED Capacity Building training for all targeted municipalities.



LED Phase II	8	8	0	VNG	• Business Needs Assessment was conducted for 8 municipalities. It was introduced to the municipalities and stakeholders, and feedback was reflected. The methodology used to conduct the studies was enhanced based on the lessons learned from the previous phase. • During the final phase of 2015, the procurement process was conducted for development of LED plans, and institutionalizing LED process for all 8 municipalities. • A number of municipalities were successful in inaugurating their LED units, furnish and equipment was provided. • MDLF and VNG were partners in enhancing the capacity of LED understanding for the municipalities. This was achieved thru an LED tour of all target municipalities to several Dutch municipalities (The Netherlands) for an entire duration of 10 days. The experience is expected to set the ground for further participation between the Netherlands and Palestine in issues related to LED, and was deemed as perfectly educational which increased understanding and improved the perspective of LED for each municipality.	• According to the geographical distribution of municipalities, the LED was split into two assignments which will be conducted during the first half of 2016. • As part of LED, two exhibitions will be held in the North and South in support of LED efforts. The exhibitions will be held during the second quarter of 2016. • Media, Film and Printing for all municipalities will be finalized in the first half of 2016. Bidding documents were prepared and are currently ready for distribution or has been distributed. • MDLF and VNG will provide further LED Capacity Building training for all targeted municipalities.
LED Feasibility Studies	6	6	0	AFD (4) & VNG (2)	• Since October 2015, and funded by AFD, a contract was signed with an external consultancy firm to conduct a feasibility study for the establishment of a multi-story car parking and shopping complex in the city of Ramallah In the West Bank. • Since October 2015, and funded by AFD, a contract was signed with an external consultancy firm to conduct a feasibility study for the establishment of al-Dahrieh International Football Stadium. • Since December 2015, and funded by AFD, a contract was signed with an external consultancy firm to conduct a feasibility study for the establishment of al-Bireh Tourism Canal project. • During the final quarter of 2015, and funded by AFD, the procurement process was conducted for the project titled “Conducting Feasibility study for “Installation of (On-Grid) connection Solar Photovoltaic (SPV) renewable Energy System” in the city of Hebron. The study is expected to be initiated in 2016. • During the final quarter of 2015, and funded by VNG, TORs for three remaining studies for Ramallah (2) and Kufri Rai (1) were being prepared.	• The studies are expected to be finalized during the first and second quarters of 2016.



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2.2: Strengthening Newly Amalgamated Municipalities:

This sub-activity will be funded through 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; 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.

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

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

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

Chart 13: Distribution of EUR 1.5M per sector

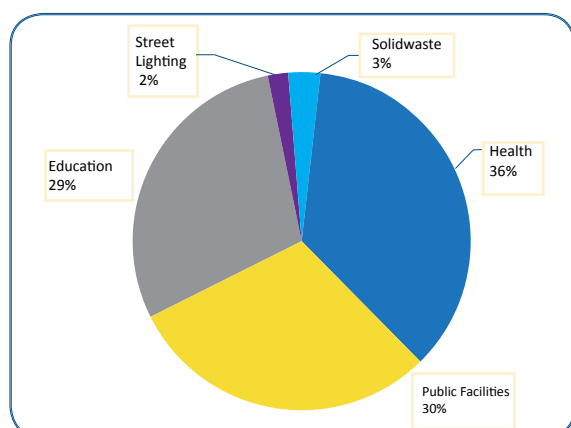
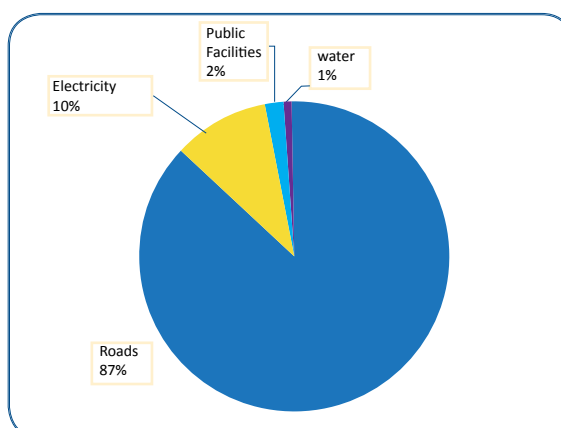


Chart 14: Distribution of EUR 0.4 per sector



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


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

Status of sub-projects within the Newly amalgamated Municipalities				Status of sub-projects within the Annexed/Integrated Communities			
Status	No. of Projects	Amount (EUR)	%	Status	No. of Projects	Amount (EUR)	%
Under Design	0	0	0%	Under Design	0	0	0%
Appraisal	3	268,174	18%	Appraisal	0	0	0%
Tendering	0	0	0%	Tendering	3	17,987	4%
Evaluation	1	80,000	5%	Evaluation	1	6141	1%
Ongoing	6	912,670	61%	Ongoing	4	67,162	17%
Completed	6	239,156	16%	Completed	17	308,710	78%
Total	16	1,500,000	100%		25	400,000	100%

Component /(Window) 3:
Window 3.A: Capacity Building for Municipalities - Cycle 01

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

The capacity building packages for the 1st cycle included:

- Improved financial management through rolling out of Financial Policies and Procedures Manual; Fixed Assets Registration and Valuation; Integrated Financial Management Information System, Training on Financial Management including (revenues generation, external audit, and budgets guidelines).
- Support for improved planning capacity through rolling out Phase 1-3 of the Strategic Development and Investment Planning (SDIP) process to municipalities that do not have SDIPs.
- Support for improved social accountability through establishing of Citizens Services Centers to enhance transparency and responsiveness towards citizens. And developing citizenship, communication and outreach guidelines.
- 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 6: 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 April 2015.	-----
SDIP	2	2	0	GIZ	• An amendment to an existing contract from MDPI was set in place in order to accelerate the process of supporting the two remaining municipalities who do not yet have an SDIP in place. • An agreement was reached between the MDLF and the consultant regarding the amendment, contract was signed and assignment activities commenced. • The First, second Public meeting and first and second workshops in both Nuba and Al-Ubaidiya were conducted. • Activities were accomplished and now municipalities have SDIPs in place.	-----
CSC	22	17	5	M D T F, S D C	• Citizens Service Centers (CSCs) (Target municipalities: 17 in West Bank, 5 in Gaza) • West Bank and Gaza: The documentation and analysis of the current stage phase was completed for work procedures of the services, which were adjusted to their optimal capacity. • Rehabilitation of the physical space of the Citizen Service Centers: • The rehabilitation of the physical space in all the municipalities of Gaza has been completed. • The rehabilitation of the physical space in all the municipalities in the West Bank and Gaza has been completed. • Supply Furniture: • Supply of furniture in all municipalities in Gaza has been completed • Supply of furniture in the municipalities in West bank has been completed • Supply Hardware: • A firm was contracted to provide CSC hardware to municipalities. • Hardware delivered to the target municipalities. • Hardware installation has been completed on each municipality network. • HW Assignment has been completed for WB and 90% Gaza. • Supply of computerized software: • A firm was contracted to provide the computerized system to supply municipalities with CSC has been completed • The preparation, configuration, and installation of the software in the municipalities of the West Bank & Gaza have been completed (17 in west bank & 5 in Gaza) • The implementation, integration and training have been completed in all municipalities (17 in west bank & 5 in Gaza). • All target municipalities (17 in west bank & 5 in Gaza) have operational software; the next step will be getting "Certificate of Acceptance COA" on the software per municipality. • Print Services Chart for targeted municipalities in the West Bank and Gaza has been completed.	• Complete the construction and rehabilitation works of the CSCs' physical space. • Implement the Software at the benefited municipalities. • The implementation in all municipalities will be completed by the end of February 2016, and the rest will be to get acceptance and go alive before mid of March 2016. • Official opening ceremony for all the CSCs will start in January 2016 and will be completed before end of March 2016. • The implementation in 5 municipalities in Gaza will be completed by end of March 2016 • Official opening ceremony for CSCs in Gaza will start in March 2016 and will be completed before end of April 2016.



IFMIS	14	11	3	WB & KFW	• Integrated Financial and Management Information System (IFMIS) (Target municipalities: 10 in West Bank, 4 in Gaza) • Institutional Assessment phase prior to implementation (three months phase) • A contract was signed with a consultancy firm to accomplish this phase on June 28th, 2015. The project was accomplished in October 2015. • Preparing tools for the purpose of evaluating the readiness of municipalities to implement IFMIS. • Municipalities in West Bank and Gaza were evaluated. • Assessment Report was revised. The result concluded that out of the 14 municipalities, 9 passed the assessment phase (6 in WB and 3 in GS) • Coaching Municipalities in Implementing IFMIS" In West Bank • MDLF received comments from donors regarding coaching TOR. • Comments were reviewed, discussed, and relevant comments were reflected on TOR. • Donors' no-objection has been received for IFMIS TOR. • Currently, the MDLF has undergone the procurement process procedures. During the first quarter of 2016, a contract is expected to be signed for the coaching process. IFMIS Software: • MDLF received comments from donors regarding IFMIS Software TOR. • Comments were reviewed, discussed, and relevant comments were reflected on TOR. • Comments on the TOR by the consultancy firm which is conducting the Institutional assessments has been completed and adjusted accordingly. • Donors' no-objection has been received for IFMIS TOR. The Invitation for EOI has been published by the mid of December. 2015.	• Expression of Interest will be advertised for coaching assignment in Jan 2016. The contract is expected to cover the entire duration of 2016. • EOI for IFMIS software will be evaluated in Jan 2016. The contract is expected to cover the entire duration of 2016.
O&M	4	4	0	KFW	1. Developing Software Requirements and Specifications (SRS) for Operation and Maintenance (O&M) computerized System • The investigation phase: • Feedback workshop was conducted attended by the consultant, the consulting firm that prepared the O&M manual and the pilot municipalities that implemented the O&M manual. • Site visits were conducted to municipalities that implemented the O&M manual • The system analysis: • Meetings were conducted with MDLF team and the consultant who prepared the O&M manual to further clarify working process regarding the assets valuation, registration and update and the O&M processes. • The workflow of the process, responsibilities, authorities of processing, and requirements of processing were clearly defined. • The optimized working processes were presented and discussed with all stakeholders. A comparative statement was prepared. Based on the recommendations concluded in the comparative statement. MDLF took the decision to go for a tailor made package The SRS document and the TOR were prepared and sent to donors for no-objection. The pilot municipalities were identified (four municipalities).	• Support MDLF in supervising the Development of the O&M software and the deployment at the pilot municipalities. Expected Accomplishment date is late August, 2016 Developing (O&M) computerized System • Upcoming activities:
Total Number of Municipalities	95	76	19			



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

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

Activity	No. of Municipalities	Financing Partner	Updated implementation status
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	municipalities 38	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 Citizen-ship 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) 3:****Window 3.A: Capacity Building for Municipalities (2nd Cycle)**

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

The capacity building packages for the 2nd cycle included:

MDPII Cycle 02**Window III: Capacity Building**

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

The applications were submitted electronically, and were immediately evaluated.

The municipalities were informed of the results, which are as follows:

Number of Target Municipalities	Number of Submitted Applications	Number of Municipalities which Declined to Submit	Number of Newly Assigned Municipalities
138	131	4	3

Package	SDIP	O&M	IFMIS	CSC
Number of Benefiting Municipalities	2	50	14	19
Total Number of Benefiting Municipalities	87			

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

Component /(Window) 4: Project Management**Local Technical Consultants (LTCs)**

To better support the municipalities to building their capacity, the MDLF has utilized the services of LTCs 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 sub-projects approved by MDLF as follows:

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 indi-



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vidual procurement plans, infrastructure and services maintenance, designs, specifications and bidding documents.

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.

Ensuring compliance with technical and fiduciary aspects: building the capacity and providing guidance to municipalities on technical and fiduciary aspects of sub-project preparation and implementation to ensure compliance with MDLF's procurement, financial, social and environment safeguards (including provision of mitigation measures) procedures.

Modification and Update of LTCs TOR

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

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

The Local Technical Consultants were distributed among 4 clusters (North West Bank, Middle West Bank, South West Bank, and Gaza). The LTCs for the 1st cycle were financed by the World Bank and the LTCs for the 2nd cycle will be financed by the Multi-Donors Trust Fund (MDTF) where the consultants have started their tasks and responsibilities.



Monitoring and Evaluation

Under this sub-component, there are a 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 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 was completed by 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 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).	This assignment was completed by July 2015.



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Component /(Window) 5: Additional Financing for Gaza Emergency Response

This component was designed under MDPII in response to Gaza emergency needs following the 51-day War on Gaza, 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 8 below:

Table 8: Additional Financing to /Gaza per Donor

Financing Partner	Committed Amount	Committed Amount in EUR	Implementation Status
WB	US\$ 3,000,000	EUR 2,173,913	- The implementation has started since October 2014 - A total of (EUR 2,021,739) were distributed among Gaza municipalities.
MDTF	US\$ 12,000,000	EUR 8,695,652	- The implementation has started since October 2014 - A total of (EUR 8,086,957) were distributed among Gaza municipalities.
KFW	EUR 5 M	EUR 5,000,000	A total of (EUR 4,550,000) was distributed among Gaza municipalities and the municipalities started preparing the application forms supported with the needed documents.
BTC	EUR 0.35 M	EUR 350,000	The sub-projects under this fund are completed
SDC	EUR 0.833 M	EUR 833,000	- MDLF have requested the municipalities to prepare their priority needs based on the damage assessment and achievement made up to date, - Contracting the LTC is expected to be on 18th of February 2016. - Preparing the municipal sub-projects list to be funded is expected mid of March 2016 by the LTC.

1 EUR = 1.38 \$

Allocation mechanism

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

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



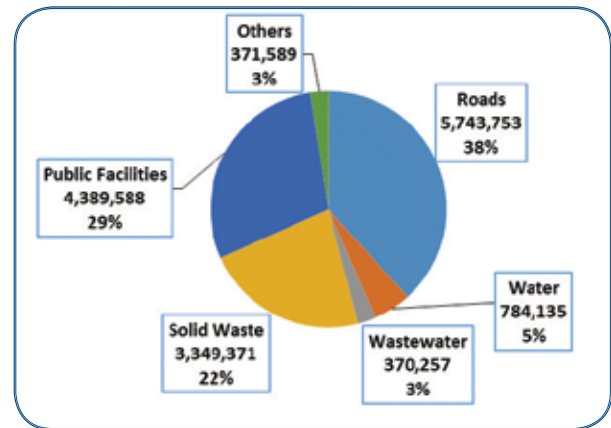
criteria:

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

Analysis Per Sector

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

Chart 15: Distribution of MDPII-W5 Fund Per Sector



Status Analysis of W5

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

- 241 sub-projects out of 271 were completed with total allocations (10,200,217Euros) amounting (68%) of the budget.
- 26 sub-projects are ongoing with total allocations (4,152,198 Euros) amounting (27.7%) of the budget.
- 1 sub-project was retendered with total allocations (86,431 Euros) amounting (0.6%) of the budget.
- 1 sub-projects is under tendering with total allocations (34,721 Euros) amounting (0.2%) of the budget.
- 2 sub-projects are under revision by the municipalities (bidding documents preparation) with total allocations (535,127 Euros) amounting (3.6%) of the budget.

Chart 16: Status of MDPII-W5 sub-projects

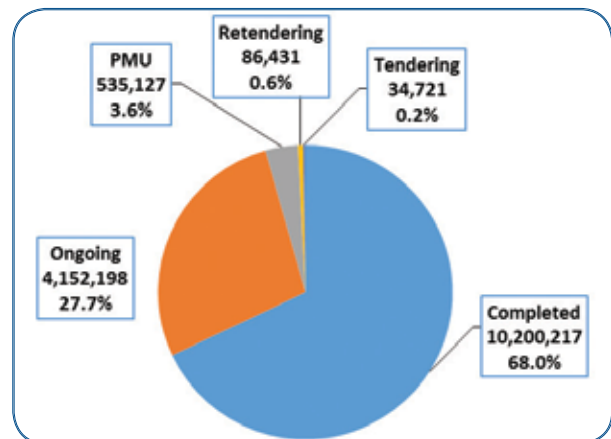




Table 9: Status of Window 5 sub-projects

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-tendering	2	0.7%	535,127	3.6%
Tendering	1	0.4%	34,721	0.2%
Retendering	1	0.4%	86,431	0.6%
Ongoing	26	9.6%	4,152,198	27.7%
Completed	241	88.9%	10,200,217	68.0%
Total	271	100%	15,008,696	100%

1.5: MDPII - Midterm Review Mission

A Mid-Term Review (MTR) mission for the MDPII was carried out jointly by the Financing Partners (FPs) from October 12-14, 2015. The FPs comprised of: (AfD), (BTC), (DANIDA), the European Union (EU), (GiZ), (KfW), (SIDA), (SDC), (VNG International), and the World Bank. The mission used the MTR as the opportunity to assess the project's performance in depth and initiate adjustments if necessary. More specifically, the mission had the following objectives: a) Assess continued relevance of the Project Development Objective (PDO) and determine whether the Project components support the achievement of the PDO; b) Evaluate the project performance through reviewing the implementation progress, financing requirements and results framework; c) Review Project compliance with regard to safeguards, procurement, legal and financial audits and 2 and finally, d) Discuss with the Palestinian Authority and the financing partners the project scope, potential design changes and accordingly Project restructuring. A restructuring was discussed during the mission to adjust the Results Framework and will be finalized as part of the Additional Financing from the MDTF.

Findings: Overall, the mission found that the PDO continues to be relevant and the project components continue to support its achievement. In general, project implementation is satisfactory with the project at mid-term, meeting or exceeding most of its key performance indicators including those related to the additional financing for Gaza meant to reflect the results specific to the Gaza emergency response activities financed under Component 5. For example, the number of municipalities that have graduated up the performance category in which they were classified during appraisal is 70 municipalities compared to a target of 25 municipalities. Three of the 138 municipalities have moved four steps and 1 municipality has moved six steps in the performance ranking mechanism. The share of identified priority damages repaired by Gaza municipalities is around 29% of estimated damages (expressed in monetary value) almost the same as the end of Project target of 30%. Procurement, Financial Management and Safeguards are rated as satisfactory across the board.

Project Ratings	Last Rating	MTR Rating	Project Ratings	Last Rating	MTR Rating
PDO	Satisfactory	Satisfactory	Financial Management	Satisfactory	Satisfactory
Implementation Progress	Satisfactory	Satisfactory	Project Management	Satisfactory	Satisfactory
Monitoring and Evaluation	Satisfactory	Satisfactory	Procurement	Satisfactory	Satisfactory



1.6: 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.

1.7: 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 either 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.



Programs / Projects

II: Local Development Programme - Phase III - (LDP III)





II: Local Development Program (LDP III)

2.1: Background

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

In January 2007, MDLF with Danish support implemented a Local Development Program (Phase I & 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 Program review for LDP was undertaken in April 2011 that recommended, in recognition of the continued need of support to amalgamation, the priority given to amalgamation by MoLG and achievements from the LDP (I-II), to design a new and final phase of Local Development Program (LDP III) to upscale support for LGU amalgamation in new, needy geographical areas.

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

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

- Clarification of amalgamation procedures and improved communication of these to all stakeholders including LGU staff, politicians and community members,
- The amalgamation process should be more systematic ñ 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 ñ 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. The programme was amended until the end of March 2016 upon the decision of the Steering Committee.

2.4: Implementation Status and Progress

During the reporting period the following activities were conducted:

- The updated work plan and the adjusted budget for the year 2015-2016 were signed on Dec. 27th, 2015.
- A List of new projects was approved by the Steering Committee for the benefit of the Ministry of local government under output 4, which will be implemented during the amended period in 2016. The list consists of:
 - Study trip.
 - LED Conference (June/July)
 - Consultant on income generation for landfill.
 - Cars for MoLG district offices for monitoring purposes (Up to 11).
 - Electronic equipment for the MoLG.
 - Aerial photo of the Arab American University for the benefit of MoLG.
- During the year 2015, 23 joint projects in three clusters under output3 were successfully implemented and accomplished, whereas 6 joint projects are still under implementation and will be completed before the end of March 2016.



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- A Contract amendment was signed for the Local Technical Consultancy firm for the supervision of the ongoing projects in Reef Dora.
- Contracts amendment were approved for the Two Local Technical Consultant (LTCs) who are developing the SDIP, Arial photos and Physical plans for the three clusters - to perform intensive workshops under the project for the benefit of the three clusters.
- The two individual Consultantsí contracts were amended for extra 3 months to follow up & assist South Salfeet & Al Mashareq JSCs in implementing their ongoing joint projects, their SDIPs & their Physical plans.
- A “Vehicle rent” contract was amended in two clusters South Salfeet & Reef Dura to facilitate the JSCsí engineerís movement and follow up the ongoing projects.
- Under output1 (joint social activities), 11 tenders for suppling materials and providing logistics services for clusters were successfully accomplished for implementing 22 social activities in all clusters.
- Additionally, a (Folklore Band) was contracted to support the implementation of the social activities in all clusters.
- Under output1, namely the communication and awareness raising, 12 tenders were successfully accomplished, where all JSCsí premises were furnished and provided with electronic equipment, stationery, waiting station & guiding signboards.
- More than 60 site visits were conducted†concerning the bid opening sessions and following up the implementation of the joint projects in all clusters, as well as the participation in the social activities evets in each JSC.
- 12 technical committee meetings, 3 for Dura Cluster, 4 for Salfeet cluster, and 5 for South East Nablus (Al Mashreq JSC) cluster were conducted.



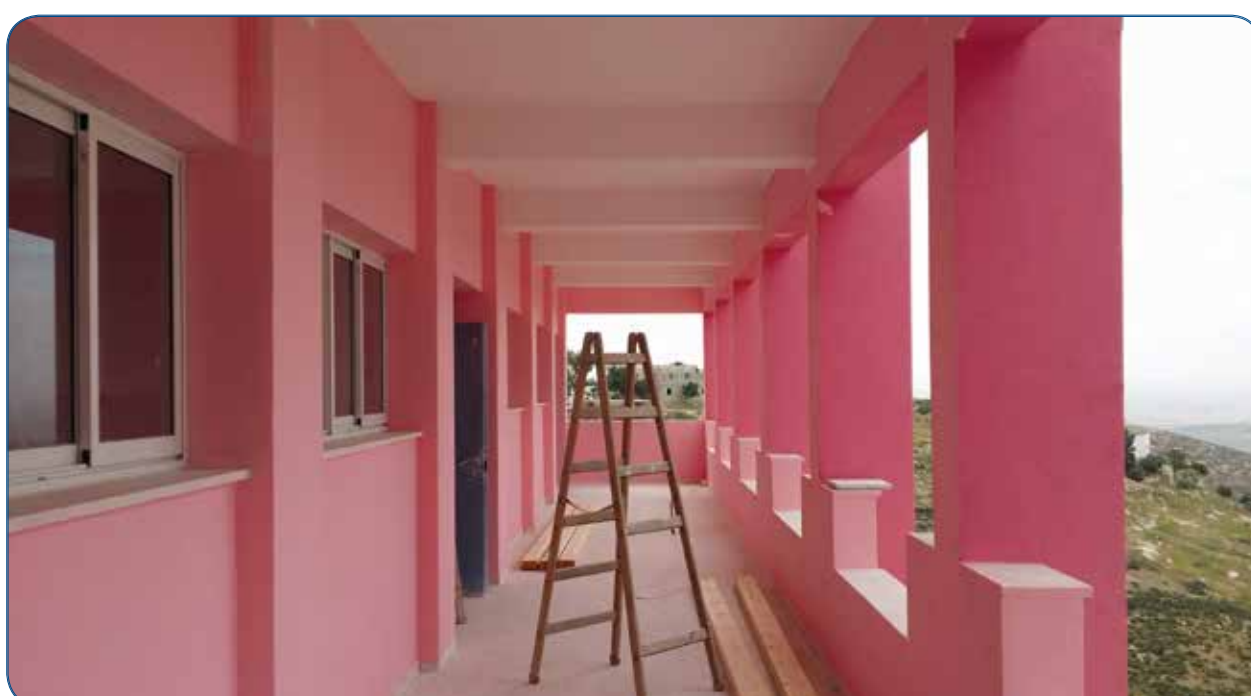




Assessment of the development of the national environment, including the strategic framework, since the last report:

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 Program	Progress during the reporting Period	Challenges and Obstacles
Strengthened base for better service delivery of LGUs through sustained processes of LGU amalgamation and improved local governance.	- 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 60 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. 11 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. 6 tenders were contracted for all JSCs to provide guiding signboards and waiting station to raising awareness.	- The amalgamation strategy has not yet approved by MOLG - 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
Output 1: Participatory amalgamation process/Local communities support the amalgamation process	Active participation and interaction of all community groups in the amalgamation process are ensured	Participation of the local councils members and the representatives of the civil institutions as well as the local community in the amalgamation process	- Study on feasibility and willingness to amalgamate for Salfit & South East Nablus clusters was accomplished 22 social activities were successfully implemented. 11 tenders for supplying materials and providing logistics services for cluster were contracted. - one 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. - All JSCs were provided with guiding signboards and waiting station 6 contracts.	All activities were accomplished in all clusters.	- 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.
Output 2: The institutional development of emerging municipalities is technically strengthened	Accomplishment of the institutional arrangements regarding the (SDIPs, Physical plans, asset registration and valuation)	The target was partially achieved concerning "SDIP & Physical plan", whereas the "asset registration and valuation" were all prepared but not published.	- 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 SDIP & Physical plan " is ongoing, but the "asset registration and valuation was cancelled due to the updated work plan.	The updated work plan approved by the stirring committee on ----- cancelled all the uncontracted tenders until 30-11-2016



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Output 3: Joint projects are implemented with a potential for sustainability	Paving 32 km of connection & Internal Roads and construct 2000 square meter of public facilities including: public buildings, schools public gardens, purchasing one electrical platform and one excavator	This target is not yet achieved The joint projects in Salfit & South East Nablus are almost completed but in Dura cluster it will be completed during the coming months	- The joint projects were identified through an investment study for SE Nablus and Salfit clusters. 17 out of 19 joint projects were successfully accomplished for the two clusters in the north WB . 2 projects are still ongoing in Salfit and in Al mashreeq . 6 out of 10 joint projects in Reef Dora were accomplished and 4 projects are still ongoing.	Continue the implementation for the projects in all clusters.	- Lack of staff and capacity building for the new JSCs. - Some of the target areas are located in area C. - The Israeli Security closures especially on the south area of WB through the last months. 3 uncontracted joint projects were cancelled according to the updated plan.
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 achieved according to the original target New list of projects is being preparing and approved	Effective coordination between MDLF, MOLG and the Danish will take place next period to identify specific details of the new activities under this output	Action plan & ToRs for the activities under this output is being prepared	Not clear approach and policy for amalgamation. Waiting for final approval on the new list of projects' specific details.

**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 updated work plan & adjusted budget for the amended period until March 31, 2016.	MDLF	The work plan was approved & is being implemented.
List of joint projects for Salfit & South East Nablus clusters were	The SC approved the updated list of joint projects for all clusters.	MDLF	The joint projects were approved.
Re allocation Budget	The SC approved the budget adjustment for LDPIII outputs.	MDLF	The budget adjustment was approved.

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 developed a clear strategy for the amalgamation process.
- The contradiction between Program documents & MoLG decision for Dura Cluster.
- The Israeli Security closure, especially on the southern of WB over the last months had limited the projects implementation progress.
- The cancellation of 3 un-contracted joint projects -according to the updated work plan- affected the credibility and confidence between the MDLF and the clusters.

2.6: Lessons Learned and Recommendation

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



Programs / Projects

III: Local Government Reform Development Programme (LGRDP)





III: Local Government Reform and Development Program (LGRDP)

3.1: Background

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

3.2: LGRDP Description

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

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

Component 1 - Support for MoLG Capacity Development

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

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

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

The Program will support reform and improved capacities and services of smaller LGUs in four selected clusters as shown in table 10 below:


Table 10: LGRDP Targeted Clusters

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

The LGUs will receive four broad areas of support:

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

Initially smaller LGUs which formally have a LG status as village councils or project committees will supported, but it is expected that their formal status will be changed into municipalities. The decision to amalgamate will be demand driven ñ 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 ñ 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 ñ not yet incorporated in an on-going MDP planning cycle ñ 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 Belgiumís 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 ñHomestretch to Freedom - The Second Year of the 13th Government Programí document, where merging and amalgamation initiatives for the different governorates have been identified.

Result 5 - Newly amalgamated municipalities are continuously progressing their performance

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

Description of Beneficiaries

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

At the decentralized level:

- Staff and politicians in the selected clusters of LGUs,
- Staff at the district level,
- Residents in the selected clusters of LGUs ñ on the basis of the initial list from MoLG of six priority areas this amount to approximately 83,000 persons.

At the national level:

- Ministry of Local Government (MoLG) in its capacity of key actor for delivering policy formulation, providing a regulatory framework, setting quality standards, technical assistance & advice, M&E, and sector coordination. Particular attention will be given to the following units:
- Complaints Directorate;
- Internal Control Directorate;
- Department of Formulation and Merging.

3.3: Financing Partners Contributions

The program will be implemented over five-years period with total budget of (Euro 15 million), where the agreement between the Belgian Development Agency and the MoP was signed on October 28th , 2010. Table 11 illustrates the budget breakdown.


Table 11: LGRDP Budget Break Down

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

3.4: Implementation Status

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

Component 2: Support for reform and improved capacities and services in smaller LGUs.		
Result 2: Smaller LGUs in selected clusters have developed appropriate joint institutional arrangements for joint services and amalgamation	<u>Activity 2.1:</u> 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



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	<u>Activity 2.2:</u> 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	<u>Sub-Activity 2.2.1:</u> The Fixed Assets Registration and Valuation assignment was completed (100% completion). <u>Tasks completed:</u> • 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.
	<u>Activity 2.3:</u> The LGU will be supported with consultants hired under the project and technical staff from MDLF to develop a comprehensive development plan in line with the national guidelines.	<u>Sub-activity 2.3.1:</u> • The Strategic Development and Investment Plans were completed whereas the physical planning is still in progress. (100% completion). <u>Tasks completed regarding the SDIPs:</u> • Follow up the diagnosis of the current status. • Follow up the formulation of the vision and objectives. • Setting integrated operation plans and evaluation plan. • Preparation of the draft SDIP. • Follow up with Municipal Council to Approve the SDIP • Conduct The Second Public Meeting • Prepare the final SDIP <u>Tasks completed regarding the Physical Planning:</u> • Review the planning framework report. • Determining the possibilities and challenges. • Supervise the sectorial assessment. • Approving the Spatial Development Framework Plan SDFP. • Submission the negative of the aerial photos. • Final digitized aerial photogrammetry maps were submitted. • Land Use Plan, zoning & building regulations were prepared and approved by the District Planning Commission . • Final Report was submitted.



	<u>:Activity 2.4</u> The LGUs will be supported to develop a comprehensive capacity development plan that inter alia will include recommendations for organizational structures staffing, office facilities, training programs and minor equipment	<u>Sub-Activity 2.4.1:</u> The institutional capacity assessment and development assignment was completed. (100% completion) <u>Tasks completed:</u> • LGUs Assessment Questionnaire was prepared • The Local Government laws were reviewed • Workshops with the concerned communities were conducted. • A draft by-laws was prepared • SWOT analysis was prepared • The municipalities' objectives and main duties were reviewed • The organizational structures proposed by MoLG was reviewed • Jobs descriptions and jobs classifications were prepared. • Departments functions and duties description were prepared • Human resources development plan was prepared • Procedural manual for the municipalities' operations was prepared. • Capacity Development Strategy Plan was prepared. • A final report was prepared . <u>Tasks completed regarding the Technical Assistance to the Common Water Department (CWD) " of the Joint Service Council for Planning and Development (JSCPD) / Beit Liqya Cluster.</u> • Assessment of the existing water service in the area. • Assistance to the legal establishment of the CWD. • Fixed assets identification, registration, and valuation. • Preliminary training for the Board of Director. • Material and equipment needs' assessment • Organisational structure, job descriptions and management procedures for Human Resources • Proposed tariff structure and business plan • Training needs assessment • Preparation of operation and maintenance procedures • Preparation of customers' services procedures and billing system • Preparation of financial procedures • Preparation of communication and internal reporting regulations • Support to the CWD for awareness of the population • Procurement of equipment • Recruitment of personnel • Implementation of the set of procedures • Supervision of external activities • On-the-job training • Benchmarking • Performance monitoring tools • Long term assistance



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:Result 3 Capacities of the select- ed LGUs are enhanced for improved planning, HRM, financial management, service delivery and account- ability	Activity 3.1 capacity development Program will be implemented	Sub-activity 3.1.1: The Equipment and Furniture were supplied within the targeted clusters. (100% completion) Tasks completed: • Supply of IT Equipment for JSCs. • Supply of Furniture for JSCs. • Supply of Total Station for JSCs. • Supply of Stationery for JSCs.
		Sub-Activity 3.1.2: The office building (extension or renovation) activity is (postponed)
		Sub-Activity 3.1.3: The financial support for 12 months initial employment of (staff activity was completed (100% Completion) Tasks completed: • 1st phase : (Engineer, Secretary, Urban Planner and Accountant) for each JSC were recruited for one year. • 2nd phase: (Engineer,) for each JSC was recruited for one year. • 3rd phase: • Recruiting of (Engineer) for each JSC (in Progress) : Extension the contracts of the Engineers • Recruiting of executive Manger of each JSCPD for one year
:Result 4 LGUs service delivery is im- proved through sustainable infrastructure development in the clusters	:Activity 4.1 Provision of funding for infra- structure 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 (65%) Tasks completed: • Local Technical Consultant - West Bank Clusters (2013) was contracted. (on-going) • Supervision for Water Network Rehabilitation in Beit leqya Cluster was contracted and (completed) • Study and design for Water Supply Network in Beita and Al-Karmel Clusters was (cancelled) • 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. (60% completion) Tasks completed: The First Phase of infrastructure projects (connection roads) was (completed. (100% (Second phase infrastructure (social infrastructure) (70% • - 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)



		Third Phase infrastructure (20%) - Review projects identified within public -participation (Completed) - Get steering committee approval (completed) - Bidding phase (completed) - Implementation (In Progress)
Component 3: Support for newly amalgamated municipalities (MDP-aligned). The BTC financial contribution under this component is going to be distributed among the amalgamated municipalities through MDP, starting from the 2nd cycle. Noting that, during the reporting period, MDP- 1st cycle was under implementation where the 2nd cycle planning started by the end of 2011. Consequently, the BTC contribution under (MDP-Window 1- 2nd cycle), was distributed among (10) amalgamated municipalities where MDLF informed the municipalities about their allocations and received their projects priorities.		
Result 5: Newly amalgamated municipalities are continuously progressing their performance	Activity 5.1: Undertake regular assessments of municipalities and provide general oversight and guidance to the concerned LGUs (by MDLF staff)	Sub-Activity 5.1.1: Municipal Ranking Assessment was completed. (100% completion) Tasks completed Evaluate the new amalgamated municipality to decide their performance category in accordance to the municipal performance criteria used by MDLF.
	Activity 5.2: Provide fiscal transfers to municipalities that is linked to their performance during the assessments. In this manner the municipalities will be provided with incentives for continuous improvements in their performance.	:Sub-Activity 5.2.1 Fiscal Transfers to the amalgamated municipalities is in progress. (80% completion) Tasks completed - Inform the municipalities about their allocated budget. - Nominate projects for implementation according to their SDIPs or by conducting public participation sessions in case they don't have SDIP. - Projects appraisal phase. - Bidding documents preparation phase - The projects were completed for the MDPII-1st cycle and still under implementation for MDPII-2nd cycle.

***Note: For more details on LGRDP please see annex B

3.5: Challenges Encountered and Obstacles

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

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

3.6: Lessons Learned and Recommendations

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



Programs / Projects

IV: Development of Marginalized Communities in West Bank and Gaza





IV: Development of Marginalized Communities in West Bank and Gaza

4.1: Background:

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

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

In 1972, there were some 1000 settlers in the West Bank. This population grew exponentially and at the end of 2012 there were an estimated 341,000 Israeli settlers living in 135 settlements and 100 outposts in Area C. Palestinian access, movement and use of land in Area C is restricted by a complex system of physical and administrative rules and regulations. The settlements are physically occupying 11% of Area C but the territory actually under their control is much higher. 70% of Area C is included within the boundaries of the regional councils of Israeli settlements and therefore off-limits for Palestinian use and development. Palestinian construction is heavily restricted in 29% of the remaining area, so that less than 1% has been planned for Palestinian development¹.

Palestinian population in Area C are among the most vulnerable and marginalized in the West Bank. Demolitions of housing and livelihood and forced evictions are causing severe poverty. 24% of the households in Area C are food insecure². Over 70% of communities located entirely or mostly in Area C are not connected to the water network and rely on rainwater or on tanked water at vastly increased cost³. The Israeli Civil Administration (ICA) takes action to disrupt the supply of water that residents try to obtain from alternate sources⁴.

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

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

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

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

4- B'Tselem, Acting the Landlord: Israeli Policy in Area C, the West Bank, 2012 - Between 2000 and 2012, the Israeli Civil Administration (ICA) destroyed 90 cisterns, 61 wells and 17 reservoirs belonging to Palestinians in Area C. In recent years the ICA has begun confiscating water containers purchased by residents of the Jordan valley for watering their herds. The supply of electricity that Palestinian communities in Area C receive from wind or solar power systems is also disrupted by demolitions and demolition orders.

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



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

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

4.2: Financing Partner Contribution

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

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

Table 12: Budget Breakdown

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

4.3: Objectives, expected results

A. Objectives

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



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

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

B. Expected Results:

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

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

Roads sub-projects:

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

Wastewater sub-projects:

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

4.4: Sub-Projects Identification and Description

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

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

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



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

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

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

4.5: Implementation Status

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

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

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

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



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Regarding the implementation status of West Bank/Area C sub-projects, table 14 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.

It is worth mentioning that one of the sub-projects, namely the Expansion of Water Network in Arab abu Farada was cancelled as the same sub-project is being implemented by the Palestinian Hydrology Group (PHG), its allocation is suggested to be utilized to amend the scope of other sub-projects upon the recommendation from the LTC to increase the coverage of those sub-projects for better services of those marginalized communities.



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

No.	Gover-norate	LGU	Sector	Project Name	Estimated Cost (\$) as per the amended agreement	Final Estimated Cost ((\$)	No. of Beneficia-ries/ Pop-ulation	Brief Description		Status
								As per the grant proposal	Upon the field visit by the LTC	
1.	Qalqilia	Arab Abu Farda	Water	Rehabil-itation of water network	80,000	0	134	Installation of 1000 m (3/4") water line (HDBE) and 900 m (3") transi-tion line (HDBE)	Installation of 840m (3") (HDBE) 476 (3/4") (HDBE) + manholes	The project will be canceled as the same project is being implemented through the Palestinian hydrology group (PHG)
2.	Qalqilia	Arab Al-Rama-deen	Roads	Rehabili-tation of internal roads	82,000	110,000	256	Rehabilitation of 1000 m, 5m width	Rehabilitation of 603m, 5m width	- Ongoing. - The project needs V.O. There is an extension of the road length needs Rehabilitation. - Excavation work was finished and now the base course layer is being prepared.. - Progress - (15%)
3.	Jerusa-lem	Al-Nabi Samweel	Roads	Rehabili-tation of internal roads	90,000	100,011	286	Rehabilitation of 700 m, 5m width	Rehabilitation of 566.5m, 5 m width.	Due to Israeli authorities, The works stopped now, due to Israeli authorities restrictions for how the project will be implemented. The project will be asphalt paving instead of interlocking tiles paving. The project will be retarded to the third time. Progress (10%)



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4.	Jerusalem	Al-Nabi Samweel	Public Facilities	Rehabilitation of Existing School	20,000	10,989	Rehabilitation of 150 Sq. m school	N.A.	Ongoing. The site is ready to supply and install the preformatted Classroom. The installation will be in few days. Progress (20%)
5.	Jericho	Fasayel	Roads	Rehabilitation of internal roads	93,000	95,000	1,258	Rehabilitation of 700 m access road, 5 m width. The work includes pipe culvert (1m diameter).	Completed Progress (100%)
6.	Hebron	Southern Tarqumia	Roads	Rehabilitation of internal roads	214,000	220,000	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)	On Going The works are finished approximately. Soon the contractor will hand over the project. Progress (90%)



7.	Salfeet	Bruqin	roads	Rehabilitation of Bruqin entrance (Al-Buq'an area)	165,000	185,000	3,674	Rehabilitation of Bruqin entrance (4500 m²). The work includes excavation, base course, asphalt, retaining walls and curbstone.	Rehabilitation of Bruqin entrance with 722m length, 8m asphalt width, 12 m base course 2m sidewalk from each side.	On Going. The road paving was finished. The side Sidewalks are being Constructed. The project needs Variation Order. There is an extension of the road length which needs rehabilitation, additionally, a new item is needed (the edge beam) to protect the road structure. Progress (80%)
8.	Jericho	Al-Ra-shayda	Roads	Rehabilitation of internal roads	75,000	83,000	1690	Rehabilitation of 500 m of roads, 5 m width.	429.58m, 5 m width Box culvert 2*2 m²	Ongoing. The work are finished approximately. The project needs V.O. for the Concrete shoulders. Progress (95%)



9.	Jericho	Al-Rashayda	Public Facilities	Construction of kindergarten	130,000	110,000		Construction and finishing of 150 m ² kindergarten	193.86 m ² building	The contract was Signed after Second Tendering Process because the lowest contract price in the first was too high according to the estimates cost. The project needs V.O. for rehabilitation of external Squares. Progress (0%)
10	Jericho	Al-Rashayda	Public Facilities	Supplying Games for the Kindergarten	----	20,000		Supply of games for the Kindergarten	Supply of games for the Kindergarten	Preparation for tendering Progress (0%)
11.	Bethlehem	Al-Walaja	Roads	Rehabilitation of internal roads (schools street)	130,000	145,000	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.	On Going The project needs V.O. for additional item of stone walls to prevent soil Landslides. The works in the sub grade layer and the stone walls are finished. The base course layer is being constructed.
	Total				**1,079,000	**1,079,000	11,671			





Regarding the implementation status of Gaza sub-projects under this fund, one sub-project project was 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 both Bani Suuhila and Beit Lahia Projects to cover the needs.

Table 15 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 is needed. **A recent** delay is recorded in the entry of the pumps and equipment’s needed for Beit Lahia project.

There are no 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 15: Status of Gaza sub-projects

NO.	Municipality	Description - ((Project Name	Allocation (USD)	Contract Amount (USD)	Percentage of completion	Status
1	Al-Shouka	Construction of wastewater network in Al Shoukah	160,000	160,000.00	100%	The project is completed
2	Al-moghraqa	Construction of wastewater network in Al Iman Area and North Area	150,000	150,000	100%	The project is completed
3	Beit lahia	Construction of wastewater network in Al Berka Area	165,000	142,483	80%	Delay in this project was recorded due to delay in the final design approval by CMWU. It is planned to be closed end of October 2015. However, the project was not closed as expected due to delays in the installation of the wastewater pump.
4	Bani Suhaila	Construction of wastewater network and pump in Abu Sruor Area And Jamal abdulnasser street	165,000	149,998	100%	The project is completed
5	Al-Zawayda	Construction of wastewater network in Al Qu’ann Area	140,000	140,000	100%	The project is completed.



6	Beit Hanoun	Construction of wastewater network in Ezbit Bait Hanoun area-Beit Hanoun-North Gaza	120,000	120,000	100%	The project is completed.
7	Al Musadar	Rehabilitation of water reservoir-Al Msaddar-Dair Al Balah	0	0	0	The project is canceled as the project received financing from other donor as per the information provided by municipality.
8	Al Moghraqa	Construction of Waste Water Network in Street No. 14 (AL Malahe Street) in Al Moghraqa	150,000	150,000	0%	Tendering
9	Al Naser	Pavement of interior streets in Abu Edhail Neighborhood – Um Al Nuaser Municipality	150,000	150,000	0%	Tendering
10	Rafah	Pavement of interior streets in Amer Mashro' – Rafah municipality	150,000	150,000	0%	Under design (to be tendered very soon)

4.6: Lessons learned 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.



Programs / Projects

V: Development of Area C in the West Bank





V: Development of Area C in the West Bank

5.1: Background

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

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

Israel retained full building and planning authority in Area C, which encompasses some 60% of the West Bank. Israel strictly limits Palestinian settlement, construction and development in this area, while ignoring the needs of the Palestinian population. This policy means Palestinian residents must subsist in very rudimentary living conditions. They are denied any legal 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 C⁶ including Bedouin in more than 250 Palestinian Communities

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

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



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

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

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

5.2: Description

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



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- 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.

5.3: Financing Partner Contribution

This program exists within “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 16 illustrates the budget breakdown of the budget:

Table 16: Breakdown Budget – Area C program

Item	Budget (Euro)
MDLF management fees (indirect cost) = 7% of direct eligible cost	128,100
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
Provision for contingency reserve (indirect cost)	41,900
Total Cost of the Action	2,000,000



5.4: 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 17.

Table 17. 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 18 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 18: 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%

5.5: Implementation Status

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

In parallel to effective communication with the key stakeholders, MDLF had started the procurement ar-



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rangements to contract a Local Technical Consultant in West Bank for design and supervision. In this context, MDLF had prepared a clear TOR for the consultancy service of the design and the supervision work package where the MDLF is responsible for technical review of the LTCs deliverables and to ensure that the project is moving on the right track according to the implementation plans prepared from the beginning. The LTC was contracted on 18th of March 2015. Following the contract with the LTCs, a kick off meeting was conducted to ensure the clear understanding from the consultant of the scope of work and the main tasks he/she is responsible for. Upon the kick off meeting, the LTC was requested to start communicating with the target LGUs and conducting the field visits to projects locations to verify the description and the costing of sub-projects as well.

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

Preliminary Stage:

- A kick-off meeting with LTC representatives and EU engineer was conducted on March 24th, 2015 to discuss the project components, allocations and other issues.
- Field visits were carried out to the target LGUs in all governorates by MDLF's engineers and the LTC in order to be familiarized with one another, to introduce the team and to 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 communicated 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 19, shows the distribution of the total allocated money by the procurement method.

Table 19: 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 was 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 were conducted for some projects.
- The project license for some projects from the concerned inline ministries was obtained.
- The LTC completed the design phase of the majority of sub-projects where the tender documents were prepared in accordance to the MDLF procurement manual. Table 5 below, illustrates the status of the sub-projects.





Table 20: Implementation Status for the infrastructure sub-projects

No.	Project Name	Brief Description	Original Estimated cost	Procurement method	Verified estimated cost (revised by the LTC)	Lowest responsive bidder	Implementation Status
1	Construction and finishing of Kindergarten-Dab'a & Ras Tira	This Kindergarten will serve about 30 children from the area, the building is new constructed building of an area 142 m ² , consists of two class rooms, administration room, rest room, kitchen, toilets and outdoor playing area with some playing equipment.	55,600	Shopping -Works	88,260	117,488	The project was tendered, the bids were evaluated. Ready to be awarded.
2	Expansion of water network -Dab'a	The total length of the network on ground is around 700 meter long, this will serve the whole population of Dab'a.	37,000	Shopping -Works	75,000	----	The design was completed and shared with the PWA for their technical feedback. The bidding documents were prepared and the project is ready for tendering. Ready for tendering. (it was agreed to postpone the project tendering until having the full picture about the lowest responsive bidders for the other project as the projects estimated cost exceed the allocated budget for the infrastructure component).



3	Supply of transformer -Dab'a	The preliminary description of the projects is the supply of a transformer, a panel, galvanized frame and fused. During the design period and after visiting the site, it was discovered that in order that the transformer be functional there is a need for cable to connect it with an around 200 metres long. This raise the cost estimate to around 93,000 Euros.	10,500	Shopping -Goods	93,000		The design was completed, the BOQ was submitted by the LTC to MDLF for review. The design was completed and the project is ready for tendering. However, it was agreed with the MOLG and the EU to postpone the project implementation to the next phases of the program.	Postponed to the next phases of area c development program.
4	Construction of public playground in Ras Tira	There is no existing playground in the area. The area of the playground is around 1000 meter square, it serves all the population of Ras Tira and the surrounding area,	56,000	Shopping -Works	61,129	72,973	The project was completed	Completed
5	Finishing of public hall- Ezbit Al-Tabeeb	A public hall already exists and needs some finishing works, all the population of Ezbit Al-Tabeeb and the surrounding area will benefit from the project	11,400	Shopping -Goods	13,115	12,350	The project was completed	Completed



6	Rehabilitation of internal roads-Ezbit Al-Tabeeb	Rehabilitation of 778 meter length, with 496 meter sidewalks (1.5m each side), and 32 lighting units.	344,000	Shopping -Works	285,320	238,926	MDLF received the no-objection from the EU regarding the change of scope in the roads projects following the long discussions with the EU and after receiving a technical opinion from the MOLG regarding this issue 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. The project is ongoing	Ready to be awarded.
7	Construction of Kindergarten - Immaizel	This Kindergarten will serve about 30 children from the area, the building is new constructed building of an area 142 m ² , consists of two class rooms, administration room, rest room, kitchen, toilets and outdoor playing area with some playing equipment. The plot level is under the street level of about 3m, where there is a need to ramp to the level of the plot, and retaining walls.	62,500	Shopping -Works	96,189	117,727	The project was tendered, and the bids were evaluated.	



8	Development of Existing Clinic - Immaizel	The Current clinic services is working once a week, the project aims to develop the clinic services to be full time, but after many visits and discussions with all stakeholders they will operate it four days a week. All Immaizel population and the surrounded area will be benefited from this Clinic	10,000	Shopping -Goods	10,000	-----	Consultation had been done with the health authorities to finalize the equipment specifications in order to finalize and prepare the final bidding documents. Ready for tendering. (It was agreed to postpone the project tendering until having the full picture about the lowest responsive bidders for the other project as the projects estimated cost exceed the allocated budget for the infrastructure component).
9	Rehabilitation of internal roads - Twaneh	Rehabilitation of 300 meter length, with 300 meter sidewalks (1.5m each side). The ROW of the road to be designed is 12m , but the road lies in cliff area , which needs the construction of Retaining structures (168 m) in order to construct the road on the full width of the ROW.	262,150	Shopping -Works	221,540	169,319	MDLF received the none objection from the EU regarding the change of scope in the roads projects following the long discussions with the EU and after receiving a technical opinion from the MOLG regarding this issue 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 The project is ongoing



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10	Construction of additional floor for Twaneh basic school - Twaneh	The Existing school does not include grade 12 classroom, the students has to look for another school in the surrounding area. The school also needs computer labs, sport room and other additional facilities. Additional first floor to the existing building was designed with an area of 289 m ² , consists of three classrooms, computer lab and staircase.	98,200	Shopping -Works	83,368	98,982	The project was tendered, and the bids were evaluated.	Ready to be awarded.
11	Construction of Kindergarten - Ras Al-Wad	This Kindergarten will serve about 30 children from the area, the building is new constructed building of an area 142 m ² , consists of two class rooms, administration room, rest room, kitchen, toilets and outdoor playing area with some playing equipment. The plot level is under the street level of about 3m, where the need to ramp to the level of the plot, and retaining walls.	46,400	Shopping -Works	86,759	108,440	The project was tendered, and the bids were evaluated.	Ready to be awarded.
12	Construction and finishing of multipurpose center - Abdallah Al-Younis	A new building of an area 265 m ² already designed, consists of a local council offices (two offices, kitchen and toilets), clinic (a clinic room and a nurse room), kindergarten (two classrooms, administration room, rest room, kitchen, toilets and outdoor playing area).	88,000	Shopping -Works	153,827	194,183	The project was tendered, and the bids were evaluated.	Ready to be awarded.
13	Construction of Kindergarten - T'innik	This Kindergarten will serve about 60 children from the area as there were no Kindergarten in the area, the building is new constructed building of an area 142 m ² , consists of two class rooms, administration room, rest room, kitchen, toilets and outdoor playing area with some playing equipment.	61,600	Shopping -Works	122,835	141,982	The project is ongoing	Ongoing



14	Rehabilitation of internal roads - Um Al-Lahim	Rehabilitation of Um Al-Lahem main road with total length of (1,100 m), that passes through the village and connects it with adjacent communities. Pavement of 1,100 m road segment (the first segment 560 m with 7 m asphalt width) and (the remaining segment 440 m with 4 m asphalt width). Construction of 560 m sidewalks (1.5 m per each side) Construction of 170 m retaining gravity walls \Construction of 900 m stone walls . Construction of 500 m street lighting network (including 23 lighting unit)	454,650	Shopping -Works	347,490	307,325	MDLF received the none objection from the EU regarding the change of scope in the roads projects following the long discussions with the EU and after receiving a technical opinion from the MOLG regarding this issue 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 The project is Ongoing	Completed
15	External works for the multi-purpose center - Um Al-Lahim	The existing multi-purpose Center needs some minor external works such as safety hand rails and rain shelters, all Um Al Lahim population will benefit from this project.	12,000	Shopping -Works	11,966	11,920	The project was completed	



5.6: Obstacles and Challenges

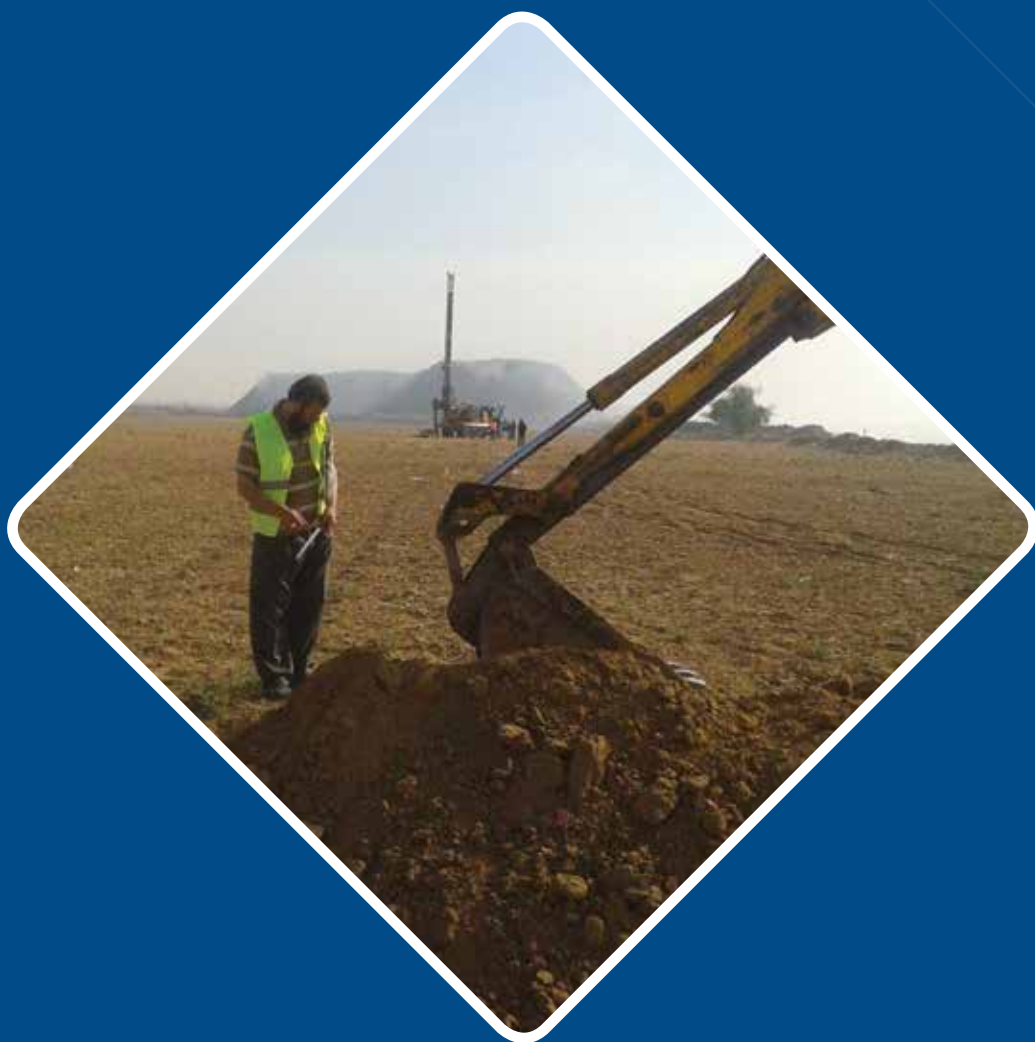
- The lack of the capacity and needed skills of most LGU's to design their sub-project and to prepare ESMP, to overcome this challenge through on-job training and site visits.
- The low capacity of the LGU's in general related to procurement procedures, preparation of bidding documents and procurement 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.
- A major challenge regarding the implementation of the roads sub-projects in accordance to the specified right of way (ROW) as stated in the outline plans. This means that the Right of Way (ROW) could not be achieved in some locations within the outline plans boundaries.
- The coordination with the MOLG took more time than expected, especially for the verification of projects locations (within/out of the outline plans).

5.7: Lessons Learned and Recommendations

- Continue empowering 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.
- More attention has to be given 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.







Programs / Projects

VI: Gaza Solid Waste Management Project (GSWMP)





VI: Gaza Solid Waste Management Project

6.1: Overview

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 population (approximately 800,000 people) according to the 2014. The 3 governorates are served by the Joint Service Council for Solid Waste Management in the Governorates of Khan Younis, Rafah, and Middle Area (JSC-KRM) (figure (1)). 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 472 donum (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.

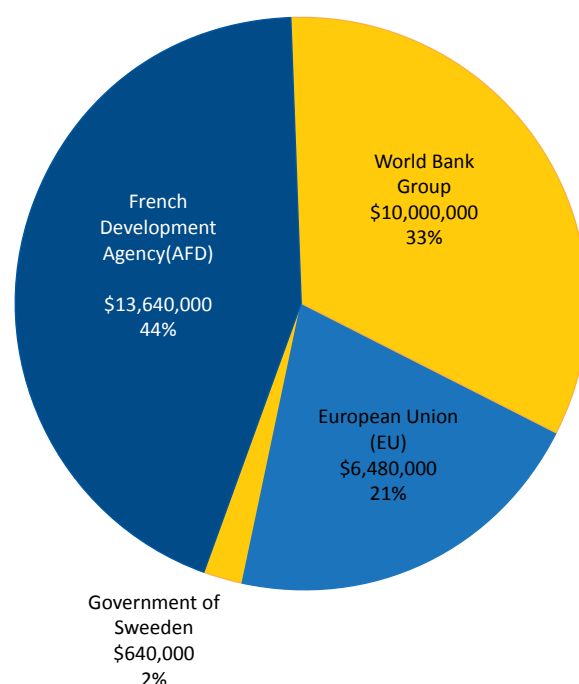
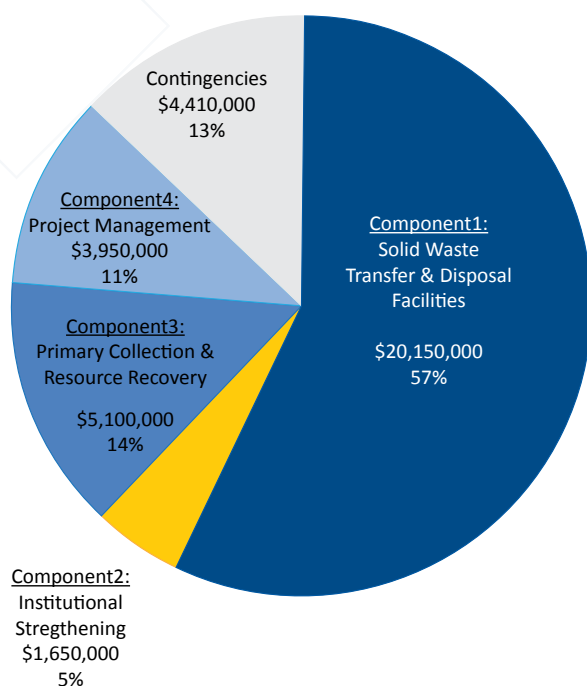




6.2: Project Components

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

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



6.3: Progress of Implementation (Status Update)

In 2015, an international consulting consortium undertook the task of reviewing and improving the design of the planned landfill in Al-Fukhari iSofaî area in Southern Gaza. Number of improvements and adjustments were incorporated in the design.

A comprehensive solid investigation program was conducted in the landfill site (area 215 dunom~21.3ha.) ñ Image (1). MDLF-PDSU and JSC-TOU moved in a joint facility not far away from the planned landfill site, and MDLF contracted the key staff for the Technical Operations Unit (TOU) of the JSC, completing the first package under component 2 of the project: institutional strengthening. MDLF implemented the first job-analysis ever done for the JSC providing strong foundation for the JSC to manage its human





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resources whom are and will be responsible to provide solid waste management services to 800,000 people. Number of small contracts was executed, including the topographic survey and water sampling analysis for Dair El-Balah Sanitary Landfill; a measure that is required for the preparation of the closure plans of the 20 year old landfill.

The first solid waste transfer station is near completion, by UNRWA with financing from the Islamic Development Bank, and under the umbrella of the overall Gaza Solid Waste Management Program with the southern region being implemented by MDLF. The JSC and the MDLF succeeded in providing vital support in the form of improving the design of the facility, and in maintaining series of public communication sessions in the intervention area, where the public was strongly opposing the construction of the facility. MDLF and JSC were able to explain the engineering concept to the public, gaining more support from community leaders. The location of the facility was slightly changed, and the public approved the construction of the facility, which is the first of its kind in Gaza. MDLF and JSC addressed the Project Affected People (PAPs), namely the waste pickers of the existing landfill in Sofa. Meetings with the PAPs resulted in updating their status and maintaining a constructive communication towards alleviate the potential loss of their livelihood by providing alternative opportunities as listed in the project's Abbreviated Resettlement Action Plan (ARAP). Social committees were formed by JSC in project areas, ensuring continuous dialogue with the public concerning project activities - image.





Table (21) provides a list of the completed and committed contracts to date (31 Dec., 2015), and table (22) provides overall status of all major activities within the major project components.

Table 21: Committed Contracts to date

No.	Comp. ref.	Completed/Committed Contracts	Financing Partner
1	2.1.1.1	Supply of Spare parts for Maintenance of Track Loader for Deir Al Balah landfill	AFD-EU
2	2.1.1.2	Supply of fencing material for maintenance of existing fence for Deir Al Balah landfill	AFD-EU
3	2.1.1.3	Supply of CCTV at facility Entrance for Deir Al Balah landfill	AFD-EU
4	3.1.1.1	Conducting Topographic Survey of Existing Conditions at Deir Al Balah Landfill	WB
5	3.1.1.2	Sampling and analysis of monitoring wells for Deir Al Balah Landfill	WB
6	4.1.1	Design Revisions, Construction supervision and Contract Management	AFD-EU
7	4.1.2.1(A)	Hiring of TOU/JSC-KRM Executive Director	WB
8	4.1.2.1(B)	Hiring of TOU/JSC-KRM Operations Engineer	AFD-EU
9	4.1.2.1(C)	Hiring of TOU/JSC-KRM Financial & Accounting Officer	AFD-EU
10	4.1.2.1(D)	Hiring of TOU/JSC-KRM Public Information & Outreach Officer	AFD-EU
11	4.1.2.1 (E)	Hiring of TOU/JSC-KRM Administrative & Technical Assistant	AFD-EU
12	4.1.2.2	Conducting Job Analysis for JSC-KRM	AFD-EU
13	4.1.2.2(C)	Supply & Install Electric Generator	WB
14	4.1.2.2(E)	Supply & Install PBX System and Communication Devices	WB
15	4.1.2.2(F)	Supply and Install of Office Divisions and Materials	WB
16	4.1.3.2	Printing Materials for Public Awareness Campaigns	WB

Table (22): Major Activity Status and Planning

	tendering/preparation										
	start of activity/progress of activity										
Item Reference				Schedule							
				Project Effective							
				09/07/2014 to 30/11/2019							
PAD Comp. Ref.	Procurement Plan Ref.		Description	2015				2016	2017	2018	2019
	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)								
C1c	2.1.1	Goods	Supply & Installation of TS and LF Equipment								
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)										
Component 2: Institutional Strengthening											



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	tendering/preparation										
	start of activity/progress of activity										
Item Reference				Schedule							
				Project Effective							
				09/07/2014 to 30/11/2019							
PAD Comp. Ref.	Procurement Plan Ref.		Description	2015				2016	2017	2018	2019
	No.	Category		Q1	Q2	Q3	Q4				
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)								
Component 3: Primary Collection & Resource Recovery											
C3a	4.1.4	CS	Studies for Optimization of Waste Collection								
C3b	2.1.1	Goods	Supply of Waste Collection Equipment								
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 & Contract Management								
C4c	3.1.1	Non-Consulting	Operational Management Contract for the landfill and transfer stations								
C4d	4.1.5	CS	Independent Consultancies: including independent monitoring of EMP and Beneficiary assessments								

6.4: Obstacles & Challenges

Construction of the new landfill in Al-Fukhari area in South of Gaza is considered the central theme of the Gaza Solid Waste Management Project. Starting from the endpoint of municipal solid waste, which is the disposal of waste, the project will track back all processes of solid waste management to make service provision effective and establish a better environmental practices. Although the land required for building the landfill had been available since December of 2012, delays in concluding the compensation process for the landowners caused considerable delay in implementing project activities. On one hand, Gaza is in desperate need for improvement of the Solid Waste Management Systems, requiring steady steps towards improvement of the different aspects of operations. On the other hand, the two landfills in Middle and Southern Gaza had already exceeded their life spans. MDLF, with the support of the financing partners and the JSC, is proceeding in implementing various contracts not dependent on landfill construction including launching several contracts for the supply of collection equipment to replace the already depreciated JSC's equipment. In addition, the preparation of major studies covering the entire Gaza Strip is to be launched to find best practices to improve solid waste primary collection and resource recovery.

Annexes



ANNEX A

Municipal Development Program – Phase 2 (MDP-II)



MDPII - 1st cycle estimated cost

No.	Financing Partner	WB	WB-AF-Gaza	KPW	KPW-AF-Gaza	AFO	MDTF	Siida	Danish	MDTF-AF-Gaza	GIZ	PA-MOLG	PA	BTC	BTC-AF-Gaza	VNG	SDC	Total (Euro)
1	Window 1: Municipal Grants	3,700,000	0	12,045,000	0	0	8,219,000	2,526,000	5,692,000	0	0	3,334,000	3,515,400	920,000	0	0	486,000	32,454,400
2	Window 2: Support to Municipal Responsiveness and Innovations	600,000	0	0	0	700,000	2,116,000	0	2,116,000	0	0	0	0	0	0	558,000	0	3,668,000
2.1	Pipeline Innovations	600,000	0	0	0	700,000	0	0	0	0	0	0	0	0	0	558,000	0	1,658,000
2.1.1	2.1.1.1 Governance	305,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	305,000
2.1.2	2.1.1.2 Renewable Solar Energy	275,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	275,000
2.1.3	2.1.1.3 Local Economic Development	0	0	0	0	700,000	0	0	0	0	0	0	0	0	0	558,000	0	1,258,000
2.2	Post Analytical Support	0	0	0	0	0	2,116,000	0	2,116,000	0	0	0	0	0	0	0	0	2,116,000
3	Category 3 (WB): Capacity Building	250,000	0	410,000	0	220,000	545,000	152,500	381,500	0	372,000	0	0	0	0	0	630,000	2,427,000
3.1	Capacity Building for Municipalities	250,000	0	410,000	0	0	545,000	152,500	381,500	0	372,000	0	0	0	0	0	630,000	2,197,000
3.1.1	3.1.1.1 Municipal Financial Management	250,000	0	265,000	0	0	0	0	0	0	306,000	0	0	0	0	0	0	821,000
3.1.1.1	3.1.1.1.1 Integrated Financial Management Information System (FIMS)	250,000	0	265,000	0	0	0	0	0	0	0	0	0	0	0	0	0	515,000
3.1.1.2	3.1.1.2 Post Assets Registration and Valuation (FARV)	0	0	0	0	0	0	0	0	0	246,000	0	0	0	0	0	0	246,000
3.1.1.3	3.1.1.3 Training on financial management including: (revenue generation, internal audit, budgets, PFM manuals)	0	0	0	0	0	0	0	0	0	66,000	0	0	0	0	0	0	66,000
3.1.2	3.1.2 Strategic Development and Investment Plans (SDIP)	0	0	0	0	0	0	0	0	0	66,000	0	0	0	0	0	0	66,000
3.1.3	3.1.3 Review SOPs for Municipalities	0	0	0	0	0	0	0	0	0	66,000	0	0	0	0	0	0	66,000
3.1.4	3.1.4 Citizen Service Center	0	0	0	0	0	545,000	152,500	381,500	0	0	0	0	0	0	0	550,000	1,135,000
3.1.5	3.1.5 Operation and Maintenance	0	0	145,000	0	0	0	0	0	0	0	0	0	0	0	0	30,000	145,000
3.1.6	3.1.6 Clientele, communication and delivery guidelines	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,000
3.2	Capacity Building for MDLP as of strategic plan	0	0	0	0	220,000	0	0	0	0	0	0	0	0	0	0	0	220,000
3.2.1	3.2.1 Informative Resources	0	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	100,000
3.2.2	3.2.2 Coordination on LED and lending initiatives	0	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	100,000
3.2.3	3.2.3 MDLP	0	0	0	0	30,000	0	0	0	0	0	0	0	0	0	0	0	30,000
4	Window 4: Program Management	945,000	152,174	1,065,000	450,000	70,000	920,000	215,000	515,000	658,696	28,000	256,000	254,600	70,000	0	42,000	84,000	4,911,470
4.1	MDLP Management Fee (7%)	366,000	152,174	945,000	380,000	70,000	826,000	215,000	515,000	658,696	28,000	256,000	254,600	70,000	0	42,000	84,000	4,911,470
4.2	Technical Supervision and Assistance (TSA)	460,000	0	0	160,000	0	0	0	0	0	0	0	0	0	0	0	0	660,000
4.3	Monitoring and Evaluation	46,000	0	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0	106,000
4.4	Outreach and communication campaign	60,000	0	0	0	0	100,000	100,000	0	0	0	0	0	0	0	0	0	160,000
5	Window 5: Gaza Emergency Response - Additional Financing	0	2,021,778	0	4,550,000	0	0	0	0	8,000,000	0	0	0	0	350,000	0	0	13,000,000
	Total	5,000,000	2,173,912	13,600,000	5,000,000	1,000,000	11,800,000	3,000,000	8,800,000	8,698,696	490,000	3,000,000	3,790,000	1,000,000	1,000,000	660,000	1,200,000	58,799,565



MDPII - 2nd cycle estimated cost

		WB	German FC /KFW (original fund for cycle 02)	AFD	MDTF (original fund for cycle 02)	Slide	Danish	GIZ	PA	BTC	VNG	SDC	EU / KFW	MDTF - (Additional fund- 2nd cycle (Danish))	German FC/ KFW (Additional fund for Cycle 02)	Total (Euro)
		Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro	Euro
1	Window 1: Municipal Grants	1,448,465	8,840,000	5,000,000	8,098,459	1,085,591	4,882,619	0	4,173,300	837,000	0	589,000	6,017,860	5,092,759	8,300,000	45,326,790
2	Window 2: Support to Municipal Responsiveness and Innovations	0	0	345,000	0	0	0	92,010	0	0	558,000	0	0	0	0	995,010
2.1	Paving Innovations	0	0	345,000	0	0	0	92,010	0	0	558,000	0	0	0	0	995,010
	2.1.1 Governance							92,010								92,010
	2.1.2 Renewable Solar Energy															0
	2.2 Local Economic Development			345,000							558,000					903,000
2.2	Peer Assisted Learning Support															0
3	Category 3 (RQ): Capacity Building	220,000	540,000	170,000	180,000	0	190,000	278,890	0	0	0	620,000	500,000	0	0	2,518,890
3.1	Capacity Building for Municipalities	220,000	540,000	170,000	180,000	0	190,000	278,890	0	0	0	620,000	500,000	0	0	2,414,890
3.1.1	Integrated Financial Management System (IFMS)	220,000	240,000	0	0	0	0	30,000	0	0	0	0	0	0	0	400,000
	3.1.1.1 Integrated Financial Management Information System (IFMIS)	220,000	240,000													460,000
	3.1.1.2 Fixed Assets Registration and Valuation (FARV)							15,000								15,000
	3.1.1.3 Complementary package for financial management							15,000								15,000
3.1.2	Strategic Development and Investment Plans (SDIP)	0	0	0	0	0	0	10,000	0	0	0	0	0	0	0	10,000
	3.1.2.1 Develop SDIPs for Municipalities		0					10,000								10,000
	3.1.2.2 Quality Assurance for SDIPs		0													0
3.1.3	Urban Service Center			170,000	150,000		150,000	174,990				590,000				1,084,990
3.1.4	Operation and Maintenance		300,000										340,000			640,000
3.1.5	Zakat, contribution and outreach guidance											30,000				30,000
3.1.6	Technical Assistance Tool for Municipalities for Service Quality	0	0	0	0	0	0	0	0	0	0	0	180,000			180,000
	3.1.6.1 Development, testing and finalization of a Technical Assistance Tool												110,000			110,000
	3.1.6.2 Participatory Municipal Monitoring and Evaluation															50,000
	3.1.6.3 Preparation, Review of Pilot Experiences and Incorporation of Successful "Revenue Enhancement Capacity Development" Tools into the IFMS TA Package within the Municipal Development Programme MIP						65,000									65,000
3.2	Social Accountability															
	3.2.1 Capacity Building for MDLF as of strategic plan	0	0	0	40,000		40,000	0	0	0	0	0	0			40,000
	3.2.2 Informative Materials															0
	3.2.3 Coordination on LED and lending initiatives			0												0
4	Category 4 (RQ): Program Management	233,110	920,000	485,000	1,234,504	221,486	1,015,008	26,000	398,700	63,000	42,000	91,000	458,350	360,315	700,000	4,889,879
4.1	MDLF Management Fee (7%)	133,110	560,000	420,000	824,504	91,496	433,008	26,000	336,700	63,000	42,000	91,000	458,350	360,315	700,000	3,734,879
4.2	Technical Supervision and Assistance	0	0	0	610,000	130,000	480,000	0	0	0	0	0	0	0	0	610,000
	4.2.1 Local Technical Consultant				560,000	130,000	450,000									560,000
	4.2.2 Lab Test for Quality Control on window 1 sub-projects				30,000		30,000									30,000
4.3	Monitoring and Evaluation	40,000	60,000	65,000	0			0	0	0	0	0	0			165,000
4.4	Outreach and communication campaign	60,000			100,000		100,000	0	333,000	0	0	0	0			169,000
4.5	Contingency															300,000
	Total	1,901,575	8,000,000	6,000,000	7,482,913	1,307,087	6,165,627	480,000	4,810,000	900,000	660,000	1,300,000	6,974,110	5,433,071	10,000,000	53,811,669



Window 1 - Cycle 1 / West Bank

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
MUN Review	3	2%	683,031	4%
MDLF review	0	0%	0	0%
LTC review	0	0%	0	0%
Tendering	0	0%	0	0%
Evaluation	0	0%	0	0%
Awarded	2	1%	680,875	4%
on going	6	4%	1,415,970	8%
Completed	132	92%	15,896,650	85%
Total	143	100%	18,676,525	100%

Window 1 - Cycle 1 / Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	0	0%	0	0.0%
MDLF review	28	12%	3,647,603	25.7%
LTC Review	0	0%	0	0.0%
Tendering	0	0%	0	0.0%
Evaluation	0	0%	0	0.0%
Awarded	0	0%	0	0.0%
Ongoing	3	1%	535,489	3.8%
Completed	203	87%	10,023,222	70.6%
Total	234	100%	14,206,314	100%

Window 1 - Cycle 1 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Mun. review	3	0.8%	683,031	2.1%
MDLF review	28	7.4%	3,647,603	11.1%
LTC Review	0	0.0%	0	0.0%
Tendering	0	0.0%	0	0.0%
Evaluation	0	0.0%	0	0.0%
Awarded	2	0.5%	680,875	2.1%
Ongoing	9	2.4%	1,951,459	5.9%
Completed	335	88.9%	25,919,872	78.8%
Total	377	100%	32,882,839	100%

notes:

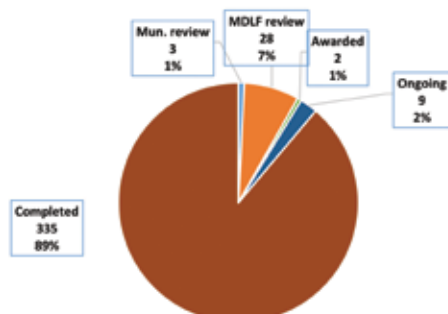
mun. review: preparing the desing, specifications and bidding documents, getting the approvals from inline ministries (if needed)

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

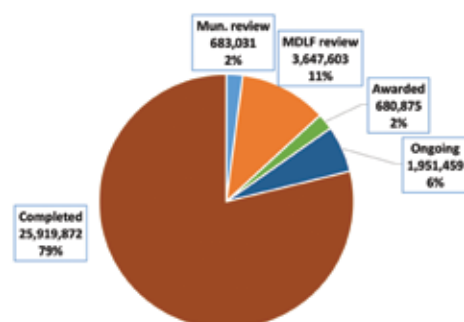
MDLF review: final verification prior the approval on the tendering.



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



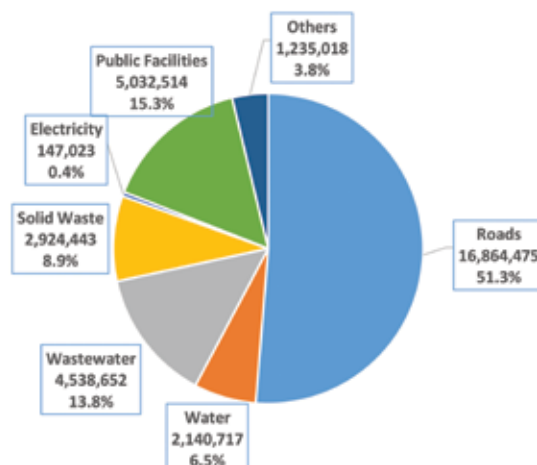
Status of W1 in terms of Sub.projects Allocation



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

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

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





Window 1 - Cycle 2 / West Bank

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved	83	59%	16,682,028	64%
Approved - Mun. Review	15	11%	1,978,159	8%
LTC review	0	0%	0	0%
Tendering	25	18%	4,481,871	17%
Evaluation	0	0%	0	0%
Awarded	13	9%	2,171,887	8%
on going	5	4%	837,000	3%
Completed	0	0%	0	0%
Total	141	100%	26,150,945	100%

Window 1 - Cycle 2 / Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved	0	0%	0	0.0%
Approved - Mun. Review	143	70%	14,387,994	71.1%
LTC Review	0	0%	0	0.0%
Tendering	20	10%	3,344,010	16.5%
Evaluation	0	0%	0	0.0%
Awarded	1	0%	16,207	0.1%
Ongoing	30	15%	1,967,423	9.7%
Completed	11	5%	511,052	2.5%
Total	205	100%	20,226,686	100%

Window 1 - Cycle 2 / West Bank & Gaza

Status	No. of projects	Percentage	Allocation (Euro)	Percentage
Pre-Approved	83	24.0%	16,682,028	36.0%
Approved - Mun. Review	158	45.7%	16,366,153	35.3%
LTC Review	0	0.0%	0	0.0%
Tendering	45	13.0%	7,825,881	16.9%
Evaluation	0	0.0%	0	0.0%
Awarded	14	4.0%	2,188,094	4.7%
Ongoing	35	10.1%	2,804,423	6.0%
Completed	11	3.2%	511,052	1.1%
Total	346	100%	46,377,631	100%

notes:

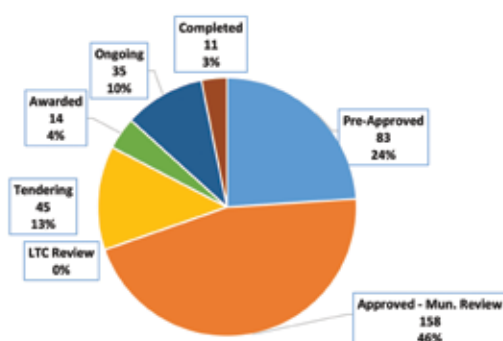
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LTCs review: verify the desing, the specification and the bidding documents

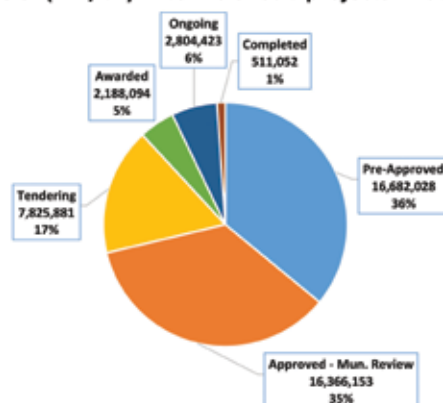
MDLF review: final verification prior the approval on the tendering.



Status of (W1/CII) in terms of No. of Sub.projects



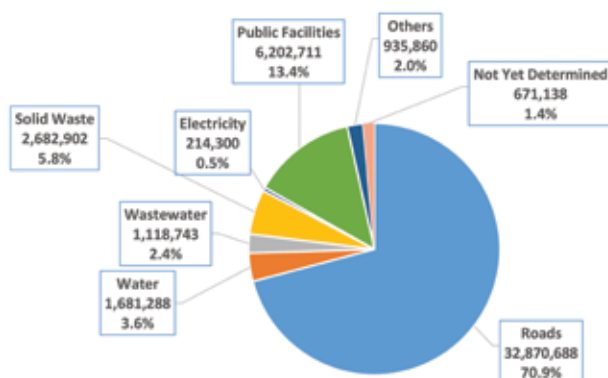
Status of (W1/CII) in terms of Sub.projects Allocation



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

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

Distribution of MDPII/ Cycle 2 / Window 1 Allocation Per Sector

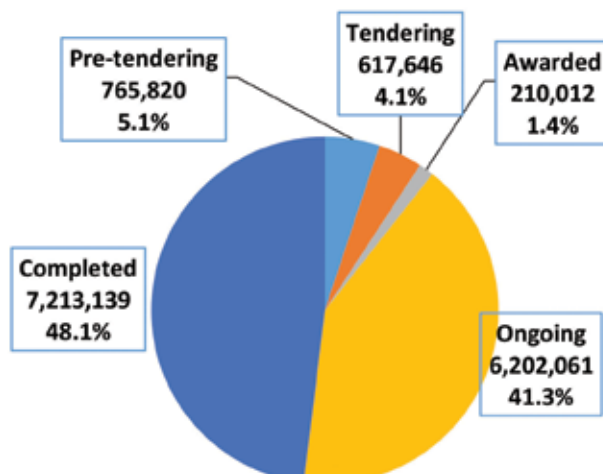




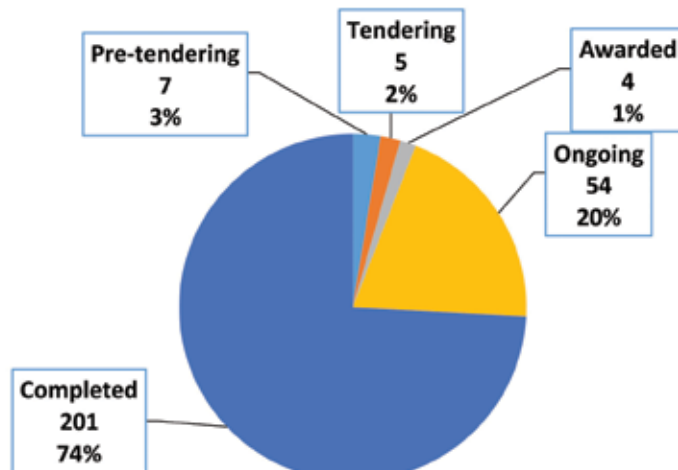
Status of Window 5 sub-projects

	No.	Percentage	Allocation in Euro	Percentage
Pre-tendering	7	3%	765,820	5.1%
Tendering	5	2%	617,646	4.1%
Awarded	4	1%	210,012	1.4%
Ongoing	54	20%	6,202,061	41.3%
Completed	201	74%	7,213,139	48.1%
Total	271	100%	15,008,678	100%

Status of W5 terms of allocation



Status of W5 terms 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
AlSaqaheh AlSharqyeh	Partial destruction of an external wall	Wall has been built after agreement between the citizen, municipality and contractor	Verbal	10 days
AlZababdeh	Cesspit was found in the road	Municipality couldn't solve the issue with the citizen considering that cesspit shall be removed from the road, though works has hindered and municipality has selected different road	Verbal	2 months, considering that a letter was issued by municipality on this regard on 1/11/2014 even it was verbal complaint



MDPII/Cycle 1 - Capacity Development Package

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



MDPII/Cycle 1 - Capacity Development Package

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

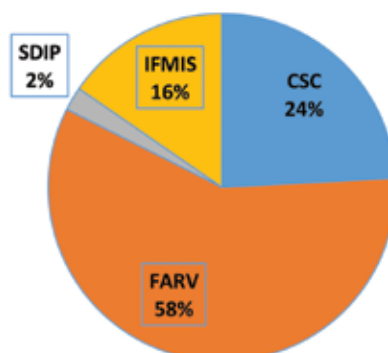


MDPII/Cycle 1 - Capacity Development Package

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

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

Distribution of CD packages- MDPII/Cycle 1





MDPII - Cycle 2 - Capacity Development Packages

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



MDPII - Cycle 2 - Capacity Development Packages

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



wResults 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 Jan 2016
				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 quality standards for tracking in Citizen Service Support Centers	☐	Number Sub-Type Supplemental	8.00					16.00	End of Each Cycle	Municipal Ranking Survey, Published Municipal data, Citizen Satisfaction Survey (for verification)	MDLF, Independent Consultancy (for verification)	22 municipalities (18 in WB and 5 in Gaza) will be having CSCs. (by end of Jan 2016), 22 CSC will be completed.



Municipal Development & Lending Fund

Annex A: MDPII

Percentage of investments financed under the Project that are operational and in an adequate state of usability, according to technical audits.	☐	Percentage	0.00			90.00	90.00	End of Each Cycle	Technical Audits, Sample of infrastructure sub-projects, site visits, Citizen Satisfaction Surveys (for verification)	MDLF, Independent Consultancies	30 sub-projects were audited (12 in Gaza and 18 in WB). 28 out of 30 audited sub-projects, are fully/partially completed, those sub-projects are functioning suitably and utilized efficiently by the beneficiaries. The other two sub-projects were audited in terms of implementation arrangements, and, technical soundness, ...etc. and were not audited in terms of functionality or usability Since they are not yet completed. (will be assessed by MDLF once completed).
Direct project beneficiaries	☒	Number	0.00				3,000,000	End of Each Cycle	Municipal Application forms	MDLF/Local Technical Consultants	W1 – (WB : 1,171,055) (Gaza: 964,698) W5: (1,147,133) Total Direct Beneficiaries: (3,282,886) <i>Note: there might be a multiple count, particularly for Gaza, where the beneficiaries</i>
											<i>of W1 might be the same beneficiaries of W5.</i>
Female beneficiaries	☒	Percentage Sub-Type Supplemental	0.00				49.00				49% * 3,282,886 = 1,608,614
Beneficiaries from roads and public parks established/rehabilitated, by the end of MDP-II	☐	Number	0.00				1,200,000	End of Each Cycle	Municipal Application forms	MDLF, Local Technical Consultants, Municipalities	W1- WB : roads 707,618 Gaza roads : 156,128 W5 roads : 82,943 Total = 948,689

Intermediate Results Indicators											
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Share of identified priority damages repaired by Gaza municipalities.	☐	Percentage	0.00					30	End of MDPII	Damage assessment report, application forms	MDLF/Local Technical Consultants
											- The total allocated fund to Gaza emergency component is (\$21 Million) from WB, MDTF, KFW and BTC. - The total estimated damage is (\$ 72 million including the cost of recurrent expenditures



												needed to restore the basic services)
												- % of W5 contribution to restore the basic services = 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- WB : roads 707,618 Gaza roads : 156,128 W5 roads : 82,943 Total = 948,689
Roads rehabilitated, by the end of MDP-II	☐	Kilometers	0.00					200.00	End of Each Cycle	Municipal Application forms, Municipal Infrastructure Database	MDLF, Local Technical Consultants, Municipalities, PCBS	W1 – West Bank : 148 Km W1 – Gaza : 14 Km W5: 25 Km Total = 187 Km
Number of municipalities that have succeeded in implementing one of the following innovative ideas under Component 2 (renewable energy, E-Municipality, and Local Economic Development)	☐	Number	0.00					8.00	By the End of MDP-II	MDLF Evaluation/Verification	MDLF	- E-Municipality: the MDLF is currently piloting the E-Municipality on 4 municipalities in West Bank, where the pilot is expected to be completed by end of March 2016.
												Renewable Energy: the MDLF is currently piloting the renewable energy on 8 municipalities (6 in WB and 2 in Gaza) LED: MDLF is currently piloting the LED approach on 5 municipalities in WB under cycle 01-funded by the VNG. Another 7 municipalities are anticipated to be supported with LED projects during the 2 nd cycle.
Direct Beneficiaries from social infrastructure projects implemented in merged municipalities	☐	Number	0.00					40,000	End of MDP-II	Municipal Application Forms	MDLF, Local Technical Consultants, Municipalities	The total no. of beneficiaries from social infrastructure sub-projects is equal to 113,731
Number of municipalities that have updated their fixed assets and valuation database	☐	Number	0.00			25.00		50.00	End of Each Cycle	Municipal Ranking surveys	MDLF, Independent Consultancy	122 mun. had updated their fixed assets
Number of municipalities that have updated their Strategic Development and Investment Plans (SDIPs) through applying participatory approach	☐	Number	0.00			30.00		60.00	End of each Cycle	Municipal Ranking Surveys	MDLF, Independent Consultancy	115 mun. had updated their SDIPs
Number of municipalities where the Operations and Maintenance Manual is rolled out and being	☐	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
applied, by the end of MDP-II.												be piloted and rolled out in MDPII. 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 50 mun in MDPII-cycle 02.
Percentage of municipalities that recorded at least 20% reduction in processing time for at least two of the defined set of services in Citizen Service Centers.	☐	Percentage	0.00			90.00		100.00	End of each Cycle	Citizen and Client Beneficiary Satisfaction Surveys, Municipality records, MDLF verification	MDLF, Independent Consultancy	To be measured once the CSC is in operation (expected by end of January 2016)

Annex B

LGRDP



LGRDP - List of 1st phase of infrastructure projects

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



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

Cluster	Locality	Project Name	Project and work Description	Approx. Area
Beita	Beita	Expansion of the existing Public Health Clinic.	The existing building consists from one floor (130 m ²). The expansion will be by adding one floor and staircase of approximately (190 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 m ² for each floor). The construction for the 5 classrooms will be on the second floor.	320 m ²
	Beit leqya	Rehabilitation and equipping two computer centers in both Secondary Boys and Girls Schools.	The work is to rehabilitate the girl's school computer lab and to renovate new room in the boy's school to be the lab. The labs need to be equipped with (50 computer, 50 desks, 100 chairs, 2 TVs). In addition to installing related networks.	
		Construction and finishing of additional floor and rehabilitation of the Public Health Center.	The existing building is concrete and consists from one floor (200 m ²) area suffer from humidity and water leakage in the courtyard. The constructions for the additional floor will depend on the building's structural and physical condition and the ministry requirements.	200 m ²
	Beit nuba	Tiling and lighting of internal roads.	Tiling with interlock blocks for internal roads (550 x 3 m). Works may include 1 m concrete sidewalks. In addition to installing 15 lighting units (lamp and arm) on the existing Electrical poles.	1650 m ²
	Beit seera	Rehabilitation of the Primary Boys School.	The existing building is concrete and consists from three floors (350 m ² for each floor). Rehabilitation will include painting the whole school, replacing stairs tiling, renovate 6-8 utility units, construction of (4 x 5 m) canteen, and construction of drinking fountain and install metal cantilever (30 x 4 m).	140 m ²
		Tiling of kindergarten entrance road.	Tiling with interlock blocks for internal roads (300 x 4.5 m). Works may include 1 m concrete sidewalks.	1350 m ²



Cluster	Locality	Project Name	Project and work Description	Approx. Area
	Jort eshama'	Raising the electricity power of Girls and Boys secondary Schools.	The existing Boys Secondary School building consists from two floors (1000 m ²). Raising the electricity power will be done by converting the internal electricity network from 1 phase to 3 phase and connect the school to the electricity source by 3 phase cable. The existing Girls Secondary School building consists from three floors (1200 m ²). Raising the electricity power will be done by connecting the school to the electricity source by 3 phase cable.	
		Rehabilitation of Jort eshama' Cemetery yard.	The work will be done by construction of cantilever (20x5 m) inside the existing cemetery yard.	100 m ²
	Um salamona	Construction of Public Garden.	The construction of the public garden will be on available land (3000 – 5000 m ²). The required design will be for the whole public garden while the construction will be for first phase to include leveling, seats, lighting, cafeteria, utility units and kid games.	3000 m ²
	Marah m'ala	Finishing works of the Multipurpose Hall and Women Center inside the Village Council building.	The existing building consists from three floors. Finishing works will be for: finishing works for the existing Multipurpose Hall on the first floor (120 m ²) and finishing works for the Women Center on the second floor (70 m ²).	190 m ²
	Marah rabah	Construction and finishing of Multipurpose Hall.	The construction for the Multipurpose hall (200 m ²) will be on the first floor of exiting Village Council building.	200 m ²
	Al ma'sarah	Raising the electricity power of Al-Zawahra' Secondary School.	The existing building consists from two floors (600 m ² for each floor). Raising the electricity power will be done by converting the internal electricity network from 1 phase to 3 phases.	
		Rehabilitation of Al ma'sarah kindergarten yard.	The existing building consists from one floor (100 m ²) with side yard (80 m ²). The rehabilitation will include supplying of grass, sand area, mobile seats, outdoor games, fencing the yard and construction of mobile cantilever.	80 m ²



	Khalet Elhadad	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 addition to rehabilitation of the school entrance road (250x4 m).	120 m ²
		Equipping the computer center in Al Karmel Secondary Girls School.	The existing lab room needs to be equipped with (20 computer, 20 desks, 40 chairs, TVs). In addition to installing related networks.	
		Rehabilitation of the Public Health Clinic and equipping the clinic lab.	The existing building consists from one floor (160 m ²). The existing lab room needs to be rehabilitated and equipped. The equipment will be upon the cluster needs and the ministry requirements.	100 m ²



	Main	Rehabilitation of Main Primary School yard.	The existing building consists from four rental class rooms with side yard. The rehabilitation will include supplying of mobile seats, outdoor games, fencing the yard and construction of mobile cantilever (12.5x4 m).	50 m ²
	Khalet saleh	Construction and finishing of additional floor in Khalet Saleh Co-od School.	The existing building is stone and consists from 1.5 floors (450 m2), 2 classrooms in the out yard and 2 rented classrooms outside the school boundary. The construction for the 4 classrooms, computer and scientific labs will be on the first floor. In addition to paving the school yard (600 m2) and rehabilitate existing utility units.	200 m ²

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


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

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

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



CO-FINANCED PROJECT DESCRIPTION

1) Summary

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

2) Objectives of the Project

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

3) Components, of the Project

The project would consist of the following 2 components:

Component 1 – Water infrastructures in Beit Sira Cluster:

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

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

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

Component 2 – Capacity building of CWD:

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

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



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

4) Main Project Stakeholders

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

Parallel Financing by Co-Financiers

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

CO-FINANCED FINANCING PLAN

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

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

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

¹ Includes the 7% for MDLF management fees.



LGRDP - List of 3rd Phase of infrastructure projects

Cluster	Project Name	Project and work Description
Beita	Construction of Spring Park.	The construction of the park (phase 1) will be on Tourist and archeological area located in Beita. The construction will includes leveling, retaining and boundary walls, seats, lighting, services building, canteen, walkways, grass and sand yards, car parking, Theater stage and kid games.
	Supply of Garbage containers.	The Garbage containers will be distributed in the whole cluster with total of 250 units (150 in Beita, 50 in Audala and 50 in Ausreen).
	Asphalting of Internal Roads in Beita, Audala, Ausreen and Za'tara	Asphalting will be for unpaved internal roads in the whole cluster with total of 1.35 km (0.50 km in Beita, 0.44 km in Audala and 0.41 km in Ausreen).
	Furnishing Beita main road.	The existing main road in Beita is 2.5 km two sides with four lanes separated by median island. The works include pavement marking lines, cat eyes, bus stations on sidewalks, Afforestation, traffic signs and traffic circles enhancement.
Al-Karmel	Construction and finishing of Joint Services Center.	The new building will be on available land (2000 m2) located in Al-Karmel. The construction will be stone and consists from three floors, 750 m2 total area.
Jort eshama'	Construction AN Amphitheater to wad al-Ness stadium	The existing stadium needs an Amphitheater where the existing playground is furnished with First Phase, and the Amphitheater will offer on its underneath with (players room, meeting room, and toilets).
	Administrative building	Jourt eshama is consist of nine villages, and during the last four years the village council of jourt eshama were hosting them, and since they are offering land with 3000 meter to building the future Municipality.
	Construction of additional class room to Jort Eshmaa boys school.	The existing building is concrete and consists from three floors, 8 classes (500 m2). The construction for the 3 classrooms will be an additional section to the building
	Construction and finishing of additional classroom in al Maasara Girl school.	The existing building is concrete and consists from two floors, 4 classes (250 m2). The construction for the 3 classrooms will be on the third floor



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

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



ANNEX C

Financial Data


MDPII Disbursement by end of December 2015 - (excluding Emergency Component to Gaza) in EURO (1st Cycle)

Financing Partner	WB		MDTF		KFW		VNG		AFD	
Window	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed
Window 1	3,705,000	3,689,061	8,219,000	8,636,084	12,085,000	11,000,824	0	0	0	0
Window 2	600,000	149,250	2,110,000	644,777	0	0	558,000	206,761	700,000	4,765
Window 3	250,000	12,061	545,000	456,455	410,000	18,637	0	0	230,000	50,042
Window 4	945,000	812,987	926,000	778,273	1,005,000	852,710	42,000	14,000	70,000	4,000
Total	5,500,000	4,663,359	11,800,000	10,515,589	13,500,000	11,872,171	600,000	220,761	1,000,000	58,807

PA		GIZ		SDC		BTC		Total		
Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	(%)
7,049,400	2,405,293.00	0	0	496,000	496,000	930,000	1,750,203	32,484,400	27,977,465	86%
0	0	0	0	0	0	0	0	3,968,000	1,005,553	25%
0	0	372,000	277,000	620,000	330,923	0	0	2,427,000	1,145,119	47%
530,600	27,000.00	28,000	28,000	84,000	82,054	70,000	60,222	3,700,600	2,659,246	72%
7,580,000	2,432,293	400,000	305,000	1,200,000	908,977	1,000,000	1,810,425	42,580,000	32,787,383	77%

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

Financing Partner	WB		MDTF		KFW		BTC		Total	
Allocated	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed	Allocated	Disbursed
Window 4	152,174	140,000	608,695	468,007	450,000	221,911	0	0	1,210,869	829,918
Window 5	2,041,443	2,041,443	8,086,957	6,351,325	4,550,000	2,949,764	350,000	266,545	15,028,400	11,609,077
Total	2,193,617	2,181,443	8,695,652	6,819,332	5,000,000	3,171,675	350,000	266,545	16,239,269	12,438,995

LDPIII Disbursement by end of December 2015 in US\$

Component	Allocated in US\$	Revised Allocated in US\$	Disbursed Amount During the year - 2015	Total Disbursed by end of 2015	% of Disbursement
Output 1: Participatory amalgamation process	456,030.00	382,774.00	272,876.54	313,104.91	69%
Output 2: Institutional Development of New Municipalities	729,649.00	215,135.00	40,299.61	86,252.77	12%
Output 3: Joint Projects Implemented	4,742,717.00	4,769,515.00	2,785,593.24	2,893,439.89	61%
Output 4: Strengthened Local Governance	660,332.00	394,201.00	-	-	0%
5. Programme Management	995,970.00	663,650.00	308,764.60	531,648.72	53%
5.1 Technical Assistance (Local/International)	259,025.00	269,094.00	148,694.60	221,536.78	86%
5.2 Reviews (mid-term and annual)	200,653.00	-	-	-	0%
5.3 MDLF management fee (*)	536,292.00	394,556.00	160,070.00	310,111.94	58%
Unallocated (1%)	76,613.00	-	-	-	0%
Total	7,661,311.00	6,425,275.00	3,407,533.99	3,824,446.29	50%

LGRDP Disbursement by end of December of 2015 in EURO

Component	Allocated in Euro	Disbursed Amount During the year 2015	Total Disbursed by end of December 2015	% of Disbursement
Support for amalgamation in 4 areas (incl. equivalent of 7% management fee)	9,000,000	5,177,505	8,297,776	92%
Total	9,000,000	5,177,505	8,297,776	92%

**Disbursement of HIMI -SDC - (by end of December 2015)**

No.	Item	Cost (\$)	Disbursement by end of December 2015 (\$)	Percentage
1	Infrastructure (WB)	1,079,000	252,555	23%
2	Infrastructure (Gaza)	1,350,000	816,030	60%
3	LTC for design and supervision (WB)	120,263	66,313	55%
4	Audit	4,000	0	0%
5	Management fees (7%)	190,000	85,079	45%
Total Budget		2,743,263	1,219,977	44%

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

Item	Budget (Euro)	Disbursement by end of December 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	48,717	3%
- 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	48,717	42%
3- Provision for contingency reserve (indirect cost)	41,900	0.00	0%
Total Cost of the Action	2,000,000	48,717	2%


GSWMP Disbursement by end of December 2015 in Euro

WB

Description	Allocation EUR	Actual EUR 2013	Actual EUR 2014	Actual EUR 2015	Total by end of December 2015	Remaining
Com. 1: Solid Waste Transfer and Disposal Facilities	4,927,536	0	0	2,084	2,084	4,925,452
Com. 2: Institutional Strengthening	289,855	0	23,285	69,613	92,898	196,957
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	71,697	194,982	7,051,395
	0	0	0	0	0	0
Total	7,246,377	0	123,285	71,697	194,982	7,051,395

GSWMP Disbursement by end of December 2015 in Euro

AFD

Description	Allocation EUR	Actual EUR 2013	Actual EUR 2014	Actual EUR 2015	Total by end of December 2015	Remaining
Com. 1: Solid Waste Transfer and Disposal Facilities	7,074,428	0	0	21,900	21,900	7,052,528
Com. 2: Institutional Strengthening	916,377	0	0	26,545	26,545	889,832
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	48,445	111,285	14,638,715
	0	0	0	0	0	0
Total	14,750,000	0	62,840	48,445	111,285	14,638,715