

Annex H Local Government Support

Overview of local government support

The local government support consists of the following:

- Local Development Programme, a bilateral project focusing on amalgamation issues around Jenin on the West Bank (disbursements 2009-2013 DKK 65 million), started in 2008 and to be closed in 2014;
- Support to Municipal Development Program (MDP) via Multi-Donor Trust Fund of the World Bank (disbursements DKK 216 million), started in 2010 and to be continued;
- Local Government Policy Development in Palestine (LGPDP), implemented by Local Government Denmark (KL) (disbursements DKK 5 million), started in 2011 and completed in 2014;
- Bilateral local government support project in Gaza (SMDM Gaza) (disbursements DKK 9.2 million) started after the Second Intifada and stopped in 2010;
- Emergency Municipal Services and Rehabilitation Project II Gaza (ESSRPII) via MDLF, commitment provided after the 2009-2009 Gaza war (disbursements DKK 29.3 million);
- Property tax via UNDP and the Ministry of Finance (disbursements DKK 4.3 million), started in 2011 and completed in 2014;
- Technical Assistance to the Ministry of Local Government since 2010, still being continued;
- Denmark as the co-chair of the MDLG Sector Working Group;
- Policy dialogue with PA on local government issues.

Sector Working Group Municipal Development and Local Government

In 2009, soon after its establishment it was clear that the SWG was very active and quite ambitious. It was acknowledged that no strong operational links existed between the SWG and the SG infrastructure and the LDF. An update of an earlier 2004 diagnostic study on the local government system was published as one of the tools to identify the way forward. This study refers to the positive intentions in the PRDP 2008-2010 regarding local government reform, but concludes that since 2004 no progress has been made in developing a comprehensive legal framework for local governance. This was due to a lack of clear vision on local government. Therefore, a new study was prepared to contribute to the development of the way forward. It was assumed that the SWG could play a positive role in the reform process while it would also improve the aid coordination in the sector. The idea was to set-up four groups on the following strategic areas: 1) Amalgamation; 2) Legal framework; 3) MoLG institutional development and; 4) LGU capacity-building and decentralisation. The DRO Head of Mission was very pro-actively involved in the SWG since the start. It is clear that in the early years of the SWG some positive synergies were created and the various actors showed interest to work together. Also the MDLF became an important implementing agency and offered new options for joint programmes such as the MDP.

It should be realised that local government cooperation in most countries is rather difficult to coordinate as there are often many different actors involved, because local government (associations) from developing countries have in many cases active international cooperation branches. The sector is characterised by many international study tours and Palestine is no exception to this rule. Some interviewees referred to local government 'study tour tourism'. The overview of donor involvement in the sector shows that there is a clear need for further improvement of

coordination structures that sometimes function in parallel as well as commitment from donors to adhere to these structures.

Result orientation

All three projects – MDP, LDP and LGPDP – have defined their output in more or less detail. MDP has also defined specific indicators and targets at output and outcome level, which allows for good monitoring and evaluation. In addition, MDP review missions are carried out by the Financing Partners and project completion reports are issued. However, no fully independent evaluation of MDP has been carried out. For the bilateral projects, LDP and LGPD, results frameworks have been developed, but these are not always very clear and no specific outcome indicators and targets have been defined. For LDP, three Danish review missions took place, but it was reported that follow-up of recommendations was problematic. For LGPDP a mid-term review was carried out by an independent consultant and there is no independent final evaluation, but completion reports per component prepared by the implementing agency.

Overview of outputs for three selected local government projects

Table AH.1 Outputs local government projects MDP, LDP and LGPDP

Outputs defined in project document	Outputs realised	Observations
Municipal Development Programme 1¹		
<i>Municipal Grants for Capital Investment</i>		
Percentage of investments financed that were identified in the municipal Strategic Development and Investment Plans (SDIPs) Target formulated: 100%.	The municipalities with SDIPs submitted 37 sub-projects in the 1st cycle and 198 projects in the 2nd cycle that were already identified in their SDIPs.	SDIPs are a good first step to better development planning. The quality of SDIPs is still an issue of concern and is not reflected in the indicators.
Percentage of investments financed under MDP Phase 1 that are operational and in adequate state of usability according to Technical Audits Target: 80%	This indicator is fully achieved. More than 97% of subprojects are in adequate state of usability. This indicator is surpassed.	
<i>Support to Municipal Innovation and Efficiency</i>		
The number of municipal amalgamation initiatives initiated. Target: 6.	8 newly amalgamated municipalities had selected 12 social and small-scale infrastructure sub-projects. This indicator is surpassed.	
The number of Energy-Efficient projects for enhancing municipal revenues that are implemented. Target: 2.	Noticeable achievements regarding the energy savings in the 4 piloted municipalities. This indicator is met.	
Pilots of one-stop-shops	This indicator is likely to be achieved by the end of the project.	

¹ Municipal Development Programme (MDP) Project Completion report and Aide Memoire 2013.

Outputs defined in project document	Outputs realised	Observations
implemented in at least 3 municipalities in Gaza.		
<i>Capacity Building</i> The percentage of municipalities that graduate up the performance category in which they are currently classified, by the end of phase 1. Target: 25%.	130 municipalities improved their performance ranking by end of MDPI, while 4 did not show change and 1 deteriorated. Indicator surpassed.	
Procedures for Operations and Maintenance are established and piloted in at least 5 municipalities.	This indicator is not achieved yet, but is expected to be surpassed by the end of project:	
Local Development Programme (LDP)²		
A best practice model developed to assist the MoLG, village councils and small municipalities in the amalgamation process.	Two Joint Service Councils have been set up in Jenin.	The amalgamation process in Jenin has been quite cumbersome. Despite good intentions, no clear amalgamation policy was ever developed. Therefore, no best practice model was developed.
Community development projects implemented to integrate the amalgamated LGUs with a potential for sustainability.	A social, sport and cultural week was organised between the two clusters. 16 community development projects were approved and implemented.	The approval and implementation process was characterised by many delays. Little or no information on concrete results.
Joint infrastructure projects implemented to integrate the amalgamated LGUs through labour intensive construction methods with a potential for sustainability.	Roads in Area 1: 11.9k m. Roads in Area 2: 5.5 km and some connection roads. Construction of public garden, a culture and sport centre, Construction and extension of a 2 Municipality Buildings, Construction New Building.	
Local Government Policy Development in Palestine (LGPDP)		
Support to Policy and Strategy Unit (PSU) in MoLG.	Five out of six staff members have been recruited and have job descriptions. Office equipment has been purchased. Meetings are attended. However, no clear progress on policies.	The mid-term review was very critical on progress made and progress was said to be off-track, since no policies, strategies or action plans were produced at the time. Interviewees differed in opinion on the PSU, some were quite negative, while others still saw potential for this PSU to contribute

² Municipal Development and Lending Fund (MDLF), Local Development Programme Phase I & II (Completion Report), August 2012.

Outputs defined in project document	Outputs realised	Observations
		to policy reforms, but there is little or no evidence so far.
Support to Municipal Development and Lending Fund (MDLF).	MDLF staff trained on LEAN and very much aware and committed to LEAN implementation according to completion report.	Contrary to the project implementers MDLF is not very positive on the LEAN training, while admitting that any training can be useful. However, in this specific case the wrong people were targeted.
Support to the Association of Palestinian Local Authorities.	No clear progress.	Due to internal APLA problems this component did not get off the ground.

Consultation of citizens on priority-setting

For MDP/MDLF, there are specific systems in place at municipality level to consult citizens on prioritisation of sub-projects to be funded. For example, village councils are consulted on various (project-related) issues, but there is no real insight how this system works and who feels represented in this consultation process and who does not feel part of it. Within MDP, participation of youth and women in the process of prioritization of sub-projects was an issue raised by the mid-term review in 2011 and steps were taken in MDP II to improve the participation of citizens through the introduction of a citizens' rights based approach. A MDP/MDLF Manual for Community Participation also considering gender has been developed. The review did note an increase in awareness and understanding of community participation and social accountability in the identification of MDLF investments. It was stated that the concepts and benefits of public participation and social accountability were more applied in MDP in the West Bank than in Gaza, and different levels of participation continue to exist – ranging from limited participation of a select group of community members to more public participation and social accountability. Apparently MDLF has also developed indicators for enhanced citizen participation to strengthen the social contract between municipalities and their constituencies. A MDP/MDLF Manual for Community Participation also considering gender has been developed. However, no information related to these indicators is available to the Evaluation Team.

Efficiency

The two bilateral projects were implemented following MDLF procedures for which MDP received a management fee of 7%. For LGPDP this included setting up a proper mechanism for transfer and management of funds to the MoLG for PSU staff salaries and effectuating payments of equipment to the PSU and of other costs related to TA, seminars, workshops etc. Implementation of both projects was seriously delayed. Oversight and supervision arrangements are not very clear. KL reported primarily to the Danish TA and the DRO was not very active in the oversight and supervision of this project, probably because of capacity constraints. For LDP a project Steering Committee was in place, but the second review mission in 2011 reported “While the recommendations of the institutional assessment all deserve serious considerations by management and the Board of Directors, it is not clear how follow-up action (including time-frame) will be implemented by the MDLF.” One of the recommendations that were insufficiently followed up was the improvement of the monitoring and evaluation system by MDP.