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صندوق تطوير وإقراض البلديات
Municipal Development & Lending Fund



Challenges and Options for Effective & Sustainable Municipal Services Delivery

July 2017

❖ Outline

- **Development Challenges**
- **Options for Effective & Sustainable Municipal Services Delivery**
- **Use of Modern Communication Technologies for Better & Efficient Municipal Services**

Development Challenges

Political and Economic Challenges

- **Israeli occupation** -Lack of sovereignty over land, and lack of territorial contiguity
- The Palestinian territories of the West Bank (population 2.94 million) and Gaza (population 1.88 million) had been **effectively split since June 2007**
- **Border closures for the past eight years** have led to a near collapse of municipal services in Gaza
- **Over 60 percent of the West Bank is considered Area C**, where Israel retains near exclusive control, including over law enforcement, planning and construction.
- **An estimated 320,000 inhabitants are living in area C with lack of basic services.**
- **The Civil Administration refuses to grant building permits even for public buildings, such as schools and medical clinics as well as public infrastructure.**
- **Population density, in Gaza.** One of the world's fastest growing populations.
- The unemployment rates rose to almost **26% of the total workforce**, reaching 44% in Gaza Strip with a low per capita GDP of \$970 by the end of 2015.

Development Challenges

Institutional Challenges

- **Municipal budgets shrinking, revenue decline, culture of non-payments amongst citizens.**
- **The majority of municipalities provide limited services, mainly (streets maintenance, solid waste management, and water supply), although they are mandated to provide 27 functions according to 1997 law for LGUs.**
- **Limited capacity of LGUs.**
- **In efficient intergovernmental fiscal transfer.**

How to tackle the challenges.....Towards Efficient Services Delivery

- The **Local Government Sector** has been considered a **key element towards state building** through improving the delivery of local infrastructure and municipal services, promoting economic development, and improving municipal efficiency and accountability.
- The Ministry of Local Government (**MOLG**) has taken the lead on policy formulation and oversight of the LG sector, while the Municipal Development and Lending Fund (MDLF) has been charged with implementing the CENTRAL GOVERNMENT's national policies concerning the LG sector development.
- The CENTRAL GOVERNMENT had made significant strides in laying down the foundation for reforms to systems **for municipal financial management and accounting practices** which would enable them to better manage and account for their tight budgets.

How to tackle the challenges.....Towards Efficient Services Delivery

- Building on these gains, the **two-phase Municipal Development Program (MDP)** contributed to building better managed and more accountable LGUs that are able to provide improved services to their citizens through a stronger social contract.
- The **Municipal Development Program**, along with other interventions which have been implemented through MDLF are **fully aligned with the national development agenda** and contribute the achievements of the national goals towards the **SDG achievements at the global level**.
- The Municipal Development Program is a key intervention within the context of LG sector development contributes to achieve the **national development agenda**. It is a multi phases –incentive based-program target all municipalities in WB&G.

Alignment of MDP (in particular with NDP and SDGs)

Sustainable Development Goals “SDGs”



National Plans and Strategies

PRDP 2008-2010:

Improved local governance and accountability

NDP 2011-2013:

Bringing government closer to people through phased decentralization and measures to consolidate democratic processes at the local government level

NDP 2014-2016:

LGUs throughout governorates are more capable of a better public service delivery

NDP 2017-2022:

2nd theme: Reform and Public Services Quality Improvement

Sector Level objectives

Cross-Sectoral Strategy (2011-2013):

Good local governance able to achieves sustainable development with effective community participation

MDLF Strategic Plan (2013-2016):

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

MDLF Strategic Plan (2017-2021):

- Empower Palestinian local government Units.
- Strengthen the institutional development of the MDLF.
- Translate the national local government policies.

MDP Program-Level objectives

To support municipalities in providing **better coverage and improved quality of services**

MDP I Objective:

To improve municipal **management practices for better transparency**

MDP II Objective:

To improve municipal **management practices for better service delivery and municipal transparency**

MDP III Objective:

“Enhance the institutional capacity of municipalities in West Bank and Gaza for more accountable and sustainable service delivery”

MDP Characteristics



- Transparent, Coverage 100% of municipalities, Equity, Fair, Incentive based distribution of municipal allocation.



- An incentive tool to help implementing national policies: obligation of submitting **budget**, developing **SDIPs in a participatory manner**, Fixed assets registration, Collection efficiency, reduction of net lending “arrears” .



- Promote good governance: **participatory strategic planning**, citizens consultation, **transparency**, publication of project and financial information “disclosure”.

- Encourage self-sustainability and help achieving creditworthiness: more emphasis on revenue management “RMIS”, financial performance indicators (**surplus, FSS**) but also **better management practices**.

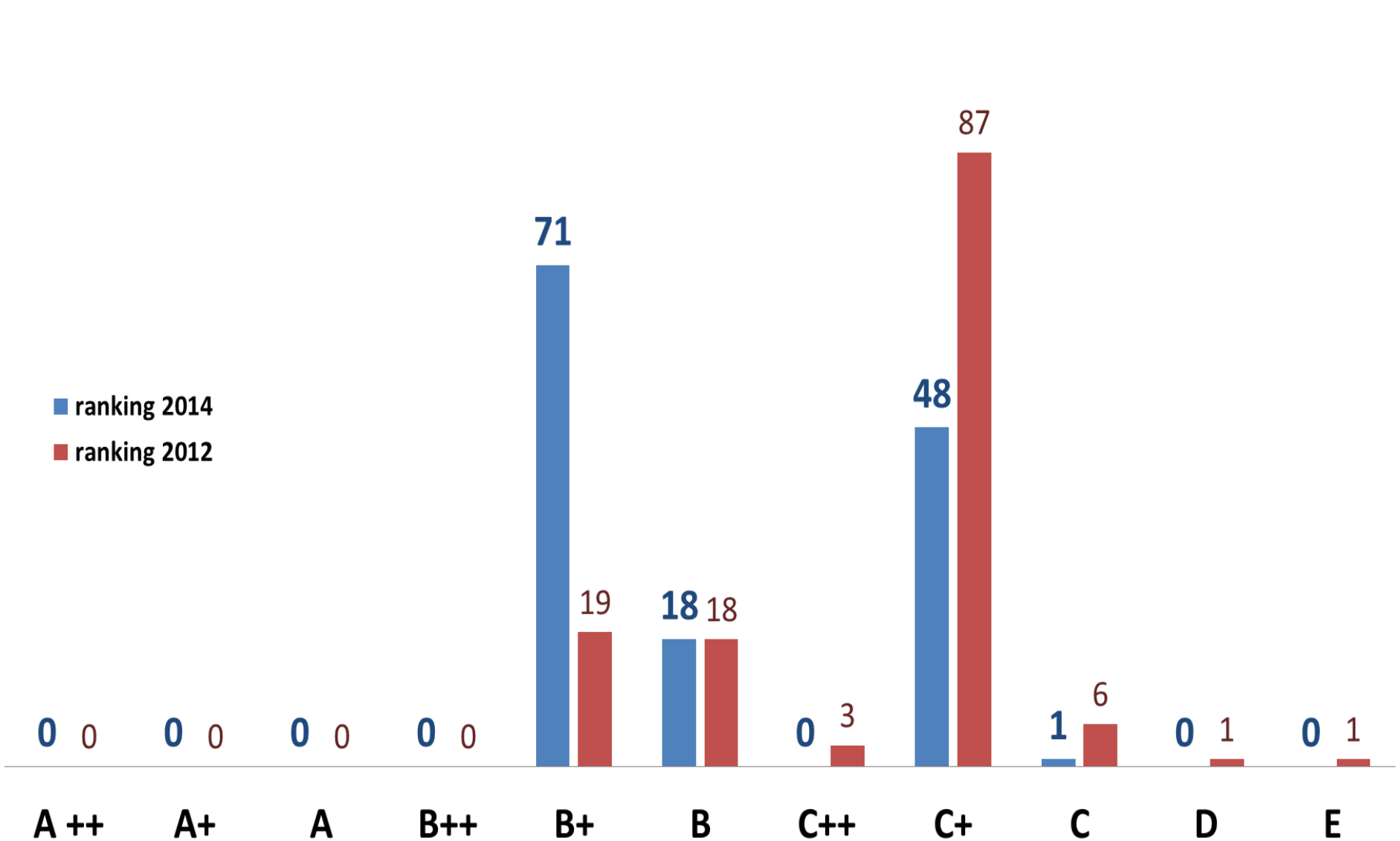


- Better linkage to good service provision to citizens and also efforts in fully mobilize the own revenue generation potential (Revenue Generation; integrate social accountability, continuous update of registers, adequate reaction to audit findings, insure a set-up for monitoring and update of SDIPs; support the rollout of Operations and Maintenance)

Achievements.....Municipalities Performance Improvement

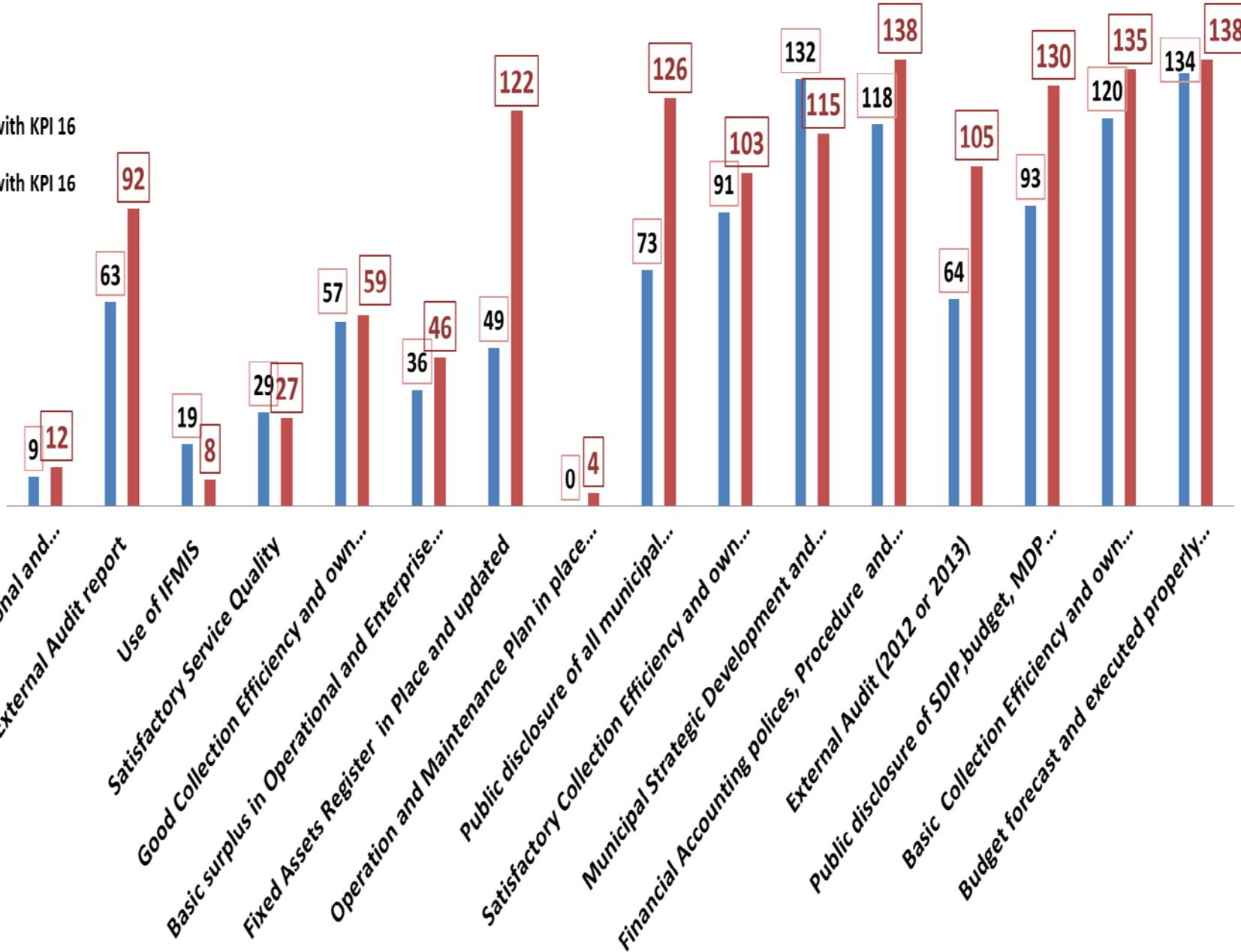
(70 municipalities –were graduated)

Municipal Ranking Update (2012 Vs. 2014)



Achievements..... Compliance of Municipalities with the key performance indicators

■ 2012 - compliance with KPI 16
 ■ 2014 - compliance with KPI 16



Achievements.....Citizens Feedback concerning municipalities services

Findings (Citizens survey)

- ✓ Overall Services
 - Looking at the overall results as a whole, the overall satisfaction with the Municipality performance was somewhat higher in 2015 than in 2012.
 - The focus of the MDP-II interventions on the road services has contributed towards improving the overall satisfaction score from 2012 to 2015. (44.1, 2012----60, 2015), especially for the satisfaction of opening new roads and rehabilitation of existing ones.
 - Water, sewage, parks and entertainment, and electricity services recorded minor gains in 2015 in comparison with 2012.
 - The overall satisfaction score for solid waste showed a significant increase from 2012 to 2015 (51.6 2012----60 2015).

Services Indicators	2012 (baseline)		2015 (not targeted)		2015 (targeted)	
	Satisfaction Score	Overall score	Satisfaction Score	Overall score	Satisfaction Score	Overall score
Electricity	55.4	45.9	56.8	50.1	60.7	56.2
Water	51.5		50.1		54.1	
Sewage	65.3		60.1		65.1	
Solid Waste	51.6		57.7		60.0	
Roads	44.1		50.1		60	
Parks and entertainment	32.2		34.7		38	
Interaction	72.2	---	71.8	---	76.4	---
Awareness	31.6		29.7		35.4	
Public Participation	23.2		24.3		19.5	
Transparency	37.3		32.8		34.8	

MDPII contribution :

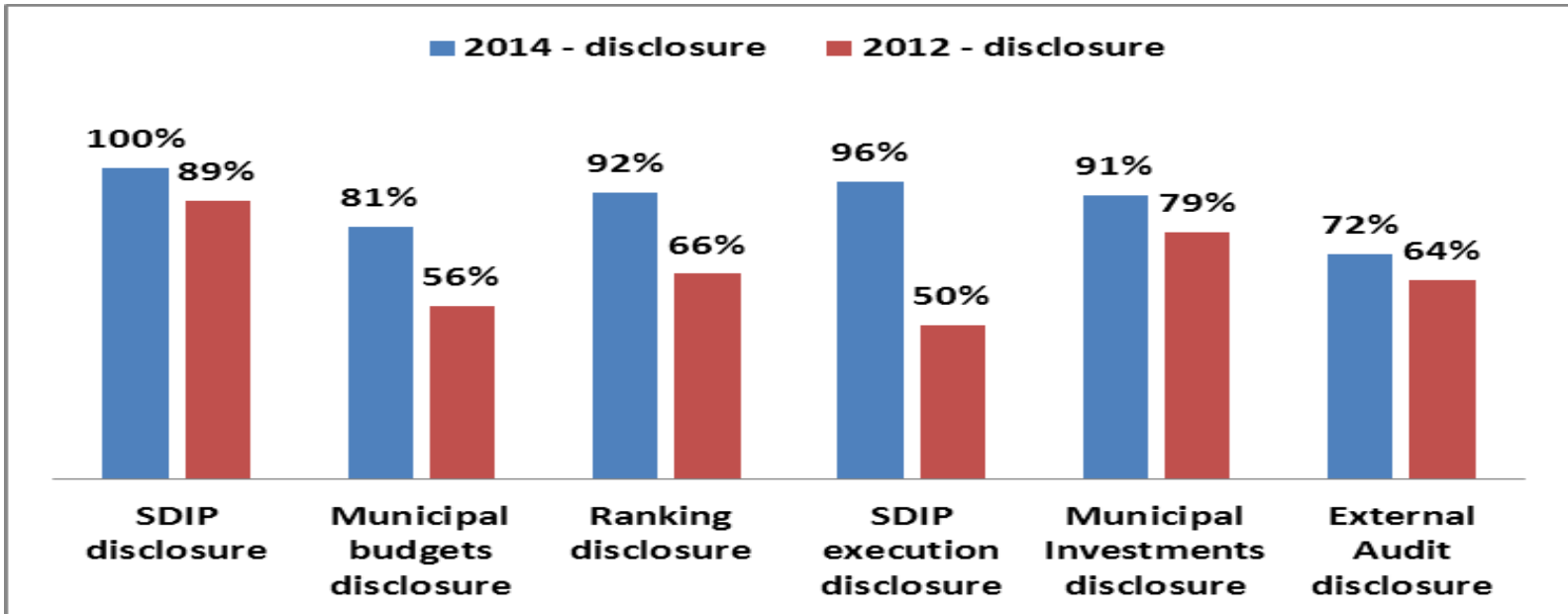
$$56.2 - 45.9 = \text{Dif 1} = 10.3$$

$$50.1 - 45.9 = \text{Dif2} = 4.2$$

$$\text{Dif 1-Dif 2} = 6.1$$

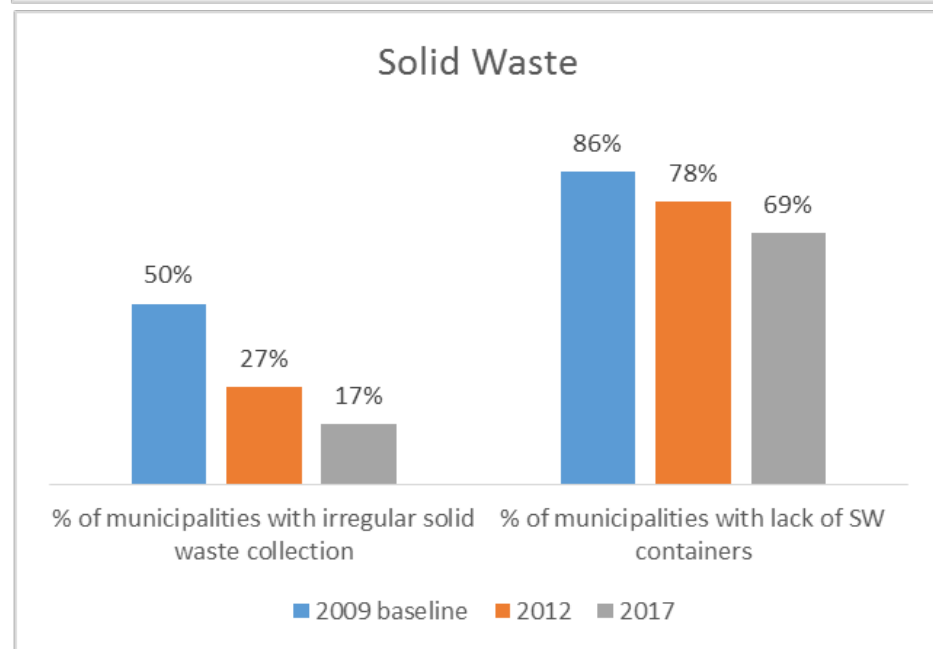
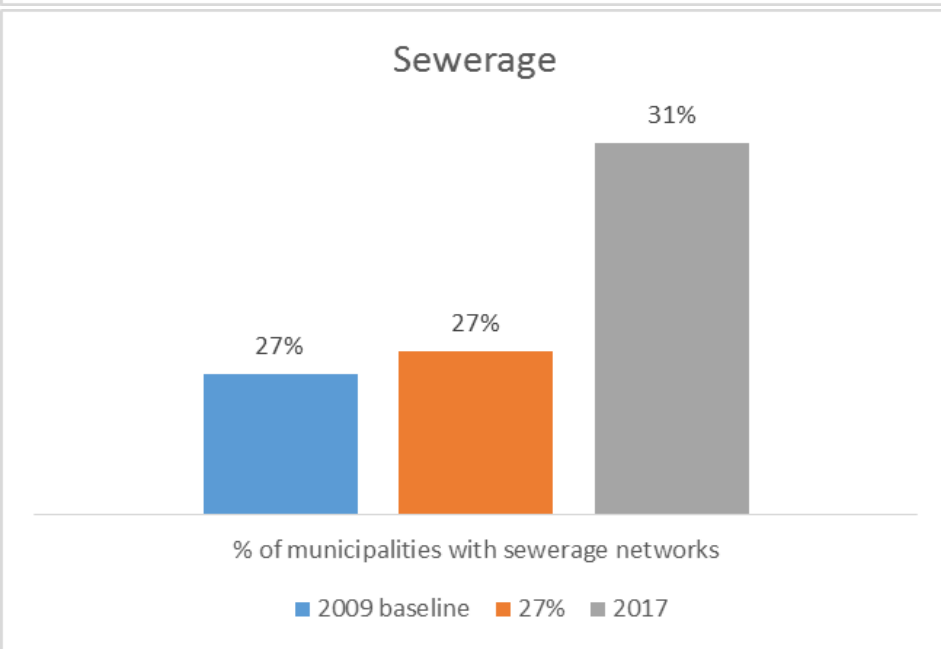
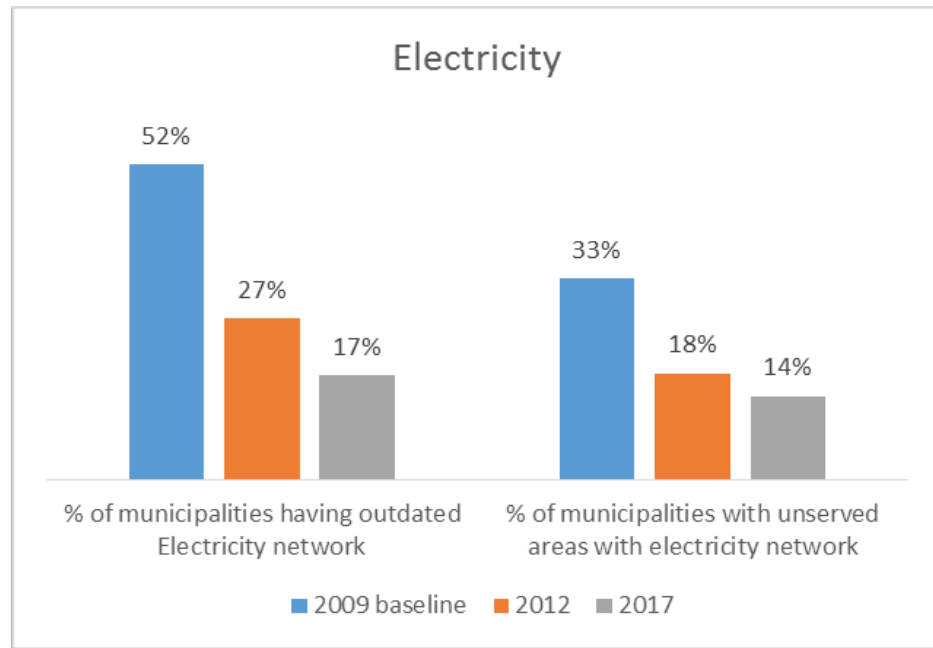
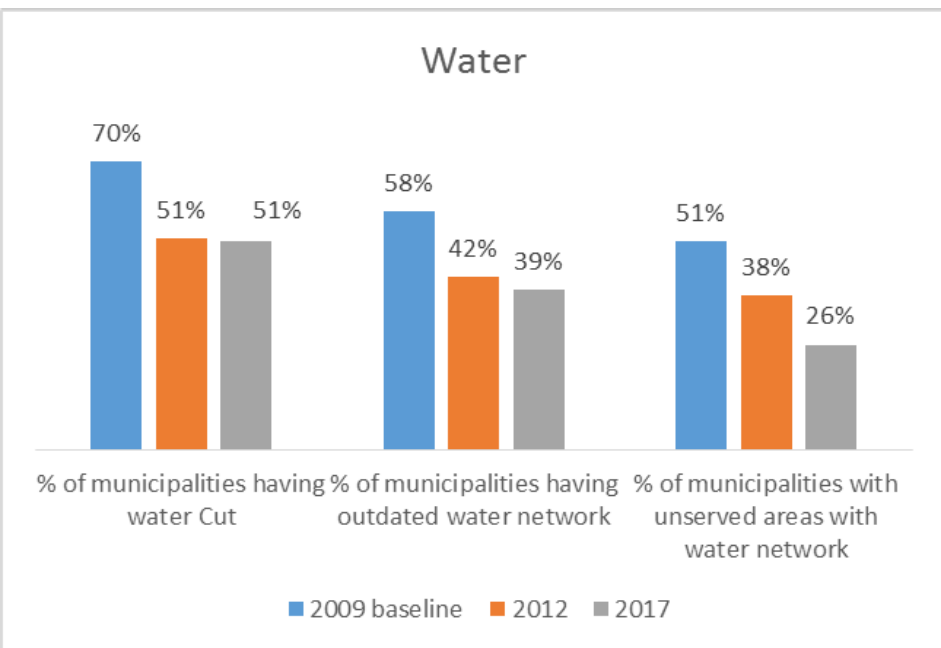
Achievements.....Public Disclosure Figures (2012 vs 2014) – SA framework

	2012		2014	
SDIP disclosure	119 out of 133	89%	135 out of 135	100%
Municipal budgets disclosure	75 out of 135	56%	112 out of 138	81%
Ranking disclosure	89 out of 135	66%	127 out of 138	92%
SDIP execution disclosure	66 out of 133	50%	129 out of 135	96%
Municipal Investments disclosure	107 out of 135	79%	126 out of 138	91%
External Audit disclosure	41 out of 64	64%	76 out of 105	72%



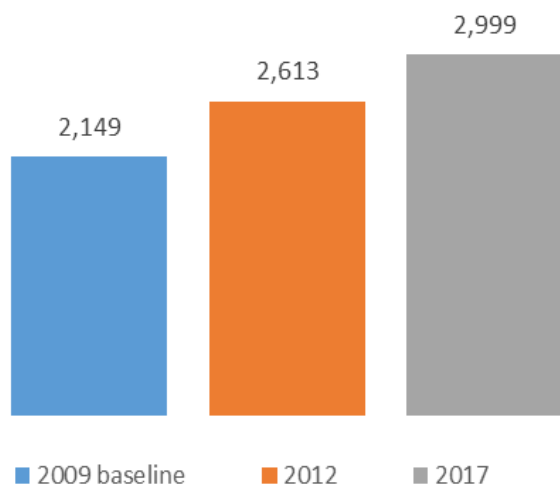
<i>Achievements -----Services Delivery Figures (MDLF/PCBS survey at the municipal level)</i>				
Indicator		2009 baseline	2012	2017
Water	% of municipalities having water Cut	70%	51%	51%
	% of municipalities having outdated water network	58%	42%	39%
	% of municipalities with unserved areas with water network	51%	38%	26%
Electricity	% of municipalities having outdated Electricity network	52%	27%	17%
	% of municipalities with unserved areas with electricity network	33%	18%	14%
Sanitation	% of municipalities with sewerage networks	27%	27%	31%
	Length of sewerage networks (Km)	2,149	2,613	2,999
	No. of wastewater treatment plants	9	12	17
Solid waste collection and disposal	% of municipalities with irregular solid waste collection	50%	27%	17%
	% of municipalities with lack of SW containers	86%	78%	69%
Access to Roads	Length of paved roads in good condition (Km)	9,132	9,986	10,832
Access to green spaces and sport facilities	Availability of municipal park/garden (No.)	77	82	105

Achievements -----Services Delivery Figures (MDLF/PCBS survey at the municipal level)

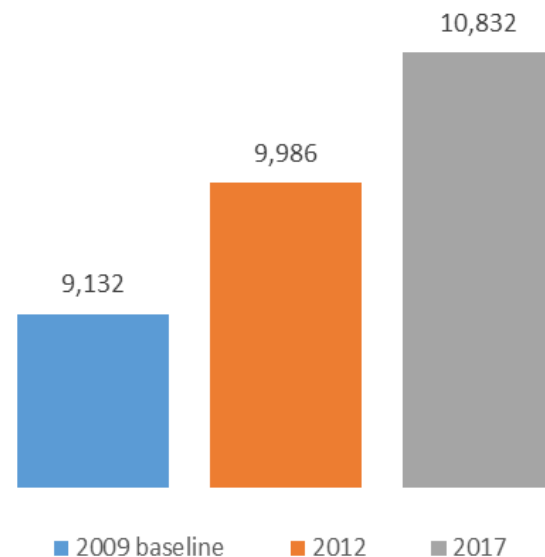


Achievements -----Services Delivery Figures (MDLF/PCBS survey at the municipal level)

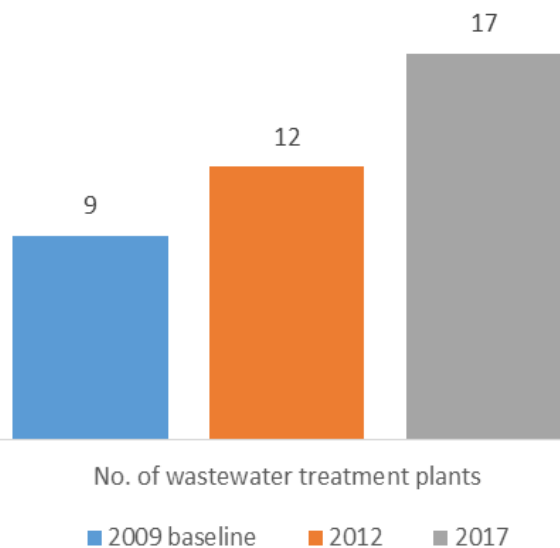
Sewerage (Length of sewerage municipalities networks "Km")



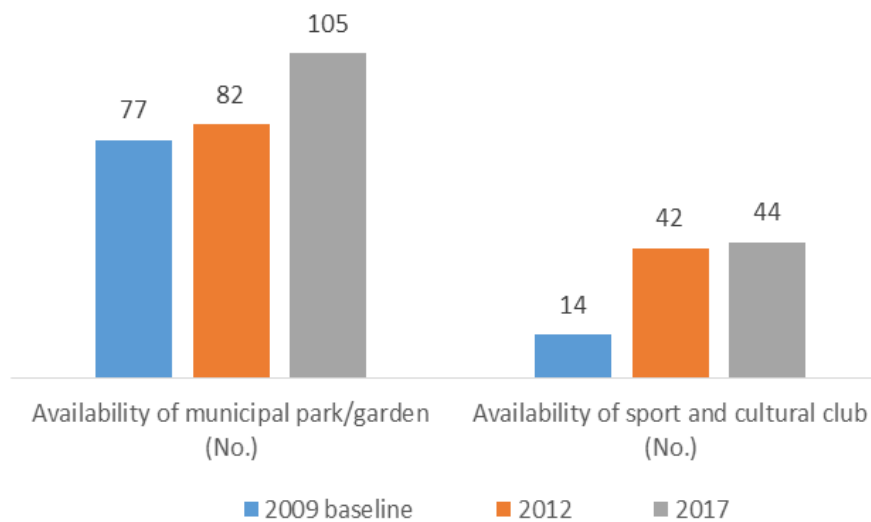
Roads (paved roads in good condition - "Km")



Sewerage (Municipalities Treatment Plants)



Access to green spaces and sport facilities



Use of Technology for better services delivery

- E-municipality
- Citizens services centers with process re-engineering
- Automated financial software (IFMIS/RMIS)
- Operation and maintenance software
- Readable budgets to be disclosed on a web-portal
- Use of web portal for budget submission and approval
- Use a web portal for updating and disclosing the municipalities strategic development and investment plans.

Thank You ...!!!