

Palestine

The Palestinian General National Plan

Summary of the Cross-Sectoral Strategy for Palestinian Local Government and Administration Sectors

2011-2013

DRAFT

1. Sector Background

Since its introduction in 1994, the Palestinian National Authority (PNA) has encountered formidable challenges, particularly with regard to the legal and legislative practices inherited from a succession of authorities predating the PNA.

The local government sector is chaotic due to disparities and discrepancies of rules and regulations that were issued by successive authorities. In 1994, the PNA President issued his first decree (Decree No.1 of 1994) which affirmed the applicability and validity of all existing laws and regulations until the full maturity of the PNA and the completion of the PNA institutional building.

Following the formation of the Palestinian Legislative Council in 1996, the PLC began addressing the legal environment through the enactment of the Palestinian Basic Law, and with regards to the local government, the PLC has issued and amended many related laws and regulations such as the Local Government Law No. 1 of 1997 and the Elections Law 1996. The enactment of these laws has illustrated the PNA's understanding of the need to start a real transformation process in order to have a modern and an effective local government sector.

This was accompanied by many important practical and structural steps taken by the local government sector in the formation and expansion of local government bodies/units. This rapid expansion has been reflected in a number of newly-formed local government entities, now amounting to more than **483** municipalities covering the bulk of local communities compared to some **28** municipalities prior to the PNA establishment. In parallel, the number of local government employees has soared to approximately **14,000** while the Municipalities' local revenues reached approximately US\$ **90** million in 1990 – compared to less than US\$ **5** million in 1968. Subsequently, local revenues reached US\$ **188** million in 1998 and more than US\$ **874** million according to statistics of 2007 and US\$ **1,276** million in 2008.

In addition to the notable increase in numbers of Municipalities and Village Councils, the Ministry of Local Government has merged a number of small communities into larger ones. In addition, as part of the Ministry's goal to integrate the local government sector, a "Joint Regional Planning and Services Councils" was formed combining small, geographically adjacent local communities that share similar economic, cultural and social makeup, in order to develop and rehabilitate theses scattered small communities and increase their efficiency –

doing so under one umbrella, with the possibility of acquiring the status of 'Municipality' in the future. Today there are more than **86** Joint Services Councils with unilateral, bilateral and multilateral services functions depending on needs of the area.

However, this quantitative development has not gone in parallel, as it should have, with the qualitative development. Such needed developments include advancing the management pattern, increasing specified allocated budgets, further democratization of the sector, expansion of powers, diversification of social and political representation in the sector's units and bodies. Currently, the powers given to LGUs remain limited to some functions such as zoning and planning for construction of public markets, traffic and transportation, public recreational parks, etc, while the role of the LGUs in the fields of health, education, social affairs is not included. In addition, the Law No. (1) 1997 didn't provide the necessary margins for the required independence of the local government management system.

Status Quo of the sector:

The definition of the local government and administration system is yet confined on LGUs, Joint Services Councils, and Ministry of Local Government, including its directorates, despite the fact that there are many other stakeholders that to some extent play significant role in local development, this includes Governors, Association of Palestinian Local Authorities (APLA), Municipalities Development Fund, line service oriented Ministries such as Health, Education, Security, civil society organizations, NGOs, and the Private Sector. Besides the definition dilemma which needs to be clearly defined, the Local Government and Administration Sector still faces other obstacles at the structural, organizational, functional and performance level which were detailed in the UNDP's diagnostic report and action plan of 2005, and subsequently in the updated diagnostic report of 2009, which have both targeted the four main components of the sector: MoLG, APLA, LGUs and Governorates.

For the purpose of analyzing the reality of the sector as a whole, it is necessary to thoroughly address a number of issues faced by the sector, as discussed below:

• General Context:

The Palestinian Local Government Sector is currently operating under limited sovereignty due to the prolonged Israeli Occupation. This situation makes formulating plans for a future Palestinian State difficult, particularly considering that there is no "time table" for a reaching a political solution. Resultantly, this impedes any PNA attempts to set and implement a vision, plans, and strategies for development.

Roles and tasks of the Local Government Institutions:

In the Palestinian Reform and Development Plan (PRDP 2008-2011) and the subsequent government plan "Establishing an Independent State and Ending the Occupation" (approved by the cabinet on 17 August 2009), the PNA clearly expressed its commitment towards tightening the gap between citizens and the government through creating a capable, accountable and efficient local government sector. The sector is designed with a larger margin of decentralization; in particular, the two plans consider that a greater degree of administrative and financial independence is essential to enhancing local government capabilities for responding to citizens' needs and priorities. The Local Government Accountability Program, one of the major programs of the PRDP, expresses the government's commitment to the associated policies framework that encourages independence of LGUs and promotes compliance with the applicable administrative and financial standards.

Despite the tangible achievements that have occurred over the past few years, the problem remains especially in relation to determining roles and responsibilities of the different parties that form the local governance sector, especially MoLG and the Governors, and to some extent, roles and responsibilities of the Association of Palestinian Local Authorities (APLA). In this context, and as a result of a series of meetings held between the MoLG represented by H.E the Minister and the Governors, a consensus was reached on roles of the Governors and the (MoLG) in the developmental strategic planning process at the regional level. It has been agreed to form councils at the governorates level headed by Governors and with representative members of the line Ministers' district offices, LGU's, Legislative Council district offices, the Private Sector and the Civil Society institutions. These councils will take the leading role in the strategic planning process at the regional level and pursue the implementation of the regional development plans. In addition they will follow up with the Ministry of Planning in order to contribute to the unified national development plan to ensure

cohesiveness. This agreement will contribute and reinforce participation of the different societal segments in the decision-making process at the local level and in formulating developmental policies, as well as enhance the local government decentralization process.

• The Local Government System Regional Coverage:

The Diagnostic Report of 2004 and later the updated version of 2009 have shed light on the fact that the representation and services of the existing LGUs do not cover all the Palestinian Territories. Therefore, some citizens have insufficient democratic representation at the local level and have limited access to basic services within their localities.

Both reports addressed specific measures necessary for expanding the boundaries/jurisdiction of the LGUs through consolidating, integrating and expanding some LGU's in order to cover most of the Palestinian Territories.

Despite the fact that the measures delineated in the diagnostic report were meant to reinforce the role of the LGUs, they did not entirely succeed in addressing the regional coverage issue. This necessitates addressing this issue as a priority in the new developed strategy.

• The Legal Framework of the Local Government Sector

The work of the main sector institutors is governed and regulated by the local government Law No. (1) of 1997, the Local Elections Law of 1996, the "Law through Decree" No. (9) for 2008, lately amended to "Local Authorities Law No. (1) for 1997". This is in addition to other related laws and regulations inherited from various historical periods which in total comprise different legal frameworks between the West Bank and the Gaza Strip.

The need for modernizing and improving the local government legal framework was recognized as essential. Both the Action Plan for 2005 and the Palestinian Reform and Development Plan have included recommendations and suggested activities for amending the local government legal framework, in order to set the legal basis necessary for supporting the functions, roles and responsibilities of all the local government institutions, and to achieve harmony and complementarities amongst the main sector partners. The Palestinian Reform and Development Plan has urged decision makers and legislators to introduce new legislation in order to better illustrate and organize the relationship between the central government and the LGU's. The attempts being made at amending the local authorities Law (1) for 1997 (which represents the cornerstone of the existing legal framework with regards to expanding the decentralization concept at the local government level) have failed due to the lack of

clarity on what exactly needed to be done and what changes and amendments should take place.

• The Legal status and the Independence of the Elected Local Councils:

In the period between the establishment of the PNA in 1994 and the first local elections in 2004, the MoLG assumed the responsibility of appointing the local councils. This measure has aroused concerns and discomfort with regard to the legitimacy of these councils which are mandated through the direct appointment of the central government and not on the basis of democratic representation.

The local elections in 2004-2005 addressed a lot of important issues related to democratic representation at the local level which are specified in the diagnostic report. In addition, 'certain developments' have shed new light on the necessity to preserve the role of democratic institutions and to clearly determine the legal status of the elected local councils. Some of these "certain developments" include; dismissal of some elected councils by the central government, expiration of the elected councils, and the surveillance and restrictions imposed by the central government on the performance of the local councils.

As to the issue of the expiration of the elected local councils, in December 2008, the electoral mandate of the elected local councils in 2004/2005 expires. And this takes place before the new local elections will be held. The current legislation doesn't permit the central government to extend the mandate "period" of the local elected councils beyond the normal period/round (4 years) specified in the Election Law of 200. This issue has been addressed by law by decree no. (9) for 2008 which originally amended the Local Authorities Law No. (1) for 1997 to enable the Minister of Local Government "through ratification of the cabinet" to dissolve the elected councils whose mandates "electoral periods" have expired, and to appoint a transitional committee to run local councils/communities for a period not exceeding one year till the holding of the next round of elections. In practical terms, the MoLG and the Council of Ministers used this "power" in 2009 in order to extend the mandate of all elected local councils till the elections took place. While this decision did not change the formation of these councils, the legal basis of their authority has been changed from being an electoral mandate to an appointment mandate. This mechanism also allows the central government to replace all the expired local councils with new appointed ones and to introduce changes in their membership if deemed necessary.

• The Unified Planning Legislation:

Regional planning is considered a basic local government task. It lays the foundation for their main activities including service delivery and ways to improve them and development planning in general. But the reality of regional planning is fraught with challenge. One of them being the use of different laws concerning zoning and regional planning between West Bank and Gaza Strip and the centralized nature of decision making related to zoning and planning does not fit with the wider context of a policy supporting a decentralized process. This issue is interconnected with the formation of the supreme planning committee, and the required level of transparency and the accountability with regard to work of this committee, in addition to issues of public representation in the local and regional committees and issues related to right of appeal.

These issues point out the need for a clear definition of roles of the concerned different parties in the planning processes in order to avoid duplication and overlapping in roles and responsibilities. These parties include central government entities such as the supreme planning committee and MoLG, in addition to other parties like Ministry of Planning, Line Ministries, LGUs and the Governors. Also there is a need for a clearer definition for the role of local society and citizens in the planning process.

In 2004, the diagnostic report pointed out some important guiding principles for a new unified planning law and in 2006 the MoLG in cooperation with MoP suggested a draft for a new planning law. Also some additional work was undertaken on the draft law in 2008. However in reality no significant achievements were realized.

• Definition of the institutional framework for the local and administrative government:

There is a real need to introduce some necessary changes to the size, structure and the regional coverage of the LGUs, and to strengthen the relationships and coordination among the main sector partners which complement the local government system. These issues have been reflected in the local government vision that emphasizes the importance of extending the geographical coverage of the local government system to encompass all the Palestinian territories. The realization of this vision requires identifying and adopting an implementation methodology taking into consideration the following factors: the division of the Palestinian territories into areas A, B, and C; the special administrative arrangements covering some areas such as the refugee camps administered by the United Nations Relief and Works

Agency for Palestine Refugees (UNRWA); the territorial fragmentation of LGUs resulting from the construction of the Separation Wall and settlements; the "electoral borders" drawn by the Central Elections Commission and their relationship with the defined "administrative borders" of LGUs; and the need to avoid an increase in the numbers of LGUs, especially through creating small local units unable to achieve financial and logistical sustainability.

In addition to this, the national strategy of the Palestinian local administration indicates the need for introducing essential changes on the "region-wide" definition of LGUs, especially through creating new regional structures such as regional provinces (including creating elected councils at the provincial level). The creation of the new provincial units is considered as an option in developing a regional coverage strategy for the local government system in Palestine.

The large number of LGUs, including the very small councils/units that lack sufficient resources and capacities for performing their duties and in delivering basic services, is one of the fundamental challenges facing the local government sector in Palestine. One of the suggested solutions to this problem, which was identified in the UNDP's Diagnostic Report and action plan 2005, is to amalgamate the small LGUs/councils into a bigger entity such as a "Municipality" to enable them better mobilize necessary resources and optimally utilize these resources in an effective and efficient manner that guarantees fair distribution of local and basic services. This approach has achieved some successes on the ground in regard to decreasing the number of LGUs through merging some small local units and forming the Joint Services Councils for Planning and Development which share a number of essential local government tasks for a cluster of small LGUs. Currently the MoLG is working on developing a strategy including policy frameworks and practical guidelines for LGU amalgamation and establishing Joint Services Councils. These frameworks and policy guidelines stemming from the strategy need to be consistent with the local government sector's vision. In addition there is a need to provide suitable incentives within the policies frameworks in order to reinforce and encourage the LGUs amalgamation process.

• The institutional capacities for the Local Government and Administration Sector:

Despite the tireless efforts made over the past few years to build the capacities of the local government sector, there is still a need to maintain greater level of harmony, coordination and consistency in these efforts and to ensure their effectiveness in supporting the local government intuitions to undertake their roles, tasks and responsibilities. Also it is worth noting that despite the various need assessment exercises conducted by different sector

stakeholders, it is recommended to conduct a comprehensive needs assessment of the entire local government sector based on roles and tasks of all different local government institutions/entities. Conducting such a need assessment will ensure the efforts directed towards building the needed future capacities of all related local government institutions to achieve the stated local government vision are appropriate and needed.

2. Analyzing the Reality (SWOT)

The outputs of the SWOT analysis are subsumed in a matrix form as follows:

Strengths	Weaknesses	Opportunities	Threats
• Existence of a	Weakness in the	Availability of	Continuation of
strategic plan for	institutional and	government, local	the Israeli
the MoLG.	technical	and international	occupation and the
	capacities of some	financial support	resulting geo-
	of the local	for the	political and
	government	development of	economic issues
	institutions.	the sector.	(the separation
			barrier, settlement
			expansion,
			sovereignty issues,
			the situation of
			East Jerusalem,
			access and
			movement, natural
			resources, and
			geographical
			contiguity issues).
• Existence of an	Limited and weak	High potential for	The internal
election law for	municipal services	opportunities of	political divide
the LGUs that	delivery to citizens	public private	and its associated
guarantees		partnerships at the	repercussions.
women		local government	
representation.		level.	
• Existence of a	Weak community	Availability of	• Volatility of the
leading	participation at the	local and	security and
institution (the	local and	international	political situation
MoLG) which	provincial levels.	expertise, studies,	and its impact on
guides and		and researches that	the availability of
organizes the		contribute to the	international
local		development of	funding.
government		the local	
sector, in		government	

addition to existence of technical support entities such as the Municipal Development and Lending Fund (MDLF) and the Association of Palestinian Local Authorities (APLA) that represents and supports the LGUs Availability of rules and regulations related to the local government system.	• Immaturity of the public private partnership concept	• Tangible improvements in the general environment context regarding the application of good governance practices and concepts.	• Scarcity of financial resources and revenues of the local government sector. Limited resources allocated to support East Jerusalem and the areas impacted by the separation barrier and settlement expansion.
 Existence of experienced LGUs operating within an institutional 	Weak concepts and practices of good governance at the local level	Availability of a national government plan that facilitates building more	

framework		coordination and cooperation initiatives among all stakeholders.	
 Comprehensive coverage of LGUs for all localities except for East Jerusalem 	Limited revenue sources for LGUs (VAT, roads fees, licenses fees, etc)	Abundant regional and international experiences in the field of local government sector development.	
 Existence of positive interaction between the LGUs and their communities 	Scarcity of financial resources and lack of proper financial planning.		
Availability of local, regional and international partnerships which are supportive to the sector.	• Inability of the existing laws and regulations framework to keep pace with the development requirements and the emerging needs of the local government sector		
• The growing interest of the government in the local government sector.	Overlapping of roles and responsibilities among the main sector's institutions.		
 A growing central government strategic trend 	Lack of effective coordination among the LGUs.		

towards more decentralization in local government sector.		
	Lack of common consensus on the decentralization concept among the sector's main partners.	

3. Vision of the Local Government and Administration Sector

This cross-sectoral strategy was developed and articulated based on the local government sector's vision which is "Good local governance able to achieves sustainable development with effective community participation", in addition the strategy is in consistent with the MoLGs mission "A leading Ministry that supports and promotes the capacities of Local Government Units and the development of their resources, towards achieving the citizens' welfare within the framework of the Good Local Governance".

4. The strategic goals, policies and interventions

The following table summarizes the strategic goals, policies and main interventions proposed for implementation. It includes the overall strategic objectives for the sectors with the proposed interventions:

Strategic Goal (1)	Strengthening principles and practices of good governance in the sector		
Policy	Policy interventions		
Regular local elections	 Developing laws, regulations and instructions necessary for ensuring regular local elections. Building the technical capacities of the general elections committee. Reinforcing the abilities of the security apparatus to ensure integrity and transparency of the elections process. Development and adoption of new methods to ensure that local elections are held in all Palestinian communities. 		
Enhancing transparency, accountability and society/community participation in the local government sector	 Raising the public awareness with regards to its role in enhancing accountability, transparency and community participation at the local level. Institutationalizing the process of community participation in identifying the developmental needs/priorities and in decision-making process at the local and regional levels. Developing work methodologies and tools to ensure adherence to the practices and principles of transparency and accountability at the local level. Building the capacities of the Monitoring and Guidance Department at the MoLG in addition to its staff in the directorates. Building capacities of the internal audit department. Suggesting amendments for laws and regulations to outfit the requirements and principles of transparency and accountability. 		
Moving gradually towards decentralization at the local government level.	 Building the capacities of the LGU's to enable them meet requirements of the decentralization at the financial and administrative levels. Developing a monitoring and guidance system to suit the decentralization trend. Activating citizen participation in monitoring the LGUs performance. Advancing the degree of administrative decentralization of LGU's in the work sphere granted by law. Increasing the degree of financial decentralization of LGUs. Expanding the scope and extent of work for LGUs prudently and gradually. Delegation of supervisory powers to LGUs in health and education services "if necessary" in regions beyond the wall and in other isolated areas. (seam zone)¹. 		

Strategic Goal (2)

Enabling the sector institutions to acquire effective capabilities in administrative, technical and financial fields and reinforcing coordination and complementarities among them.

Policy

Restructuring the LGUs.

Policy interventions

- Gradual merging of LGUs in a diligent and studied manner.
- Cancellation of the project committees and annex their roles within the LGUs structure.
- Implementing developmental / infrastructure projects in the merged regions to encourage other regions to adapt this approach.
- Applying the concept and procedures of regional developmental planning in the merged regions.
- Building the institutional capacities (administrative, technical and financial) for the newly merged areas.

Improving the legal framework and institutional structure of the local government sector.

- Revising and developing the laws and regulations related to the mandate of the local government sector.
- Clarifying roles and responsibilities of the different sector institutions and setting appropriate coordination mechanisms.
- Developing operational manuals and guidelines for Municipalities and the Joint Services Councils.
- Applying the unified accounting system in the A and B classified Municipalities.
- Developing strategic development plans for A and B classified Municipalities.
- Raising the institutional capacities for MoLG, APLA and MDLF.
- Applying the concept and tools of regional planning "as a testing stage" in preselected regions.
- Developing systems to run regional and local services (i.e. solid waste management, sewage and water services).
- Raising the abilities of the LGUs and JSC in the sphere of environmental management and conservation.
- Formation of the governorate councils.
- Enabling the governorate councils in leading the process of regional and development planning.
- Developing regional and development plans at the governorate level.
- Implementing developmental and infrastructure projects selected and identified through the community participation approach.
- Strengthening local units of Jerusalem Governorate.
- Implementing infrastructure and development projects in affected areas in the seam zone in order to sustain resilience of inhabitants and mitigate the adverse impact of the wall.

Increasing	the	
quantity	and	
quality of	LGU	
local revenues.		

- Transferring the authority to collect property tax to A and B Municipalities.
- Developing and applying a methodological system to determine tariff and fees of the different municipal services.
- Registering and assessing municipal properties for all Municipalities.
- Providing the LGUs with modern technologies to improve fee and local tax collection for the different municipal services.
- In a transparent manner ensure that LGUs are regularly supplied with the government financial subsidies/allocations.
- Generalizing and monitoring the application of the licensing, controlling, and taxes and fees collection systems to all related LGUs

Strategic goal (3)

Policy

Stimulating and establishing partnerships to create local development

- Promoting Public Private Partnership approach (PPP's) at the local government level to contribute in efforts of achieving sustainable local development.
- Policy interventions
- Developing the legal and regulatory framework related to the PPP's at the local government level.
- Enabling the Municipalities and increasing their readiness to meet requirements of PPPs.
- Institutionalizing the process of partnerships at all levels.
- Fostering and expanding successful partnerships between LGUs and private and civil society sectors.
- Building partnerships as model cases in preselected regions/municipalities.
- Establishing partnerships with the private sector to provide services in remote areas (outside the jurisdiction of Municipalities)

^{*}Seam zone: land area in the West Bank located in the east of the green line and west of the Israeli separation barrier/wall (these areas subject to sever restrictions on access and movement).

5. Allocation of Resources and cost:

The table below illustrates cost estimate classified according to the stated policies and goals:

Strategic goals	Policies	Estimated cost of policy (in thousand NIS/Shekels)	Estimated cost for (3) years (in thousand NIS/Shekels)
Goal (1): Strengthening and promoting principles of Good Governance.	 Regular Local Elections. Transparency accountability and society/community participation. Gradual move towards 	6,100 13,100 35,400	54600
	decentralization.		
Goal (2): Enabling the sector institutions to acquire necessary administrative, financial and technical capacities, and enhance coordination	 Restructuring the LGUs. Improving the legal framework and the institutional structure of the LGUs. 	197,200 1,956,080	2,200,320
mechanisms among them.	Increasing LGU local revenues.	47,040	
Goal (3): Promoting the partnership approach (PPP's) between the LGUs and public, private and civil society sectors.	Stimulating and building partnerships to create sustainable local development.	100,000	100,000
Total		235,4920	2,354,920

6. The Expected Results

The major expected results from this plan are:

- Boost citizen satisfaction.
- ➤ Develop an enabling environment for local development: this can be realized through providing the necessary conditions, mainly the political level support to mobilize and secure resources for LGUs to enable them assume their roles in local development.
- Raise the competence level and effectiveness of LGUs.
- Encourage private and civil society sectors to contribute to local development.
- Expand and diversify sources of revenues for LGUs.
- ➤ Work towards creating suitable legal framework to develop the sector's performance.
- Creation of effective and capable LGUs through the reforming and restructuring process.

7. Methodology of the sector strategy development

The methodology used in preparing this strategy was based on consultation and participation (see the consultation and work plans in annex 1) of all the related stakeholders/partners, such as Ministries of Education, Health, Finance, Planning and Interior, in addition to Universities, Civil Society Institutions, the Private Sector, and the related Local and International Agencies. It took six months to undergo this consultative process with the following activities taking place:

- Formation of a Technical Team responsible for the practical preparation of the plan consisting representatives from MoLG, APLA, MDLF, in addition to Ministry consultants and experts who were provided through the support of CHF International.
- ➤ Formation of a National Team comprising representatives from MoLG, Ministries of Health, Education, Interior, Finance, Planning, in addition to Governors, Mayors, and representatives from the Private Sector, Universities and the Civil Society Sector.
- Preparation of a detailed action plan by the Technical Team that included the different stages and mechanisms of the preparation process which was discussed and endorsed by the National Team.
- ➤ Holding periodical consultative meetings between the Technical and National Teams to build consensus on goals, mechanisms, plans and roles and responsibilities.
- ➤ Conducting three meetings between the MoLGs senior administration team and the Governors.

- ➤ While the Technical Team undertook the task of the actual preparation of the plan, the National Team contributed in qualifying the different stages/outputs of the plan by reviewing, commenting and providing feedback at each stage.
- ➤ Utilizing and employing the available related documents to diagnose the status of the sector and to identify the appropriate strategies and interventions.

It is worth mentioning that the **National Team** included representatives from civil society who were invited to all discussion meetings, and directly contributed to developing the shape and content of the plan. The invitations were also sent to donor agencies but attendance was limited except by the funding agency (**CHF International**) and a few other donor agency representatives. The National Team approved strategy was translated into English and distributed to the donor agencies through Local Aid Coordination Secretary (**LACS**) for comments and feedback.