The State of Palestine



Ministry of Local Government

Local Government Sector strategy 2017-2022

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Introduction and Methodology

Based upon the powers accorded to it as per the Cabinet decision number (09/74/17/CM/PA) dated 27/10/2015, the Ministry of Finance and Planning takes over the leadership and coordination of work in the preparation of the sectoral strategies, including the local government sector strategy as part of the national development plan for the years 2017-2022. The methodology of the preparation of the local government sector strategy was based primarily on the general methodology prepared by the Prime Minister's office, which considered the national policy agenda the supreme regulator of the government's work in the next phase, since it provides the basic policy foundation for taking the necessary decisions and steps for its implementation, especially the preparation of the sectoral and cross-sector strategies for the period 2017-2022. Based on this methodology, the responsibility of the leadership of the development/updating of the sectoral plan for the Ministry of Local Government sector was assigned to the Ministry of Local Government and Administration, including the designation of all sectoral priorities, strategies, and policies that are congruent with the government's national policies agenda. The preparation of the local government strategy sought guidance from the two documents which were issued by the Ministry of Finance and Planning, i.e., "directives and a comprehensive outlook concerning the methodology for the preparation of the sectoral strategy for the years 2017-2022."Additionally, the directives of the program budget preparation guide have also issued by the Ministry of Finance and Planning, were taken into consideration.

As per the general methodology prepared by the Prime Minister's office, the review of the previous strategy 2014-2016 is considered to be the foundational step towards the preparation of the sectoral strategy for local government in the next phase. The review of the local government sector was based primarily on the models, especially to perform the sectoral reviews, which the Ministry of Finance and Planning, in cooperation with the Prime Minister's office, had developed, in addition to it seeking guidance from the guidelines for sectoral review that the Ministry of Finance and Planning had developed in 2013, in order to perform an in-depth analysis of the performance of the local government sector during the previous period, in addition to the provision of an updated analysis for the current situation, which will help in determining the future policy priorities. The sectoral review outputs constitute an essential part of the development and explanation of the strategic objectives, policies, and policy interventions for the new strategy, in addition to formulation of institutional and financial arrangements and necessary recommendations for the future development of the sectoral performance.

Parallelly, the Ministry of Local Government carried out an analytical review of the policies and strategies adopted in the process of reform in the sector since 2003, as it has quickly determined the most significant accomplishments in this context, and shedding light upon the challenges and constraints that have accompanied it to arrive at a precise determination of the priority unresolved and emergent policy issues, wholly constituting a framework for discussion and dialogue in the midst of the preparation of the new strategic sectoral plan, and to contribute to securing a suitable ground to learn from the successes and failures of the previous period, and to build upon the accumulative

experience in developing the realistic strategic options and developing the required future action.

In addition to the aforementioned, the preparation of the strategy relied on the available reports from the sectors related to Local Government and the reports on their accomplishments in terms of their own plans. Also, the necessary information was obtained from various parties, and especially the Municipal Lending and Development Fund, and the ministry's annual reports and a number of technical reports and policy studies that various parties had published in the past period.
In this regard, the national team for updating/preparation of the strategy, chaired by the Minister of Local Government and the membership of relevant parties from the ministry and representatives of the following partners from the public and private sectors, the Palestinian Union of Local Government Units and the civil society:

1. The General Secretariat of the Cabinet
2. The Ministry of Finance
3. The Ministry of Interior
4. The Ministry of the Economy
5. The Ministry of Education and Higher Education
6. The Ministry of Health
7. The Ministry of Agriculture
8. The Coordinator of Governorate Affairs
9. The Environment Quality Authority
10. The Palestinian Water Authority
11. The Palestinian Energy Authority
12. The Palestinian Land Authority
13. The Municipal Lending and Development Fund
14. The Palestinian Union of Local Government Units
15. The Federation of Palestinian Chambers of Commerce, Industry and Agriculture
16. The Palestinian Federation of Industries

Additionally, a Steering Committee was formed within the ministry, supervised by the minister, chaired by the deputy minister, and with the membership of the directors general of the main administrations, with the objective of directing and following up with the action, the review of the strategy drafts, and offering advice during the preparation of the strategy. The Steering Committee included the following in its membership:

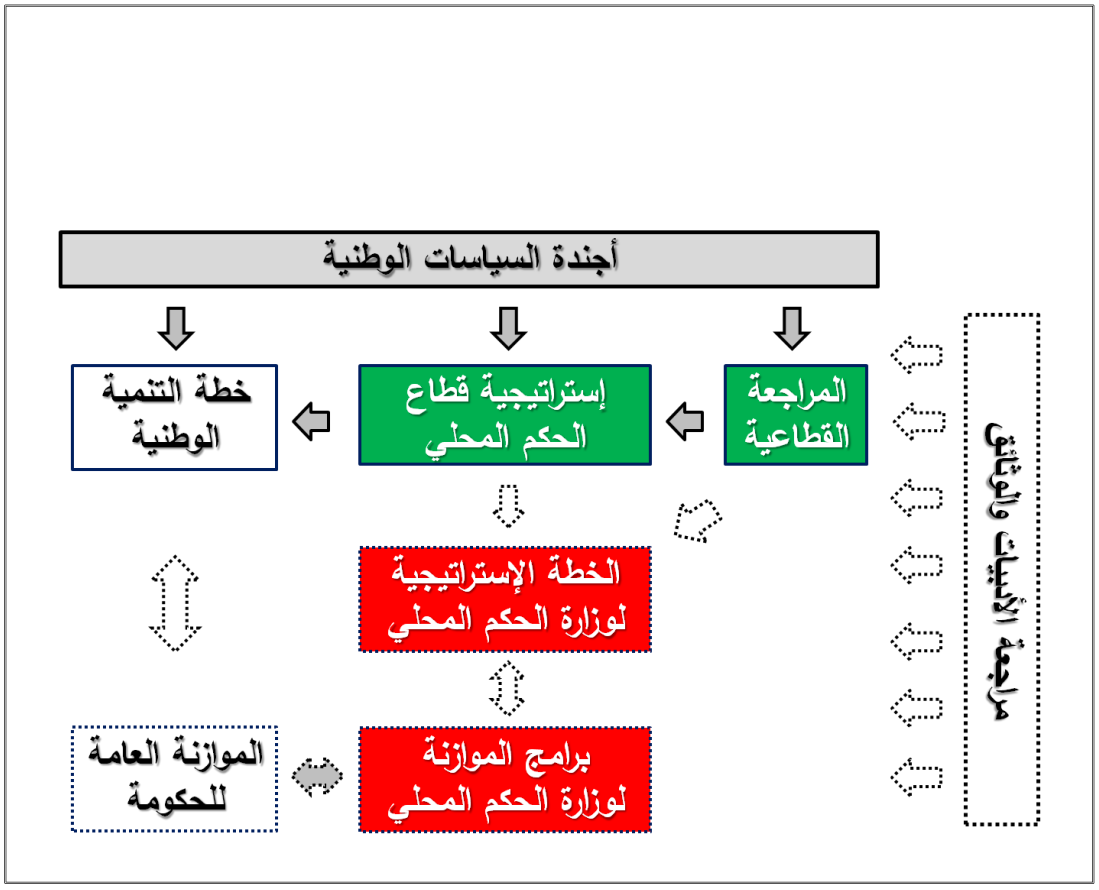
The Steering Committee for the Preparation of the Sectoral Plan		
1.	Muhammad Hasan Jabareen	Deputy Minister/Chairman
2.	Abdel-Kareem Sider	Assistant Deputy Minister for Directorates Affairs
3.	Dr. Tawfeeq Al-Budeiri	Director General of the Municipal Lending and Development Fund
4.	Dr. Hani Al-Hrub	Director General of Public Relations
5.	Sameer Dawabsha	Director General of Configurations and Elections

The Steering Committee for the Preparation of the Sectoral Plan		
6.	Muhyi-deen Al-'Ardha	Director-General of the Policies, Development, and Investment Unit
7.	Safwan Al-Halabi	Director General of Human Resources
8.	Raed Al-Sharabati	Director General of Oversight
9.	Omar Sharqiyya	Director General of Projects
10.	Islam Abu Zayyad	Director General of Legal Affairs
11.	Musa Ghaith	Director General of Budgeting
12.	Ghassan Daraghma	Director General of the Finance Department
13.	Murad Al-Shayeb	Director General of Personnel Affairs
14.	Hanan Mseeh	Director General of the Gender Unit
15.	Ibraheem Al-Fityani	Director General of the Cabinet Affairs Unit
16.	Basheer Al-Barghuthi	Consultant to the Minister

To ensure congruity and harmony between the preparation of the programs' budget and the sectoral trends, the Steering Committee included all members of the ministry's planning and budgeting administration team. On the other hand, the sectoral review and the preparation of the new strategy were entrusted to apoint a technical team from the ministry chaired by the Director General of the Policies, Development, and Investment Unit, and the membership of the persons named below:

The Technical Committee for the Formulation of the Sectoral Plan		
1.	Muhyi-deen Al-'Ardha	Director-General of the Policies, Development, and Investment Unit/Chairman
2.	Musa Ghaith	Director General of Budgeting
3.	Raed Al-Sharabati	Director General of Oversight
4.	'Uhud 'Inaya	Engineer
5.	Rula Al-Taweel	Engineer
6.	'Izz-iddeen 'Abdel-Samadh	Coordinator of the Policies Unit
7.	Ghadeer Riyahi	Monitoring and Evaluation

The preparation of the local government sector strategy was based on a general conceptual framework that links the local government sector strategy to the national policies agenda, on the one hand, and the local government strategic plan, the formulation of which is intended consequently, on the other hand, in accordance with the outcomes of the sector strategy, with the budget of special projects at the ministry, so all of this will



contribute to the formulation of the national development plan and the government's general budget. The following diagram illustrates the connectedness and complementarities between these different elements.

The Conceptual Framework for the Complementarity of the Sectoral Strategy Formulation

The planning adopted a participatory and interactive approach that motivated the participating parties to confer among themselves and take the decisions on the various elements of the strategy concordantly and transparently, bolstering thus their sense of ownership vis-à-vis the planning process itself and their ability to control its course and outcomes, thus consolidating the possibilities of communication, cooperation, and coordination amongst themselves during the implementation.

To formulate the strategic framework for the plan, a simplified approach, though condensed, was followed, with guidance from the *Theory of Change Model*, which draws the course for the necessary steps to reach the results sought after. Consequently, the formulation of the strategic framework started with a collective conception of the future sought after (i.e., the vision), then the sequential and hierarchal translation of this conception to aims (i.e., the final outcome sought after – the ultimate result) and specific strategic objectives (i.e., interim results) then a number of policies that are necessary to implement to achieve those results.

Despite the approach being comprehensive, it was also selective in its focus on the most pressing and high priority issues, and those which can be dealt with within the framework of the available resources during the next six years, which would have the greatest impact. In the same fashion, the determination of the most efficacious and effective policies in attaining the results sought after was another focus.

As a general methodology, the participatory Snow Ball Technique was followed as a key tool to assist the national team in formulating the strategy and in reaching agreement on priorities and objectives, and recognition of the possible future measures. This technique enabled passage through the successive planning phases in a collective fashion, the accumulation of knowledge whenever the planning process advanced, and the expansion of this knowledge base (analogous of the "Snowballing" process), and arriving at a consensus regarding the strategic framework sought after.

In this context, a package of planning activities was implemented, which aimed to the development and formulation of a sector strategy that corresponds with the method of the active parties in the sector, and makes them more capable to plan and implement their various programs and activities in a fashion that is responsive to the needs and priorities of the public, especially marginalized and poor groups, and contributing to making the means for steadfastness and development available to them. The strategy will also help in improving the capabilities of the various parties in decision making and in strengthening their coordinating, programming, and implementation capabilities, in addition to paving the way to more effective and professional fund raising, allocation, and management.

The planning process included the following key steps:

1. A quick review and an assessment of the achievements of the sector based on the previous strategy 2014-2016
2. Analysis of the general context and the sector's existing situation, and a determination of the priority strategic issues
3. Determination and analysis of the main pertinent parties
4. Review and updating/amendment, when needed, of the sector vision
5. Development of the general objective and the specific strategic objectives
6. Determination of the executive policies of each strategic objective
7. Determination of the sector resource packs
8. Preparation of a strategic work plan
9. Development of a framework for monitoring and evaluation of the strategy, including necessary indicators

In this regard, a number of consultative and individual meetings and workshops were held within the ministry and with the national team for the preparation of the strategy, in addition to the review of the strategic framework draft with the international partners, and listening to their points of view, remarks, and suggestion regarding it. The strategy draft was also reviewed by the gender team and the pertinent parties to integrate gender in it.

This report was prepared with guidance from the "Sectoral Strategy Preparation Guide", and has strived to conform to a great extent with the proposed framework and its components. It was based on the results of the various planning activities, the ministry's literature, its strategic and executive plans, and periodic reports, with focus on the declared objectives and what was actually accomplished. Many documents and studies that pertained to the reform of local government were reviewed, including the diagnostic studies of the sector realities, the national plans, the various cross-sector plans, and the ministry's strategic plan for 2010-2014, in addition to a number of various studies, such as the 2015 decentralization study carried out by a number of consultants with support from Global Communities, and studies pertaining to the merger of local governments and studies of the financial reality of local governments, which was financed by the International Bank. The report includes twelve chapters, together with this introduction and the appendix. The first chapter presents a synopsis of the sector and its governance. The second chapter presents a quick analysis of the sector reality and the primary developments that influence it, while the third chapter sheds light on the most important policies that are employed in the sector. The forth chapter presents the sector vision, its strategic objectives, and its relevant policies. The fifth chapter explains the extent of association between the objectives and policies of the local government sector and the national policies agenda and its integrations with it. The sixth chapter covers the sector's financial resource packs and the financing gap. The seventh chapter outlines the main results that are expected to be accomplished given the available resources. The eighth chapter includes the budget programs policy data. The ninth and tenth chapters present the work plan and the strategy implementation management plan. Finally, the eleventh chapter explains the extent of association between the local government sector strategic objectives and the sustainable development aims and their intersection.

Chapter One: A Synopsis of the Local Government Sector

The inception of the Palestinian National Authority in 1994 constituted the beginning of a fundamental transformation in the Palestinian society in the West Bank and the Gaza Strip that encompassed all aspects of the social, economic, and administrative life. The local government sector was one of the primary sectors that witnessed strategic changes and developments due to the essential and pivotal role of this sector in the life of Palestinian groups, since it is the second largest sector following the governmental sector, and is the most sensitive for society and reflects it development, its cultural and historical concepts, and its societal and civilized fabric. In light of the focus on the building of the institutions of the state, including the Ministry of Local Government at the time and the increase in interest in development and the fulfillment of the needs of the society by

offering services, many new local government authorities and project committees were established in all Palestinian population centers. This development was able to accomplish many developmental matters in these Palestinian population centers, and enabled the public to have active participation in the great development workshop. One can say that this foundational period constituted the beginning of the launch of the rebuilding of the local government institutions and the strengthening of the national context of its work in all population centers. Many accomplishments were achieved, especially in terms of providing basic services to the deprived population centers. The percentage of the population centers linked to water and electricity services increased noticeably, there were improvements in the internal and linking road networks, the average of the school classrooms increased, and so did the number of the public buildings that offer community services.

With the eruption of the Al-Aqsa uprising in 2000, then the ascent of the Hamas movement to power in 2006, followed by a political and administrative division between the two parts of the country, the entire Palestinian action witnessed grave deterioration. Efforts and resources were rapidly directed to the preparation of the plans and the implementation of the emergency interventions to deal with the new challenges and to face the resultant risks to the implementation of the development and construction programs, including the local government sector.

Later in 2008, the thirteenth government launched the "Reform and Development" program, which regained momentum for the development of the local government sector. Since then the successive governments had in view the priority of developing the sector's infrastructure and institutional structure, the strengthening of the direction, monitoring, and accountability mechanisms within the sector, and the strengthening of societal participation in the work of the local government authorities and their developmental role through encouraging the building of partnerships among them and with the private sector and civil society organizations. In this regard, two sectoral strategies were formulated to cover the periods 2011-2013 and 2014-2016. The current strategy comes to accumulate accomplishments that were achieved in the previous periods and to pave the way to the development of the sector for the years 2017-2022.

The local government sector is characterized by the multiplicity of the active and effectual parties in it, as it included primarily the local authorities (municipalities and village councils), the joint services councils, the Ministry of Local Government, including the directorates at the governorate level, the Palestinian Union of Local Government Units, and Municipal Development and Lending Fund. Additionally, there are many other pertinent parties that play an important role in local government, including the governors, the central ministries, and the official authorities that provide basic services on the local level, such as the Ministry of Health, Ministry of Education and Higher Education, the Ministry of Public Works and Housing, the Palestinian Water Authority, The Palestinian Energy Authority, The Environment Quality Authority, in addition to the non-governmental organizations, the private sector, and the partners from the donor parties. Including its amendments, the local government law number 1 for 1997 is considered the basic law that governs the relationships between the central authority, represented by the Ministry of Local Government, and the local government units, in

addition to a number of laws that date back to previous historical eras, and which include different rules in the West Bank and the Gaza Strip. The previous cross-sector plan included activities that aimed to amend this legal framework, with the aim of achieving a greater measure of congruity, the clarification of the role of institutions in the local government sector, and strengthening the presence of a greater measure of decentralization. Yet due to the prevailing political conditions, and the inability of holding legislative council sessions, no meaningful changes were effected in the legal structure for regulation of the sector governance. Perhaps some changes that occurred were limited to some amendments of the local government law pertaining to the authority of the Cabinet and the creation and merger of local authorities, which the Ministry of Local Government used as a basis for the partial restructuring of a number of local authorities.

In addition to the local government law, there are a many other laws and regulations that govern the work of the sector, the most important of which are the local authority councils election law number 12 for 2005 and its amendments, the interim Jordanian law number 79 for 1966 for the planning of cities, villages, and buildings (in effect in the Northern governorates), and the city planning law number 28 for 1936 and its amendments, in effect in the Southern governorates.

Regarding the active parties, the development of the bylaws of the Palestinian Union of Local Government Units, including the representation and election mechanisms, is considered an important factor in the changes in the sector, despite the lack of a consensus concerning it. The last period has witnessed the activation of the union's work following over 10 years of inactivity.

Also, the fund law, in relation to the formations and responsibilities of the Municipal Development and Lending Fund, is considered one of the developments in the governance system of the sector, as it had defined the differences between the fund and its role and the ministry's role.

During the previous periods, a number of disparate interpretations of the different jurisdictions and the intertwinement between the various ministries or between them and the local authorities were evident, and especially concerning the collection of fees, or the ownership of the water sources in a number of locations between the authorities and the Palestinian Water Authority, and also concerning the water networks, collection, and other matters. These disparities, which are expected to continue in the future, has become in need of an active legal effort to interpret them and to define the jurisdictions and responsibilities clearly and explicitly.

With the exception of the aforementioned, the roles of the active parties remain as follows:

1. The Ministry of Local Government: As the primary leader and regulator of this sector according to the basic law and the effective local government authorities' law, and its referenciality is considered the Cabinet and the Legislative Council.
2. The Local Authorities: The limits, roles, revenues, and relationship with the central authority of which are determined by the law.

3. The Palestinian Union of Local Government Units: There is no law that regulates this body, yet bylaws regulate its work. No law defines the relationship between this body, the ministry, and the rest of the parties, while the relationship is defined according to the joint areas of cooperation which have been expanding and contracting as a result of the lack of a regulating legal framework for this relationship.
4. The Municipal Development and Lending Fund: Is considered one of the primary parties in the local government sector and per law it is subordinate to the Cabinet, while it enjoys a legal entity and administrative and financial independence, and has the right to exercise all necessary actions to achieve its objectives. The approved law determines the representation, decision making, and formation of the administration mechanisms. To ensure coordination between this fund and the ministry, the fund's system indicated the chairmanship of the Minister of Local Government of the board of directors, and the fund is considered the primary channel for external funding of the local authorities' infrastructure and some of the capacity development projects, and the implementation of the local government sector policies.
5. The various ministries and official authorities: The ministries and other government authorities are considered a main and active party in this sector, given their responsibility for a number of services that local authorities provide, and also due to their various partnerships with the local government authorities. All ministries and authorities are relevant to the extent that there is overlap in jurisdictions and legal interpretation concerning many issues. In this regard, many attempts were made previously to interpret and determine the various roles, yet they were unable to achieve serious results so far, due to the absence of an explicit legal text on a number of issues. The role of these ministries and authorities is extremely important concerning the definition of decentralization in the local government sector and the determination of the different jurisdictions of each.
6. The civil society organizations: In its various components, the local government sector is on a daily contact with the public, and its policies affect the daily lives of each citizen. Hence the public, through the civil society organizations, are considered an active player and a primary partner in the development of the sector policies and the implementation of its programs. Yet due to the weakness of active representative institutions at the homeland level, their role is determined locally. Additionally, there is a pressing need for the strengthening of the participation of these institutions in the implementation of the sector plans and policies.
7. The donor countries: The sector, with its various components, enjoys extensive partnership relations with the various international organizations and development agencies, which number over 18 international partners. The sector has a sectoral work group with joint leadership by both the ministry and the Danish International Development Agency as a representative of the donors, which coordinates the interventions of the partners in a regular and effective fashion. A number of work subgroups stem from it, such as the area C work group, the development and investment work group, and the donors Municipal Development and Lending Fund work group, which has a fundamental role in the financing and

development of the fund's programs. Multiple mechanisms have been developed to involve these groups in the development of policies, so their roles are not limited to financing. The sectoral work group and the committees that stem from it participate in the development of strategic plans and the discussion of the various directions and policies.

The large number of actors in the local government sector requires the development of more efficient coordinating frameworks between the different parties that ensure joint interaction and division of responsibilities to achieve the objectives of the plan. Yet the sector still suffers from a clear conflict and duplicity in the roles, authorities, and tasks of some institutions, which negatively impacts the specialization in work and weakens coordination among them. The weakness of coordination and partnership mechanisms had led in the past to lack of clarity and disparity in positions regarding approved policies. Many actors do not sense the ownership of the sector and its policies, and consequently do not link their programs significantly with the sectoral strategies, and this applies equally to the other ministries. Add to that the fact that the sector still suffers from the weakness in the monitoring, evaluation, and information management systems, which leads to lack of clarity of the relationship between inputs, outputs, and results, and weakens monitoring, accountability, and evaluation.

Chapter Two: Analysis of the Situation

The political factors have been playing the decisive role in influencing the overall developmental process in the Palestinian territory and especially on the local government sector. The Palestinian situation constitutes a unique example of this influence where the political overlaps with the developmental in a dialectic context and mutual influence. It is possible to sense this clearly through following up the economic and social variables that determined the incidence of the sector, its current characteristics, and its affectivity with political variables and its attempt to influence them since the inception of the Palestinian National Authority up to date. The political instability, the occupation policies, the problematic agreements signed with the latter, the lack of clarity of the political horizons, the division in the Palestinian arena, the absence of Palestinian sovereignty, and the lack of national financial resources have all indubitably prevented the Palestinian Cabinet and the various ministries significantly from achieving their developmental objectives and plans. Like the other sectors, the local government sector was affected, positively or negatively, by these various factors and influences, whether they were subjective factors that stemmed from within the sector, or objective and external factors. The previous strategies have summed up many of the factors that have been influencing the work of the sector, and discussion here will be limited to the most significant influences since the launch of the previous strategy, which manifest in factors of political, economic, legal, social, or financial character.

1. The Israeli Occupation and the Settlement Expansion

It is evident that the Israeli occupation and its arbitrary measures are considered the most important constraints that prevent the accomplishment of true developmental progress in the overall Palestinian society. The years 2014-2016 have seen a continuation and an

escalation of the restrictions and constrains that the Israeli military occupation imposes and going to extremes in the occupation, which was characterized by an acceleration in the building of settlements on West Bank land, the construction of the annexation and apartheid wall, the continued imposition of the siege on the Gaza Strip and the latter's separation from the West Bank, the separation of Jerusalem from its Palestinian surroundings, the control over the Palestinian natural resources, including land and water, and the spreading of military checkpoints in the West Bank, etc. Rather, the Israeli occupation practices have been destroying whatever achievements had been achieved, as the occupation has demolished many projects and infrastructure that were financed by Palestinian capital or capital from the international donors, in addition to demolishing many buildings and houses, especially in area C and in East Jerusalem. Here we are talking about direct and daily implications for the citizens and the local government sector and its institutions. The previous strategic period has seen a clear arbitrariness in the measures of the occupation, and a great acceleration in the expropriation and settlement. At the level of cities and governorate centers, and due to the population increase and the rise in the migration rate from the countryside to the cities, these cities have become unable to maintain their levels of services for the residents because of being restricted to areas A and B and the exhaustion of all expansion directions to the extent that a number of basic services have become at risk due to the occupation's prevention of the establishment of service facilities outside the cities, such as sewage treatment plants and waste dump sites. As to the countryside, and specifically in area C and in areas adjacent to the wall, they have been subject in the previous period to unprecedented harassment by the occupation and to preventing the residents and the local authorities from completing their structural plans and from building many rural service centers, such as clinics and schools, especially in the Jordan Rift Valley, the Eastern foothills, and the Tubas areas.

All this was accompanied by continual Israeli attempts in financially pressuring the Palestinian National Authority, blocking the payment of tax revenues, and the use of the debts incurred by the local authorities and the service provider companies from electric and water consumption to exert pressure and to create an internal Palestinian crisis, which prompts the Palestinian Cabinet and the ministry to place dealing with the local authorities' debts on the priorities list. This issue will be a top priority for the Cabinet and the ministry for the next period.

Perhaps the most significant other issues caused by the occupation include the limited mandate of the local government sector in Palestine due to the absence of national sovereignty on the ground and it being limited to areas A and B. Hence, the implementation and success of the sectoral strategy will remain limited in light of the continuation of the incomplete national sovereignty, particularly for area C and border crossings.

2. The War on Gaza

On 8 June 2014, Israel launched its third war on the Gaza Strip, which continued for about 50 days, being the longest compared with the 2008/2009 and 2012 wars. It was also more ferocious in terms of the level and volume of destruction and its geographical inclusion of the entire Gaza Strip from the north to the south and from the east to the

west. The war has caused further human and material losses and destruction, with 2174 martyrs, including 1543 civilians (81%), including 530 children and 302 women, in addition to 10870 injured, including 3303 children and 2101 women, while two thirds of the injured children will suffer from permanent disabilities. The war has also caused extensive destruction of the infrastructure, the sewage, electricity, and communications networks, the homes of residents, and public and private establishments, while the productive capacities and the local financial and human resources are incapable of removing the debris of this destruction and the rebuilding of the destroyed structures. The number of houses destroyed amounted to about 10000 houses, 2465 are completely destroyed, and 14667 are partially destroyed, while 39500 houses are damaged and require repairs. All of this has led to the displacement of over 100000 people who had become homeless. Based on the United Nations Conference on Trade and Development (UNCTAD) report, the Israeli was has caused a complete collapse in the Gaza Strip and an accelerated decline in economic growth, which was originally suffering from the outcomes of the previous war and the severe siege. The government estimated the total losses caused by the war at over $3 billion and that the reconstruction of the Gaza Strip will require an additional $4 billion so it may be able to return to pre-war conditions. The constraints and obstacles that Israel has been imposing on the reconstruction has exacerbated the crisis in the living conditions, especially in terms of the reconstruction materials that are permitted to enter the Strip in light of the actual siege conditions that are still existent.

Here we must say that most of the Gaza Strip falls under the geographical mandate of the local government sector, i.e., as part of the administrative limits of 25 Gaza Strip municipalities, which places the municipalities and the ministry before immense challenges to continue the efforts of reconstruction in the next phase.

3. The General Political Developments

The United Nations General Assembly resolution in its session dated 29/11/2012, which accorded Palestine non-member observer State status in the United Nations after being an non-member observer liberation movement, and the ensuing attainment of the state of Palestine of the membership of many international for a and authorities and its signing of many international agreements and conventions has been casting its shadow upon the general political situation, as it caused the Israeli government at the time to impose financial sanctions on the Palestinian government, and the refraining of some states to provide it with financial support, which contributed to the emergence of the financial crisis, which the Palestinian government has been undergoing and the weakening of its capability to fulfill its various financial obligations, including those related to local authorities. The shortage in the financial resources and credit provided by the government due to the sanctions imposed against it has greatly impacted the local government sector and especially local authorities and their capacities to provide services to the public and in the disruption of some of its developmental programs. The delays in the financial transfers and the irregularity of payment from the central authority to the local authorities, particularly their allocations from taxes and fees that the government collects for the account of the local authorities caused them to be in dire financial straits. The cash flow to their budgets witnessed a significant deficit, which caused the decline in the

volume of the available resources to many local authorities and impacted their abilities to fulfill their obligations to the suppliers, service providers, and employees. This was clearly reflected in the significant decrease in the size of the local authorities' developmental budgets, as the running and operational costs use up over 95% of the budgets of most authorities. This has been accompanied by an e3xacerbation of the employment crisis and the economic decline in the country, which impacted the volume of local revenue from fees and taxes, and the public abstaining from paying due to their inability or due to lack of resources.

4. The Internal political and Administrative Division

Perhaps one of the most significant challenges and obstacles that have been facing the local government sector is the continued political and administrative division and the forced separation between the northern and southern governorates, which continues to cast its dark shadows upon the entire Palestinian activity, and particularly upon the local government sector. While the sector reform and development programs have taken major strides in the northern governorates, they have receded significantly in the southern governorates due to the deepening isolation between the two halves of the homeland because of the continued political division on the one hand, and the tightening of the Israeli siege and brutal and repeated war against it on the other hand. All of this has caused an almost complete institutional and administrative division and the emergence of two institutional and legislative systems, one in the northern and the other in the southern governorates.

Otherwise, the continued division led to an absence of balance in the institutional capacities between the northern and southern governorates, as support for capacity building continued in the West Bank while it was absent in the Gaza Strip. On the contrary, efforts and support to the Gaza Strip were directed toward dealing with the results of the continual war against it, including massive human and physical losses and the resultant extensive destruction of the infrastructures, the sewage, electricity, and communications networks, the houses of the residents, and public and private establishments. All of this caused the weakening of the institutional communication and coordination and the creation of planning disarray and unbalanced institutional and financial responsibilities that are discordant with the requisite obligations for the local government sector and its various authorities, especially towards the reconstruction and building, the provision of the basic services, and dealing with many complex and linked new problems to bridge the developmental gap between the two halves of the homeland.

5. The Legislative Environment

The local government sector has been greatly affected by the disarray in the legislative process that resulted because of the disruption of the role of the legislative council following the political division, the consequence of which was that the executive authority in the northern governorates limited legislation to only emergency matters through the formulation of new legislations or the amendment of existing legislations in the form of decrees. While the legislative council convened in the southern governorates embarked upon the legislative process in an unconstitutional fashion and issued laws that were often in conflict with the laws previously in effect or those that were approved in the northern governorates. This has in turn negatively impacted the performance of the

comprehensive review of the pertinent Palestinian legislations and widened the legal gap between the two halves of the homeland. Additionally, the disruption of the legislative council has prevented the commencement of unifying and updating these legislations and ensuring their concordance with the government's decentralization tendency and the regulation of the local government sector structure as the previous strategy aspired to do. Many of the regulation and law drafts that aimed to develop the legal framework of local government have not been approved, which caused many disconcertions that negatively impacted the policies being planned and implemented, particularly the local authorities integration system and the amendments to the elections law and other matters, which requires being taken into consideration in the new strategy.

6. The Demographic Transformations – Opportunities and Challenges

In 2015, the population of Palestine was estimated at about 4.7 million, with an estimated West Bank population of 2.86 million and an estimated Gaza Strip population of 1.8 million[1]. Despite a drop in the overall fertility rate to 4.06 in 2014[2], Palestine has been seeing an elevated population growth compared to the Arab countries at the rate of 2.8. The population is distributed according to age group (less than 14 years old) with a percentage of 39.4%, while the percentage of the population (60 years old or over) at 4.5% of the total population. The data indicated a drop in the number of young persons and an increase in the percentage of the population in the age group (15-59 years old), with relative stability in the age group (over 60 years old). Despite this relative transformation in the age makeup of the population, Palestine has been witnessing an increase in the rate of dependency compared to the other Arab countries, despite its decrease in the past years, and amounting to a 74.6 average in 2014 compared to 101.3 in 1997. What is noteworthy is the marked increase in the percentage of young persons (15-29 years old), known as a bulge in the youth group, as the percentage of this group reached 30% of the total population.

Based on the projected population growth in Palestine[3], it is likely that the population will double in Palestine by 2050, as the population will increase from 4.75 million in 2015 to 6.9 million in 2030 and to 9.5 million in 2050. This increase will occur despite the projected drop in fertility. It is expected that this will be accompanied by a transformation in the age makeup, as the percentage of young persons (0-14 years old) will drop to 35% in 2030 and may reach 25% in 2050, with a slight increase in the percentage of older persons (65 years old and over), while the percentage of the working-age group (15-64 years old) is expected to increase from 57.8% to 61% in 2030, and will continue to rise to reach 67% in 2050. This will lead to an increase in the pressure on the labor market and a need to provide new employment opportunities to the large numbers expected to join the working age group during the coming years. It is expected that this

[1] The Palestinian Central Bureau of Statistics, the State of the Population in 2015

[2] The Palestinian Central Bureau of Statistics, The Multiple Indicator Cluster Survey, 2014

[3] The Office of the Prime Minister/the National Population Committee and the United Nations Population Fund, "Palestine 2030", Impact of Population Growth in Palestine on the Social and Economic Sectors, 2016

will be accompanied by a decrease in the dependency rate due to the increase in the percentage of the working-age segment of the population, and the decrease in the young and old people's age groups. Consequently, to the degree that Palestine is capable of properly investing in the creation of a suitable environment to release the energies of the youth through economic and social policies, it is possible to benefit from this demographic opportunity and to transform it to demographic revenue that manifests as an increase in economic growth and the achievement of prosperity for the Palestinian society.

7. The Deterioration of the General Economic Situation and the Exacerbation of the Financial Crisis

In light of the political status quo, and as a result of it, Palestine is witnessing a decline in the general economic situation and a deceleration in the growth rates, and practically experiences a state of deflation that started since mid-2013. This has reflected in the form of a drop in the growth rates, an increase in the unemployment and poverty rates, the impoverishment of wide segments of the Palestinian people, a weakening of the volume of investment, and a deficit in the trade balance. The reason for this decline is due primarily to the Israeli policies and practices manifested in the restrictions and obstacles imposed on the movement of individuals and goods, control of border crossings, the prevention of access to and the investment of natural and heritage resources that are latent in area C and East Jerusalem, the severe siege imposed by the Israeli occupation against the Gaza Strip since 2008, and the hindering of commercial traffic between the Gaza Strip and the West Bank, in addition to other issues. This coincided with a significant decline in the size of foreign aid, which, according to the latest estimates, amounted to 62%, which produced pressure on the economic growth rates. Concerning the labor market, the participation rates have been low. The unemployment rates reached over 26% of the total work force, and increased in the Gaza Strip to 44%. The per capita gross domestic product has been dwindling especially in the Gaza Strip, as it has not exceeded $970 at the end of 2015, which directly impacts the poverty rates and the level of food security for the population, and reflect the deterioration of the human and economic conditions that they experience, as over one third of the Palestinians currently experience dire economic conditions and are classified as poor. The poverty rates in the Gaza Strip amounted to three times those in the West Bank, as 80% of the Gaza Strip residents receive international humanitarian aid. Estimates also indicate that 47% of Gazan families have no food security. All of this has led to the abstention of a large segment of the public from fulfilling their obligation to the local authorities, and hence reducing the levels of collection, which in turn prevents the local authorities from providing services to the public properly and with quality. It is expected that the Palestinian society will experience a continual increase in the unemployment and poverty rates in light of the continued current economic deflation, which will keep them as the two primary characteristics of the Palestinian economic actuality in the near future, thus constituting a serious challenge to the work and development of the local government sector. Otherwise, the economic regression has caused an exacerbation of the government's financial crisis, its inability to meet all of its obligations, and the accumulation of outstanding debts. This is primarily due to financial leakage and the inability to calculate the value added tax revenues on goods imported from Israel or through it in their entirety,

the nonpayment of the electricity and water bills by some consumers, and the Israeli government resorting to the deduction of those bills from the Palestinian tax revenues on the one hand, and the non-receipt of sufficient external aid and the decline in the financing of developmental projects on the other hand. The adjustment of the debts was one of the main problematic issues with a number of local authorities, as their scheduling was accelerated, which has recently produced a positive atmosphere between the government and the local authorities.

8. The Decline in Foreign Funding

Foreign aid provided in the form of programs or projects sponsored by many foreign actors (such as the World Bank, USAID, the European Union program, the UNDP, Germany, Japan, Denmark, Belgium, and other partners) has played a positive role in the development of the infrastructure and the legal and institutional frameworks of the local government sector. Yet the past period has witnessed a marked decline in the volume of funding, which resulted in a serious challenge to the local government sector, which depends greatly on external financing of developmental projects especially in light of the deep financial crisis that the government is experiencing and the decline in its capability to finance these projects.

9. Conducting the Local Elections

The local elections, which are set to be held in October 2016, are considered one of the most significant positive developments in this sector, as they constitute an important and positive step in the building and development of institutions, the strengthening of good governance, and the bringing about of elected local institutions that enjoy the confidence of the public. It is expected that these elections will support the local government sector with new blood and great experiences, and to instill a new spirit that will reconstruct and develop the Palestinian Union of Local Government Units and the election of a new administration that has a renewed vision, which will strengthen the partnership between the components of the local government sector, and will have a positive impact on cooperation for the development of this sector and its institutions.

Otherwise, it is expected from these local elections, when held in all of the northern and southern governorates, to contribute in overcoming the obstacles facing holding the long anticipated legislative and presidential elections, and consequently paving the way to ending the atrocious political division and regaining the bond between the two halves of the homeland.

Chapter Three: The Local Government Sector Policies and Performance

Planning for the future must take place on the basis of realistic assessment of previous efforts, and must be characterized by sufficient objectivity to determine the gaps in achieving the pivotal policy issues so they can be avoided, on the one hand, and to build upon and strengthen what has been achieved, on the other hand. Through a quick review of the policies followed in the local government sector since the inception of the Palestinian National Authority, especially during the two previous sectoral strategies

(2011-2013 and 2014-2016), we find that they included a number of similar policies/policy tendencies (even when different in formulations) that mostly focused on the strengthening of local authority institutions, the development of their physical, human, and institutional capabilities, enabling them to possess the efficacious capabilities to reach the public, and providing quality services efficiently and effectively. These policies have also assisted the local government authorities in achieving a larger measure of democracy, transparency, and societal participation, the consolidation of the concept of partnership between them and the private and civil sectors, the strengthening of those authorities' capabilities to provide the necessary materials for the sustainability of their tasks and services on the one hand, and the improvement of the economic situation on the local level, on the other hand.

The following are some basic indicators that assist in knowing where we stand regarding the most significant policies that were adopted:

1. **The well-planned graduation towards decentralization:** The well-planned graduation policy towards decentralization has a continuous nature and requires a long time to implement, where the governing general framework at the government level overlaps with the law system in effect, the institutional and organizational structures of relevant parties, the nature of the relationship between them, and the extent of its control of available resources, in addition to the value, political, and cultural system prevalent in society. The progress in the implementation of this policy has been characterized with relative slowness due to the emergent political and economic conditions and variables. Despite the fact that this concept has not been defined clearly and in an agreed upon fashion, one can notice the achievement of some accomplishments in some of the elements of the adopted policy, which are considered basic requirements of decentralization in the sector, such as: the institutionalization of local authorities and the strengthening of their administrative, financial, and technical capabilities; holding local elections; development of laws, regulations, work guidebooks, and directives for the work of the local government sector institutions; the consolidation of the developmental strategic planning at all levels (the sector, the ministry, the governorate, and at the level of local authorities); activation of societal participation and control; etc. In contrast, the paralysis of the Palestinian Legislative Council following the political division has hampered the development of a legal and institutional environment capable of pushing further towards decentralization, and there is still a need to develop and introduce many laws. Contrary to what had been hoped, the recent changes in the legislative framework somewhat contradicted the declared policy of the gradual direction towards decentralization, as the legal amendments and many regulations and directives that have been issued led to further concentration of power in the Ministry of Local Government, including increased financial and administrative oversight of local government units, as well as control of employment in these councils through giving the ministry/the minister the authority to approve the new appointments there. Moreover, there has not been any tangible progress in clarifying the relationship between the ministry and the local government authorities via defining the administrative, legal, and financial powers of each of them.

2. **Development of the Local authorities' law to allow more room for decentralization and the development of the legal framework:** This has been a recurring objective in all of the reform programs and work plans since 2003, yet progress on this front has been very minimal. This is due mainly to the lack of a clear vision of local government in the Palestinian territory, which would direct the drafting of suitable legislation. The disruption of the Legislative Council has also played an important role causing the disruption of the legislative process in the wake of the political division in failing to issue or update many relevant laws. What was actually achieved included two amendments to the Local Authorities' Law number 1 for the year 1997, one in 2008 and another in 2016. However, the amendment that took place in 2008 added a centralized direction to the law and gave the Cabinet the power, based on the recommendation of local government, to sack the municipal council as well as the placement of financial and administrative monitors over the local authorities without specifying clear criteria for that. While the 2016 amendment occurred to address the problems that have accompanied and/or resulted from the integration of the local authorities, where it provided an opportunity to establish joint municipalities for the authorities that wish to do so while the legal entities of the participating authorities remain (rather than their merger into a single authority). The most recent amendment provided a legal framework for integration or separation. Also, the recent amendment added a new margin of decentralization in decision making within the Ministry of Local Government, through the transfer of some powers that were the prerogative of the "minister" to the "ministry", which provides the opportunity for the delegation to decide on some of the issues that the minister had exercised to lower levels, which may facilitate some procedures in place and speed up the response of the ministry to decide on the various issues. In addition, it is noted that the local authorities' law and likewise the elections of the local councils' law and many regulations are still not sufficiently responsive to issues of gender, which must be taken into account in the development of the legal system for the local government sector in the next phase.

3. **The resolution of the overlap between the powers of local authorities and the various ministries and among the government institutions themselves and defining the relationships and responsibilities among them:** Progress is still slow in this regard, despite the presence of some coordination mechanisms between some institutions. Some problems still exist in the relationship between the central government represented by the Ministry of Local Government and the local authorities, particularly the conflict of duties and powers, legal and financial problems, and problems related to services and project implementation and monitoring. For example, the law gave the Ministry of Local Government the authority of supervision of the jurisdiction of the local authorities in terms of overseeing the preparation of budgets, their approval, and the monitoring of their implementation, including financial records control, procurement, tenders, and employment, to ensure the consistency of these operations with the approved budgets, so as the local authorities do not deviate from these budgets without obtaining the approval of the Ministry. For the purpose of the implementation of such, the ministry adopted a series of regulations and guides. However, compliance

with them by the local authorities requires further strengthening. The ambiguity of what constitutes oversight and its limits represents some confusion in the application. The prevalent relationship between the Ministry of Local Government and the local authorities differs from one local authority to another. The sizeable municipalities exceed the limits of their jurisdiction and powers as defined by the law, and perform their activities away from the Ministry of Local Government control and influence. The new and small local authorities, however, are largely under the control of the Ministry of Local Government.

There also exists some ambiguity and overlapping of tasks and responsibilities between the Ministry of Local Government, on the one hand, and the other official authorities, such as the Environmental Protection Authority, the Palestinian Water Authority, the Palestinian Energy Authority, the governorates, or others, including relating to the work of the local authorities and their related activities. This is due to the lack of clear provisions in the relevant laws that govern the relationship between the various parties and that explain their respective roles. All of these things require the development of a clear entry point for the local government sector that would remove the existing confusion and conflict, and that clearly and explicitly divides the tasks between the central authority and local authorities in accordance with the available capabilities and resources.

4. **The merger and annexation policy for the reduction of the number of local authorities:** This policy has not enjoyed full approval by the community and has not constituted an accepted national policy, and has become a burden to the ministry rather than a development lever. Several merged local authorities experienced a marked decline in the desire to work jointly for various reasons, and voices that demand secession and individual work have increased. To address the legal problems that accompanied the mergers, a decree was issued in 2016 to amend the local authorities' law number 1 for the year 1997 as previously mentioned, which provided the opportunity to end the process of stalling in the merger policy, and paved the way for the correction of the situations of merged municipalities to their liking. This amendment also added a new model for joint cooperation between neighboring local authorities through the establishment of "joint municipalities" while preserving the legal entities of the authorities that are forming the joint municipality. However, this amendment could constitute another cause for new confusion in policies and models used[4] in the strategic conceptualization of the restructuring of the sector. Despite some successes achieved by the annexations and mergers, the number of local authorities remains high. There are still many local authorities, especially new and small ones, which are not able to support themselves financially due to their lack the of the tax based that is required to fund their operations, thus making them almost entirely dependent on the central authority or on external grants due to insufficient financial and human resources available to them.

[4] Whether that was through annexation, merger, the establishment of joint municipalities, or working through joint planning and development councils

In a related context, some ambiguity still surrounds the criteria of the formation of the authorities, the mechanisms of their classification, and the powers and responsibilities of each of them, which requires a restructuring of the local government system in clusters of sustainable volumes, the boundaries of which cover the entire Palestinian territory, while some specific tasks and powers are delegated to some subunits that make up such clusters.

5. **Enabling the sector institutions to posses technical and organizational capabilities to perform their responsibilities:** The enabling process is a continuous and permanent process, and the priority of raising the capabilities of the local government sector institutions and the development of their physical, human, and institutional capacities was listed in all of the successive national and sectoral plans, in order to enable these institutions to posses the active capabilities to reach the public, and to provide quality services efficiently and effectively. Great efforts have been made by the Ministry of Local Government, the Municipal Development and Lending Fund, and/or international authorities in this regard, whether at the level of the ministry or the local authorities. Marked progress was made in the development of financial and administrative systems, budgeting, the mechanisms for their approval, and the formulation of guides and standard procedures in the areas of human resource management, job descriptions, computerized financial systems, and procedures for reporting and oversight, which all contribute to raising the capabilities of authorities and service councils in the field of management and conservation.
Also, many initiatives were carried out to develop the capacities of local authorities to plan and communicate with the public, where all municipalities have completed their development strategic plans. In the same context, the ministry has worked in collaboration with its international partners to enable the governorate councils to lead the regional development planning and complete regional development plans at the governorate level. Many interventions and training programs for local authorities were implemented that aimed at the development of organizational structures, regulations, work procedures, and capacity building for each of the employees in the local authorities and the members of their elected councils, which included strategic and operational planning, financial management, strengthening competitiveness, project management, and mechanisms to enable women and enhance their developmental role, etc. However, many studies have indicated the fragmentation and duplication in the delivery of training from different service providers, as well as the absence of quality control and the lack of continuous follow-up or evaluation by the institutions which provided the training services.
Parallelly, the support to the local authorities in the implementation of many projects of development priority has continued, as several initiatives to support the provision and development of basic public utility services were implemented, in relation to the infrastructure, such as water and electricity distribution networks, the establishment of sewage systems, the management of the collection and disposal of waste, the construction, paving, and maintenance of internal and connecting roads, and the construction of public buildings, and buildings specific to activities for the youth, women, children, schools, health centers, clinics, and public parks. In spite of all this, there is a constant need to develop the capacities of active institutions by virtue of the

constant development of life and its requirements, and in particular to reduce the disparities in capabilities between the local government units in the area of the provision of services, public administration, and financial management.

6. **The development of local services systems and the encouragement of neighboring local authorities to cooperate and work jointly:** A clear policy direction prevailed for the successive governments since the inception of the Palestinian National Authority to focus on the building of strong and accountable local government institutions that are characterized by their ability to provide services with reasonable costs and that are correspond to the needs of the public. Early on, the Ministry of Local Government, in cooperation with and with support from its international partners, had established the joint service councils, which played an important role and achieved tangible successes in helping the local authorities, particularly small ones, to provide better services to the public, especially waste services and management of water and electricity. In order to strengthen their role, the joint services councils' statute was issued, which was an impediment to the development of these councils, as well as to donors dealing with them.
   From a policy perspective, one can benefit from the experience of the joint services councils in the strengthening of joint work between local authorities and in building upon them in the development of policy regarding reducing the number of local authorities and laying the foundation for future annexations, mergers, or agglomerations.
   In the context of the restructuring of services and the improvement of their performance, the government also took the initiative of establishing a number of regional public companies/ authorities and transferring powers to provide certain services, such as water and electricity, to the local authorities. Yet some problems still accompany this step. For example, even if there were governmental decisions regarding the formation of public companies for the distribution of electricity, their implementation was not part of a deliberate and gradual policy. The repercussions of such a step on the local authorities and the impact on the reduction of available cash for some of these authorities were not sufficiently taken into account, and the authorities opted to use revenues generated from the sale of electricity service to cover a significant part of their operational and investment expenses, at the account of outstanding debt accumulation to the providers.
   Similarly, the water sector reform plan for 2014-2016 has adopted a similar policy direction by establishing three regional public facilities in the northern governorates, and one in the southern governorates, which are concerned with the management of water and sanitation services, including the operation and maintenance of their own infrastructure, and the collection of the relevant fees. Thus, the role of the joint services councils in the water and electricity sectors will gradually wither away in favor of the regional facilities. An important role for the joint services councils will continue in the management of solid waste for the foreseeable future.

7. **Development of the local government system's institutional and administrative capacities in the field of urban planning:** the Palestinian National Authority inherited two sets of urban planning legislations, one in the West Bank and the other

in the Gaza Strip. Since over two decades ago, several drafts for issuing a unified law for all Palestinian territory were formulated, yet all repeated attempts did not achieve any concrete results. To remedy the situation, the Ministry of Local Government issued a set of planning regulations and guides (the most important of which were the "buildings and regulation system for local authorities number 5 for the year 2001" and the "urban planning guide" in 2013). However, the provision of a unified legal basis for planning activities in all Palestinian territory continues to be a priority in the local government sector.

In addition to the above, The Ministry of Local Government has supported local authorities in the preparation and/or updating of the structural plans, where about 90% of the local authorities in areas A and B have structural schemes (about 220 schemes). In the same vein, 109 structural plans that cover 116 localities in area C were completed. Despite the preparation of these plans, only five were approved, while 104 plans have been waiting for the occupation authorities' civil administration approval.

8. **Increasing the revenues of the local authorities and strengthening their financial capacities:** there was no success in achieving this, as revenues available to local government units at the present time have diminished (especially after the transfer of the water and electricity responsibilities to authorities/public companies), in addition to other related reasons associated with the difficult economic conditions experienced by the Palestinian citizens, which make them unable to pay some fees and for services provided to them by local authorities, thus causing the accumulation of the debts of the local authorities, deficits in their budgets, and the significant worsening of their financial crisis. Recently, mechanisms to reschedule the debts of the local authorities have been attained and agreements in this regard were signed, as well as reaching an agreement with the Ministry of Finance concerning the regularity of financial payments to the local authorities.

   Particularly in the southern governorates, the severe financial crisis facing the local authorities is threatening their services with complete collapse and with a health and environmental disaster in case it continues. The government and international financial aid and grants are considered currently the leading available resources which are attempting to stop this deterioration until the existing political division is ended and the Israeli blockade on the Gaza Strip is lifted.

   Overall, despite the implementation of some interventions and projects to enhance revenue collection and improve the assessment and collection of the property tax, the issue of strengthening the revenues of local authorities still constitutes one of the key priorities for the local government sector.

9. **Increasing the participation of citizens of both sexes in the local government units' activities and the development of their transparency:** the Palestinian actuality indicates the need to give consideration to the strengthening and development of the relationship between elected local authority councils and their public, and to building a regular relationship between them and the local civil society in the area, thus contributing to development of the local resources, and involving them in the development of services provided to the public. In this regard, a number

of policy papers pertaining to the strengthening of community participation and accountability and their institutionalization, especially the participation of young people, in addition to issuing a number of directional guides concerning that. A number of initiatives and awareness programs were also implemented through the Municipal Development and Lending Fund to strengthen the concept of citizenship and building relationships with the public on the basis of the duties and rights. Additionally, public service centers were established in some of the local authorities to facilitate the access of the public to services, to reduce the time required to follow-up on applications, and to improve efficiency and transparency in the management of municipal services. The implementation of interventions that increase community participation in planning and decision making and the creation of tools to support greater transparency and accountability are considered positive steps towards enhancing the participation of citizens and communication with them. Yet such practices were limited to the existence of projects funded by donors which have not been institutionalized yet in most of the local authorities. What is required is to the creation of solid mechanisms that are capable of facilitating continuous and regular dialogue between the citizens (including women, youths, and the marginalized sectors of society) and local authorities, to ensure their participation beyond consultation and participation in the current planning so participation would include making key decisions and formulation of policies. This requires ensuring the openness of decisions, plans, the budget, and pertinent data and the facilitation of public access to them. It also requires strengthening or developing the appropriate grievance and complaint management mechanisms and improving the response of local authorities to them.

10. **Holding the local elections on a regular basis:** Holding local elections is considered one of the most important pillars of promoting citizen participation and belonging, and consolidating the concepts of democracy, good governance, and citizenship in society. The issuance of the election law had paramount importance in the organization and running of the elections. Changing the old electoral system from individual candidacy to a closed proportional representation system was among the most significant features of the law. It also provided new rules on the representation of women and religious minorities. However, the changes in the voting system were met with some criticism and led to the emergence of new issues that require resolution. For example, the adoption of proportional representation led to the election of several local councils without a clear majority for any of the blocks, causing the change of the head of the council on many occasions because of agreements between the political blocs, which have had a negative impact on the performance of these councils. In addition to the need to review and update the existing legal framework, the focus on holding the elections on a regular basis is considered one of the key issues to develop and improve the performance of local authorities and their capabilities, and to harness all their energies to serve the citizens and provide them with the best. Local elections to be held in the two halves of the homeland are considered one of the most positive developments in this sector. They will constitute an important and positive step in stepping forward towards ending the division, and in creating elected local institutions that enjoy the confidence of the

public. It is expected that these elections will pump new blood and supply considerable expertise into the local government sector, and will create a new spirit that will rebuild and develop the Palestinian Union of Local Government Units and elect a new administration with a renewed vision, which will strengthen the partnership between the local government sector components, and will have a positive impact on cooperation for the development of this sector and its institutions.

11. **Development of area C and East Jerusalem:** In line with the general framework of the national development plan for 2014-2016, the last sectoral strategy gave special importance to the development of area C, marginalized areas, and East Jerusalem, the development of its local authorities, focusing on supporting the steadfastness of the Palestinian individual in those areas, reduce his/her burdens, improving his/her standard of living, and providing him/her with social security and a decent standard of living, through the provision of adequate health, educational, social services, and infrastructure. Additionally, the previous strategy highlighted the importance of supporting, strengthening, maintaining, and enhancing the role of the local authorities and the various national institutions operating in these areas, and extending their domain, strengthening their developmental and geographical interdependence with the rest of the Palestinian territory. The development of area C and East Jerusalem is a complex, ambitious, and long-term process and should be part of a clear national vision for the comprehensive spatial development at the national level. In the absence of a comprehensive spatial vision and plan that would take the integration of all of the Palestinian territory in consideration, support programs that are implemented remain merely isolated and sporadic interventions without any serious developmental impact, as is often the case up to date.

12. **The advancement of local Development and the strengthening of partnership with the private sector:** Some developments were achieved in this area, on two linked tracks. The first was supporting the local authorities (especially the municipalities) in the preparation of their strategic development plans to strengthen their roles in local development, and all the municipalities have completed their strategic developmental plans. Also, regional strategic development plans at the governorate level were developed. These plans resulted mostly in response to the terms of the supporting and financing parties. It is noteworthy that most of these plans were ambitious and lacked the effective mechanisms and implementation tools, and their use was limited to obtaining financial support for the implementation of some of the projects included in them. Thus the institutionalization and organization of these planning processes and the provision of funding for them is considered extremely important to activate the role of the local authorities in the national development project. As to the second track, it has focused on the development of partnerships between the local authorities and the private sector, where a policy document concerning the strengthening of the partnership between the local authorities and the private and public sectors was issued, adopted, and circulated to the local authorities, and the "guidebook of the partnerships of the local authorities and the private sector " was developed in collaboration with the World Bank. Also, local development councils were established as advisory councils to support some of

the local councils. The development of institutional, organizational, and implemention tools for the development of these partnerships is still in its modest beginnings and requires deepening in the next phase.

13. **Deriving benefit from the Municipal Development and Lending Fund:** The main objective of the establishment of the Municipal Development and Lending Fund was to create an implementation and financing tool for the translation of the Ministry's policies in pushing towards decentralization and strengthening the financial and financing capacities of the municipalities so they can be able to improve their services and performance. The Fund has played an important role in supporting and developing the capacities of the local authorities. The mechanism it used became the focus of attention of many Palestinian and international institutions, due to its contribution to the achievement of actual results on the ground, especially those related to unifying the efforts of donor countries. However, the fund's lending function has not been activated yet, as no clear policy for lending to local authorities has been formulated, including the determination of a sustainable source of income to supply this activity, and it has become an outlet and a channel for funding of projects rather than a tool for strengthening fiscal decentralization of local authorities.

14. **Development of the capabilities of the Palestinian Union of Local Government Units and its codification as a key component of the local government sector:** This objective has recurred in all of the programs, yet the potential of the union has not been fully realized as a strong and credible body that represents the interests of local authorities, despite the many initiatives that have been implemented to strengthen its institutional position and capabilities. The result was weakening it significantly. Recently serious attempts were made to reactivate it, but the updating of its legal status, the definition of its role and its relationship with the Ministry of Local Government and with the local authorities, and its support remain key issues for the development of the local government sector.

Based on the aforementioned, the most significant strategic challenges facing the local government sector in the next phase can be summed up as follows:

1. The unification of the legal system between the two halves of the homeland, the southern and the northern governorates.
2. The reviewing and development of the laws and regulations so they are compatible with the national policies agenda, thus reinforcing the direction towards decentralization and granting more powers to local authorities, especially regarding property and pre-school education.
3. The limitedness and the weak effectiveness of local authorities in the provision of basic services within their limits, especially in area C, East Jerusalem, marginalized areas, and the areas adjacent to the apartheid and annexation wall.
4. The weakness of the stimulating environment of the sustainable local economic development.

5. The weakness of the optimal "economic" exploitation of the local resources due to the occupation policies in most of the Palestinian territory, especially in area C.
6. The weakness of community participation and accountability from both sexes in the local government sector.
7. The overlap of powers between the main actors in the local government sector.
8. The weakness in mainstreaming of gender issues in the local government sector.

Chapter Four: The Vision of the Local Government Sector and its Strategic Objectives

In light of the results of the review of the previous cross-sector plan, the national team for the local government sectoral strategic plan held several workshops to discuss and evaluate the adopted objectives and policies, with focus on the failures and gaps that accompanied their implementation and to draw conclusions and lessons to guide them in the development of the sector's vision and in determining its strategic objectives and policies for the next period from 2017 to 2022. The national team arrived at the vision, the strategic objectives, and the sectoral policies.

The Vision of the Local Government Sector

The national team agreed unanimously to keep the previous vision by virtue of its continued compatibility with the actuality of the local government sector as well as with the Palestinian government national agenda, so that the vision governing the work of the sector in the next phase would be as follows:

"Good local governance which is capable of achieving sustainable development with active community participation"

The final results that are sought after can be summarized as follows:

1. A decentralized local government sector which is regulated within a suitable and effective legal framework.
2. More efficient, effective, and transparent local authorities in the provision of services which are responsive to the needs of their citizens, to their priorities, and in achieving their welfare.
3. A local government sector which is more capable of sustainable management of available land and resources and of taking advantage of economies of scale.
4. A local government sector that contributes effectively to national economic development.

The Strategic Objectives and the Sectoral Policies

The development of the strategic objectives of the local government sector has taken into account that it would be in line with the national agenda and the cross-sector strategies lessons on the one hand, and to be complementary to what has been achieved in the previous years in the sector and the successes that have been achieved through the municipalities' development program in its two phases (the first and the second) as a national program adopted by the central government, as well as bringing about a positive accumulation in the its reality on the other hand. From a third angle, care was taken for these objectives to be of a national nature in their level and scope given the comprehensiveness of this sector for all aspects of life in Palestine and by virtue of the multiplicity of the affecting and effective partners and stakeholders in its policies.

As for the sector policies, the national team has concluded that many of the established sectoral policies are still viable and that the failures in their implementation or the mistakes that accompanied their application do not constitute a cause or an excuse to drop them, yet there is a need to review the mechanisms and tools of their implementation. The national team has concluded that there is a need to add new policies new interventions that support the efforts to achieve the strategic objectives of the sector.

In light of this, and in order to address the strategic challenges facing the sector, and in line with the lessons learned and building upon the achievements of the previous phase, the following strategic objectives were determined coupled with a number of related implementation policies, while noting that these objectives encompass the entire Palestinian territory:

The First Objective: ***A suitable legislative and institutional system for the regulation and management of the sector and that is responsive to gender***

The Policies of the First Objective:

- The development of the general framework and the institutional structure of the local government sector, the clarification of the roles and responsibilities of the active institutions, and the development of coordination and integration mechanisms among them to conform to the decentralized direction adopted by the government.
- The determination and ordering of the legal, administrative, and technical relationships between the local authorities and all of the ministries and government institutions.
- The consolidation and development of the legal framework governing the work of the local government sector institutions (the laws and regulations) and most significantly the local authorities' law, the local authority councils election law, and the planning and zoning law to achieve greater consistency and clarity and to ensure the deliberate graduation towards decentralization sought after while complying with gender sensitivity.
- The restructuring of local authorities to become either "municipalities" or "joint municipalities" and the expansion of its powers (especially in the areas of property tax, pre-school education, clubs, gyms), according to the availability of the institutional, technical, and financial capacities to do so.
- The determination of the role of the Palestinian Union of Local Government Units, the codification of its work, its activation, and the development of its capabilities.
- The continuation of the preparation and updating of the spatial and developmental plans for all communities and at all levels (national, regional, and local), the development of their infrastructures, and ensuring the optimal use of their lands and their geographical, service, and developmental integration in a manner that responds to the current needs, without prejudice to the rights and aspirations of future generations.

The Second Objective: ***Improvement of the performance of local authorities and the activation of their material and human resources to provide quality services to the public***

The Policies of the Second Objective:

- Continuing to formulate guides and regulations to facilitate the work and management of the sector institutions and to enable them to provide high quality sustainable services.
- Continuing to raise the efficiency and capacities of the Ministry of Local Government, the local authorities, and the joint councils, and enabling them to possess the effective technical, organizational, and human capacities to carry out their duties and responsibilities with high quality, efficiency, and effectiveness and to reduce the differences in capacities between them.

- Development of the procedures, oversight, and information systems to ensure the effectiveness of the local government sector institutions and to improve their services.
- Continuing to support the local authorities in the implementation of projects of development priority in the provision and development of basic infrastructure public utility services (water, electricity, sewage, and roads), and public and community buildings, with priority given to the local authorities in area C, East Jerusalem, marginalized areas, and the areas located along the apartheid and annexation wall.
- Continuing to adopt the Municipal Development and Lending Fund as a key official tool for the implementation of the sector policies, the provision of the means of support and development to the local authorities, the development of their institutional performance, and continuing to take up the municipality development program while directing international partners to support it.
- The improvement and development of the solid waste and wastewater management systems, including recycling and reuse.
- Continuing to support the local authorities in the southern governorates in reconstruction, construction, the provision of basic services to the public, and bridging the development gap between the two halves of the homeland.

The Third Objective: ***The Local Authorities are Financially More Stable and Sustainable***

The Policies of the Third Objective:

- Continuing to strengthen the capacities of local authorities in the planning and management of their financial resources.
- Increasing the revenues for the local authorities and their sustainability through the recalculation of the values of collected fees, fines, and revenues and the improvement and the expansion of the collection mechanisms.
- Continuing to develop the basic local services management systems (water, electricity, and waste) and to encourage the adjacent local authorities to cooperate and to work jointly to take advantage of economies of scale that result from that through strengthening the roles of the joint councils, completing the establishment of public companies/regional authorities, and the transfer of the powers of providing these services from local authorities to them.
- Restructuring the joint taxes and transfers and ensuring the regularity of government transfers to local authorities, particularly their taxes and fees allocations collected by the government for their account, as well as ensuring the financial contribution of the government to the municipalities development program that is being implemented by the Municipal Development and Lending Fund.
- The activation of the lending position at the Municipal Development and Lending Fund, including ensuring a sustainable source to fund it.
- Strengthening the creditworthiness of local authorities and enabling them to borrow from the Municipal Development and Lending Fund or from commercial banks.
- The allocation of fixed financial resources from the government budget to local authorities.

- Reducing the indebtedness of the local authorities and the development of practical mechanisms to end it within an agreed upon time frame.
- Continuing to exert efforts to attract the financing of development projects by the international partners and strengthening their coordination and direction mechanisms towards the support of the priorities of the local authorities and the sector as a whole.

The Fourth Objective: ***The Local Authorities Playing an Active and Supportive Role in Stimulating the Local Economic Development***

The Policies of the Fourth Objective:

- The development of the legal and regulatory environment capable of stimulating local economic development and strengthening the partnership between the local authorities, the public and private sectors, and civil society organizations to contribute to the effecting of a local development.
- The gradual development of the supporting institutional framework the institutionalization of the local development circles in the Ministry of Local Government, the local authorities, and the Municipal Development and Lending Fund.
- The development of the required technical and human capacities to perform the tasks relevant to the local economic development.
- The facilitation and development of access mechanisms to the various sources of financing for the benefit of investment in the infrastructure and the implementation of viable local economic projects.
- The development of efficient and reliable infrastructure (water, energy, communications, and roads networks, industrial zones, etc.) that provide affordable services to facilitate the work of the private sector and encourage it.
- Encouraging green and sustainable economy and developing the appropriate standards, procedures, incentives, and controls to ensure the optimal and sustainable economic utilization of traditional and nontraditional natural resources.

The Fifth Objective: ***Broader participation of men and women citizens in decision making, oversight of the implementation, and carrying out their obligations to local authorities***

The Policies of the Fifth Objective:

- Holding the local elections periodically while developing the local elections law to ensure fair competition, broader community participation, and the development of holding the local elections electronically.
- Developing and activating the necessary institutional measures to ensure the sound implementation of the laws, regulations, and directives to increase the confidence of the public in local authorities and their sense of belonging to them.
- The implementation of awareness and education programs to promote the principle of citizenship on the basis of rights and duties.

- Developing the appropriate mechanisms to ensure active participation of citizens, men and women, in setting priorities, preparation of plans, programs, and annual budgets of local authorities, and the activation of community oversight and accountability for their acceptable implementation.

Chapter Five: The Correlation between the Objectives and Policies of the Local Government Sector and the National Policies Agenda

As previously mentioned, the development of the local government sector strategic objectives took into account that they are in line with the national agenda and as a translation of it. The following is a summary of the most significant national policies relevant to the sector and the extent of consistency of sectoral policies with them:

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
1.	**The materialization of the independent state and decolonization**	**1. Escalation of the efforts nationally and internationally for decolonization**	– Extending the sovereignty over the entire territory of the State of Palestine on the 1967 borders, including East Jerusalem, and on its natural resources and land, air, and maritime boundaries, and developing the legal foundations to materialize this sovereignty.	– Continuing to support the local authorities in the implementation of priority developmental projects and in the provision and development of basic public utility services, including the infrastructure (water, electricity, sewage, and roads), public and community buildings, with priority given to local authorities in area C, in East Jerusalem, in marginalized areas, and those located along the apartheid and annexation wall.
			– The consolidation of the status of East Jerusalem and developing it as the capital of the State of Palestine.	
			– Break the siege of the southern governorates and ensuring the territorial contiguity between the two halves of the homeland.	– Continued preparation and updating of spatial and development plans for all communities and at all levels (national, regional, and local) and the development of their infrastructures, and ensuring the optimal use of their lands, and their geographic, service, and development contiguity and integration in a manner that responds to the current needs, without prejudice to the rights and aspirations of future generations.
			– Mobilize international support for the inalienable rights of the Palestinian people, including the right to self determination, the right of return, the freeing of the prisoners, and the internationalization of the conflict resolution	

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
			in accordance with international terms of reference.	
			– The use of legal, economic, and popular lobbying tools on the local and international levels for decolonization.	– Continued preparation and updating of spatial and development plans for all communities and at all levels (national, regional, and local) and the development of their infrastructures, and ensuring the optimal use of their lands, and their geographic, service, and development contiguity and integration in a manner that responds to the current needs, without prejudice to the rights and aspirations of future generations. – Continuing to support the local authorities in the implementation of priority developmental projects and in the provision and development of basic public utility services, including the infrastructure (water, electricity, sewage, and roads), public and community buildings, with priority given to local authorities in area C, in East Jerusalem, in marginalized areas, and those located along the apartheid and annexation wall.
			– The formulation of implementation plans to materialize independence, which would determine the steps towards emphasizing full Palestinian sovereignty over all of Palestine territory and over all sectors and functions exercised by a sovereign state.	– Continued preparation and updating of spatial and development plans for all communities and at all levels (national, regional, and local) and the development of their infrastructures, and ensuring the optimal use of their lands, and their geographic, service, and development

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				contiguity and integration in a manner that responds to the current needs, without prejudice to the rights and aspirations of future generations. – Continuing to support the local authorities in the implementation of priority developmental projects and in the provision and development of basic public utility services, including the infrastructure (water, electricity, sewage, and roads), public and community buildings, with priority given to local authorities in area C, in East Jerusalem, in marginalized areas, and those located along the apartheid and annexation wall.
		2. The activation of the mechanisms for holding the occupation accountable	– Holding Israel accountable internationally, including before national and international frameworks and courts, through the activation of the tools used to combat colonialism and apartheid.	
			– Urge countries to abide by their duty with regard to respect and ensuring the respect for international law, including ending the Israeli colonial settlement of Palestine.	– Continuing to support the local authorities in the implementation of priority developmental projects and in the provision and development of basic public utility services, including the infrastructure (water, electricity, sewage, and roads), public and community buildings, with priority given to local authorities in area C, in East Jerusalem, in marginalized areas, and those located along the apartheid and annexation wall.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
2.	**National Unity**	**3. Achieving the unity of the Palestinian territory and people**	– The reunification of the northern and southern governorates and the implementation of reconstruction and construction plan for the southern governorates	– Continuing to support the local authorities in the southern governorates in the reconstruction and construction operations and in the provision of basic services to citizens, and bridging the developmental gap between the two halves of the homeland.
			– The updating and unification of the legal and legislative system in line with the international commitments of the State of Palestine.	– The consolidation and development of the legal framework governing the work of the local government sector institutions (the laws and regulations) and most significantly the local authorities' law, the local authority councils election law, and the planning and zoning law to achieve greater consistency and clarity and to ensure the deliberate graduation towards decentralization sought after while complying with gender sensitivity.
			– Working with the international organizations and host countries to ensure the provision of services to the refugees in all the locations of their presence.	
			– Strengthening the interconnectedness with Palestinians wherever they exist and the strengthening of their contributions in the building of the state and achieving independence.	– The facilitation and development of access mechanisms to the various sources of financing for the benefit of investment in the infrastructure and the implementation of viable local economic projects.
		4. The materialization	– Completion of the formulation and ratification of a contemporary constitution that is in line	

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
		of the democratic practice in the State of Palestine	with international human rights agreements and conventions.	
			– The organization of democratic and periodic elections on all levels.	– Holding the local elections periodically while developing the local elections law to ensure fair competition, broader community participation, and the development of holding the local elections electronically.
			– Strengthening respect for the principles of pluralism, equality, and non-discrimination in Palestine and safeguarding the fundamental freedoms of citizens.	– The implementation of awareness and education programs to promote the concept of citizenship on the basis of rights and duties.
3.	**Consolidation of the International Status of the State of Palestine**	**5. Strengthening participation in the international system**	– Seeking full membership in the United Nations.	
			– Fulfillment of international commitments that resulted from the accession of Palestine to a number of treaties and international organizations.	
			– Active participation in international bodies	
			– The gradual and deliberate accession to an additional number of international agreements and organizations.	
		6. Strengthening the bilateral relations of the State of Palestine	– Broadening the scope of international recognition of the State of Palestine	
			– The development of the bilateral relations of the State of Palestine	
4.		**7. Strengthening the**	– The reform of the local government sector and the restructuring of the local authorities.	– The development of the general framework and the institutional structure of the local

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		The National Policy	The Policy Interventions	
	A government responsive to the public	**responsiveness of the local authorities to the public.**		government sector, the clarification of the roles and responsibilities of the active institutions, and the development of coordination and integration mechanisms among them to conform to the decentralized direction adopted by the government. – The consolidation and development of the legal framework governing the work of the local government sector institutions (the laws and regulations) and most significantly the local authorities' law, the local authority councils election law, and the planning and zoning law to achieve greater consistency and clarity and to ensure the deliberate graduation towards decentralization sought after while complying with gender sensitivity. – The determination and ordering of the legal, administrative, and technical relationships between the local authorities and all of the ministries and government institutions. – The restructuring of local authorities to become either "municipalities" or "joint municipalities" and the expansion of its powers (especially in the areas of property tax, pre-school education, clubs, gyms), according to the availability of the institutional, technical, and financial capacities to do so.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				– The determination of the role of the Palestinian Union of Local Government Units, the codification of its work, its activation, and the development of its capabilities.
			– Strengthening decentralization in the provision of services on the local level whenever local authorities have the capabilities to do so.	– Continuing to formulate guides and regulations to facilitate the work and management of the sector institutions and to enable them to provide high quality sustainable services. – Continuing to raise the efficiency and capacities of the Ministry of Local Government, the local authorities, and the joint councils, and enabling them to possess the effective technical, organizational, and human capacities to carry out their duties and responsibilities with high quality, efficiency, and effectiveness and to reduce the differences in capacities between them. – Continuing to develop the basic local services management systems (water, electricity, and waste) and to encourage the adjacent local authorities to cooperate and to work jointly to take advantage of economies of scale that result from that through strengthening the roles of the joint councils, completing the establishment of public companies/regional authorities, and the transfer of the powers of providing these services from local authorities to them.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				– Continuing to formulate guides and regulations to facilitate the work and management of the sector institutions and to enable them to provide high quality sustainable services. – Continuing to adopt the Municipal Development and Lending Fund as a key official tool for the implementation of the sector policies, the provision of the means of support and development to the local authorities, the development of their institutional performance, and continuing to take up the municipality development program while directing international partners to support it. – Continuing to exert efforts to attract the financing of development projects by the international partners and strengthening their coordination and direction mechanisms towards the support of the priorities of the local authorities and the sector as a whole.
			– Expansion of the local authorities powers in the collection of taxes and the management of local resources.	– The restructuring of local authorities to become either "municipalities" or "joint municipalities" and the expansion of its powers (especially in the areas of property tax, pre-school education, clubs, gyms), according to the availability of the institutional, technical, and financial capacities to do so.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		The National Policy	The Policy Interventions	
				– Continuing to strengthen the capacities of local authorities in the planning and management of their financial resources. – The activation of the lending position at the Municipal Development and Lending Fund, including ensuring a sustainable source to fund it. – Strengthening the creditworthiness of local authorities and enabling them to borrow from the Municipal Development and Lending Fund or from commercial banks. – Reducing the indebtedness of the local authorities and the development of practical mechanisms to end it within an agreed upon time frame.
			– The development of an effective system for the transfer of tax revenue from and to the local authorities.	– Increasing the revenues for the local authorities and their sustainability through the recalculation of the values of collected fees, fines, and revenues and the improvement and the expansion of the collection mechanisms. – Restructuring the joint taxes and transfers and ensuring the regularity of government transfers to local authorities, particularly their taxes and fees allocations collected by the government for their account, as well as ensuring the financial contribution of the government to the municipalities development program that is

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				being implemented by the Municipal Development and Lending Fund. – The allocation of fixed financial resources from the government budget to local authorities.
			– The development of the local economy	– The development of the legal and regulatory environment capable of stimulating local economic development and strengthening the partnership between the local authorities, the public and private sectors, and civil society organizations to contribute to the effecting of a local development. – The gradual development of the supporting institutional framework the institutionalization of the local development circles in the Ministry of Local Government, the local authorities, and the Municipal Development and Lending Fund. – The development of the required technical and human capacities to perform the tasks relevant to the local economic development. – The facilitation and development of access mechanisms to the various sources of financing for the benefit of investment in the infrastructure and the implementation of viable local economic projects. – The development of efficient and reliable infrastructure (water, energy, communications, and roads networks, industrial zones, etc.) that

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				provide affordable services to facilitate the work of the private sector and encourage it. – Encouraging green and sustainable economy and developing the appropriate standards, procedures, incentives, and controls to ensure the optimal and sustainable economic utilization of traditional and nontraditional natural resources.
		8. elevation of the level of public services provided to the public	– The development of the improvement strategy of the services provided to the public on the various levels and its implementation with the partners, with focus on marginalized areas especially area C and East Jerusalem.	– Continuing to formulate guides and regulations to facilitate the work and management of the sector institutions and to enable them to provide high quality sustainable services. – Continuing to raise the efficiency and capacities of the Ministry of Local Government, the local authorities, and the joint councils, and enabling them to possess the effective technical, organizational, and human capacities to carry out their duties and responsibilities with high quality, efficiency, and effectiveness and to reduce the differences in capacities between them. – Development of the procedures, oversight, and information systems to ensure the effectiveness of the local government sector institutions and to improve their services. – Continuing to support the local authorities in the implementation of projects of development

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		The National Policy	The Policy Interventions	
				priority in the provision and development of basic infrastructure public utility services (water, electricity, sewage, and roads), and public and community buildings, with priority given to the local authorities in area C, East Jerusalem, marginalized areas, and the areas located along the apartheid and annexation wall. – Continuing to develop the basic local services management systems (water, electricity, and waste) and to encourage the adjacent local authorities to cooperate and to work jointly to take advantage of economies of scale that result from that through strengthening the roles of the joint councils, completing the establishment of public companies/regional authorities, and the transfer of the powers of providing these services from local authorities to them. – The improvement and development of the solid waste and wastewater management systems, including recycling and reuse. – The continuation of the preparation and updating of the spatial and developmental plans for all communities and at all levels (national, regional, and local), the development of their infrastructures, and ensuring the optimal use of their lands and their geographical, service, and developmental integration in a manner that

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				responds to the current needs, without prejudice to the rights and aspirations of future generations.
			– The launching of the government web gateway and the provision if basic services to the public through it.	
			– Strengthening partnership and complimentarity in the provision of services with non-governmental organizations and the private sector.	– The development of the legal and regulatory environment capable of stimulating local economic development and strengthening the partnership between the local authorities, the public and private sectors, and civil society organizations to contribute to the effecting of a local development.
			– The comprehensive management of land (completion of land registration, competent management of state lands, and the optimal use of lands).	– The continuation of the preparation and updating of the spatial and developmental plans for all communities and at all levels (national, regional, and local), the development of their infrastructures, and ensuring the optimal use of their lands and their geographical, service, and developmental integration in a manner that responds to the current needs, without prejudice to the rights and aspirations of future generations.
5.	**An effective government**	**9. Strengthening accountability and transparency**	– The institutionalization of the government commitment to the job code of ethics and combating corruption in all of its forms.	– Development of the procedures, oversight, and information systems to ensure the effectiveness of the local government sector institutions and to improve their services.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		The National Policy	The Policy Interventions	
				– Developing and activating the necessary institutional measures to ensure the sound implementation of the laws, regulations, and directives to increase the confidence of the public in local authorities and their sense of belonging to them. – Developing the appropriate mechanisms to ensure active participation of citizens, men and women, in setting priorities, preparation of plans, programs, and annual budgets of local authorities, and the activation of community oversight and accountability for their acceptable implementation.
			– Strengthening transparency in the work of the government including the right to access to information.	– The determination and ordering of the legal, administrative, and technical relationships between the local authorities and all of the ministries and government institutions. – Development of the procedures, oversight, and information systems to ensure the effectiveness of the local government sector institutions and to improve their services. – Developing and activating the necessary institutional measures to ensure the sound implementation of the laws, regulations, and directives to increase the confidence of the public in local authorities and their sense of belonging to them.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				– The implementation of awareness and education programs to promote the principle of citizenship on the basis of rights and duties. – Developing the appropriate mechanisms to ensure active participation of citizens, men and women, in setting priorities, preparation of plans, programs, and annual budgets of local authorities, and the activation of community oversight and accountability for their acceptable implementation.
			– Strengthening the role of financial and administrative oversight institutions.	– Development of the procedures, oversight, and information systems to ensure the effectiveness of the local government sector institutions and to improve their services. – Developing and activating the necessary institutional measures to ensure the sound implementation of the laws, regulations, and directives to increase the confidence of the public in local authorities and their sense of belonging to them. – Developing the appropriate mechanisms to ensure active participation of citizens, men and women, in setting priorities, preparation of plans, programs, and annual budgets of local authorities, and the activation of community oversight and accountability for their acceptable implementation.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
			– Strengthening public administration based on outcomes and performance, the completion of the integration of planning in the budget, and shifting to program budgeting.	– Development of the procedures, oversight, and information systems to ensure the effectiveness of the local government sector institutions and to improve their services.
			– The development of human resources in the civil service sector and its management effectively.	– Continuing to raise the efficiency and capacities of the Ministry of Local Government, the local authorities, and the joint councils, and enabling them to possess the effective technical, organizational, and human capacities to carry out their duties and responsibilities with high quality, efficiency, and effectiveness and to reduce the differences in capacities between them. – The development of the required technical and human capacities to perform the tasks relevant to the local economic development.
			– The mainstreaming of gender in the government policies, programs, and budget.	– The consolidation and development of the legal framework governing the work of the local government sector institutions (the laws and regulations) and most significantly the local authorities' law, the local authority councils election law, and the planning and zoning law to achieve greater consistency and clarity and to ensure the deliberate graduation towards decentralization sought after while complying with gender sensitivity.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				– Developing the appropriate mechanisms to ensure active participation of citizens, men and women, in setting priorities, preparation of plans, programs, and annual budgets of local authorities, and the activation of community oversight and accountability for their acceptable implementation.
		10. The efficient and effective management of public funds	– Strengthening the management of public funds, with focus on the development of comprehensive financial policy, the management of public funds, and the management of purchases.	– Continuing to strengthen the capacities of local authorities in the planning and management of their financial resources. – The activation of the lending position at the Municipal Development and Lending Fund, including ensuring a sustainable source to fund it. – The allocation of fixed financial resources from the government budget to local authorities. – Reducing the indebtedness of the local authorities and the development of practical mechanisms to end it within an agreed upon time frame.
			– Increasing revenue by focusing on broadening the tax base, improving the collection mechanisms, the mobilization of external support, and the rationalization of expenditures.	– Increasing the revenues for the local authorities and their sustainability through the recalculation of the values of collected fees, fines, and revenues and the improvement and the expansion of the collection mechanisms. – Restructuring the joint taxes and transfers and ensuring the regularity of government transfers

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				to local authorities, particularly their taxes and fees allocations collected by the government for their account, as well as ensuring the financial contribution of the government to the municipalities development program that is being implemented by the Municipal Development and Lending Fund. – Continuing to adopt the Municipal Development and Lending Fund as a key official tool for the implementation of the sector policies, the provision of the means of support and development to the local authorities, the development of their institutional performance, and continuing to take up the municipality development program while directing international partners to support it. – Continuing to exert efforts to attract the financing of development projects by the international partners and strengthening their coordination and direction mechanisms towards the support of the priorities of the local authorities and the sector as a whole.
			– The reform of the public sector employees' retirement regime.	

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
			– The reform and restructuring of the public institutions to enhance their efficiency in providing services.	– The development of the general framework and the institutional structure of the local government sector, the clarification of the roles and responsibilities of the active institutions, and the development of coordination and integration mechanisms among them to conform to the decentralized direction adopted by the government. – The restructuring of local authorities to become either "municipalities" or "joint municipalities" and the expansion of its powers (especially in the areas of property tax, pre-school education, clubs, gyms), according to the availability of the institutional, technical, and financial capacities to do so. – The determination of the role of the Palestinian Union of Local Government Units, the codification of its work, its activation, and the development of its capabilities.
			– The establishment of institutions of basic public services providers, especially water and electricity services.	– Continuing to develop the basic local services management systems (water, electricity, and waste) and to encourage the adjacent local authorities to cooperate and to work jointly to take advantage of economies of scale that result from that through strengthening the roles of the joint councils, completing the establishment of public companies/regional authorities, and the

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				transfer of the powers of providing these services from local authorities to them.
6.	**Achievement of economic independence**	**11. Building the infrastructure of the Palestinian economy**	– The rebuilding and development of the productive base of the Palestinian economy, with focus on industry, agriculture, and tourism.	
			– Attraction and encouragement of direct local and foreign investment, with focus on the construction, tourism, agriculture, communication, and information technology sectors.	– The facilitation and development of access mechanisms to the various sources of financing for the benefit of investment in the infrastructure and the implementation of viable local economic projects.
			– The development of exports and the expansion of the scope of world trade.	
			– The design and implementation of infrastructure projects that are vital to the economy (especially the airport, the port, industrial zones, and transport, water, electricity, and communications networks).	– The development of efficient and reliable infrastructure (water, energy, communications, and roads networks, industrial zones, etc.) that provide affordable services to facilitate the work of the private sector and encourage it.
			– Strengthening the role of the financial sector in supporting the growth of the private sector.	– The facilitation and development of access mechanisms to the various sources of financing for the benefit of investment in the infrastructure and the implementation of viable local economic projects.
			– Bridging the developmental gap between the northern and southern governorates.	– Continuing to support the local authorities in the southern governorates in reconstruction, construction, the provision of basic services to the public, and bridging the development gap between the two halves of the homeland.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
		12. The provision of suitable employment opportunities to all	– The adoption of measures that are concerned with speeding up the creation of permanent work opportunities through investment partnerships between the public and the private sectors.	
			– The adoption of measures that are concerned with speeding up the launching of pioneering projects to employ graduates.	
			– Support of and development of the Palestinian Employment Fund.	
			– Ensuring a safe working environment that adheres to the health and occupational safety standards.	
		13. The provision of a suitable investment environment	– The provision of support for emerging companies and the development of micro, small, and medium enterprises.	
			– Support and encouragement of digital and technical industries and the strengthening of digital content.	
			– Support and development of cooperatives.	
			– The provision of a legislative environment and administrative procedures that are supportive of the business sector.	– The development of the legal and regulatory environment capable of stimulating local economic development and strengthening the partnership between the local authorities, the public and private sectors, and civil society organizations to contribute to the effecting of a local development.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
			– The provision of information and communication technology necessary for the development of the business sector.	
			– Liberation of the information technology sector from domination and piracy, and the promotion of cyber security.	
		14. The strengthening of Palestinian industry	– Supporting and protecting the national product, and increasing its competitiveness.	
			– Increase the Palestinian product share in the domestic market.	
			– Rebuilding the productive sectors in the southern governorates.	
7.	**Social justice and rule of law**	**15. Poverty reduction**	– The development of economic and social empowerment programs for the poor and the marginalized.	
			– The economic and social policies taking into account the needs of the poor and the marginalized.	
			– Social inclusion and provision of job opportunities to the marginalized groups (individuals with disabilities, youths, women, ex-detainees	
		16. Provision of social protection for the poor and	– Development of appropriate and integrated social protection systems and the establishment of their minimum limits.	

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
		the marginalized	– The enforcement of an equitable social security law.	
			– The development and institutionalization of social responsibility and the strengthening of social dialogue.	
		17. Strengthening public access to justice	– Strengthening and implementing the legislations governing human rights	
			– Ensuring the integrity and independence of the judicial system.	
			– Ensuring the effectiveness of the judicial system and strengthening the execution of judicial decisions.	
			– Fair access to justice services and the promotion of complementarity in their provision, especially to women and juveniles.	
			– Strengthening the institutional and organizational structure of the justice sector.	
		18. Promotion of gender equality and empowerment of women	– Removal of all forms of gender discrimination and the elimination of all forms of violence against women.	
			– Removal of all obstacles to women's full participation in community and economic development and public life	– The consolidation and development of the legal framework governing the work of the local government sector institutions (the laws and regulations) and most significantly the local authorities' law, the local authority councils election law, and the planning and zoning law to achieve greater consistency and clarity and to

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				ensure the deliberate graduation towards decentralization sought after while complying with gender sensitivity. – Developing the appropriate mechanisms to ensure active participation of citizens, men and women, in setting priorities, preparation of plans, programs, and annual budgets of local authorities, and the activation of community oversight and accountability for their acceptable implementation.
		19. Our youth, our future	– Empowerment of the youth in the State of Palestine and preparing them for active participation in public life and state-building.	
			– Ensuring that the youth will have opportunities to achieve a better future.	
			– Focusing particularly on helping disadvantaged youths.	
8.	**Quality and comprehensive education for all**	**20. Improvement of early education for our children**	– The development of early childhood care programs that are available to all.	
			– Expanding pre-school education and raising its level.	
		21. The improvement of the quality of school education	– Curriculum reform and development.	
			– The development of e-learning programs.	
			– Ensuring equity in accessing opportunities for education especially for marginalized groups and areas.	

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
			– Continuous qualification of teachers and support staff.	
			– The development of educational facilities and the provision of a safe learning environment.	– Continuing to support the local authorities in the implementation of priority developmental projects and in the provision and development of basic public utility services, including the infrastructure (water, electricity, sewage, and roads), public and community buildings, with priority given to local authorities in area C, in East Jerusalem, in marginalized areas, and those located along the apartheid and annexation wall.
		22. From education to work	– The adaptation of technical and vocational education and training and higher education to the needs of development and the labor market. –	
			– The development of the infrastructure and facilities for education and vocational and technical training.	
			– Capacity development in the areas of science and research	
9.	**Quality comprehensive healthcare available for all**	**23. The provision of comprehensive healthcare service to all**	– Reform of the public health insurance system.	
			– Enhancing the financial sustainability of the health care system (improving the purchase of medical services and transfers).	
			– Raising the level and quality of health services (the infrastructure, equipment, pharmaceuticals,	– Continuing to support the local authorities in the implementation of priority developmental projects and in the provision and development

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
			information technology, training, qualification, and standards).	of basic public utility services, including the infrastructure (water, electricity, sewage, and roads), public and community buildings, with priority given to local authorities in area C, in East Jerusalem, in marginalized areas, and those located along the apartheid and annexation wall.
			– Increasing equality in accessing and receiving health care services.	
		24. Improving the citizens' health and well-being	– Promotion of preventive health care, awareness, and healthy behavior of citizens.	
			– Adoption of a family health approach.	
			– Enhancing chronic disease management programs and the implementation of national policies in this regard.	
10.	**A society that is capable of being steadfast and of development**	**25. The provision of safety and security and the promotion of the rule of law**	– Ensuring civil peace and public security.	
			– Enhancing the ability to respond to disasters and crisis management.	
			– Development of the security sector institutions.	
		26. The provision of the basic needs to communities	– Linking communities to clean water and sewage networks	– Continuing to support the local authorities in the implementation of priority developmental projects and in the provision and development of basic public utility services, including the infrastructure (water, electricity, sewage, and roads), public and community buildings, with

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
				priority given to local authorities in area C, in East Jerusalem, in marginalized areas, and those located along the apartheid and annexation wall. – Continuing to support the local authorities in the southern governorates in reconstruction, construction, the provision of basic services to the public, and bridging the development gap between the two halves of the homeland. – The improvement and development of the solid waste and wastewater management systems, including recycling and reuse.
			– Linking residential areas to reliable energy sources.	
			– The development of multimodal transport and the improvement of the quality of transport services provided to the public.	
			– The provision of affordable housing.	
			– Ensuring food security for the population.	
		27. Ensuring environmental sustainability	– Controlling the rates of pollution.	– Encouraging green and sustainable economy and developing the appropriate standards, procedures, incentives, and controls to ensure the optimal and sustainable economic utilization of traditional and nontraditional natural resources.
			– Expansion of solid waste management, recycling, and use.	– The improvement and development of the solid waste and wastewater management systems, including recycling and reuse.

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		**The National Policy**	**The Policy Interventions**	
			– Expansion in wastewater management, treatment, and reuse.	– The improvement and development of the solid waste and wastewater management systems, including recycling and reuse.
			– The management and protection of natural resources, especially land, water, and energy, and the promotion of their sustainable use.	– The continuation of the preparation and updating of the spatial and developmental plans for all communities and at all levels (national, regional, and local), the development of their infrastructures, and ensuring the optimal use of their lands and their geographical, service, and developmental integration in a manner that responds to the current needs, without prejudice to the rights and aspirations of future generations.
			– The greening of Palestine (preservation of biodiversity, nature reserves, increasing the area of green spaces).	
			– Increasing reliance on renewable energy sources.	
		28. Uplifting agriculture and rural communities	– Increasing agricultural production (plants and animals) and the development of value chains.	
			– Protection and support of farmers, especially in endangered and marginalized areas.	
		29. Protection of the Palestinian identity and cultural heritage	– Supporting innovation and cultural productivity.	
			– Protection and development of the Palestinian cultural heritage.	
			– Development of the cultural and tourism industries.	

The National Policies Agenda				The Relevant Local Government Sector Policies
The National Priority		The National Policy	The Policy Interventions	
			– The promotion of Palestine as a tourism landmark	

However, there is an extreme difficulty in accounting for the overall expenses of the local government sector and the available financial resources, and this is due to the several overlapping reasons, the most important of which are the following:

1. **The multiplicity of actors in the sector**, which are implementing the various interventions in partnership with the local government institutions or on their behalf, or meet the priorities of the sector and contribute directly or indirectly to the implementation of its various policies.

2. **The multiplicity of the sources of funding:** There are several sources of funding for the local government sector, including:
    a. Funding from the government budget for the Ministry of Local Government and government authorities.
    b. Financial transfers from taxes and fees levied by the government for the benefit of local authorities.
    c. The government repayment of the accumulated water and electricity debts by the local authorities through the tax clearance mechanism with the Israeli party.
    d. The revenues of local authorities derived from taxes, fees, and collection.
    e. Revenue derived from income-generating investment projects being carried out by some of the local authorities.
    f. Private financial and in-kind donations that the local authorities collect locally and internationally.
    g. International donors, where there are over 18 international partner and a number of Arab and Islamic funds that provide grants and technical and in-kind support to the active institutions in the sector.

3. **The multiplicity of funding mechanisms:** funding comes to the sector directly or indirectly, especially foreign funding, which comes via several channels that follow various mechanisms and intermediary parties, where they may arrive via the following channels:
    a. The Ministry of Finance/the Ministry of Local Government in accordance with special agreements concluded with private donors, such as the Arab and Islamic funds, the World Bank, the UNDP, the GIZ, and the Italian Government.
    b. The Municipal Development and Lending Fund.
    c. The Palestinian ministries and other official authorities that implement projects, especially infrastructure projects (water, electricity, roads, and solid waste) in partnership with the local authorities or on their behalf, or which meet the priorities of the sector.
    d. Direct funding and support to local authorities by donors.
    e. International institutions and the various United Nations institutions, such as the World Bank, the European Commission, the UNDP, the UNRWA, UN HABITAT, UN Women, OCHA, and others.

f. Via the implementing institutions (governmental, private, and civil society institutions) affiliated with the donors, such as JICA, Global Communities, the Association of Netherlands Municipalities, etc.
g. Via twinning or cooperation agreements entered into by the local authorities with their counterparts in other countries.
h. Via Palestinian non-governmental organizations that are implementing projects in partnership with local authorities or on their behalf, or other projects that contribute to the achievement of the priorities of the sector.

4. **The lack of an effective tool for the collection, documentation, and verification of relevant financial data:** Despite the existence of multiple coordinating platforms and tools with the various donor and/or implementing parties, the local government sector still suffers from shortcomings in the capability to account for the entire funding derived for the sector and in accessing accurate data from the various parties.

In the next phase, work within the sector will revolve around the following axes:

1) Supporting the local authorities, whether for the infrastructure, planning, or capacity building
2) Restructuring the local government sector
3) Local Economic Development

However, due to the aforementioned factors, it is not feasible realistically and accurately to account for all the required and available inputs for the sector within the next six years. Yet based on the available data, an initial estimate of the funding gap can be provided for the next three years as follows:

1) With respect to the first axis, the estimated expenses over the three years amount to about $175 million, while what is expected to be secured is estimated at about $147.5 million, signifying a funding gap estimated at $27.5 million, most of which is in the ministry's developmental budget.
2) The estimated expenses of the local government sector core program, the "Municipal Development Program - Phase III" for the next four years amounts to $157.5 million, while what is available from financing commitments, including the government contribution, is estimated at $94.5 million, with a funding gap amounting to $63 million.
3) What is currently available for the village councils support program during the four years is estimated at about $ 18 million, and it covers only 70% of the village councils. There is a need (a funding gap) for about another $10 million dollars to cover all the village councils as well as to increase the per capita share in the future, as the Ministry of Local Government hopes.
4) It is not expected that there will be a funding gap in the capacity building program whether to the ministry or the Municipal Development and Lending Fund regarding the community accountability programs. as the preliminary estimates for these programs in the next three years amount to $12 million, including the

capacity building component pertaining to the municipal development program, which is available.

5) There is a funding gap for projects planned to be implemented in the next three years area C, as the available commitments amount to $15 million, while the needs are estimated at over $30 million, with an annual mean value of $10 million.
6) The estimated funding gap for covering the needs of the urban development program and land use for the next three years amounts to about $2.153 million dollars, as the total need amounts to about $4.388 million, while what can be secured amounts to $1.32 million.
7) The primary gap will be in the implementation of the various activities related to the local economic development, particularly the financing of five developmental models in the West Bank, as no commitments exist in this regard so far, and the funding needs will be determined when the program plan is developed in detail.

Chapter Seven: The Strategic Objectives of the Local Government Sector and Expected Results by 2022

In this part, we present the sector strategic priorities which are comprised of five objectives, including fifteen interim (midterm) outcomes and special standard indicators, as primary anchors for the strategy and its follow up, which all pertinent parties, including official, civil, international, and private sector institutions will strive to achieve over the years 2017-2022.

الأهداف الإستراتيجية لقطاع الحكم المحلي والنتائج المتوقع تحقيقها بحلول عام 2022 ومؤشراتها

The Strategic Objective	Outcomes Expected to be Achieved by 2022	Achievement Indicators
1. A Legislative and institutional system suitable for the organization and management of the sector and that is gender responsive	1) A general framework and institutional structure for the local government sector, which explain the roles and responsibilities of the active institutions and ensure the integration, collaboration, and coordination among them in a manner that is in line with the decentralized approach adopted by the government.	– number of cases of conflict of powers and responsibilities between the actors in the sector institutions and quality. – An updated and approved general framework and institutional structure for the local government sector. – The number and type of cases of conflict in powers and responsibilities between the active institutions in the sector.
	2) a consolidated and modern legal framework (laws and regulations) that is suitable for the work of the local government sector institutions and that regulates them which ensures deliberate graduation towards the desired decentralization and which takes into account gender issues, the most important of which are the local authorities' law, the local councils' elections law, and the planning and regulation law, and their related regulations.	– The number of approved laws and regulations.
	3) All local authorities would be either "municipalities" or "joint municipalities" which enjoy extended powers in line with their institutional, technical, and financial capabilities (particularly in the areas of property tax, pre-school education, clubs, and gyms).	– The number of local authorities that have been converted to "municipalities" or "joint municipalities" – The number and scope of the new powers vested in local authorities.

The Strategic Objective		Outcomes Expected to be Achieved by 2022	Achievement Indicators
		4) The Palestinian Union of Local Government Units is capable of playing its role and carrying out its responsibilities in accordance with its own law.	– An effective Union of Local Government Units that plays its role and carries out its responsibilities efficiently in accordance with its own law.
		5) Updated spatial and developmental plans for all communities and at all levels (national, regional, and local) which ensure the optimal use of land and the geographical and developmental integration in all parts of the country in a manner that is responsive to the new needs without prejudice to the rights and aspirations of the future generations.	– The number of updated and approved spatial and developmental plans and their levels (national, regional, and local), especially for communities in area C, in marginalized areas, and in those areas located along the apartheid and annexation wall.
2.	**The improvement of the institutional performance of local authorities and the activation of their material and human resources to provide quality services to the public**	1) the Ministry of Local Government, local authorities, and joint councils possess a reasonable level of technical, organizational, and human resources capacities to carry out their duties and responsibilities in the provision of services of high quality, efficiency, and effectiveness to the citizens.	– The degree of the citizens' satisfaction concerning the services carried out by the Ministry of Local Government, the local authorities, and the joint councils.
		2) The local authorities implement projects that provide and develop the basic public utility services, including the infrastructure (water, electricity, sewage, and roads), and public and community buildings.	– The number, types, and locations of implemented projects.
		3) The Palestinians' ability to continue in being steadfast in area C, including East Jerusalem, marginalized areas, and those areas located along the apartheid and annexation wall, the consolidation of the Palestinian presence in those areas, and the provision of social and livelihood security to them	– The extent of improvement of living conditions in area C, including East Jerusalem, marginalized areas, and those areas located along the apartheid and annexation wall. – the availability of health, educational, social services, and infrastructure services which are adequate for them.

The Strategic Objective		Outcomes Expected to be Achieved by 2022	Achievement Indicators
		4) The local authorities in the southern governorates have completed the reconstruction of the basic public utilities that had been destroyed, including the infrastructure (water, electricity, sewage, and roads) and public buildings.	– The number, types, and locations of the basic public utilities, including the infrastructure (water, electricity, sewage, and roads) and public buildings that have been reconstructed.
3.	**The local authorities are financially more stable and sustainable**	1) A steady reduction in the fiscal deficit of the local authorities and ending their indebtedness.	– The percentage of the annual fiscal deficit in the budgets of the local authorities. – The percentage of the annual deficit of the local authorities. – The annual percentage of the increase in the developmental component of the budgets of the local authorities.
4.	**The local authorities play an active role in supporting and stimulating local economic development**	1) An enabling and stimulating legal and regulatory environment of the local economic development that promotes the building of partnerships between the local authorities, the public and private sectors, and the civil society organizations to contribute if effecting local development.	– The number, volumes, and types of investment and development projects that are implemented annually at the local level, especially those that are implemented in partnership between the local authorities, the public and private sectors, and the civil society organizations.
		2) The Ministry of Local Government, the local authorities, and the Municipal Development and Lending Fund posses the institutional, technical, and human capacities required to perform tasks related to local economic development	– The local development circles are institutionalized in the Ministry of Local Government, the local authorities, and the Municipal Development and Lending Fund.
		3) The availability of the various funding sources for the benefit of investment in the infrastructure and the implementation of viable local economic projects	– The quantity and sources of funds secured annually for the investment in the infrastructure and the implementation of local economic projects.

The Strategic Objective		Outcomes Expected to be Achieved by 2022	Achievement Indicators
5.	**Broader participation of citizens, men and women, in decision making, oversight of implementation, and meeting their obligations towards the local authorities**	1) Conducting the local elections periodically	– The extent of adequacy of the periodicity of conducting local elections with the new local election law.
		2) The principle of citizenship based on rights and duties in relation to the local authorities has been strengthened.	– The percentage and social, economic, and professional backgrounds of male and female citizens who are actively involved in setting the priorities and in the preparation of the plans, programs, and annual budgets for the local authorities. – The availability of adequate mechanisms that are stimulating the community oversight and accountability of the proper execution of the responsibilities and work of the local authorities. – The annual percentage of increase in the number of citizens who are committed to the payment of their financial dues to the local authorities.

Chapter Eight: The Budget Programming Policy Data

The following is a summary of the Ministry of Local Government budget program policy, through which it carries out its various actions:

The First Program: The Administrative Program

Program Description	The administrative program covers upper management and support services that allow for the programs to provide basic services to the ministry for the completion of its services, as it includes upper management and support services for both the Minister, the Deputy Minister, and their direct staff, in addition to the personnel affairs, information technology, finance and planning, legal affairs, logistics, and public and international affairs departments.
Program Aim	Effective, transparent, accountable, and modern management systems that operate by 2019
Program Policy Standards	The continuation of the work of the ministry and the availability of the necessary administrative and operational requirements.
Objectives	Administrating the ministry to work according to the established and applicable procedures.

The Second Program: Support of the Local Authorities

Program Description	Improvement of the condition of the infrastructure in the local authorities through the implementation of infrastructure projects based on our existing needs and those submitted by those authorities to the ministry, the improvement of the quality of services, and the development of the capabilities of the technical teams in the local authorities in the implementation of the projects.
Program Aim(s)	– Preservation of the right of the Palestinians in their land – Cohesive local authorities that enjoy good relations with the public – Local authorities that are capable of securing infrastructure services to the public
Program Policy Standards	– The steadfastness of citizens on their land located in area C and East Jerusalem – Citizen satisfaction with the performance of the local authority and the services provided – Increasing financial support to strengthen the steadfastness of the Bedouin communities and to conserve natural resources
Objectives	– The strengthening of the citizens' steadfastness and anchoring to their lands in area C – Capacity building and development of the human resources of the local authorities – Strengthening the concepts, models, and forms of joint projects

	– Improvement of services provided to the public in local authorities – Strengthening the intrinsic financial resources of the local authorities

The Third Program: The Development of the Structural Environment and the Resource Management of the Local Lands

Program Description	Provides support services in the field of urban planning and zoning, the conservation of natural resources, and raising the capacities of local authorities to acquire the sustainable tools, strategies, and developmental policies, seeks to reduce the financial costs and the human and technical efforts of the local authorities and directs them in a rational action context that is compatible with the requirements of reality.
Program Aim(s)	– Completion of structural schemes (land use and aerial photography) for the communities that do not have structural schemes, in addition to the updating of structural schemes that had been approved over ten years ago. – Following up on the preparation and completion of the local development strategic plans for small communities of fewer than 8,000 inhabitants. – Contributing to the development of urban policies in housing, the infrastructure, and land use, and contributing to the updating of the legal environment and the related special provisions. – Updating local development plans, following up on the preparation and completion of regional/governorate strategic plans, and linking them to the national policies. – Completion of the introduction of modern GIS programs in urban planning and zoning and linking the directorates and municipalities to the computerized system
Program Policy Standards	– Structural schemes for municipalities and village councils, especially the joint schemes for those communities that are in close contact and which have neighboring boundaries, in addition to merged and annexed communities. – Local and regional strategic development plans. – Prepared and updated regulations, provisions, and procedural guides – Linking between the ministry, the directorates, and the municipalities as part of the GIS programs and systems.
Objectives	– The completion of structural schemes (land use and aerial photography for communities that do not have structural schemes by utilizing the updated methodology for urban planning)

	– Formulation of strategic development plans and determining the prioritize of the sectoral projects for small communities of fewer than 8,000 inhabitants – Contributing to the development of urban policies in housing, the infrastructure, specialized work guides, and zoning standards to improve the performance of the urban planning and zoning staff in the authorities and to raise the quality levels of planning outputs – Supporting, updating, and completing regional development plans wherever they are lacking – Completion of the development of the GIS programs and linking the directorates and municipalities to the programs and electronic archiving

Chapter Nine: The Action Plan

To accomplish the strategic objectives provided in this document, the Cabinet must approve a number of laws, regulations, and statutes, whether relating to the local authorities or the work of the Ministry of Local Government. The following table reviews the most important of these initiatives:

Month/Year	Title of Initiative	A Brief Description	Type of Document
January 2017	The amendment of the local authority councils' law	The amendment of the local authority councils' law	A proposal for an amended law
March 2017	The creation of a public administration for local economic development	A proposal concerning the creation of a public administration for local economic development at the Ministry of Local Government	A proposal for a structure
June 2017	Updating the structure of the Ministry of Local Government	The amendment/updating of the Ministry of Local Government structure so it would be in line with the tasks and priorities determined in the local government strategy for 2017-2022	A proposal for the amendment of a structure
December 2017	Amendment of the local authorities' law	An amendment of the local authorities' law	A proposal for an amended law
December 2017	Drafting of the Palestinian planning and regulation law	A proposal for a new planning and regulation law	A proposal for a new law
December 2017	The national spatial scheme	The national spatial scheme	A scheme

Chapter Ten: Linking Strategic Objectives of the Local Government Sector and the Aims of Sustainable Development

The Local Government Sector Strategy			The Objectives of Sustainable Development
The Strategic Objectives		The Policy	
1.	**A legislative and institutional system which is adequate for the organization and management of the sector and that is gender-responsive**	▪ The development of the general framework and the institutional structure of the local government sector, the clarification of the roles and responsibilities of the active institutions, and the development of coordination and integration mechanisms among them to conform to the decentralized direction adopted by the government.	1.5: Elimination of all forms of discrimination against women and girls everywhere. 6:16: Establishment of effective, transparent, and accountable institutions at all levels.
		▪ The determination and ordering of the legal, administrative, and technical relationships between the local authorities and all of the ministries and government institutions.	6:16: Establishment of effective, transparent, and accountable institutions at all levels.
		▪ The consolidation and development of the legal framework governing the work of the local government sector institutions (the laws and regulations) and most significantly the local authorities' law, the local authority councils election law, and the planning and zoning law to achieve greater consistency and clarity and to ensure the deliberate graduation towards decentralization sought after while complying with gender sensitivity.	3:10: Ensuring equal opportunities and reducing inequalities in the results, including through the removal of discriminatory laws, policies, and practices, and strengthening the appropriate legislations, policies, and procedures in this regard. 16.b: Strengthening non-discriminatory laws and policies to achieve sustainable development
		▪ The restructuring of local authorities to become either "municipalities" or "joint municipalities"	6:16: Establishment of effective, transparent, and accountable institutions at all levels.

The Local Government Sector Strategy			The Objectives of Sustainable Development
The Strategic Objectives		The Policy	
		and the expansion of its powers (especially in the areas of property tax, pre-school education, clubs, gyms), according to the availability of the institutional, technical, and financial capacities to do so.	
		▪ The determination of the role of the Palestinian Union of Local Government Units, the codification of its work, its activation, and the development of its capabilities.	6:16: Establishment of effective, transparent, and accountable institutions at all levels.
		▪ The continuation of the preparation and updating of the spatial and developmental plans for all communities and at all levels (national, regional, and local), the development of their infrastructures, and ensuring the optimal use of their lands and their geographical, service, and developmental integration in a manner that responds to the current needs, without prejudice to the rights and aspirations of future generations.	11.3: Strengthening comprehensive and sustainable urban expansion for all, and the ability to plan and manage human settlements in all countries in a manner that is based on partnership, and which is integrated and sustainable, by 2030. 11.a: Supporting the positive economic, social, and environmental links between urban, peri-urban, and rural areas, through the strengthening of national and regional development planning.
2.	**Improvement of the performance of local authorities and the activation of their material and human resources to provide quality services to the public**	▪ Continuing to formulate guides and regulations to facilitate the work and management of the sector institutions and to enable them to provide high quality sustainable services.	6:16: Establishment of effective, transparent, and accountable institutions at all levels.
		▪ Continuing to raise the efficiency and capacities of the Ministry of Local Government, the local authorities, and the joint councils, and enabling them to possess the effective technical,	6:16: Establishment of effective, transparent, and accountable institutions at all levels.

The Local Government Sector Strategy			The Objectives of Sustainable Development
The Strategic Objectives		The Policy	
		organizational, and human capacities to carry out their duties and responsibilities with high quality, efficiency, and effectiveness and to reduce the differences in capacities between them.	
		▪ Development of the procedures, oversight, and information systems to ensure the effectiveness of the local government sector institutions and to improve their services.	6:16: Establishment of effective, transparent, and accountable institutions at all levels.
		▪ Continuing to support the local authorities in the implementation of projects of development priority in the provision and development of basic infrastructure public utility services (water, electricity, sewage, and roads), and public and community buildings, with priority given to the local authorities in area C, East Jerusalem, marginalized areas, and the areas located along the apartheid and annexation wall.	1.6: Achieving the goal of universal equitable access to safe and affordable drinking water by 2030. 2.6:Aachieving the goal of universal access to sanitation and hygiene services, putting an end to defecation in the open, and paying special attention to the needs of women, girls, and people living in vulnerable situations, by 2030. 2.7: Ensuring universal and affordable access to modern energy services by 2030.
		▪ The improvement and development of the solid waste and wastewater management systems, including recycling and reuse.	2.6:Aachieving the goal of universal access to sanitation and hygiene services, putting an end to defecation in the open, and paying special attention to the needs of women, girls, and people living in vulnerable situations, by 2030. 6:11: Reducing the individual environmental impact of cities, including through paying special attention to air quality municipal waste management, etc., by 2030.

The Local Government Sector Strategy			The Objectives of Sustainable Development
The Strategic Objectives		The Policy	
			5.12: Significant reduction of waste production, through prohibition, reduction, recycling, and reuse, by 2030.
		▪ Continuing to support the local authorities in the southern governorates in reconstruction, construction, the provision of basic services to the public, and bridging the development gap between the two halves of the homeland.	1.6: Achieving the goal of universal equitable access to safe and affordable drinking water by 2030. 2.6:Aachieving the goal of universal access to sanitation and hygiene services, putting an end to defecation in the open, and paying special attention to the needs of women, girls, and people living in vulnerable situations, by 2030.
3.	**The Local Authorities are Financially More Stable and Sustainable**	▪ Continuing to strengthen the capacities of local authorities in the planning and management of their financial resources.	6:16: Establishment of effective, transparent, and accountable institutions at all levels.
		▪ Increasing the revenues for the local authorities and their sustainability through the recalculation of the values of collected fees, fines, and revenues and the improvement and the expansion of the collection mechanisms.	1:17: Enhancing domestic resource mobilization, through means that include the provision of international support to developing countries to improve their capabilities in tax collection and other revenues.
		▪ Continuing to develop the basic local services management systems (water, electricity, and waste) and to encourage the adjacent local authorities to cooperate and to work jointly to take advantage of economies of scale that result from that through strengthening the roles of the joint councils, completing the establishment of public companies/regional authorities, and the	6:16: Establishment of effective, transparent, and accountable institutions at all levels.

The Local Government Sector Strategy			The Objectives of Sustainable Development
The Strategic Objectives		The Policy	
		transfer of the powers of providing these services from local authorities to them.	
		▪ Restructuring the joint taxes and transfers and ensuring the regularity of government transfers to local authorities, particularly their taxes and fees allocations collected by the government for their benefit.	1:17: Enhancing domestic resource mobilization, through means that include the provision of international support to developing countries to improve their capabilities in tax collection and other revenues.
		▪ Strengthening the role of the Municipal Development and Lending Fund as an implementation and funding tool for the translation of the sector policies in the push towards decentralization and the strengthening and activation of the lending position at the Fund, including ensuring a sustainable source to fund it.	10.8: Strengthening the capacities of local financial institutions to promote the possibility to receive banking services, insurance, and financial services for all, and expanding their scope.
		▪ Strengthening the creditworthiness of local authorities and enabling them to borrow from the Municipal Development and Lending Fund or from commercial banks.	10.8: Strengthening the capacities of local financial institutions to promote the possibility to receive banking services, insurance, and financial services for all, and expanding their scope.
		▪ The allocation of fixed financial resources from the government budget to local authorities.	10.b: Encouraging official development assistance (ODA) and financial flows, including direct foreign investment, to the countries that need them the most, in particular the least developed countries, African countries, developing small island states, and non-coastal developing countries, according to their national plans and programs.

The Local Government Sector Strategy			The Objectives of Sustainable Development
The Strategic Objectives		The Policy	
		▪ Reducing the indebtedness of the local authorities and the development of practical mechanisms to end it within an agreed upon time frame.	
		▪ Continuing to exert efforts to attract the financing of development projects by the international partners and strengthening their coordination and direction mechanisms towards the support of the priorities of the local authorities and the sector as a whole.	10.b: Encouraging official development assistance (ODA) and financial flows, including direct foreign investment, to the countries that need them the most, in particular the least developed countries, African countries, developing small island states, and non-coastal developing countries, according to their national plans and programs.
4.	**The Local Authorities Play an Active and Supportive Role in Stimulating the Local Economic Development**	▪ The development of the legal and regulatory environment capable of stimulating local economic development and strengthening the partnership between the local authorities, the public and private sectors, and civil society organizations to contribute to the effecting of a local development.	17:17: Encouraging and promoting public partnerships between the public and the private sectors, and the effective partnerships of civil society, by taking advantage of the expertise gained from partnerships and from their strategies for resource mobilization
		▪ The development of efficient and reliable infrastructure (water, energy, communications, and roads networks, industrial zones, etc.) that provide affordable services to facilitate the work of the private sector and encourage it.	4.9: Improvement of the infrastructure and the modernization of industries by 2030 to achieve sustainability, while increasing the efficiency of resource use, the adoption of technologies, and clean and environmentally sound industrial processes, where all countries would take measures according to their capabilities
		▪ Encouraging green and sustainable economy and developing the appropriate standards,	4.9: Improvement of the infrastructure and the modernization of industries by 2030 to achieve

The Local Government Sector Strategy			The Objectives of Sustainable Development
The Strategic Objectives		The Policy	
		procedures, incentives, and controls to ensure the optimal and sustainable economic utilization of traditional and nontraditional natural resources.	sustainability, while increasing the efficiency of resource use, the adoption of technologies, and clean and environmentally sound industrial processes, where all countries would take measures according to their capabilities
		▪ The development of mechanisms that permit the development of partnership between the banking system and the local authorities which allow concessional lending for the benefit of investment in the infrastructure and the implementation of viable economic projects.	10.8: Strengthening the capacities of local financial institutions to promote the possibility to receive banking services, insurance, and financial services for all, and expanding their scope.
		▪ The institutionalization of the local development departments in the Ministry of Local Government, the local authorities, and the Municipal Development and Lending Fund.	
5.	**Broader participation of men and women citizens in decision making, oversight of the implementation, and carrying out their obligations to local authorities**	▪ Conducting the local elections periodically while developing the local elections law to ensure fair competition, broader community participation, and the development of holding the local elections electronically.	16.7: Ensuring that decisions are taken in a manner responsive to the needs, inclusive of all, and is participatory and representative at all levels
		▪ Developing and activating the necessary institutional measures to ensure the sound implementation of the laws, regulations, and directives to increase the confidence of the public in local authorities and their sense of belonging to them.	

The Local Government Sector Strategy			The Objectives of Sustainable Development
The Strategic Objectives		The Policy	
		▪ The implementation of awareness and education programs to promote the principle of citizenship on the basis of rights and duties.	1.5: Elimination of all forms of discrimination against women and girls everywhere.
		▪ Developing the appropriate mechanisms to ensure active participation of citizens, men and women, in setting priorities, preparation of plans, programs, and annual budgets of local authorities, and the activation of community oversight and accountability for their acceptable implementation.	1.5: Elimination of all forms of discrimination against women and girls everywhere. 16.7: Ensuring that decisions are taken in a manner responsive to the needs, inclusive of all, and is participatory and representative at all levels

Appendix: **The Review of the Cross-sector Plan 2014-2016**
For the Local and Administrative Government Sector

The State of Palestine



The Ministry of Local Government

The Report on the Review of the Cross-sector Plan 2014-2016 For the Local and Administrative Government Sector

June 2016

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Introduction

Based upon the powers accorded to it as per the Cabinet decision number (09/74/17/CM/PA) dated 27/10/2015, the Ministry of Finance and Planning takes over the leadership and coordination of ~~work in~~ the preparation of the sectoral strategies, including the local government sector strategy as part of the national development plan for the years 2017-2022.

As per the general methodology prepared by the Prime Minister's office, the review of the previous strategy 2014-2016 is considered the foundational step towards the preparation of the sectoral strategy for local government. The review process was guided by the guidelines for sectoral reviews developed by the Ministry of Planning and Administrative Development in 2013, which is summed up in analyzing the performance of the local government sector in general during the previous period, and determining the achievements made at the policies and strategies level, in addition to providing an updated analysis of the current situation, which will help in determining future policy priorities. The sectoral review also provides conclusions about the quality of planning and implementation in the previous strategic and the adjustments required to be incorporated in the new strategy. The sectoral review outputs constitute an essential part of the development and clarification of the strategic objectives, policies, and policy interventions of the new strategy, in addition to the development of the institutional and financial arrangements and the necessary recommendations for the development of the sector's performance in the future.
As a result of the great overlap between this sector and the other sectors, the methodology followed in the review has been the strategic review, i.e. a review based on the strategic objectives, as this permits the examination of the all-inclusive strategic general framework for all sectors, and consequently determining the strategic gaps that accompanied the implementation of the plan.

The review process assigned to the strategic policy and planning unit at the Ministry of Local Government as the competent technical party concerned with planning, an a leadership committee for the plan was formed within the ministry, as well as a national team for the sectoral plan, which included representatives of all partners from the public and private sectors, the Palestinian Union of Local Government Units, and the civil society. The work mechanism relied on the following steps:

- A review of the related literature and documents, and an preliminary determination of the existing political, economic, social, and legal situation which impacts the local government sector
- Information gathering about the outcomes that were achieved in the previous phase
- Information gathering about the projects that were, or are being, implemented
- Information gathering about the funding of the sector
- Individual meetings to complete the information gathering process
- Holding a central workshop for the review and analysis of the collected information with the national team
- Drafting the sectoral review document

The review was based on the available reports related to the local government, in addition to the achievement reports at the level of the various plans, mainly the strategic plan of the Ministry of Local Government and its follow up reports, as the information needed to perform the review was obtained from of many of the parties, particularly the Municipal Development and Lending Fund, the various public administrations reports, the annual and quarterly ministry reports, and a number of related specialized statistical surveys and reports.

Despite the lack of a functioning feedback system and regular reports on the achievements of the previous ~~trans~~cross-sectoral plan, available information was employed in a professional manner that meets the purpose of this report and institutionalized the updating of the plan in a realistic, scientific, and participatory manner.

This report was prepared on the basis of the "guidelines for sectoral reviews", which constitute a serious review of the performance of the sector and the challenges it has faced during the last period, and which indicates the next milestones of the strategic plan. The report is comprised of six chapters in addition to this introduction, and has strived to comply to a large extent with the guidelines in its structure and composition. The first chapter addresses the fundamental developments that have affected the sector; the second chapter surveys the governance of the sector; the third chapter focused on the assessment of the adopted objectives and policies; the fourth chapter highlighted the most important features of the sector financing; the fifth chapter addressed the lessons learned; and finally, chapter six proposed the strategic issues of the sector, thus constituting the core of action in the next plan.

The Background and the Context

The local government sector in all of its components is considered one of the pillars of the Palestinian state, due to its direct relationship with the citizens and their daily lives, the space where they live, and the basic services provided to them. This sector and its strategic objectives are impacted positively or negatively by various factors and influences, whether they were subjective factors stemming from the local government sector institutions themselves, external factors that come from within the Palestinian territory yet outside of the local government institutions, or that come from outside of the Palestinian territory. Discussion here will be limited to the external, but not the subjective, influences, and they are represented in factors of political, economic, legal, social, or financial nature, the most significant of which are the following:

1. The Israeli Occupation and the Settlement Expansion

The years 2014-2016 have seen a continuation and an escalation of the restrictions and constrains that the Israeli military occupation imposes and going to extremes in ~~the~~ its occupation, the building of settlements on West Bank land, the construction of the annexation and apartheid wall, the continued imposition of the siege on the Gaza Strip and the latter's separation from the West Bank, the separation of Jerusalem from its Palestinian surroundings, the control over the Palestinian natural resources, including land and water, and the spreading of military checkpoints in the West Bank, hinder the achievement of a genuine developmental progress. Rather, the Israeli occupation

practices have been destroying many projects and infrastructures that were financed by Palestinian capital or capital from the international donors, in addition to demolishing many buildings and houses, especially in area C and in East Jerusalem.

Here we are talking about direct and daily implications for the citizens and the local government sector and its authorities, as the previous strategic period has seen a great acceleration in the expropriation and settlement and clear arbitrariness in the measures of the occupation. At the level of cities and governorate centers, and due to the population increase and the rise in the migration rate from the countryside to the cities, these cities have become unable to maintain their levels of services for the residents because of them being besieged in area C and the exhaustion of all expansion directions to the extent that a number of basic services have become at risk due to the occupation's prevention of the establishment of service facilities outside the cities, such as sewage treatment plants and waste dump sites. As to the countryside, and specifically in area C, they have been subject in the previous period to unprecedented harassment by the occupation and to preventing the residents and the local authorities from building rural service centers, such as clinics and schools, especially in the Jordan Rift Valley, the Eastern foothills, and the Tubas areas.

All this was accompanied by continual Israeli attempts in financially pressuring the Palestinian National Authority, blocking the payment of tax revenues, and the use of the debts incurred by the local authorities and the service provider companies from electric and water consumption to exert pressure and to create an internal Palestinian crisis, which prompted the Palestinian Cabinet and the ministry to place dealing with the local authorities' debts on the priorities list. This issue has been a top priority for the government and the ministry for the next period.

Perhaps the most significant other issues caused by the occupation include the limited mandate of the local government sector in Palestine due to the absence of national sovereignty on the ground and it being limited to areas A and B. Hence, the implementation and success of the sectoral strategy will remain limited in light of the continuation of the incomplete national sovereignty, particularly for area C and border crossings.

2. The War on Gaza

On 8 June 2014, Israel launched its third war on the Gaza Strip, which continued for about 50 days, being the longest compared with the 2008/2009 and 2012 wars. It was also more ferocious in terms of the level and volume of destruction and its geographical inclusion of the entire Gaza Strip from the north to the south and from the east to the west. The war has caused further human and material losses and destruction, with 2174 martyrs, including 1543 civilians (81%), including 530 children and 302 women, in addition to 10870 injured, including 3303 children and 2101 women, while two thirds of the injured children will suffer from permanent disabilities. The war has also caused extensive destruction of the infrastructure, the sewage, electricity, and communications networks, the homes of residents, and public and private establishments, while the productive capacities and the local financial and human resources are incapable of removing the debris of this destruction and the rebuilding of the destroyed structures. The

number of houses destroyed amounted to about 10000 houses, 2465 are completely destroyed, and 14667 are partially destroyed, while 39500 houses are damaged and require repairs. All of this has led to the displacement of over 100000 people who had become homeless. Based on the United Nations Conference on Trade and Development (UNCTAD) report, the Israeli war has caused a complete collapse in the Gaza Strip and an accelerated decline in economic growth, which was originally suffering from the outcomes of the previous war and the severe siege. The government estimated the total losses caused by the war at over $3 billion and that the reconstruction of the Gaza Strip will require an additional $4 billion so it may be able to return to pre-war conditions. The constraints and obstacles that Israel has been imposing on the reconstruction have exacerbated the crisis in the living conditions, especially in terms of the reconstruction materials that are permitted to enter the Strip in light of the actual siege conditions that are still existent.

Here we must say that most of the Gaza Strip falls under the geographical mandate of the local government sector, i.e., as part of the administrative limits of 25 Gaza Strip municipalities, which places the municipalities and the ministry before immense challenges to continue the efforts of reconstruction in the next phase.

3. The General Political Developments

The United Nations General Assembly resolution in its session dated 29/11/2012, which accorded Palestine non-member observer State status in the United Nations after being ~~an~~ a non-member observer liberation movement, and the ensuing attainment of the state of Palestine of the membership of many international for a and authorities and its signing of many international agreements and conventions has been casting its shadow upon the general political situation, as it caused the Israeli government to impose financial sanctions on the Palestinian government, and the refraining of some states to provide it with financial support, which contributed to the emergence of the financial crisis~~,~~ that the Palestinian government has been undergoing and the weakening of its capability to fulfill its various financial obligations, including those related to local authorities.

The shortage in the financial resources and credit provided by the government due to the sanctions imposed against it has greatly impacted the local government sector and especially local authorities and their capacities to provide services to the public and in the disruption of some of its developmental programs. The delays in the financial transfers and the irregularity of payment from the central authority to the local authorities, particularly their allocations from taxes and fees that the government collects for the account of the local authorities caused them to be in dire financial straits. The cash flow to their budgets witnessed a significant deficit, which caused the decline in the volume of the available resources to many local authorities and impacted their abilities to fulfill their obligations to the suppliers, service providers, and employees. This was clearly reflected in the significant decrease in the size of the local authorities' developmental budgets, as the running and operational costs use up over 95% of the budgets of most authorities. This has been accompanied by an e3xacerbation of the employment crisis and the economic decline in the country, which impacted the volume of local revenue from fees and taxes, and the public abstaining from paying due to their inability or due to lack of resources.

4. The Internal political and Administrative Division

Perhaps one of the most significant challenges and obstacles that have been facing the local government sector is the continued political and administrative division and the forced separation between the northern and southern governorates, which continues to cast its dark shadows upon the entire Palestinian activity, and particularly upon the local government sector, as the weakening of the institutional communication and coordination has caused dealing with many complex and linked problems at the level of achieving balanced development on all parts of the homeland, combating poverty, and providing basic services to be extremely difficult. The disparities between the two halves of the homeland are due mainly to the siege imposed on the southern governorates, which accompanied the political division, as it deprives them from the construction and raw materials necessary for the implementation of the various vital
Projects, and prevents its contiguity with the northern governorates. All of this has caused planning disarray, unbalanced institutional, and financial responsibilities that are discordant with the requisite obligations ~~for~~ of the local government sector and its various authorities, especially towards the reconstruction and building and bridging the developmental gap between them.

5. The Legislative Environment

The local government sector has been greatly affected by the disarray in the legislative process that resulted because of the disruption of the role of the legislative council following the political division, the consequence of which was that the executive authority in the northern governorates limited legislation to only emergency matters through the formulation of new legislations or the amendment of existing legislations in the form of decrees. The legislative council convened in the southern governorates embarked upon the legislative process in an unconstitutional fashion. This has in turn negatively impacted the performance of the comprehensive review of the pertinent Palestinian legislations and widened the legal gap between the two halves of the homeland. Additionally, the disruption of the legislative council has prevented the commencement of consolidation and updating these legislations and ensuring their concordance with the government's decentralization tendency and the regulation of the local government sector structure as the previous strategy aspired to do, as many of the regulation and law drafts that aimed to develop the legal framework of local government have not been approved, which caused many disconcertions that negatively impacted the policies being planned and implemented, particularly the local authorities integration system and the amendments to the elections law and other matters, which requires being taken into consideration in the new strategy.

6. The Deterioration of the General Economic Situation and the Exacerbation of the Financial Crisis

In light of the political status quo, and as a result of it, Palestine is witnessing a decline in the general economic situation and a deceleration in the growth rates, and practically experiences a state of deflation that started since mid-2013. This has reflected in the form of a drop in the growth rates, an increase in the unemployment and poverty rates, the impoverishment of wide segments of the Palestinian people, a weakening of the volume of investment, and a deficit in the trade balance. The reason for this decline is due

primarily to the Israeli policies and practices manifested in the restrictions and obstacles imposed on the movement of individuals and goods, control of border crossings, the prevention of access to and the investment of natural and heritage resources that are latent in area C and East Jerusalem, the severe siege imposed by the Israeli occupation against the Gaza Strip since 2008, and the hindering of commercial traffic between the Gaza Strip and the West Bank, in addition to other issues. This coincided with a significant decline in the size of foreign aid, which, according to the latest estimates, amounted to 62%, which produced pressure on the economic growth rates. Concerning the labor market, the participation rates have been low. The unemployment rates reached over 26% of the total work force, and increased in the Gaza Strip to 44%. The per capita gross domestic product has been dwindling especially in the Gaza Strip, as it has not exceeded $970 at the end of 2015, which directly impacts the poverty rates and the level of food security for the population, and reflect the deterioration of the human and economic conditions that they experience, as over one third of the Palestinians currently experience dire economic conditions and are classified as poor. The poverty rates in the Gaza Strip amounted to three times those in the West Bank, as 80% of the Gaza Strip residents receive international humanitarian aid. Estimates also indicate that 47% of Gazan families have no food security. All of this has led to the abstention of a large segment of the public from fulfilling their obligation to the local authorities, and hence reducing the levels of collection, which in turn prevents the local authorities from providing services to the public properly and with quality. It is expected that the Palestinian society will experience a continual increase in the unemployment and poverty rates in light of the continued current economic deflation, which will keep them as the two primary characteristics of the Palestinian economic actuality in the near future, thus constituting a serious challenge to the work and development of the local government sector. Otherwise, the economic regression has caused an exacerbation of the government's financial crisis, its inability to meet all of its obligations, and the accumulation of outstanding debts. This is primarily due to financial leakage and the inability to calculate the value added tax revenues on goods imported from Israel or through it in their entirety, the nonpayment of the electricity and water bills by some consumers, and the Israeli government resorting to the deduction of those bills from the Palestinian tax revenues on the one hand, and the non-receipt of sufficient external aid and the decline in the financing of developmental projects on the other hand. Hence the most significant challenges that face the Palestinian policy maker include curbing economic recession and elevating the economy in light of the financial crisis that has been plaguing the Palestinian government, the prevalent economic difficulties, and the reduction in the poverty and unemployment rates, which requires focusing efforts in the next phase on the development of the local economy and the strengthening of its local resources to contribute to economic development on the national level.

6. Foreign Funding

The reliance of the local government sector on foreign aid provided in the form of programs or projects sponsored by many foreign actors, such as the World Bank, USAID, the European Union program, the UNDP, Germany, Japan, Denmark, Belgium, and other partners has played a positive role in the development of the infrastructure and the legal and institutional frameworks of the local government sector. Yet the past period has

witnessed a marked decline in the volume of funding, which resulted in a serious challenge to the local government sector, as it depended greatly on external financing of developmental projects.

7. The Policies of Local Government

Some sector-specific policies, particularly with regard to annexations, mergers, and the direction to transfer electricity services from the local authorities to public companies continue to face a lack of implicit or explicit acceptance by the public and the local authorities. In order to address the situation and to remedy the problems that resulted from the annexations and mergers, the local authorities' law number 1 for the year 1997 has been amended to permit the formation of joint municipalities while preserving the legal entities of the authorities involved. The amended law has also permitted merged authorities to secede if the citizens desired to do so. Consequently, the outstanding problems with a large number of local authorities that were previously annexed or merged without deliberation were resolved, as they were unresolved for years, and the decisions were made to rectify this situation, while progress is made gradually and according to due process.

Perhaps the most important challenges in this regard are the accumulated debts of these authorities to the electricity companies and thus high indebtedness of these companies to the Israeli power corporation, which leads to the deduction of the debt from the government's customs revenues. The settlement of the debts has been one of the key problematic issues with a large number of municipalities, where work was activated rapidly, with the signing of the scheduling agreements, which created a positive atmosphere between the government and local authorities. Work is continuing to finish the water debt file on the basis of a spirit of partnership and responsibility with all the relevant parties.

8. The Local Elections

The local elections, which are set to be held in October 2016, are considered one of the most significant positive developments in this sector, as they constitute an important and positive step in the building and development of institutions, the strengthening of good governance, and the bringing about of elected local institutions that enjoy the confidence of the public. It is expected that these elections will support the local government sector with new blood and great experiences, and to instill a new spirit that will reconstruct and develop the Palestinian Union of Local Government Units and the election of a new administration that has a renewed vision, which will strengthen the partnership between the components of the local government sector, and will have a positive impact on cooperation for the development of this sector and its institutions.

Chapter Two: The Governance of the Sector

The local government sector is characterized by the multiplicity of the active and effectual parties in it, as it included primarily the local authorities (municipalities and village councils), the joint services councils, the Ministry of Local Government, including the directorates at the governorate level, the Palestinian Union of Local Government Units, and Municipal Development and Lending Fund. Additionally, there are many other pertinent parties that play an important role in local government,

including the governors, the central ministries, and the official authorities that provide basic services on the local level, such as the Ministry of Health, Ministry of Education and Higher Education, the Ministry of Public Works and Housing, the Palestinian Water Authority, the Palestinian Energy Authority, the Environment Quality Authority, in addition to the non-governmental organizations, the private sector, and the partners from the donor parties. Including its amendments, the local government law number 1 for 1997 is considered the basic law that governs the relationships between the central authority, represented by the Ministry of Local Government, and the local government units, in addition to a number of laws that date back to previous historical eras, and which include different rules in the West Bank and the Gaza Strip. The previous cross-sector plan included activities that aimed to amend this legal framework, with the aim of achieving a greater measure of congruity, the clarification of the role of institutions in the local government sector, and strengthening the presence of a greater measure of decentralization. Yet due to the prevailing political conditions, and the inability of holding legislative council sessions, no meaningful changes were effected in the legal structure for regulation of the sector governance. Perhaps some changes that occurred were limited to some amendments of the local government law pertaining to the authority of the Cabinet and the creation and merger of local authorities, which the Ministry of Local Government used as a basis for the partial restructuring of a number of local authorities.

Regarding the active parties, the development of the bylaws of the Palestinian Union of Local Government Units, including the representation and election mechanisms, is considered an important factor in the changes in the sector, despite the lack of a consensus concerning it. The last period has witnessed the activation of the union's work following over 10 years of inactivity.

Also, the fund law, in relation to the formations and responsibilities of the Municipal Development and Lending Fund, is considered one of the developments in the governance system of the sector, as it had defined the differences between the fund and its role and the ministry's role.

During the previous periods, a number of disparate interpretations of the different jurisdictions and the intertwinement between the various ministries or between them and the local authorities were evident, and especially concerning the collection of fees, or the ownership of the water sources in a number of locations between the authorities and the Palestinian Water Authority, and also concerning the water networks, collection, and other matters. These disparities, which are expected to continue in the future, has become in need of an active legal effort to interpret them and to define the jurisdictions and responsibilities clearly and explicitly.

With the exception of the aforementioned, the roles of the active parties remain as follows:

1. The Ministry of Local Government: As the primary leader and regulator of this sector according to the basic law and the effective local government authorities' law, and its referenciality is considered the Cabinet and the Legislative Council.

2. The Local Authorities: The limits, roles, revenues, and relationship with the central authority of which are determined by the law.
3. The Palestinian Union of Local Government Units: There is no law that regulates this body, yet bylaws regulate its work. No law defines the relationship between this body, the ministry, and the rest of the parties, while the relationship is defined according to the joint areas of cooperation which have been expanding and contracting as a result of the lack of a regulating legal framework for this relationship.
4. The Municipal Development and Lending Fund: Is considered one of the primary parties in the local government sector and per law it is subordinate to the Cabinet, while it enjoys a legal entity and administrative and financial independence, and the approved law determines the representation, decision making, and formation of the administration mechanisms. To ensure coordination between this fund and the ministry, the fund's system indicated the chairmanship of the Minister of Local Government of the board of directors, and the fund is considered the primary channel for external funding of the local authorities' infrastructure and some of the capacity development projects, and the implementation of the local government sector policies. Despite this, many interventions occur between the Fund and the Ministry, which necessitates the relimitation of the relationship on more effective and clear bases.
5. The various ministries and official authorities: The ministries and other government authorities are considered a main and active party in this sector, given their responsibility for a number of services that local authorities provide, and also due to their various partnerships with the local government authorities. All ministries and authorities are relevant to the extent that there is overlap in jurisdictions and legal interpretation concerning many issues. In this regard, many attempts were made previously to interpret and determine the various roles, yet they were unable to achieve serious results so far, due to the absence of an explicit legal text on a number of issues. The role of these ministries and authorities is extremely important concerning the definition of decentralization in the local government sector and the determination of the different jurisdictions of each.
6. The civil society organizations: In its various components, the local government sector is on a daily contact with the public, and its policies affect the daily lives of each citizen. Hence the public, through the civil society organizations, are considered an active player and a primary partner in the development of the sector policies and the implementation of its programs. Yet due to the weakness of active representative institutions at the homeland level, their role is determined locally. Additionally, there is a pressing need for the strengthening of the participation of these institutions in the implementation of the sector plans and policies.
7. The donor countries: The sector, with its various components, enjoys extensive partnership relations with the various international organizations and development agencies, which number over 16 international partners. The sector has a sectoral work group with joint leadership by both the ministry and the Danish International Development Agency as a representative of the donors, which coordinates the interventions of the partners in a regular and effective fashion. A

number of work subgroups stem from it, such as the area C work group, the development and investment work group, and the donors Municipal Development and Lending Fund work group, which has a fundamental role in the financing and development of the fund's programs. Multiple mechanisms have been developed to involve these groups in the development of policies, so their roles are not limited to financing, as the sectoral work group and the committees that stem from it participate in the development of strategic plans and the discussion of the various directions and policies.

The large number of actors in the local government sector requires the development of more efficient coordinating frameworks between the different parties that ensure joint interaction and division of responsibilities to achieve the objectives of the plan. Yet the sector still suffers from a clear conflict and duplicity in the roles, authorities, and tasks of some institutions, which negatively impacts the specialization in work and weakens coordination among them. The weakness of coordination and partnership mechanisms had led in the past to lack of clarity and disparity in positions regarding approved policies. Many actors do not sense the ownership of the sector and its policies, and consequently do not link their programs significantly with the sectoral strategies, and this applies equally to the other ministries. Add to that the fact that the sector still suffers from the weakness in the monitoring, evaluation, and information management systems, which leads to lack of clarity of the relationship between inputs, outputs, and results, and weakens monitoring, accountability.

Chapter Three: The Policies and Performance of the Local Government Sector

The vision of the local government sector manifested as **good local governance which is capable of achieving sustainable development with active community participation**. Based on this vision, four strategic objectives in line with the Palestinian national development policy agenda were developed, and in this chapter, these objectives and interventions will be reviewed using the methodology for constructive assessment of the objectives and outcomes to identify gaps and draw conclusions and lessons to guide the next plan.

Like its predecessor, the cross-sectoral 2014-2016 plan has focused on the development of material, human, and institutional capacities for active institutions, to enable them to acquire the capabilities to reach the public, and to provide quality services efficiently and effectively. The sector has also helped the local government authorities to achieve a greater measure of democracy, transparency, and community participation, and to promote the principle of partnership between the local authorities and the private and civil sectors, to enhance the ability of those authorities to provide the necessary income to sustain their functions and services on the one hand, and to improve the economic situation at the local level on the other hand.

Among the most significant achievements during the past years was the rectification of the situations of the local authorities resulting from mergers that was adopted by the Ministry of Local Government. The Ministry has also placed a high priority on the

development of local authorities in area C. Progress in the development of financial systems and budgeting, approval mechanisms, development of the capacity of the authorities to plan and communicate with the public. The Municipal Development and Lending Fund has played an important role in supporting the capacities and the development of local authorities, and the mechanism the fund used in supporting the local authorities has become the focus of attention of many Palestinian and international institutions, due to its her contribution to the achievement of genuine results on the ground, especially those related to the consolidation the efforts of donor countries.

However, there are still many institutional, legislative, and regulatory challenges facing the sector, in addition to the impact of the financial crisis in the government, which led to delayed and erratic financial remittances, particularly the allocations of taxes and fees collected for the benefit of local authorities, as well as dealing with the problem of accumulated debt of the local authorities under the water and electricity section, which are deducted by Israel out of the government's customs revenues, there is still the issue of addressing the most significant challenge represented by the Israeli occupation and its measures, which limit the ability of local authorities to expand and grow, and controls many resources that already exist in area C .

Due to the importance of this sector in the promotion of the development process, and taking into consideration the challenges it faces, and in order to achieve its vision, the previous plan identified four strategic objectives and a set of operational policies associated with them:

1. Development in area C
2. The consolidation of the principles of good governance and its practices in the sector
3. Enabling the sector institutions to acquire effective capabilities (administrative, technical, and financial) effective and to enhance coordination and integration among them
4. Strengthening the partnership between the local authorities. the private and public sectors, and the civil society organizations to contribute to the effecting of local development

The following are highlights of the most important outcomes classified by the four strategic objectives and in accordance with the priorities of the policies therein:

<u>The First Strategic Objective:</u> **1. Development in area C**

This objective was in line with the general framework of the 2014-2016 national plan in terms of giving special priority to the development of area C and East Jerusalem, focusing on supporting the steadfastness of the Palestinian individual in them, reducing his/her burden, improving his/her standard of living, and providing social security and a decent livelihood to him/her through the provision of health, educational, and social services, the services of an adequate infrastructure, and the strengthening of the developmental and geographical association with the rest of the Palestinian territory, in addition to supporting and strengthening the various local authorities and national

institutions that work in these areas, and preserving and strengthening their roles, while gradually moving on to advanced stages in combating Israeli policies and practices, on the path to building an independent Palestinian state. The achievement of comprehensive development in area C and East Jerusalem is a complex, ambitious, and long-term process due to the prevailing political circumstances and the control of the occupation on its resources, which requires taking the initiative to create facts on the ground and strengthening the elements of steadfastness and liberation to include the overall themes of political, economic, social, institutional, and media action and providing, activating the political cover and will to do so, and mobilizing the necessary support on the Palestinian, Arab, and international levels. To launch such a process, the cross-sector plan identified three policy priorities and a number of interventions. The following are the most important achievements:

The Policy Priority	The Achievement
A. The development and raising of capacities of local authorities in area C	– Directing a number of the Ministry of Finance and donor projects to raise the capacities of local authorities in area C, where 109 zoning schemes have been completed which cover 116 communities, with support from both the Belgian government and the French government, and in collaboration with UN-Habitat. – The implementation of several projects of developmental priority, which included public buildings, buildings for young people, women, children, schools, health centers, clinics, parks, and roads, in addition to providing a minimum of basic services, such as water and electricity. – Preparation of a lobbying and advocacy strategy to support planning in area C to enable community representatives from to plan, manage, and legally defend in coordination with local authorities and international lobbying groups, and to strengthen the role of the media in exposing the Israeli violations in area C.
B. Creation of a fund for the development of area C	– The initiative of the fund has been replaced by the dedication of four programs to area C, through which several capacity enhancement projects for local authorities and improvement of infrastructure services in these areas were implemented.
C. Expansion of the geographical range of area C and marginalized areas' local authorities.	– The geographical range of local authorities in area C has been expanded through zoning schemes that were prepared, where five schemes were approved, while 104 schemes have still been awaiting the approval of the occupation authorities' civil administration.

<u>The second strategic objective:</u> The Consolidation of the Principles and Practices of Good Governance in the Local Government Sector

On the basis of the fact that local government institutions are in daily and direct contact with the public and in a daily relationship with the interests of the people, the integrity and transparency of these institutions constitute the prime mirror for the Palestinian society and interactions, as well as the main tool for the activity of the public and its participation in building society. This objective is in line with the general framework of the successive national plans and is a continuation of them. To consolidate the principles of good governance and its practices, the previous plan had put in mind the priority of reviewing the local elections law and activating community participation through the development of standard indicators for integrity and transparency, as well as the implementation of awareness and education programs to promote the principle of citizenship, to build relationships with the citizen on the basis of the duties and rights, and to expand the experience of public service centers. The plan has also focused on the need for deliberate graduation towards decentralization, which requires the presence of capable and efficient local authorities to carry out their responsibilities and duties in providing the best services to the public. The following are the most important achievements in this area:

The Policy Priority	The Achievement
A. The periodicity of local elections	– It was planned to review and update the elections law based on past experience, which has not been done due to the political division and the disruption in the legislative process. Nevertheless, the Ministry of Local Government and the Central Election Commission have completed all necessary preparations in accordance with the current law. The Cabinet has issued a decision to proceed with the holding of local council elections in the Palestinian territories during the month of October 2016.
B. The consolidation of community transparency, accountability, and participation	– Policy papers on community accountability, the consolidation and institutionalization of community participation, and consolidation of youth participation in the local government sector were prepared, in addition to the consolidation of community accountability and participation in one national guide entitled "the community accountability in Palestine tool guide", which have all been circulated to the local authorities. – The implementation of education and awareness programs to promote the concept of citizenship and building relationships with the public on the basis of duties and rights, as well as the implementation of a number of supportive projects, the most important of which was continuing with the local youth councils initiative, with support from Global Communities, in

The Policy Priority	The Achievement
	order to raise the percentage of youth participation in local government in the 15-22 years age group, where local youth councils work in partnership with municipalities to inform young people to the concepts of governance, and to give them the opportunity to take leadership roles in their communities. Some of the other similar initiatives included "together we decide and change" which was implemented in six municipalities in the northern governorates (Ya'bad, Kafr al-Labad, Bidya , Sinjel, Takua', and Samua') and four municipalities in the southern governorates (Rafah, Bureij, Deir al-Balah, and al-Zahra') with support from the German development and cooperation agency, GIZ, the Danish development and cooperation institution, DANIDA, and in collaboration with the Ministry of Local Government and the Municipal Development and Lending Fund. This was in addition to an awareness raising initiative for school students on local governance issues. – The "guide on the creation of public service centers" has been prepared in collaboration with the Global Communities and GIZ to expand the experience of public service centers that has proved successful in the previous plan, where the public service center contains all municipal services and functions under one roof, to facilitate the access of the public to services, reduce the time it takes to follow-up on applications, and improve efficiency and transparency in the delivery of municipal services. The transaction that usually took two or three days or a week is now done within hours.
C. The deliberate graduation towards decentralization	The policy of the deliberate graduation towards decentralization has a continual nature and its progress has been very slow as a result of political circumstances and the paralysis of the Palestinian Legislative Council, which has hampered the development of a legal and institutional environment that is capable of pushing farther towards decentralization. Achievements in this area have included: – An analytical study of the reality of Palestinian local government and the development of a more decentralized system with support from Global Communities. The study aimed to diagnose and analyze the reality of the local government sector to discern the degree of decentralization permitted by the local authorities law and the development of specific

The Policy Priority	The Achievement
	criteria in the evaluation of the roles and responsibilities of local authorities and the Ministry of Local Government, and to provide decision makers with a number of recommendations regarding the optimal level of decentralization or delegation for the local government system. The study concluded by developing the adequate mechanisms and a scalable implementation plan, coupled with a timetable to arrive at an advanced decentralized local government system. – The preparation of a diagnostic study of the relationship between the oversight system and the local authorities from the perspective of decentralization and centralization (in the Bethlehem governorate). – Implementation of numerous interventions and training programs to build the capacities of local authorities and enable them to move towards further administrative and financial decentralization that included strategic planning, operational planning, financial management, strengthening competitiveness, project management, and mechanisms for empowerment of women and strengthening their developmental role etc. – Development of the guidance and oversight system in line with the decentralization tendency and the issuance of a number of financial and administrative guidelines.

<u>The Third Strategic Objective:</u> Enabling the Institutions of the Sector to Acquire Effective Capabilities (Administrative, Technical, and Financial) and to Enhance Coordination and Integration among Them

The empowerment process is a continuous and permanent process and there is always a need to develop the capacities of active institutions by virtue of the constant development of life and its requirements. The previous plan focused on the implementation of a number of interventions that develop the local legal and institutional environment to allow the creation of merger, annexation, and agglomeration mechanisms and joint councils to ensure the development of performance and the formation of local government authorities within a broader geographical range, and simultaneously preserves the existing authorities, even if they enjoyed different powers. This included reviewing and development of laws and regulations related to the work of the local government and administrative sector, the clarification of the roles of the sector institutions, the development of manuals and standard procedures for municipalities and service councils, the completion of strategic developmental plans for the municipalities,

raising the institutional capacities of the Ministry of Local Government, the Palestinian Union of Local Government Units, and the Municipal Development and Lending Fund, the development of local services management systems, raising the capacities of the authorities and service councils in the field of authority management and conservation, enabling the governorate councils to lead the regional development planning, and the completion of regional development plans at the governorate level. The plan also strived to increase the incomes of the local authorities in quantity and quality. The following are the most important achievements:

The Policy Priority	The Achievement
A. The reconstitution of the local authorities	– The Ministry of Local Government leads the efforts to consider the proposal on the organization of the homeland into developmental regions. – Through the mergers and annexation policy by the ministry and the support of joint councils, several village councils have been upgraded to municipalities, as well as the upgrading of project committees to village councils, except those present in area C. – Several merged local authorities experienced significant declines in the desire to work jointly for various reasons and voices calling for secession and individual work were raised, yet the unresolved problems were addressed with a large number of local authorities that were previously annexed or merged to correct their situations. As a result, and after reducing the total number of local authorities from 483 authorities in 2009 to 378 in mid-2013, their number increased recently to 422 authorities, including 143 municipalities, 275 village councils, and four joint municipalities that were formed recently. The local government sector includes 65 active joint services councils. 33 of which are for planning and development, 25 for solid waste management, and 5 for water and sanitation, and 2 for water.
B. Attainment of a modern legal framework for the local government sector	despite the irregularity of the legislative process, some accomplishments were achieved in developing and modernizing the legal framework for local government, including: – A conceptualization of the required amendments in the legal framework to modernize the local government sector were prepared – Issuance of a presidential decree amending the local authorities law number 1 for the year 1997 to address the legal problems that have accompanied the integration of local authorities, which provided an opportunity to end the process of stalling in the

The Policy Priority	The Achievement
	integration policy and paved the way correct the situation of the sector, and laid the foundation for a strategic intervention for its restructuring. – The joint service councils statute was issued, which was an impediment to the development of these councils, and was also an obstacle preventing the donors from dealing with them, where this system has contributed to ending the ambiguity and lay the foundations for a new strategic vision. – Several regulations and directives that help in regulating the work of the local sector institutions were prepared. – The adoption of the Cabinet of the draft regulation for the buildings and zoning of the land outside the boundaries of structural schemes. – Activation of the committee formed by the former cabinet, to create the legal and legislative means to ensure the formation of municipal courts at the governorate level or the expansion of the jurisdiction of the existing municipal courts to include all local authorities in each governorate. – The launching of a policy paper for the inclusion of disability in the work and plans of local authorities
C. The development of the institutional structure and infrastructure of the local government sector	– About 90% of the local authorities in areas A and B have structural schemes now (about 220 schemes). – All municipalities have completed their strategic development plans, yet most of them were ambitious plans. There is a need to institutionalize the strategic planning processes in the municipalities. – Strategic development plans for a number of governorates, including Tulkarm, Tubas, Qalqiliya, and Bethlehem were completed. – The account tree pertaining to the local authorities was adopted and standardized budget forms were developed. – The Palestinian Union of Local Authorities was activated after over 10 years of stagnation. – Implementation and the rehabilitation of a number of priority projects, such as: the solid waste, water and sewage networks, treatment plants, internal and linking roads, and school projects, in addition to the rehabilitation of a number of facilities, including public parks, community centers, youth clubs, and sports grounds, with funding from the Ministry of Finance, Arab funds, and international partners, such

The Policy Priority	The Achievement
	as the World Bank, the United Nations development Programme (UNDP), the European Union, UNWOMEN, USAID, Danish Cooperation, GIZ, the German Development Bank, the Belgian government, JICA, the French Development Agency, the Swedish International Development Cooperation Agency - SIDA, the Swiss Agency for Development and Cooperation, and the Association of Netherlands Municipalities. – Implementation of a number of initiatives and infrastructure projects that would contribute to the removal of rubble and reconstruction in the southern governorates, and the support of municipalities in restoring basic services, including drinking water, sanitation, and solid waste management, in addition to direct support for essential expenses such as fuel, spare parts, and other necessary materials to cope with the consequences of war and the emergency situation in the Gaza Strip. – Support of several Bedouin and marginalized communities through the provision of barracks, movable tents, and solar cells. – With support from the Italian government, the preservation and development of numerous cultural heritage landmarks in the old city centers, such as the rehabilitation of Dar al-Shomali for use as a guesthouse in Beit Sahour, the rehabilitation of the commercial zone in the old city of Bethlehem, and the rehabilitation of the Turkish bath for use as a tourist center in Hebron. – The design of the female members of local councils gateway, the development of three policy papers on gender in the local government sector, the provision of a data base for the female members of the local authorities for facilitate access to their data and information in cooperation with the Women's Affairs Technical Committee and UN WOMEN. – Support for the female members of the local authorities through the provision of a number of small financial grants provided to local councils through the female members and which aim to achieve social justice, equality, and raising the efficiency of the female members in project management. – Work has already started to establish new headquarters for the Ministry of Local Government, which is

The Policy Priority	The Achievement
	expected to be completed in the year 2018, in addition to renting new offices for the Department of Urban Planning and Zoning. – The Preparation and the start in implementation of a strategic plan to build the capacities of the Ministry of Local Government.
D. Increasing the incomes of the local authorities quantitatively and qualitatively	– The settlement of debts was one of the key problematic issues with a number of municipalities, as mechanisms for the scheduling of the debts of the local authorities was reached, and agreements were signed in this regard. Also, it was agreed with the Ministry of Finance to have regular payments to the local authorities, which created a positive atmosphere between the government and local authorities. Work continues to complete the water debts file. – A number of local authorities were provided with pre-pay water meters to improve the level of collection and reduce the percentage of lost water.
E. Digital Transformation	– A strategic plan for the information systems in the Ministry of Local Government was prepared, the implementation of which was initiated in addition to the implementation of electronic archiving and electronic correspondence. Also, the ministry's web page was developed, and it contains all publications and directives of the local government sector, in addition to a budget gateway, and the local authorities gateway, which was established with support from the Belgian Technical Cooperation (BTC) (www.baladiyat.ps) . – The development and updating of the spatial information system of the Ministry of Local Government (GEOMOLG) . – The automation of regulatory data and information for the entire sector located in the northern governorates lands, as any user can now obtain the regulatory provisions for any lot of land within seconds. – The Ministry of Local Government received the EGI excellence Award from the ESRI company in the field of geographic information systems GISWORX. – The activation of the use of geographic information management systems and administrative systems in key municipalities, to create an interactive database, carry out the numbering and naming of streets, draw public and private infrastructure maps, facilitate municipal planning, and access to emergency services.

The Policy Priority	The Achievement
	– The provision of e-municipal service in a number of municipalities which enables the public to access municipal services through the Internet, to relieve overcrowding in the municipal building and save time spent in accessing the various services.

<u>Fourth Strategic Objective:</u> Strengthening the Partnership between the Local Authorities, the Private and Public Sectors, and Civil Society Organizations, to Contribute to the Effecting of Local Development

This objective is also of a continuous nature and required the continual development of policies and procedures to encourage investment and building partnerships to promote local economic development. To achieve this, the previous plan has identified a number of policy interventions, the most important of which were the creation of a regulating and stimulating framework for the building and the institutionalization of partnerships between the local authorities, the public and private sectors, and the civil society institutions, the preparation of municipalities, and raising their level of readiness to hold, support, and promote such partnerships. Despite the achievements, however, work on this item is still weak due to the lack of trust between the private sector, the government, and semi-governmental sector due to the accumulated and outstanding debts to the private sector, as well as the complex procedures faced by the private sector. The following are the most important accomplishments:

The Policy Priority	The Achievement
A. Stimulation and building of partnerships between the local authorities and the private and public sectors	– The launching and codification of the local economic development policies and within the municipalities, which explained the regulatory framework for partnership between the two parties, how to activate it, the protection of the local authority from the problems that it may encounter, ensuring the participation of the authority in the leadership of the development process, and refraining from competing with the private sector in that process. This policy will be a key axis for the upcoming sector programs and it will seek to create financial sustainability of local authorities and their comprehensive motivation. – The preparation of the draft national framework for local economic development. – A policy document on the partnership between the local authorities and the private and public sectors was issued and circulated to the local authorities.

The Policy Priority	The Achievement
	– Development of the "Local Authorities and the Private Sector Partnerships Guide", in collaboration with the World Bank. – The establishment of local development councils as advisory councils in support of the local councils. – Preparation for the first conference for local economic development conference expected to take place in autumn 2016 is ongoing. – A number of projects were dedicated to stimulate partnerships, and 14 partnerships were implemented the local authorities and the private and public sectors.

The 2014-2016 plan identified a number of indicators that assist in the measurement of performance in general. The following table indicates the changes in these indicators during the previous period:

Table: The Local Government and Administration Sector Indicators

Objective	Performance Indicators	Base year 2013	Target Value 2014	Achieved Value 2014	Target Value 2015	Achieved Value 2015	Target Value 2016	Achieved Value 2016
1. Development in Area C	Number of completed structural schemes in area C	**5**	26	**5**	26	**5**	28	
2. Consolidation of the principles and practices of good governance in the sector	Number of cases "articles" that the local authorities consult the central ministry about to obtain approvals	**28**	24	**28**	20	**28**	16	
3. Enabling the sector institutions to posses effective capabilities (administrative, technical, and financial) and strengthening coordination and integration among them	Volume of accumulated debt of local authorities (millions NIS)	**1.182**	1.063	**1.182**	957	**1.1**	861	
	Percentage of local authorities that do not abide by the annual budget	**%25**	%20	**%15**	%15	**%10**	%8	
4. Strengthening partnership between the local authorities, the private and public sector, and the civil society organizations to contribute to effecting local development	Building partnerships for developmental purposes in 30 local authorities	**0**	10	**0**	20	**14**	30	

From the above table, one can notice that many of the indicators do not give a complete picture of the level of achievement, yet they shed light on the general trends.

With the accomplishments that were previously reviewed, the sector still suffers from some difficulties and failures, including:

1. Development of area C areas and East Jerusalem faces enormous difficulties and challenges due to the measures and obstacles imposed by the occupation authorities against any development or even relief action in those areas, which limits the level of actual achievement in spite of the exerted efforts and resources. For example, and as previously stated, the occupation authorities have approved 5 structural schemes in area C out of 109 that were prepared.
2. None of the gradual steps towards decentralization have been achieved, rather, the central practices by the ministry in its dealings with local authorities have increased.
3. Overlap between the powers of local authorities and the various ministries has not been reduced, and the relationships and responsibilities of each have not been defined.
4. The merger and annexation policy to reduce the number of local authorities did not garner the acceptance of the community and did not constitute an accepted national policy and has become a burden to the sector, rather than being a lever of development and developmental for it.
5. No success was achieved in increasing the revenues of local authorities and strengthening their financial capacities, and the power concerning the property tax was not transferred to the local authorities. The debts and deficits of the local authorities in their budgets remained the same.
6. A clear policy for the restructuring of services and the improvement of their management have not been developed, even with existing governmental decisions regarding the formation of electricity companies, yet its implementation was not part of a deliberate and gradual policy, and it depended on the repercussions of the move on the local bodies financially and cost-wise.
7. Some developments in the field of local development and consolidation of partnership with the private sector have been achieved, yet the basis is to develop regulations, directives, and procedures that allow local authorities to do so, which is still in its humble beginnings.
8. The main objective of the formation of Municipal Development and Lending Fund was to create an operational and financing tool for the translation and the Ministry of Local Government policies in the push for decentralization and the strengthening of the financial and financing capacity of municipalities so they can be able to improve their services and performance. Despite the development in the Fund, the complementary relationship has not materialized fully, and there is still some competition in tasks, and it requires codification, whether by law or regulation.

Chapter Four The Funding of the Local Government Sector

There was an extreme difficulty in accounting for the entire funding related to the local government sector due to overlapping reasons, the most important of which were:

1. **The multiplicity of the sources of funding:** There are several funding sources for the local government sector, including:

    a) Funding from the government budget for the Ministry of Local Government and government authorities.
    b) Financial transfers from taxes and fees collected by the government for the benefit of local authorities.
    c) The government repayment of the accumulated water and electricity debts by the local authorities through the tax clearance mechanism with the Israeli party.
    d) The revenues of local authorities derived from taxes, fees, and collection.
    e) Revenue derived from income-generating investment projects being carried out by some of the local authorities.
    f) Private financial and in-kind donations that the local authorities collect locally and internationally.
    g) International donors, where there are over 18 international partner and a number of Arab and Islamic funds that provide grants and technical and in-kind support to the active institutions in the sector.

2. **The multiplicity of funding mechanisms:** funding comes to the sector directly or indirectly, especially foreign funding, which comes via several channels that follow various mechanisms and intermediary parties such as:
        a. The Ministry of Finance/the Ministry of Local Government in accordance with special agreements concluded with private donors, such as the Arab and Islamic funds, the World Bank, the UNDP, the GIZ, and the Italian Government.
        b. The Municipal Development and Lending Fund.
        c. The Palestinian ministries and other official authorities that implement projects, especially infrastructure projects (water, electricity, roads, and solid waste) in partnership with the local authorities or on their behalf, or which meet the priorities of the sector.
        d. Direct funding and support to local authorities by donors.
        e. International institutions and the various United Nations institutions, such as the World Bank, the European Commission, the UNDP, the UNRWA, UN HABITAT, UN Women, OCHA, and others.
        f. Via the implementing institutions (governmental, private, and civil society institutions) affiliated with the donors, such as JICA, Global Communities, the Association of Netherlands Municipalities, etc.
        g. Via twinning or cooperation agreements entered into by the local authorities with their counterparts in other countries.
        h. Via Palestinian non-governmental organizations that are implementing projects in partnership with local authorities or on their behalf, or other projects that contribute to the achievement of the priorities of the sector.

The lack of an effective tool for the collection, documentation, and verification of relevant financial data: Despite the existence of multiple coordinating platforms and tools with the various donor and/or implementing parties, the local government sector still suffers from shortcomings in the capability to account for the entire funding derived for the sector and in accessing accurate data from the various parties. Currently, there are several sources of information that can be benefited from, once activated, to access a reasonable quantity of data, including:

a) The Ministry of Finance data relating to the budgets and their implementation, and they are the most accurate data available but they are limited to government funding (operational and developmental) and the funding of some of the donors, which takes place through the Ministry of Finance.
b) The external funding database, DARP, the management of which has recently been transferred to the Ministry of Finance, and it requires activation and updating, as well as a mechanism to follow it up, to verify the accuracy of the data listed, and the reduction in its duplication, particularly in the case of funding passing through intermediaries.
c) The local authorities budget database, currently in the Budgeting General Administration at the Ministry of Local Government, which requires development to be able to devise aggregate data for annual budgets and their implementation.
d) The data and information available to some of the general administrations within the Ministry of Local Government, which receive foreign grants and carry out the implementation, such as the General Administration for the Joint Councils, and the General Administration for Urban Zoning and Planning. However, this information needs to be compiled and documented through the creation of a centralized database of all projects funded by the international partners and implemented by the various units within the ministry. In the same context, it is necessary to create a central unit to coordinate with the international partners and to create an effective mechanism for the exchange of relevant information with them.
e) Donor Mapping studies carried out by the ministries (such as the Ministry of Local Government - March 2014, and General administration to coordinate and manage aid in the Ministry of Finance - December 2015), which aims to provide a summary of existing projects funded by international donors and partners (except projects funded by Arab and Islamic funds) .Yet these studies are incomprehensive as they rely primarily on data available in the DARP and on information provided by donors. However, they give a snapshot of funded projects to help the Palestinian government and the donor community in aid management and coordination.

As a result of the above-mentioned factors, it is difficult to realistically account for all the sector inputs, which requires a comprehensive and an in-depth study. However, it is possible to employ and activate some sources of information currently available to obtain a more comprehensive picture of the various sector inputs in the future. Currently, there is an impression buy those working in the sector that there is a general decline in the volume of funding for the local government sector. Due to this shortcoming, the data of the Ministry of Finance will be reviewed below, which are limited to governmental and

external funding that goes through the Ministry of Finance and Planning to the sector because they are the only available accurate data that gives an indicator for this decline. The 2013 financial data were included to be acquainted with the general pattern of government funding due to the lack of final financial data for 2016.

Table (1): The Expected and Actual Government Budget for the Local Government Sector (NIS)

Year	The Operational Government Budget for the Sector			The Development Government Budget for the Sector			The Overall Government Budget		
	The Estimated Budget	The Actual Budget	Expenditure Percentage	The Estimated Budget	The Actual Budget	Expenditure Percentage	The Estimated Budget	The Actual Budget	Expenditure Percentage
2013	147,181,637	85,473,695	%58	32,427,083	26,834,675	%83	179,608,720	112,308,370	%63
2014	135,075,330	121,661,225	%90	49,427,371	42,105,492	%85	184,502,701	163,766,717	%89
2015	231,188,486	180,963,150	%78	42,123,021	37,347,903	%89	273,311,507	218,311,053	%80

Table 2: Estimated and Actual External Funding through the State's Treasury (NIS)

Year	Estimated Donor Development Budget for the Sector	Actual Donor Development Budget for the Sector	Percentage of Spending
2013	85,819,613	79,872,439	%93
2014	57,051,900	47,124,863	%83
2015	51,348,855	45,453,082	%89

Table 3: Total Estimated and Actual Development Budget for the Local Government Sector (NIS)

Year	Total Estimated Development Budget for the Sector (Government + Donors)	Total Actual Development Budget for the Sector (Government + Donors)	Percentage of Spending
2013	118,246,696	106,707,114	%90
2014	106,479,271	89,230,355	%84
2015	93,471,876	82,800,985	%89

Table 4: Total Estimated and Actual Budget for the Local Government Sector (NIS)

Year	Total Estimated Budget (Government + Donors)	Total Actual Budget (Government + Donors)	Percentage of Spending
2013	244,846,696	172,490,523	%70
2014	241,554,601	210,891,580	%87
2015	221,652,931	197,025,878	%89

Table 5: A comparison of the Total Estimated and Actual Budgets for the Local Government Sector in 2013-2014

Year	Government Funding						External (Development) Funding through the State's Treasury		Total Development Budget		Total Funding from and through the Government	
	Estimated Government Operational Budget for the Sector	Actual Government Operational Budget for the Sector	Estimated Government Development Budget for the Sector	Actual Government Development Budget for the Sector	Total Estimated Government Budget	Total Actual Government Budget	Estimated Donor Development Budget for the Sector	Actual Donor Development Budget for the Sector	Total Estimated Development Budget for the Sector	Total Actual Development Budget for the Sector	Total Estimated Budget	Total Actual Budget
2014-2013	%8-	%42	%52	%57	%3	%46	%34-	%41-	%10-	%16-	%1-	%22
2015-2014	%71	%49	%15-	%11-	%48	%33	%10-	%4-	%12-	%7-	%8-	%7-
2015-2013	%57	%112	%30	%39	%52	%94	%40-	%43-	%21-	%22-	%9-	%14

From the tables above one can note the following:

1. Tables 1 and 5 above illustrate that there were a significant and steady increase in the overall government budget and spending for the sector between the years 2013 and 2015. It also indicates a clear improvement in the planning and implementation of the budget, as while the percentage of spending was about 63% in 2013, this figure has risen to 89% and 80% in the years 2014 and 2015, respectively.
2. Tables 2 and 5 above illustrate that there has been a significant decrease in the estimated and actual funding of donors between 2013 and the years that followed

2014 and 2015. This led to a decline in the total actual spending on the development of sector operations by 22% when compared to the period between 2013 and 2015. The impact of the decrease in external funding on the total estimated and actual budget was evident in 2015, as the percentage of the decline was 8% and 7% respectively compared to that of 2014.

Chapter Five Lessons Learned and the Problems that were Determined:

1. Concerning the general for of the plan in terms of the methodology, the policies and interventions were consistent and coherent with the stated objectives and vision of the sector.
2. In terms of formulation, the general objectives were too general and vague, did not reflect the desired outcome at the end of the time period, and they require development of clearer indicators and targeting to follow up on these results and ensure attaining them.
3. There are still some problems in the implementation of the plan, such as the coordination and complementarity between the different units within the Ministry of Local Government, and with the ministries and other official bodies which requires finding adequate mechanisms for that. In the same vein, there is a need to develop an advanced and unified follow-up and evaluation system within the Ministry of Local Government as part of the periodic optimal information flow in cooperation with all local and international partners.
4. There is a substantial progress in linking the relationship between planning, government financial planning, and implementation, which reflects realistic planning of the budgets. The Ministry of Local Government has developed an implementation framework for the years 2014-2015 in addition to the annual plans and budgets of the Ministry that are consistent with the cross-sector strategic and with the ministry's strategic plan. Yet there is still a need to develop more effective mechanisms for the management and coordination of foreign aid and their consolidation in a central unit within the Ministry of Local Government.
5. The work of the Municipal Development and Lending Fund as an alternate actor for the Ministry of Local Government to ensure the implementation of sector policies.
6. In general, the topics of decentralization and empowerment of local authorities still require development in terms of the vision and plans required to intervene, particularly in relation to the structuring of the sector and the creation of the required legal, institutional, and procedural framework.
7. Poverty, unemployment, and marginalization were not taken into account explicitly when setting action priorities, and this must be avoided in the subsequent plan, especially regarding the roles of local authorities in the socio-economic development at the local level.
8. Work on gender still requires development, especially the experiences of elected female members and the presence of indications of participation, while there remains a need for additional interventions in the next plan that aim to strengthen the role of women in the sector.
9. The indebtedness of the local authorities especially regarding water and electricity services continues to pose a serious challenge to the development of the sector.

10. Although the numerous activities of the numerous interventions that have been implemented to strengthen the resilience of the local authorities and the mitigation of the difficulties of the citizens of Jerusalem, in area C, and in areas affected by the wall, the results on the ground are still modest and need continued work and searching for more effective implementation mechanisms, despite the restrictions and obstacles imposed by the occupation authorities.

Chapter Six: The Policy Options:

The local government sector faces a set of challenges that require addressing in the coming phase, and the most significant are:

1. The consolidation of the legal system between the two halves of the homeland, i.e. the southern and northern governorates.
2. Reviewing and developing laws and regulations to be in line with the national policy agenda reinforces the direction towards decentralization and granting more powers to local authorities, especially pertaining to property and education at a certain level.
3. The limited effectiveness of the local authorities in the provision of basic services within their boundaries, especially in marginalized areas.
4. Weakness in the stimulating environment of sustainable local economic development.
5. Weakness in the optimal "economic" exploitation of the local resources due to the occupation policies in most of the Palestinian territories.
6. Weakness in community participation and accountability in the local government sector.
7. Overlap of powers between the key actors in the local government sector.

To deal with these challenges, in line with the lessons learned, and to build upon the achievements of the previous phase, we present the following suggestions for the next strategic objectives and their related implementation policies:

The First Objective: ***An adequate ~~suitable~~ legislative and institutional system for the regulation and management of the sector***

The Policies:

- The development of the general framework and the institutional structure of the local government sector, the clarification of the roles and responsibilities of the active institutions, and the development of coordination and integration mechanisms among them to conform to the decentralized direction adopted by the government.
- The updating and development of the legal framework governing the work of the local government sector institutions (the laws and regulations) and most significantly the local authorities' law, to achieve greater consistency and clarity and to ensure the deliberate graduation towards the decentralization sought after.

- The restructuring of local authorities in a manner that enables them to posses effective administrative, technical, financial, and human capacities through annexation, merger, or agglomeration, and the establishment of joint municipalities, or joint service councils, to take advantage of economies of scale that result from that.
- The determination of the role of the Palestinian Union of Local Government Units, the codification of its work, its activation, and the development of its capabilities.Continuing the preparation and updating of the spatial and developmental plans for all communities mad the development of their infrastructures, and ensuring their geographical and service contiguity and integration.

The Second Objective: ***Improvement of the performance of local authorities and the activation of their human and financial resources***

The Policies:

- Continuing to formulate guides and regulations to facilitate the work and management of the sector institutions and to enable them to provide high quality sustainable services.
- Continuing to raise the efficiency and capacities of the staff of the local government sector and increasing their effectiveness through the provision of specialized training programs for them.
- Achieving financial stability for the local authorities, the strengthening of their capabilities in the planning and management of their financial resources, and increasing their revenues and their sustainability through the improvement of the collection mechanisms, and ensuring the regularity of financial transfers, particularly their taxes and fees allocations collected by the government for their account
- Continuing to exert efforts to attract the financing of development projects by the international partners and directing them towards the support of the priorities of the sector.
- Development of procedures, and oversight and information systems to ensure the effectiveness of the local government sector institutions and to improve their services.

The Third Objective: ***Viable economic projects between the local authorities or in partnership with the public and private sectors and/or the civil sector***
The Policies:

- The development of the legal environment capable of strengthening the partnership between the local authorities, the public and private sectors, and civil society organizations to contribute to the effecting of ~~a~~ local development.
- The development of efficient and reliable infrastructure (water, energy, communications, and roads networks, industrial zones, etc.) that provide affordable services to facilitate the work of the private sector and encourage it.
- Encouraging green and sustainable economy and developing the appropriate standards, procedures, incentives, and controls to ensure the optimal and

sustainable economic utilization of traditional and nontraditional natural resources.

- The improvement and development of the solid waste and wastewater management systems, including recycling and reuse.
- The development of partnership mechanisms between the banking system and the local authorities which allow concessional lending for the benefit of investment in the infrastructure and the implementation of viable economic projects.

The Forth Objective: ***Broader participation of men and women citizens in decision making, oversight of implementation, and carrying out their obligations to local authorities***

The Policies:

- Conducting the local elections periodically while developing the local elections law to ensure fair competition, broader community participation
- Developing and activating the necessary institutional measures to ensure the sound implementation of the laws, regulations, and directives to increase the confidence of the public in local authorities and their sense of belonging to them.
- The implementation of awareness and education programs to promote the principle of citizenship on the basis of rights and duties.
- Developing the appropriate mechanisms to ensure active participation of citizens, men and women, in setting priorities, preparation of plans, programs, and annual budgets of local authorities, and the activation of community oversight and accountability for their acceptable implementation.