



**United Nations Development Programme/ PAPP
Occupied Palestinian territory (oPt)
Project Document**

Project Title	An update of the LG Diagnostic Report
Outcome(s):	The democratic and decentralized LG system is developed
Expected Output(s): <i>(Those that will result from the project)</i>	<p>The main output of the project is an updated Diagnostic Report, encompassing the following key elements:</p> <p>(1) the progress achieved and lessons learned in the process of implementing the Diagnostic Report of 2004;</p> <p>(2) a detailed overview and analysis of the main projects implemented by donors since 2004 related to the implementation of the projects listed in the Action Plan of May 2005;</p> <p>(3) a clear baseline of the current situation, including an analysis of the strengths and weaknesses of the local government system in the oPt;</p> <p>(4) possible options and specific recommendations to strengthen the local government system in oPt as well as to provide guidance toward potential financial sources for intervention (i.e. – from multi and bi-lateral donors).</p>
Implementing Partner:	UNDP, MoLG

Brief Description

Overall, this project will contribute to the development of an empowered, accountable, and efficient local government system in the oPt capable of delivering quality services to local communities. Specifically, it will take a stock of the progress achieved in the process of the implementation of Diagnostic Report and Action Plan prepared in 2004 and will provide a clear baseline, or “a snapshot” of the current situation in the area of local governance. Additionally, it will propose specific recommendations and possible scenarios for the strengthening of the local governance system in the oPt. The assessment will also seek to identify the issues that are critical for LG reform, but have not been properly addressed in the report or regulated in legislation, government policies or programmes. Importantly, the results of the assessment and recommendations will serve as critical inputs in the process of the development of the Local Government strategy and implementation plan led by the PA. Although a secondary outcome, it is envisaged that diagnostic will provide appropriate guidance to aid flows to bi and multi-lateral donors.

Period: 12 months Atlas Award ID: 00055673 Start date: January, 2009 End Date: December, 2009_ PAC Meeting Date: _____ Management Arrangement: _____	Total resources required: \$186,840 Total allocated resources: • Regular • Other: ○ Government of Denmark ○ Donor _____ ○ Government _____ Unfunded budget: In-kind Contributions: _____
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Agreed by (UNDP): _____

1. Situation Analysis

Since the establishment of Palestinian Authority (PA) in 1994, there have been attempts to shape a decentralized Palestinian local Governance system. In 1997 the first Palestinian law on Local Authorities was enacted providing a statutory framework for the functioning of local governments in the West Bank and Gaza. The Law on Local Elections was also approved in 1996 creating a basis for democratic local elections in Palestine.

A Comprehensive Diagnostic Study was carried out in 2004 with the support of UNDP/PAPP to examine the local governance system, identify its strengths and weaknesses and set forth recommendations for the actions which are required to strengthen the local government system in the occupied Palestinian territory (oPt). Building on the Diagnostic Report, the Action Plan outlining a program for comprehensive reform was developed and endorsed by the Cabinet. In addition, thirteen projects were identified which were aimed at improving public sector resource mobilization and expenditure management, developing more efficient public sector service delivery systems and increasing the level of accountability and transparency.

Some progress has been achieved since 2004 following the recommendations of the Diagnostic Report and the Action Plan, including the development of a regulatory and policy framework, the strengthening of supporting institutions, and building the capacity of the local government units. Several major events have also taken place which have had a significant impact on the further development of the local governance system in oPt.

In 2007, the Palestinian Reform and Development Plan (PRDP) was launched, which clearly states the PA's commitment to "bringing government closer to the people by ensuring that local government is both empowered and accountable"¹. It also highlights an objective to improve the efficiency and effectiveness of local government and the need to develop a vision and strategy to pursue this objective.

A number of key projects have been implemented with support of different donor organizations and several important studies have been carried out in line with the recommendations provided in the Diagnostic Report and the Action Plan, for instance the Local Finance Policy and the Strategy for Joint Councils for Services Planning and development (JCSPD), the National Strategy for the Palestinian Local Administration, the study on the amalgamation of the cluster of LGU's in Jenin, and others.

Importantly, in 2008 a Municipal Development and Local Governance Sector Working Group (MD&LG SWG) was established to coordinate donor support and lead the efforts in the strengthening of the local government sector in the oPt.

However, despite important developments in the area, significant issues remain and need to be effectively addressed. A few challenges in need of redress include: conflicting laws and regulations (Ottoman, British, Jordanian, Israeli, Palestinian) defining the system of local government, unclear roles and responsibilities of different

¹ Building a Palestinian State Towards Peace and Prosperity, Palestinian National Authority, December 17th, 2007 Paris

local government actors, a fragmented system of local government units, and insufficient financial resources to carry out different functions.

However, reforming the local governance system and addressing the needs of the Palestinian people at the local community level requires a consistent approach to create an environment conducive to the functioning of local government partners. This calls for a coherent strategy and sound policy framework to be developed, which would provide a roadmap and would guide the reform process.

In order to enable the PA, local government units and national partners to formulate the strategy for local government reform, create respective policies and to develop consensus on strategic issues, it is necessary to take stock of the progress which has been achieved to date and identify the main challenges and lessons learned. It is also crucial to have an updated picture of the current status of the local government system and potential systemic, institutional, administrative and financial obstacles and weaknesses that may compromise local government reform.

Lastly, the international community has provided multiple approaches and financing channels in support of local governance reform. Rather than an ad-hoc, uncoordinated assistance, a comprehensive strategy such as the Diagnostic Report is required. This will better target aid from bi and multi-lateral donors in line with PA requirements.

Against this background, and due to the pressing demands of local governance reform, an update of the Diagnostic Report and formulation of comprehensive recommendations is a high priority if local government in the oPt is to provide quality services to all members in local communities.

2. Project Strategy

2.1. Project objectives

In line with PRDP, the project aims to contribute to the development of an empowered, accountable and efficient local government system in the oPt capable of delivering quality services to local communities.

Specifically, it will take stock of the progress achieved in the process of the implementation of Diagnostic Report and Action Plan prepared in 2004 and will provide a clear baseline, or “a snapshot” of the current situation in the area of local governance. Additionally, it will propose specific recommendations and possible scenarios for the strengthening of the local governance system in the oPt. The assessment will also seek to identify the issues that are critical for LG reform, but have not been properly addressed in the report or regulated in legislation, government policies or programmes. Importantly, the results of the assessment and recommendations will serve as critical inputs in the process of the development of the Local Government strategy and implementation plan led by the PA.

The **main output** of the project is to **update the Diagnostic Report**, which would encompass the following key elements:

(1) progress achieved and lessons learned in the process of implementing the Diagnostic Report of 2004;

(2) a detailed overview and analysis of the main projects implemented by donors since 2004 related to the implementation of the projects listed in the Action Plan of May 2005;

(3) a clear baseline of the current situation, including an analysis of the strengths and weaknesses of the local government system in the oPt and;

(4) possible options and specific recommendations to strengthen the local government system in oPt as well as to provide guidance toward potential financial sources for intervention (i.e. – from multi and bi-lateral donors).

2.2. The process of updating the Diagnostic Report

The development of the diagnostic report and formulation of recommendations will be led and managed by national stakeholders with technical advice and support provided by the UNDP. In order to ensure the necessary expertise and ownership a Technical Committee (the TC) consisting of 7 to 11 national stakeholders will be established.

The professionals representing the following key institutions will constitute the TC: the Ministry of Local Government, the Ministry of Planning, the Ministry of Finance, the Local Government Committee of the Palestinian Legislative Council, the Municipal Development and Lending Fund (MDLF), the Association of Palestinian Local Authorities, a representative of Governorates, representatives of local government and local government experts/academics.

A local consultancy company will be selected to carry out the assessment and develop recommendations. The selected firm will have support from an international consultant with proven expertise in local governance reform. Moreover, the local consultancy company will work in close consultation with the TC. The TC will meet at least once a month to discuss the findings, assess the progress and guide the process of assessment.

The development of the Diagnostic Report will be carried out in a consultative manner bringing key national and international stakeholders into the process. Specific attention will be paid to involve local government representatives who are the main stakeholders and beneficiaries of the project. This will be ensured through the organization of at least four focus group discussions with different types of LGUs. In addition, several ad hoc group discussions will be organized on a needs base to examine specific issues in the area of local government, for instance territorial reform, supervision, legal and financial frameworks, etc. Prominent national experts and practitioners will be invited to share their expertise in the ad hoc group discussions.

Existing institutions, structures and capacities will be utilized in the process to enhance their abilities to become active players in the local governance system and to ensure ownership of national institutions over the processes and the products produced in the framework of the project. For instance, the Association of Palestinian Local Authorities is expected to take an active part in the organization of the focus group discussions with local government representatives.

The process will take a full advantage of all the available information and existing assessments of other national and international partners, such as the National Strategy for the Palestinian Local Administration, the study on the amalgamation of the cluster of LGU's in Jenin and others.

The Municipal Development and Local Governance Sector Working Group (MD&LG SWG) will be constantly updated and informed of the progress and the results of the diagnostics. This will be important for soliciting input from the international community. The draft report will be shared for comments with the members of sector working group and detail presentations of the results will be made by consultants during the regular meetings of the Sector Working Group.

2.3 Main activities of the project

The project will be implemented in three phases and will last for 6 months.

First phase: this is an inception phase during which a work plan will be developed, including the detailed structure of the Diagnostic report and the methodology to update the report. This will be prepared by the local consultancy firm in consultation with the international expert. Also, the TC will be established and the work plan, the structure and the methodology will be discussed and agreed with key stakeholders and the TC.

Second phase: during this phase a comprehensive review of existing materials, reports and other documents will be carried out, including the review of the projects and interventions implemented since 2004. Four focus group discussions will be carried out with the representatives of LGUs and several ad hoc meetings will be carried out with different national experts and practitioners to examine specific issues. The TC will meet at least four times during this period to review the progress and provide comments and technical advice to the consultants.

Third phase: the comments provided by different stakeholders on the draft of the Diagnostic Report will be addressed during this phase and the final draft of the Diagnostic Report will be prepared. High level round table discussion will be organized to present the updated Diagnostic Report and to raise awareness on the key components of the local government system and share strategic recommendations on the way forward. Finally, the Diagnostic Report will be submitted to the PA (MoLG) and the MD&LG SWG for final endorsement.

3.0 Results and Resources Framework: Outputs and Activities

PROJECT RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country/ Regional/ Global Programme Results and Resource Framework: Assign a number to each outcome in the country Programme (1, 2,...). <i>The democratic and decentralized LG system is developed</i></p> <p>Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets.</p> <p>Partnership Strategy: The Diagnostic report will be updated in close consultation and cooperation with the following main partners: the Ministry of Local Government, the Ministry of Planning, the Ministry of Finance, the Local Government Committee of the Palestinian Legislative Council, the Association of Palestinian Local Authorities, a representative of Governorates, representatives of local government, local government experts/academics and MD&LG. SWG).</p> <p>Project title and ID (ATLAS Award ID): An update of the Diagnostic Report</p>			
Intended Outputs	Indicative Activities	Responsible parties	Inputs
<p>Intended output: an updated Diagnostic Report, encompassing the following key elements:</p> <p>(1) the progress achieved and lessons learned in the process of implementing the Diagnostic Report of 2004;</p> <p>(2) a detailed overview and analysis of the main projects implemented by donors since 2004 related to the implementation of the projects listed in the</p>	<ul style="list-style-type: none"> ▪ Hire international expert and consultancy firm ▪ Establish a Technical Committee ▪ Develop detailed work plan, agree on the structure of the Diagnostic Report and on the research methodology ▪ Carry out literature review, collect relevant materials and data ▪ Carry out focus group discussions and ad hoc consultative meetings ▪ Carry out meetings with the TC ▪ Prepare first draft of the Diagnostic Report and submit for the comments ▪ Present the draft to the MD&LG and the TC and discuss the key findings and recommendations ▪ Address the comments provided by different stakeholders, including the MD&LG and the 	<p>UNDP, MoLG, consultancy company, international expert, the TC</p>	<p>Contracting local consultancy company TA provided by international consultant to steer the process and to provide quality control TA provided by local experts on specific issues Costs of project coordinator and administrative assistant</p>

<p>Action Plan of May 2005;</p> <p>(3) a clear baseline of the current situation, including an analysis of the strengths and weaknesses of the local government system in the oPt;</p> <p>(4) possible options and specific recommendations to strengthen the local government system in oPt as well as to provide guidance toward potential financial sources for intervention (i.e. – from multi and bi-lateral donors).</p>	<p>TC and develop final version of the Diagnostic report</p> <ul style="list-style-type: none"> ▪ Submit the Diagnostic report for final review and address the comments ▪ Translate and publish the Diagnostic Report; ▪ Organize high level round table discussion to present the updated Diagnostic Report ▪ Submit the Diagnostic Report to the PA (MoLG) and the MD&LG SWG for final endorsement. 	
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4. Management Arrangements and Partnership Information

4.1. Implementation Arrangements

UNDP/PAPP will be the executing and implementing agency of the project, responsible for the administration of funds, supervising and monitoring implementation. UNDP/PAPP has a Project Manager with demonstrated relevant experience in local and central governance to manage the project activities. The Project Manager will work under the supervision of a UNDP/PAPP Project Principal Coordinator who is also a local government expert and will be responsible for managing the implementation of project activities and coordination with different stakeholders, as well as for monitoring progress on the ground.

UNDP's Project Management structure is comprised of roles/responsibilities that bring together the various interests and skills involved in, and required by, the project. In this context, a Project Board will be established, which will be responsible for making consensus based management decisions in the event that guidance is required or requested by the Project Manager, including approval of project revisions. Final decision making on project activities and accountability rests with UNDP in accordance with its applicable regulations, rules, policies and procedures. The project board will consist of a Senior Beneficiary, more specifically a representative from MoLG, and an Executive and Senior Supplier function, which in the case of this project is held by UNDP. The UNDP Programme Analyst will assume the role of project assurance, while a consultant recruited locally, will assume the role of Project Manager.

A local consultancy company will be recruited during the implementation of the project to update the Diagnostic report.

5. Monitoring and Evaluation

The implementation of the project will be monitored through regular meetings among Team Leaders and PMOs. Deviations from the plans and corrective actions taken will be reported to the Project Executive Board.

5.1. Reporting

The project manager will prepare a concise monthly narrative and financial report in addition to final project report to be finalized by the programme Officer then cleared by the Team Leader and approved by the deputy Special Representative.

A final project review will be conducted upon completion of the project as a basis for assessing performance, contribution to related outcomes, and determining lessons for broader application. This review will involve all stakeholders and the implementing partner, and focus on the extent to which progress is being made towards outputs, and these remain aligned to appropriate outcomes. The review will be structured by a set of common standards, and will be subject to spot external quality assurance assessment.

6.0 BUDGET – 2009

No.	Item	Total cost \$
1.	Personnel	
	1.1 Project Manager	24,000
	1.2 Administrative Assistant	12,000
	1.3 International experts	15,000
	Sub-Total Personnel	51,000
2.	Contractual service (local company)	
	2.1 Local consultancy firm	95,000
	2.2 Contractual services (local experts)	7,000
	2.3 Printing material for stakeholders discussion	5,000
	Sub-Total for Contractual services	107,000
3	Operational Costs	
	3.1 Miscellaneous	5,000
	3.2 Office Rent	10,000
	Sub-Total for Operational Costs	15,000
Total Cost		173,000
Total Direct Costs		173,000
UNDP GMS (8 %)		13,840
Grand Total		<u>186,840</u>