USAID
FROM THE AMERICAN PEOPLE

Palestinian Authority Capacity Enhancement Project

Quarterly Report: Year 3, Quarter 4

Annual Report: Fiscal Year 2011

Palestinian Authority Capacity Enhancement Project

Quarterly Progress Report: July 1, 2011 through September 30, 2011

Annual Report: October 1, 2010 through September 30, 2011

SUBMITTED BY CHEMONICS INTERNATIONAL
October 15, 2011

Contract No. **DFD-I-06-05-00219-00**
PACE No. **FO-D-2011-046**

DISCLAIMER

This report is made possible by the support of the American People through the United States Agency for International Development (USAID.) The contents of this report are the sole responsibility of Chemonics International, Inc. and do not necessarily reflect the views of USAID or the United States Government.

Contents

Acronyms 1

1.0 Quarterly and Annual Highlights 2

2.0 Challenges and Responses 4

3.0 Citizen Service Facility Upgrades 4

4.0 Institutional Capacity Building/Centers of Excellence 5

5.0 Ministry Specific Interventions 7

5.1 Ministry of Finance 7

5.2 Ministry of Interior 8

5.3 Ministry of Public Works and Housing 10

5.4 Ministry of Telecommunication and Information Technology 12

5.5 Ministry of Transportation 14

5.6 Central Election Commission 15

6.0 Cross-cutting Activities 16

7.0 Strategizing for the Future 18

Annex I: Selected Project Highlights 19

Annex II: FY2011 Performance Management Plan Results 21

Annex III: Training Activities, July 1 through September 30, 2011 31

Annex IV: Accruals Report, July 1 through September 30, 2011 32

Acronyms

CEC	Central Election Commission (Palestinian)
COE	Centers of Excellence
CSO	Civil Society Organization
GPC	General Personnel Council
MOF	Ministry of Finance
MOPAD	Ministry of Planning and Administrative Development
MOPWH	Ministry of Public Works and Housing
MOI	Ministry of Interior
MTIT	Ministry of Telecommunications and Information Technology
MOT	Ministry of Transportation
NSC	National Steering Committee (for Centers of Excellence)
PA	Palestinian Authority
PACE	Palestinian Authority Capacity Enhancement project
SAACB	State Audit and Administrative Control Bureau
USAID	United States Agency for International Development

1.0 Quarterly and Annual Highlights

The Palestinian Authority Capacity Enhancement (PACE) project finished three years of operation on September 26, 2011 and was granted a no-cost extension to December 30, 2011. The project builds the capacity and improves citizen services with five ministry partners: Ministry of Finance (MOF), Ministry of Transportation (MOT), Ministry of Public Works and Housing (MOPWH), Ministry of Telecommunications and Information Technology (MTIT), and Ministry of Interior (MOI) Civil Affairs Directorate. At the request of USAID, PACE also provided assistance to build the communications and public outreach capacity of the Palestinian Central Elections Commission (CEC) during Year 3.

PACE completed all major activities in the Year 3 Work Plan, with the exception of activities transferred to new projects with USAID approval and smaller, sub-activities that were adjusted for programmatic reasons. Selected highlights of overall project achievements are included below, and details on achievements by work plan area are described in the remainder of the report. The annexes include the year-end PMP summary, training matrix, and summary of financial performance.

PA Employees Take Sustainable Ownership of Government Reform

PACE launched the Centers of Excellence (COE) program in 2009 as a civil-service-led reform and change-management initiative. Teams of approximate 25 civil servants from each of the five ministry partners embarked on program orientation, training in basic principles of citizen-centric good governance, and assessed the capabilities of their ministries in core institutional areas. Based on the self-assessments results, they identified, prioritized, and implemented reform solutions. Exceeding expectations, teams in all five partner ministries and have implemented or are implementing more 60 reform initiatives, many of which with limited or no project support. By the end of the year, each ministry also developed and implemented a plan to sustain the program into the second cycle as a regular part of ministry operations, started selecting new team members, and with PACE assistance, created a National Steering Committee (NSC) to drive excellence and the expansion of COE across the PA.

The dedication of ministry COE team members is matched by high level support to continue the program from Prime Minister Dr. Salam Fayyad and senior leaderships of each ministry partner. In a graduation ceremony for MOPWH team members in October 2011, Dr. Fayyad re-iterated his support for the continuation of the COE program, saying, “The Centers of Excellence program is extremely valuable for PA institutions to achieve high levels of performance by civil servants …,” adding, “The improvement in service delivery and the expansion of the culture of excellence within PA institutions demonstrates the very commitment of our own government to providing the best possible services we can." At the end of the quarter, other PA institutions approached the Cabinet and project to become part of the COE initiative, including the General Personnel Council (GPC) and the State Audit and Administrative Control Bureau (SAACB), further indicating PA ownership and credibility of this initiative.

Integrated Service Improvements Yield Gains in Citizen Satisfaction

PACE uses an integrated approach to improve the services that the PA provides to citizens throughout the West Bank. Interventions, many of which came to fruition in Year 3, included refurbishment of citizen service centers, technology upgrades, documentation and improvement of

operating procedures, customer service and other training, and communications campaigns. In Year 3, the project completed refurbishment and technology upgrades for five citizen service centers, bringing the life-of-project total to 16 centers, and improved operating procedures for property tax and other MOF services, driver and car licensing, civil affairs and passport issuance, and other areas to increase internal efficiency and effectiveness. It also completed assistance to re-launch road repair units in the West Bank and increased the capacity of the MOPWH to design and repair roads using modern technology.

While a great deal of work remains to be done, these interventions are starting to yield gains in terms of operational efficiency and customer satisfaction. Average customer satisfaction across ministry partners, measured as part of the project's performance monitoring plan, was up by over 14 percent from 2009 to 2011 in targeted citizen service centers. The increase was 22 percent at selected MOI offices, 18 percent at selected MOT offices, and 13 percent at selected MOF offices. Increased satisfaction with the MOPWH roads department was lower, at 3 percent, but this result may be complicated by lack of understanding among the citizens that the ministry is only responsible for a limited number of roads in the West Bank, with the remainder falling under joint Palestinian-Israeli or municipal control. The improvement in PA services has been noted as a major accomplishment in independent reports and publications from the World Bank, United Nations, and others.

Ministry Commitment and Project Synergies Allow for Greater Impact with Fewer Resources

Partner ministries have started leveraging USAID/PACE assistance to extend reform and capacity building initiatives, multiplying project impact. Over the course of Year 3, PACE increasingly moved from a position of leader of initiatives, to coach and mentor. Nowhere is this more apparent than with documentation and improvement of operating procedures. In the initial two years of the project, the project's embedded advisors and business process re-engineering (BPR) team drove the process of documenting and improving procedures, engaging a wide range of ministry employees. As Year 3 progressed, ministry teams started identifying additional procedures and approaching PACE for limited technical assistance. At MTIT and MOF, for example, ministry teams, created with PACE support, completed the development of overdue procedures manuals and are now drafting additional manuals, using PACE training, templates, and mentoring. Ministry partners also started contributing to the costs of communications campaigns, and, in some cases, funding and executing these campaigns themselves, again using skills learned from PACE.

At the project implementation level, PACE also increased operational efficiency during Year 3 by leveraging cooperation with other projects, such as USAID's newly created Investment Climate Improvement (ICI) project, and overall coordination between Chemonics projects operating in the West Bank, conserving valuable funds while successfully completing work plan activities. With USAID approval, these efficiency gains and synergies allowed the project to undertake additional activities within the same obligation of funds, including providing assistance to the Central Election Commission (CEC) and exploring ways in which the project could strengthen professional and academic educational programs in public administration and public policy in a potential extension period. Efficiency gains also allowed PACE to extend operations on a no-cost basis during the current delay in the obligation of new funds to projects in the West Bank/Gaza USAID mission.

2.0 Challenges and Responses

The major challenge facing the project during the fourth quarter and entire Year 3 remained political uncertainty at the level of senior PA leadership, as well as recent uncertainty about when and if new funds will be obligated to continue project operations. In terms of PA leadership, several events during the year caused uncertainty about a possible cabinet shake-up, most notably the Spring announcement of the reconciliation agreement between Fatah and Hamas. Prior to that point, there were also frequent rumors of ministerial changes. At points, this situation led to partial disengagement or inattention on the part of ministers and deputy ministers. PACE was able to maintain momentum because its relationships extend throughout all ministry levels. PACE's civil servant partners have also maintained their dedication to realizing project goals and objectives throughout the year, allowing the project to complete all major work plan activities despite these challenges.

These relationships and PACE's civil-servant-led approach is also allowing it to maintain momentum during the current uncertainty surrounding funding. While some new activities are on hold, the project team continues to work with all levels of ministry staff to move forward to launch the second COE cycle and continue business process re-engineering initiatives, among other activities.

3.0 Citizen Service Facility Upgrades

Building on the success of the 11 citizen services center upgrades completed in years one and two, the project completed an additional five offices as planned during FY2011. Refurbishment contributes to the overall customer service focus on PA institutions and constitutes one of the most visible contributions of the PACE project. Specifics of each office upgrade are discussed in the institutional sections of this and other quarterly reports.

The improvements follow the same tenets as the previous renovations with citizen centric designs and improved work environments for employees. The locations were selected in collaboration with USAID based on ministry needs and potential for impact. The project also considered a ministry's willingness for increased institutional development and progress achieved within the project's COE program to select facilities. The five offices refurbished and re-opened in FY2011 area are:

- MOF Property Tax Department, Nablus
- MOF Large Taxpayers Office, Ramallah
- MOT Licensing Bureau, Jenin
- MTIT Post Office, Bethlehem
- MOI Civil Affairs Office, Jericho

4.0 Institutional Capacity Building/Centers of Excellence

With PACE facilitation and assistance, all five ministry partners completed the first full cycle of the COE program. The COE program began in 2009 with the introduction of the theoretical framework, analytical materials, implementation guidance, and international best practices in government to the COE teams formed in each partner ministry. Over the course of Year 3, COE teams completed self-assessments in the five COE criteria areas, completed and/or are implementing more than 60 transformation solutions, developed ministry-level sustainability plans, and began the process of planning for the second COE cycle, including selecting new team members. In addition, PACE helped ministry representatives develop the structure and operating procedures for a COE National Steering Committee. The Council of Ministers led by Prime Minister Dr. Salam Fayyad issued a decree creating the committee and is currently considering bylaws developed jointly by NSC and PACE. Also at the end of the quarter, PACE initiated discussions with USAID about extending the COE program to additional partners under a potential project extension period. This section discusses overall COE program accomplishments. Individual ministry accomplishment are included in Section 5.0.

Despite challenges from within their institutions and the uncertainty of the political environment, all five ministry teams have made considerable progress to achieve both meaningful results and sustainability for the program, contributing to the achievement of the adoption of COE as the primary means of driving internally-led institutional reform within the PA.

Quarter Accomplishments

- Submission of bylaws for the COE National Steering Committee to the Council of Ministers, defining the role of the committee to support program sustainability
- Ongoing implementation of a total of 18 transformation initiatives (bringing the total number of transformation initiatives attempted to 61), combining ministry and PACE resources
- Completion of an additional 8 transformation initiatives (bring the total completed to 43), some of which were implemented by ministry partners with PACE support
- Implementation of Phase 5 COE ministry reporting mechanism, establishing basis for ongoing reporting and monitoring and evaluation of COE effectiveness as a ministry program. This effort included the use of an external facilitator to collect team and broader ministry employee feedback on ministry implementation of the program
- Start of Cycle 2 COE team selection using a more open and transparent recruiting and selection process, ensuring ongoing renewal and institutionalization of the COE program on the ministry level

Sustainable Outcomes

Long-term COE sustainability building efforts focus on establishing a foundation for COE continuity on both the ministry level and the national level. The project team continues to work hand in hand with PA counterparts, providing guidance and playing an advisory role in support of PA employees' efforts. This approach is consistent with the vision established at the COE national conference held in 2010.

The team focused on the establishment of a legal mandate and operating guidelines for the COE NSC to actively promote the COE approach as a comprehensive means of implementing internally-driven government reform. The team supported the NSC as it drafted and submitted bylaws for its operation as a legal PA entity. The Council of Ministers received these bylaws, and has raised them to the attention of the Prime Minister. The NSC is currently awaiting feedback and final approval. As defined in the bylaws, the committee will serve in a coordination and advocacy role to support implementation and expansion of the COE program to achieve excellence in the Palestinian public sector.

The project team continues to guide this body. As part of its support , the project began engaging the NSC to plan the third annual national COE conference as a discussion and consensus-building forum for the council to present and discuss its mandate with new and old ministry COE team members. PACE anticipates that this conference will be held sometime in early 2012.

Ministry-level sustainability activities continue to build upon established ministry agreements on the value of the program and commitment to continue the COE program. Based on the ministries' approved sustainability plans, all five ministries are currently selecting their teams for the next COE cycle, with training and orientation activities scheduled to launch in the next quarter. The increase in openness and transparency in team selection highlights the impact the program is having on the operational culture within ministries and serves as a tangible milestone demonstrating PA ministry commitment.

Program Design and Strategy

Program design and strategy work continues, building upon the vision and internal implementation plans established and tested in the previous year. Due to the project environment, considerable energy has been devoted to making sure this work can be adapted quickly for changing circumstances and demands. This quarter, the focus was on the following:

- Program and material design for the launch of COE cycle 2 for both current ministry partners and any additional future ministry partners. Based on ministry feedback, the program has been streamlined to less than half the workshop time and now integrates practical application of self-assessment tools directly into the workshop structure. This training element then will continue to be reinforced by in-ministry project staff coaching of ministry COE team members as they move back to their ministries to continue the self assessment data collection activities.
- Development and introduction of work planning activities and deliverables for the NSC. The work plan focuses on both the tactical and enabling environment levels, with the expectation that the project will actively support NSC work as the lead advocate and guide for future implementation and expansion of the COE program

5.0 Ministry Specific Interventions

5.1 Ministry of Finance

In partnership with PACE, the MOF completed major reforms and other initiatives during FY2011. Major achievements include completion of the first full COE cycle and institutionalization of a sustainability plan for the COE program, documentation of new procedures for core operating functions, evaluation of the implementation of operating procedures developed previously, and refurbishment and opening of a large-taxpayer's office in Ramallah and Property Tax office in Nablus. PACE also coordinated effectively with other USAID funded efforts, including transferring technical assistance to the Income Tax Department to the newly created USAID-funded Investment Climate Improvement (ICI) project and leveraging new skills amongst the COE team to help review and modify the current organizational structure for the Customs Department, partnering with the USAID-funded Trade Facilitation (TFP) project.

Major fourth-quarter accomplishments are described below.

Re-Opening Property Tax Office in Nablus

After redesign and refurbishment provided through PACE, the MOF re-opened the Nablus Property tax office in July 2011. The office serves the entire Nablus area, as well as surrounding towns and villages. In additional to paying taxes, property tax offices also serve as de facto registries for approximately 70 percent of land in the West Bank, making them very important for both tax collection and economic development. The Hebron property tax office was refurbished and reequipped in FY2010, and the large taxpayer office was opened in Ramallah during the third quarter of FY2011.

Institutionalizing COE

As a major step toward ensuring COE sustainability for the long run, MOF Deputy Minister Mona Al Masri approved the COE Institutionalization Plan developed by the ministry COE team. This plan establishes mechanisms to sustain the program and provides a methodology to select, motivate, and establish policies for subsequent COE teams. The deputy minister emphasized the importance of transparency by offering all ministry employees an equal chance to participate in the program. The MOF COE team also documented the ministry's experience and lessons learned to transfer knowledge to the next COE cycle. PACE facilitated and mentored the MOF team throughout the quarter and year, while also ensuring that MOF teams take ownership of the program.

Palestinian National Authority
Ministry of Finance
General Directorate for Administrative & Financial Affairs

Promoting Institutional Values

With PACE assistance, the ministry implemented several reforms identified during the COE self-assessment and transformation phases, including the following:

- Developed mission and vision statements, as well as targeted objectives. These documents were approved by the Deputy Minister. The vision reinforces the ministry's dedication to

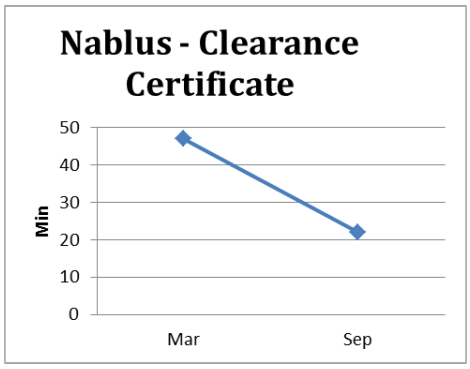
managing public finances and stresses integrity and transparency. It was distributed to all ministry staff.

- Developed knowledge management strategic plan focused on two specific tasks: (1) creation of governmental e-mail accounts for ministry staff instead of using accounts, and (2) collection of data about the skill and qualifications of the ministry staff, which is still underway.
- Developed quarterly reports highlighting budgeted development projects for all PA institutions and financial status for each project, and uploaded the reports on the ministry website, allowing public access to key government budget information.

Streamlining and Improving Service Delivery

Building on the work of the COE process team, the MOF completed five new procedures manuals during the quarter with PACE assistance and coaching. With training from the MOF process team and coaching from PACE, the MOF started developing additional procedures manual for the finance and administration department at the end of the quarter. Development and implementation of the new manuals demonstrates the sustainability of in-house capacity to monitor, evaluate, and improve processes in the future.

Monitoring and Evaluating Implementation of New Procedures



MOF and PACE monitored the implementation of property tax operating procedures across West Bank offices. A brief report was prepared about these visits and submitted to the Property Tax Director General. The report highlighted observations to strengthen and consolidate property tax procedures, improve service delivery, and create standardized services. During field visits, the PACE-MOF team noticed that procedures manuals have become an effective communication tool between ministry offices, as well as between employees and citizens seeking services, increasing transparency and accountability. The report showed improvements between field visits to the Jenin and Nablus offices in March 2011 and September 2011. For example, it took 47 minutes to issue clearance certificates in March at the Nablus office, and only 22 minutes in September, a 53% improvement. In Jenin, it took 54 minutes to issue a certificate in March, and only 32 minutes in September, a 41% improvement. Other services also improved in both offices: Tax collection service improved by an average of 22%, and profession licensing was faster by an average of 12%. Overall customer satisfaction with the three services improved by an average of 23% in both offices.

5.2 Ministry of Interior

The PACE team completed all major work plan activities in partnership with the Ministry of Interior under the FY2011 Work Plan. Major achievements include opening the refurbished and re-equipped Civil Affairs Office in Jericho; introduction of an improved procedures manual for the issuance of passports; institutionalization of a new system to measure customer and employee satisfaction; completion of nine reform initiatives identified during the COE process; and implementation of a

sustainability plan for the COE program. Major accomplishments during the fourth quarter are described below.

Improving Service Delivery

USAID West Bank/Gaza Director Mike Harvey, Jericho Governor Majed Fatyani, and Deputy Minister of Interior Hassan 'Alawi re-opened the Ministry of Interior's Civil Affairs Service Center in Jericho. PACE provided substantial renovations, furniture, and upgraded IT equipment to improve the quality of services. The facility serves more than 30,000 citizens in the Jericho governorate, as well as Palestinians crossing to and from Jordan via the Allenby Bridge. The office also received new queuing and camera systems during this quarter. The queuing system will assist in customer management and greatly improve the ability to deliver services by allowing citizens to take a number and sit in a comfortable waiting area, rather than standing in line. The system will also improve the ability to provide information on the most requested services, determine wait times, and identify rush hours. The camera system will improve security.

PACE and the MOI also completed an improved version of the operational procedures manual for the Passports Control Department. Efforts began by documenting and unifying the procedures implemented in 14 MOI offices across the West Bank in FY2010, followed by process analysis and streamlining and adaptation of procedures to account for the introduction of new technology. These efforts culminated in the fourth quarter of FY2011 in a workshop for representatives from the MOI headquarters and passport departments throughout the West Bank to finalize the procedures manual, which was subsequently approved by Deputy Minister Hassan 'Alawi. The improved procedures will speed passport processing times and increase standardization and transparency of services throughout the West Bank.

13 | محليات | الخميس ١٤/٧/٢٠١١ - العدد ٥٦٤٠
Thursday 14 July 2011 - No.5640

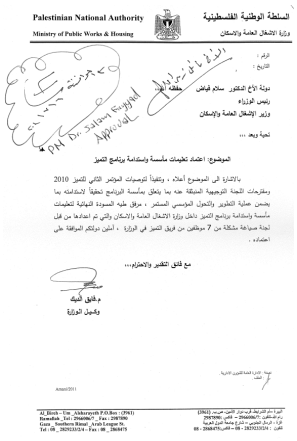
وزارة الداخلية تفتتح مقر مديريتها في اريحا

Measuring Customers and Employees Satisfaction

Ministry COE team members conducted a survey to measure consumer and employee satisfaction based on techniques learned through PACE. A total of 385 citizens who received services from civil affairs and passports departments, as well as 71 ministry employees, were surveyed. The survey results showed improved service delivery, as well as improved employee motivation and efficiency. Of the citizens surveyed, 59.4% stated that service delivery in the Civil Affairs and Passport Control Department has improved, and 97.4% stated that ministry staff performance and responsiveness has improved. Among employees, 70% of those surveyed stated that they have job descriptions, and 52% stated that their job descriptions match their actual duties.

Institutionalizing COE at the Ministry

During this quarter, Deputy Minister of Interior Hasan ‘Alawi approved the sustainability plan submitted by the ministry COE team. The plan internalizes the COE process into annual ministry operations and is facilitating the launching of the second reform cycle with minimal PACE support. The plan also includes procedures for identifying future members and the time commitment required. PACE helped in drafting the plan and continues to provide assistance to ensure the sustainability of the COE program.


Palestinian National Authority
Ministry of Public Works & Housing

السلطة الوطنية الفلسطينية
وزارة الأشغال العامة والإسكان

الرقم :
التاريخ :

دولة الأخ الدكتور سلام فياض حفظه الله
رئيس الوزراء
وزير الأشغال العامة والإسكان

تحية وبعد ...

الموضوع : اعتماد تعليمات مأسسة واستدامة برنامج التميز

بالإشارة الى الموضوع أعلاه ، وتنفيذاً لتوصيات المؤتمر الثاني للتميز 2010 ومقترحات اللجنة التوجيهية المنبثقة عنه بما يتعلق بمأسسة البرنامج تحقيقاً لاستدامته بما يضمن عملية التطوير والتحول المؤسسي المستمر ، مرفق طيه المسودة النهائية لتعليمات مأسسة واستدامة برنامج التميز داخل وزارة الأشغال العامة والإسكان والتي تم اعدادها من قبل لجنة مساعدة مشكلة من 7 موظفين من فريق التميز في الوزارة ، أتمنى دراتكم الموافقة على اعتماده .

مع فائق التقدير والاحترام...

د.فايق المبيك
وكيل الوزارة

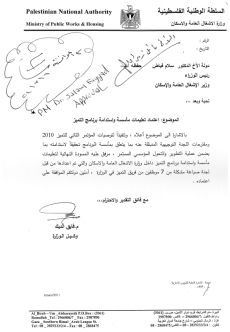
During the final month of the fiscal year, the ministry received 30 applications to participate in the second cycle of the COE program. By emphasizing the importance of such a program, the ministry was able to attract a diverse pool of applicants from all governorate offices across the West Bank. The new COE teams were being selected by the deputy and his four assistants using an objective and transparent process.

Completing a New Strategic Plan and other Transformation Initiatives

The ministry also finalized its strategic plan, including a clear vision and mission. The plan includes the ministry’s core values, strategic objectives, performance goals, and specific interventions for the years 2011 through 2013. The plan was circulated to the entire staff to ensure transparency, accountability, and access to information. It was developed by ministry COE teams as one of 10 transformation solutions currently being implemented.

5.3 Ministry of Public Works and Housing

PACE completed all major FY2011 Work Plan activities with the MOPWH. Major accomplishments during the year included continued establishment of sustainable road repair units; completion of repairs and the re-opening of a cold asphalt plant; introduction of a Geographical Information System (GIS) to monitor road conditions and plan repairs; improvement in ministry capacity to survey and plan road construction; implementation of 12 reforms identified during the COE process, including the ministry’s first-ever survey of employees and contractors; approval of a COE sustainability plan; and launch of team selection for the second COE cycle. Major accomplishments during the fourth quarter are presented below.


Palestinian National Authority
Ministry of Public Works & Housing

السلطة الوطنية الفلسطينية
وزارة الأشغال العامة والإسكان

الرقم :
التاريخ :

دولة الأخ الدكتور سلام فياض حفظه الله
رئيس الوزراء
وزير الأشغال العامة والإسكان

تحية وبعد ...

الموضوع : اعتماد تعليمات مأسسة واستدامة برنامج التميز

بالإشارة الى الموضوع أعلاه ، وتنفيذاً لتوصيات المؤتمر الثاني للتميز 2010 ومقترحات اللجنة التوجيهية المنبثقة عنه بما يتعلق بمأسسة البرنامج تحقيقاً لاستدامته بما يضمن عملية التطوير والتحول المؤسسي المستمر ، مرفق طيه المسودة النهائية لتعليمات مأسسة واستدامة برنامج التميز داخل وزارة الأشغال العامة والإسكان والتي تم اعدادها من قبل لجنة مساعدة مشكلة من 7 موظفين من فريق التميز في الوزارة ، أتمنى دراتكم الموافقة على اعتماده .

مع فائق التقدير والاحترام...

د.فايق المبيك
وكيل الوزارة

Sustaining the COE Program

Acting Minister of Public Works and Housing Dr. Salam Fayyad approved the COE sustainability plan submitted by the ministry team. The plan internalizes the COE process into annual ministry operations and facilitates the launch of the second reform cycle independent of PACE support. The ministry plan includes procedures for identifying future members and the time commitment required. PACE helped in drafting the plan and continues to provide assistance to ensure the sustainability of the COE program. At the end of the quarter, and as stipulated in the sustainability plan, the MOPWH decided to maintain current COE team to run the new COE cycle with the caveat

to gradually engage new members during the implementation of the self assessment and transformation phases.

Measuring Contractor and Employee Satisfaction

Deputy Minister, Fayeq Al-Deek approved the formation of a team to measure costumer and employee satisfactions on a permanent basis, building on a PACE technical assistance initiative. During this quarter, the ministry conducted the first customer and employee satisfaction surveys, surveying 160 contractor representatives and 370 ministry employees. The charts below show results of the survey for both the contractors and employees.

Contactors Indicators	**Percent Satisfied**
The ministry location	69.60
Contractors satisfaction with the ministry staff performance	80.40
Contractors satisfaction with the ministry services	72
Contractors satisfaction with work procedures	82.30
Customer satisfaction with the financial procedures	41
Contractors satisfaction with the ministry communication tools	38 satisfied 43 neutral

Contractor feedback:

Most of ministry staff showed improved costumer serves skills when they receive contractors in their offices;
Most of ministry staff provided logistic supports to contractors, e.g. Allow them to use the photocopier machine and faxes;
An average of 70% of the contractors said that there is proper communication with the ministry staff.

Employees Indicators	**Percent Satisfied**
Job tasks	83
Training	58
Regulations and procedures	56
Work relation between mangers and staff	53
Relation with the citizens	82
Work environment	73

Employee Feedback:

More than half of the ministry staff has credentials;
Most ministry staff thinks that they have clear job description;
Most ministry staff needs clarity in relation to the training plan;
More than half of the ministry staff thinks that the work environment is adequate.

Improving Infrastructure

Road repair units in Hebron, Nablus, and Ramallah continued to conduct small-to-medium sized operations in the West Bank during this quarter. The units used material produced at the cold asphalt plant in Nablus to repair a number of potholes, improving commuter safety. The asphalt was produced at a plant previously refurbished by PACE with the raw material provided by the ministry. PACE continues to monitor the success of the units and provide assistance

when needed/possible. In addition, PACE invested in establishing a GIS system to track road conditions and repair statues from 2009 to 2011. To continue and guarantee sustainability, a ministry team conducted field visits to governorate offices to coach engineers on how to survey road condition and update the GIS road maintenance and management support system. These coaching sessions were financed by the ministry's own budget. In light of recent decision by MOF to withhold approximately $6 million originally earmarked to support the operations of the RRUs due to financial constraints, it is likely that the ministry will seek donor support to ensure sustaining the work of the units.

Building Internal Capacity

During the fourth quarter, MOPWH announced a new policy under which external donors would be asked to set aside eight percent of the total value of grants for internal capacity building in the ministry. After being targeted by a wide range of PACE capacity building interventions, the new policy is a clear indication that ministry leadership sees the benefit of building internal capacity and achieving better results.

5.4 Ministry of Telecommunication and Information Technology

PACE completed all major activities under the FY2011 Work Plan for MTIT. The Palestinian postal system continued to implement business and branding strategies, successfully building on PACE assistance earlier in the project. In addition, PACE continued to help the postal service implement modern, electronic systems for tracking packages, and the ministry re-opened the Bethlehem Post Office, refurbished and re-equipped with USAID assistance. Finally, MTIT completed the first COE cycle, including implementation of more than 10 different reform initiatives, and approved a plan for selecting new COE team members and sustaining the program with limited external support. Earlier in the year, PACE helped MTIT develop a postal code system, which is currently being presenting on ministry website to solicit feedback from citizens and concerned stakeholders to ensure that future utilization of the system serves the needs of the community at large. The postal code system was welcomed by public and private sector IT service providers and utilities as a standardized method for dividing up service units and delivering bills. Major fourth quarter accomplishments are described below.

Re-Opening of the Bethlehem Post Office

MTIT re-opened the Bethlehem post office after completion of major refurbishments funded by PACE. The office sits on Manger Square and serves as a flagship office for the entire postal system. The facility serves the 180,000 citizens of Bethlehem, along with the hundreds of thousands of tourists who visit annually.

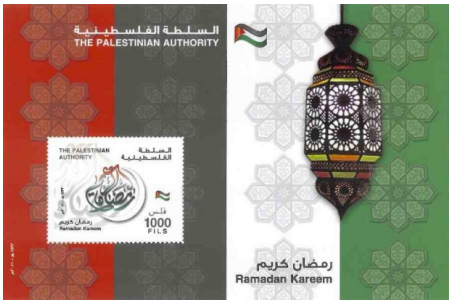
Before refurbishment, front desk employees were located behind a protective cage and the sorting area made work difficult for postal employees. The entire space was reconfigured to provide a more convenient customer service area and more efficient working areas for the employees. The design also takes into account the potential for additional private sector and governmental services that might be offered through posts office in the future. The Nablus post office was refurbished earlier in the year with PACE assistance. Building on its experience with PACE, MTIT refurbished the post office in downtown Hebron using its own funds.

Improving Services and Financial Sustainability in the Palestine Postal System

With PACE support, Palestinian Postal Service started implementing electronic system to track packages, part of preparing to implement international mail delivery standards. PACE purchased bar code readers, labeling technology, and scanners, and MTIT supplied desk-top computers, photocopiers, and other needed equipment. The new system is improving parcel tracking and helping predict delivery times.

MTIT signed an agreement with the second largest mobile service provider in the West Bank and Gaza, Wataniya Mobile. Wataniya will offer services at all post offices in the West Bank, creating an additional revenue stream. Wataniya conducted training for 100 postal workers covering the new services and sales techniques. In FY2010, PACE helped MTIT develop a commercial strategy for the postal service, part of which was recommendations to develop marketing and service agreements with private-sector companies.

Promoting a the Post Office Brand



During this quarter, the Palestinian Postal Service continued effort to promote domestic express mail, a service re-launched with PACE support. The postal service also continued to implement efforts defined by a business and branding plans developed in FY2010 with PACE assistance. During Ramadan, the postal service produced and released a special set of stamps to the general public, demonstrating new marketing techniques. In addition, the postal service printed a high-quality brochure with information about the Ramadan stamps and rebirth of the postal service generally. MTIT used its own funding sources and internal capacity to produce both the Ramadan stamps and brochure, showing commitment to improve its image and provide quality customer service.

Strengthening Core Ministry Functions and Improving Public Information

PACE and the ministry cooperated to create a service guide including 42 services for licensing IT service providers, postal services, and other services handled by the ministry. PACE is currently working with the ministry to ensure the implementation and dissemination of the service guide to ministry employees, IT and telecommunications service providers, and the general public.

Building on the work of the MTIT COE process team and PACE business process re-engineering work, the ministry asked for limited assistance writing procedures for 13 additional departments, including administration and finance, planning and development, legal affairs, licensing services, postal services, monitoring and internal audit, management information systems, and electronic government, among others. MTIT team members are taking the lead, using templates, training, and limited technical assistance from PACE.

Sustaining the COE Program

MTIT announced a plan to sustain the COE program and the start of the application process for the second cycle. Minister of Telecommunication and Information Technology Dr. Mashhour Abu Daqqa encouraged the staff to apply for the COE program in a letter published with the application on the ministry website. These efforts show the ministry's interest in continuing the program with minimum PACE support, as well as to a transparent application process open to all staff. At the end of the quarter, 26 applications were received for the second COE cycle. The announcement of team members is expected in October.

5.5 Ministry of Transportation

PACE completed all major activities in the FY2011 Work Plan for the MOT. The only exception was full implementation of one task with the Higher Council for Traffic, institutionalization of a road safety audit system, which was put on hold after discussions with USAID due to weak commitment from council leadership and other PA stakeholders. Major achievements during the year included the reopening of the Jenin licensing bureau, introduction of automated drivers' license testing in pilot locations, finalization and implementation of new procedures for licensing bureaus throughout the West Bank, completion of the first cycle of the COE program, and institutionalization and launch of the selection process for the second COE program cycle under ministry leadership. Major accomplishments during the fourth quarter area summarized below.

Improving Licensing Bureaus

The MOT re-opended the car and driver licensing bureau in Jenin, following extensive refurbishment and equipment upgrades provided by USAID through the PACE project. Prior to refurbishment, the customer service areas were unwelcoming and inefficient, as were employee offices. PACE redesigned the customer waiting areas, counter space, offices, and filing room. The project also provided upgraded IT equipment, including a queing system and automation of the written test for drivers licenses (see below). The MOT refurbished areas around the building, including re-paving the parking and car testing area. USAID Director Mike Harvey and Minister of Transportation Dr. Saadi Al-Krunz opened the center at the end of May. The remaining IT equipment was delivered during the fourth quarter. This is the fourth licensing bureau refurbished and re-equiped with project assistance in the last two years.

Sustaining the COE Program

During the fourth quarter, the ministry approved the plan to sustain the COE program and launched the application process for the second COE cycle. The MOT team posted the application for COE team membership on its website, with a letter from Minister of Transportation Dr. Saadi Al-Krunz encouraging staff to apply. The application process is the first step in the MOT's plan to lead the second COE cycle with minimal assistance from PACE. The ministry received 25 applications and will announce finalists in early October. In accordance with the MOT's plan for sustaining the program, the new teams are being selected using an objective and transparent criteria.

بسم الله الرحمن الرحيم

السلطة الوطنية الفلسطينية
وزارة النقل والمواصلات
برنامج مراكز التميز

Palestinian National Authority
Ministry Of Transport
Centers of Excellence Program

(نموذج طلب المشاركة في المرحلة الثانية لبرنامج التميز)

يرجى التكرم تعبئة جميع أبواب هذا النموذج وإرساله إلى بريد الوزارة أولاً بأول أولاً بأول على سكانته .

الاسم الرباعي :	
الرقم الوطني :	
رقم الهوية :	
تاريخ الميلاد :	
الوظيفة الحالية :	
مكان العمل :	
رقم العمل :	
البريد الالكتروني :	

- ما هي الدوافع التي جعلتك تتقدم بطلبك للانضمام الى المرحلة الثانية من برنامج التميز ؟

- هل لديك أي خبرات سابقة في الدورات ببرنامج التميز من قبل ؟ إذا كانت الإجابة نعم ذكر مدة استفادتك ؟ وبما تتمتع المتطلبات في المرحلة الثانية؟

رام الله - المصيون - شارع المعاهدة
تل أبو الغيث

تلفون 02 2951110/1/2/3 تلفاكس 02 2951110
تلفون 08 2823297 تلفاكس 08 2829133

ص.ب 290
ص.ب 4815

Streamline and Improve Service Delivery

As one of the COE transformation initiatives, the MOT defined and announced core values for the ministry for the first time, and distributed these values to the entire ministry staff.

MOT also launched a complaints and suggestions system with PACE assistance. A "complaints" system existed previously in the ministry structure, but was never activated. PACE helped the ministry developed a structure and procedures for the system to receive feedback from citizens and key stakeholders. The ministry plans to formally launch the system early in the coming fiscal year.

Automating Services

With PACE support, MOT is automating written tests for drivers licenses throughout the West Bank, starting with the four pilot offices refurbished and re-equipped by the project. The automation process involves installation of IT infrastructure and "thin clients," stripped-down computer work stations that can only be used for testing purposes. In the fourth quarter, PACE delivered the remaining thin clients to the newly refurbished Jenin licensing bureau and trained ministry staff in the operation of Citrix Software, used to run the thin clients and connect them to servers in the MOT headquarters in Ramallah. Automation of drivers license testing is expected to increase efficiency and reduce chances for fraud.

5.6 Central Election Commission

The CEC is a semi-government entity responsible for conducting presidential, legislative, and local elections; supervising the electoral process; and verifying electoral results. USAID requested that PACE provide limited technical assistance to strengthen the CEC's short-term and long-term communications capabilities. This assistance was added to the PACE Work Plan with USAID approval during the second quarter and concluded in the fourth quarter. It was made possible by cost savings on other specific activities, most importantly coordinating and achieving synergies between various other Chemonics projects.

Strengthening Communications for Elections

A PACE short-term consultant worked with the CEC to develop new communications tools to prepare for local elections, originally scheduled for July 2011. These tools are not time sensitive and can be used whenever elections are actually held. As part of these efforts, PACE developed media outreach plans, recommendations for voter education campaigns, and multimedia tools to communicate elections results. PACE also provided recommendations for reorganizing communications functions within the CEC. Other deliverables included plans for making the CEC a repository of election information and recommendations for working with schools and universities to extend election knowledge. Regional cooperation was also encouraged by facilitating linkages between the CEC and the Tunisian election commission, which is being supported by USAID through IFES. Due to internal controversies and uncertainty about commission leadership, many of the recommendations remain to be implemented. PACE recommends that further assistance be

conditioned on demonstrated commitment from CEC leadership to move forward with organizational changes.

Developing a New CEC Messages, Branding, and Marketing Strategy

PACE solicited proposals and engaged a local communications firm to develop a branding and marketing strategy for the CEC. The subcontractor, Ellam Tam, identified key messages for citizens and stakeholders, including general messages emphasizing the role of CEC as an independent and transparent body during the elections and specific messages emphasizing the legitimacy of CEC as the only accountable body for elections in Palestine.

To complete the branding and marketing strategy, Ellam Tam started with a small survey of public perception of the commission. They identified a general misunderstanding of the role of the CEC, including a lack of understanding of the CEC's role in monitoring elections. Citizens also did not recognize the CEC logo. The subcontractor also analyzed media coverage, finding that the CEC could improve the tools it uses to convey its messages to the general public, media, and other key audiences. A summary of these findings and recommendations were delivered to the CEC, in addition to recommendations on engaging the media, outreach, and messaging.

Ellam Tam also provided new designs for the CEC logo and a comprehensive branding strategy. The CEC is currently reviewing these documents and considering next steps.

6.0 Cross-cutting Activities

MOF and PACE Trained Ministries in New Budgeting Techniques

COE teams in the five ministries identified the lack of knowledge and skills necessary to efficiently manage budget planning, preparation, and execution as one area for improvement. PACE engaged a Palestinian consultant to work closely with the MOF General Budget Department to strengthen the capacity of 36 staff from MOT, MTIT, MOPWH, and MOI. The skills and knowledge gained will help create robust mechanisms, internal synergies, and participatory processes to tie budget forecasting to annual strategic objectives and anticipated programs, especially among the ministries' non-financial staffs.

Human Resources Manuals Created for Five Ministry Partners

With PACE assistance, PACE's five ministry partners began improving human resource procedures manuals. The new manuals cover personnel evaluations, training strategies, incentives for performance, orientation of new employees, and succession planning. The manuals were developed in partnership with COE teams created as part of a USAID program in the MOT, MTIT, MOPWH, MOI (Civil Affairs Directorate), and MOF. These manuals work to increase transparency and accountability and provided clarity in job tasks. At the end of the year, the manuals were in various stages of implementation. PACE also started to engage the General Personnel Council (GPC) in discussions about possibly raising these efforts to a national level, as the GPC is also embarking on efforts to revise personnel policies and procedures across the PA.

Customer and Employee Satisfaction Survey Methodology Developed with Ministry Partners

PACE worked with the five partner ministries to finalize the design of the Customer and Employee Satisfaction Measurement Manual during this quarter. Developing new systems to measure employee and customer satisfaction was one recommendation emerging from the COE program in all five ministry partners. Dr. Fasial Awartani, a Palestinian expert with experience developing similar systems for private-sector companies, developed procedures and coached ministries staff. Ministry teams then conducted pilot customer and employee surveys. Some of the results of these pilot surveys are described earlier in each ministry section.

PACE Broadcasts the Cartoon Series, Benhebek ya Baladna, to Increase Citizen Awareness

During this quarter, PACE completed the final broadcast of all 30 episodes of educational cartoon series *Benhebek ya Baladna.* In addition, PACE conducted a survey using the Benhebek ya Baladna website to measure the public's perception of the cartoon. The results were overwhelmingly positive. Seventy-nine percent of respondents liked the cartoon and eighty-four percent agreed the issues and ideas discussed by the cartoon were relevant.

PACE also discussed options for rebroadcasting the *Benhebek ya Baladna* with Palestinian television stations during a conference organized by the USAID-funded Independent Media Project. As a result, *Benhenek ya Baladna* was re-broadcasted to the general public on several TV and radio stations without cost to the project. Some episodes were also broadcasted on Al-Quds Eyes, a website associated with Al Quds Newspaper, resulting in thousands of views. In addition, a very inexpensive Facebook advertisement resulted in more than 5,000 additional Palestinians here and abroad watching an average of 5 minutes of the cartoons. PACE continues to seek opportunities to further broadcast *Benhenek ya Baladn* with minimal cost.

To continue this success, the PACE team developed and distributed DVDs to partner ministries across the West Bank. Each DVD players had a loop of about 5 cartoon episodes per DVD and specific messages for citizens to be played in civil service centres refurbished by the project. In the Ramallah Licensing Bureau, for example, citizens can read the subtitles of the cartoons related to traffic safety, as well as instructions for how to apply for a driver's license.

Communications Manuals Developed for Ministry Partners

During this quarter, PACE finished development of manuals to streamline communication in ministries. PACE facilitated several workshops for all five partner ministries to provide feedback on the manuals before finalization. The workshops covered awareness campaigns and public outreach tools. In the final workshop, ministry representatives discussed building and executing communication campaigns, working together to design a model campaign to promote the COE program.

The communication manual has been finalized based on feedback from ministry partners, and then printed and distributed to the ministries in August.

7.0 Strategizing for the Future

In the fourth quarter, USAID requested that Chemonic prepare a budget for a possible 18-month extension for PACE with an increase in the ceiling value of the task order. While execution of the extension depends on the resolution of issues related to the obligation of funds to the USAID West Bank/Gaza mission, as well as USAID programmatic considerations, the project team and USAID began conducting limited preparatory work for the possible extension period, as well as preparing a work plan. The work plan is in draft form, pending execution of the extension of the task order before finalization and submission to USAID for review and approval. In addition, the PACE team conducted two additional assignments as described below.

Exploring Opportunities to Strengthen Public Administration Programs

PACE began reviewing current and planned degree and non-degree public administration and public policy programs at Palestinian universities with the efforts of Dr. Elayne Gallagher, a short-term expatriate consultant. The review responds to indications that the quality and training of current and future civil servants could be improved. Strengthening public administration education is an expected area of intervention in the revised PACE scope of work for the possible extension period.

PACE and Dr. Gallagher conducted a number of one-on-one interviews with donors and focus group meetings with government and university representatives to assess the demand and supply for public administration and public policy programs. A total of 17 meetings were held with over 50 stakeholders, as well as five individual meetings with ministers or deputy ministers from the Ministry of Education and Higher Education (MOEHE), MOPWH, Ministry of Planning and Administrative Development (MOPAD), MOT, and MTIT. In addition, a roundtable discussion was held with 12 university deans and faculty to discuss needs as well as the current capacities of Palestinian universities in delivering public administration training to civil servants. A meeting was also conducted with two officials from the Palestinian Academy of Science and Technology (PALAST) working to promote scientific discovery and innovative technology; and a meeting with the GPC to explore plans to develop a government's civil service training institute. The assessment was finalized during September 2011 and a consultant's draft report was submitted describing the current situation and providing recommendations for possible programming to be funded by USAID or other donors. The final report will be submitted to UASID during October 2011.

PACE Gender Strategy Underway

Throughout implementation, PACE has addressed gender equality in the civil service and access to government services, but the project never developed a formal gender strategy. In anticipation of an 18-month project extension and in response to an anticipated contractual requirement from USAID, PACE worked with short-term gender experts Jamie Hausch and Seba Abu Daqa to review gender concerns in the initial three years of project implementation and develop a gender strategy for the possible 18-month extension period. The consultants conducted meetings and focus groups to collect information to produce the gender strategy with the help of the PACE technical staff. A one-day gender workshop was held for the PACE technical team to provide an introduction to gender and development, followed by specific discussion about the findings and proposed initiatives and interventions in the draft strategy document. Finally, Hausch and Abu Daqa met with USAID to present their preliminary findings.

Annex I: Selected Project Highlights

The following are selected project achievements over the life-of-the project by ministry partner and cross-cutting area.

All Ministries: Created motivated teams of civil servants to lead sustainable institutional change

- Teams in five PA ministries are implementing more than 60 institutional reform initiatives as part of the Centers of Excellence (COE) program started by USAID and now led by PA civil servants. USAID helped create COE groups and trained more than 100 civil servants in change management, leadership, and institutional self-assessment. The trained COE teams conducted self-assessments in five PA ministry partners, identifying and prioritizing reform initiatives. Under the leadership of teams, implementation of reform initiatives is ongoing, much of it with little or no support from USAID or other donors. The COE program is being institutionalized in the five, pilot ministries, and a decree to create a National Steering Committee to champion government excellence has been approved by Palestinian Authority Council of Ministers.

Selected Achievements by Ministry

Ministry of Public Works and Housing

- Established three road repair units and refurbished cold asphalt production facility, allowing for the repair and maintenance of more than 190 km of roads, many of which were originally built with USG assistance
- Provided GIS to operate as a maintenance management system and training to enhance the ministry's capacity to plan and execute infrastructure projects and repairs
- Produced the first ever Palestinian Road Standards Manuals with a national committee
- Produced the PA's first affordable housing strategy

Ministry of Telecommunications and Information Technology

- Palestine Post brand created, increasing Post's visibility and attractiveness
- Postal commercial and business strategy developed and launched, increasing commercial customers
- Domestic express mail launched, providing Palestinians with next-day delivery service
- Nablus and Bethlehem post offices refurbished, improving service substantially
- Postal revenues up 22 percent in 2010, with other gains expected in 2011, and mail delivery and service provision agreements signed with nine PA institutions and six private-sector companies

Ministry of Transportation

- Ramallah, Nablus, Hebron, and Jenin licensing bureau's refurbished, improving service substantially
- Procured needed modern networking equipment, reducing load times for area offices and helping automate issuance of licenses

- Introduced automated system for drivers' license testing in pilot offices, a system that will be rolled out to the remainder of the West Bank in the coming year.
- Higher Council of Traffic established, launching traffic safety campaigns and initiatives, including joint initiatives with Palestinian civil society organizations
- Weight monitoring program for vehicles on Palestinian controlled roads launched with equipment and training for MOT teams.
- Communication plan developed, stimulating ministry to increase public outreach

Ministry of Interior (Civil Affairs)

- Streamlined operational procedures manual, ensuring consistent service delivery and reduced process times across the West Bank
- Jenin, Jericho, and Hebron civil affairs offices refurbished, improving service delivery
- Reduced the application process time for national IDs, birth records, death certificates, and other core services from 15 days to 20 minutes at the Tubas, Howara, and Bediya civil affairs offices through the creative use of IT equipment
- Citizen service guides and posters made available at department facilities, increasing transparency
- Over 155 job descriptions completed, promoting accountability
- Produced annual training plan to build employee capacity

Ministry of Finance

- Study tour to Jordan lead to the launch of a planning and development committee, which is improving collection of income tax
- Streamlined operating procedures manual produced and implemented for property tax collection, ensuring consistent procedures and reducing process times across the West Bank
- Citizen service guides and posters made available at department facilities, increasing transparency
- Hebron and Nablus property tax service offices refurbished, improving service substantially
- Large-taxpayer office created in Ramallah, helping unify the collection of VAT and income tax for large companies, expected to be a major source of government revenue
- Public information campaign for property tax discount and income tax collection conducted, increasing tax collection

Palestinian Land Authority

- Refurbished and upgraded IT and document archiving facilities at PLA offices in Jenin and Nablus, improving customer service and employee efficiency

Communication

- Built communication capacity within ministries through training, coaching, and developing manuals, leading to increased public outreach
- Public awareness campaigns launched for the MOF, MOT, MTIT and MOPWH to promote ministry specific issues
- Created and broadcast 30 episodes of *Benhebek ya Baladna*, a cartoon campaign to serve as a fun and creative communication tool for the PA, conveying public service messages and increasing government credibility

Annex II: FY2011 Performance Management Plan Results

The project continued to implement the performance monitoring plan (PMP) during its third year by monitoring performance and management indicators identified in the PMP as well as evaluating the implemented activities through evaluation plans to make sure all the work plan activities are timely and effectively implemented. Implementation of the PMP requires vigorous monitoring and evaluation plans that include data collection from multiple sources. The results in this report are based on the modified PMP approved by USAID in September 2011.

To analyze annual progress based on PMP indicators, data collected through the project's monitoring and evaluation system was used. This included weekly and monthly reporting forms, baseline and midterm field research, and data collected by partner institutions. Data input by the project into USAID's Geographic Management Information System (Geo-MIS) was also used to complete this report. Backup documentation for all results is kept on file with the project.

Annual Performance Summary

Project Goal: A more professional and competent public administration with targeted PA ministries and institutions that provides more effective, efficient, and responsive services to the Palestinian people

Indicator 1: % change in customers satisfaction with the service delivery provided in targeted ministries and institutions

Target Value: 15 percent **Actual Value: 14.11 percent**

During the third year, PACE continued to provide the PA with the needed capacity to deliver high quality services to its citizens. As primary objective of the project, PACE monitored the progress of improved services and facilities annually using surveys that measure the level of satisfaction with targeted services, procedures, facilities, and employee attitudes, along with other key metrics. After the establishment of the baseline in 2009, PACE contracted local NGOs as a part of its grants program to do the data collection and measures progress for the targeted PMP indicators. The data was collected through exit surveys conducted in the targeted service delivery offices. The results of a composite of responses measuring various factors related to customer satisfaction, including:

- Employee behavior
- Employee process speed
- Employee knowledge about services
- Office facilities
- Transactions paper work and supporting documents
- Time required to finalize single transaction by employee
- Time required in the waiting area
- Number of visits to complete transaction
- Overall satisfaction with work instructions and procedures

The overall increase in customer satisfaction in Year 3 increased by 14.11 over the 2011 baseline value. The positive increase is linked to various project interventions during over the life of the

project, such as Center of Excellence reforms implementations that helped in improving services, training of employees, public outreach campaigns, refurbishment and upgrading of offices and IT equipment, streamlining of operating procedures, and the developed manuals which all combined enhanced the service delivery process.

Ministry	Baseline	FY2010	FY2011
MOF	65.40%	74.88%	78.50%
MOI	64.20%	70.27%	86.50%
MOT	55.19%	62.91%	73%
MOPWH	47.75%	59.14%	51%
Overall	58.14%	66.80%	72.25%

All targeted ministries reflected notable increase in citizens' satisfaction. The most significant change measured at the MOI, 22.3 percent, due to the facilities renovation, procedures improvements, IT upgrades and other interventions. MOPWH has shown the least improvement, which could be due to confusion on the part of respondents as to which roads fall under the responsibility of the ministry, as opposed to roads under joint control with the Israeli civil administration and roads under the control/responsibility of local municipal councils.

Project Goal: Improved delivery of key services by targeted PA ministries and institutions that result in immediate tangible benefits to citizens

Indicator 2: % change in average customer time spent to receive services in the targeted institutions and ministries

Target Value: -10 percent **Actual Value: 7 percent**

One of the key pillars of service delivery is the amount of time citizens spend when acquiring a service. Time spent is also considered one of the main citizen satisfaction elements.

A baseline data collection in the early stages of the project was followed by annual data collection as a part of the customer satisfaction surveys. The indicator value is calculated by averaging the following targeted services into one annual value:

- Vehicle registration and drivers license renewal at the MOT
- Passports and national IDs at the MOI
- Tax payment and other services at the MOF

From the data collected at MOT, there was a slight decrease in average time spent for citizen to complete a service .However, at MOF and MOI, citizen required more time on average to complete services (3 minutes in MOF and 4 minutes in MOI). The discrepancy may result from variations in the timing of the baseline and follow-up surveys. Baseline data was collected during a period with fairly low volume of transactions, and follow up surveys were conducted during periods of higher volume

(summer months before Ramadan). This is particularly true of data collection at the MOI. Overall, the average number of transactions per day was higher in all three ministries from 2009 to 2011.

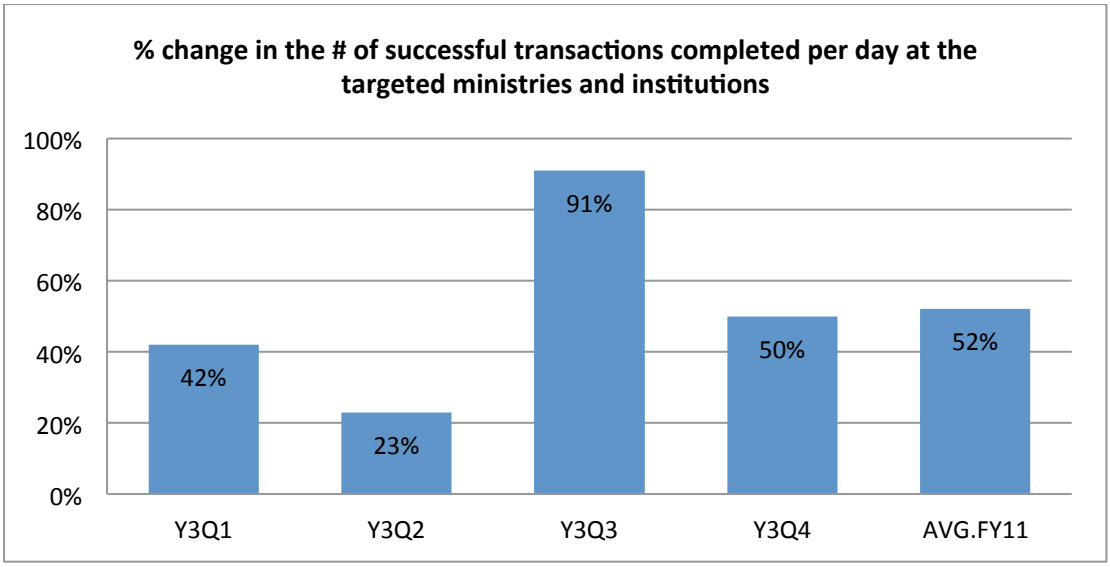
Ministry	Baseline value (FY2009)	FY2011	% Change in Average Time Spent
MOT	48.2	47.6	-0.6
MOF	31	34	3
MOI	16.1	20.5	4.4

Indicator 3: % change in the # of successful transactions completed per day

Target Value: 55 percent **Actual Value: 52.18 percent**

To measure the efficiency of government services, the project measures the number of successful transactions completed daily. Successful transactions mean any service fully delivered to a client in the target ministry.

This indicator is measured by taking the sum of the number of transactions for Ministry of Finance, Ministry of Interior, and Ministry of Transportation, and calculating the change based on the baseline data collected previously and ministry records covering the fiscal year 2011.



The above bar chart illustrates the change of completed transactions by quarter. The last column shows the average daily number of transactions by quarter over the baseline value throughout the fiscal year 2010. On average for the entire FY2011, there was a 52% increase in the number of completed transactions. The third quarter of this year witnessed a large number of transactions especially in Ministry of Interior and Ministry of Transport.

To improve services, the project targeted the operating procedures required by the government offices to process citizen applications, enhanced the capacity of facilities to manage citizens, provided computer and customer service training, and improved IT to reduce wait times.

Indicator 4: % of KMs of roads receiving improvements from work of road repair units in the targeted areas

Target Value: 45 percent **Actual Value: 38.4 percent**

Following an assessment of roadway conditions in the early stages of the project, 492km of roads were identified for maintenance work in three governorates, Hebron, Nablus, and Ramallah. Maintenance includes repairing pot holes, laying base course for road shoulders, clearing culverts and ditchers, removing road debris, and other relevant activities. This indicator measures the percentage of these 492Km of roads repaired by MOPWH Road Repair Units (RRUs) over the life of the project.

After the re-launch of three MOPWH road repair units during Year 2 of the project and the MOF allocation budget to operate these units in Year 3, PACE expected the RRUs to be active in conducting road repairs, particularly during the Spring and Summer months. Unfortunately, PA budget short-falls led to cuts in the RRU budget, leaving the units without funding for raw materials to repair a significant number of roads.

Project Goal: Infrastructure improvements completed to meet citizens needs at targeted PA ministries

Indicator 5: # of locations renovated and/or refurbished where citizen services are provided

Target Value: 5 **Actual Value: 5**

Renovations and refurbishments are quick-impact interventions that substantially improve the quality of service, as well as the overall experience for citizens. Improved facilities also allow for enhanced employee performance by fostering a productive environment and providing necessary equipment for efficient operations.

As targeted in FY2011, PACE completed five facility renovations.

The renovated facilities are shown in the table below.

Ministry	Office	Location
MOF	Large Tax Payers	Ramallah
MOF	Property Tax	Nablus
MOT	Licensing Bureau	Jenin
MOI	Civil Affairs	Jericho
MTIT	Post Office	Bethlehem

Indicator 6: # of locations with new or upgraded IT or operating equipment to deliver services

Targeted Value: 4 **Actual Value: 4**

Use of modern IT equipments is essential to raising the quality of services by reducing wait times and increasing accuracy. Equipment could include computers, servers, printers, scanners, and queuing systems.

IT provisions are supplied following assessments that conclude the necessity of the equipment to improving service delivery. Once installed, site visits ensure equipment is being utilized properly.

The target was met by providing equipments to the following service offices:

- MOT Licensing Bureau in Jenin
- MOI Civil Affairs Office in Jericho
- MOF Property Tax Office in Nablus
- MTIT Post Office in Bethlehem

Project Goal: Processes and procedural improvements result in better service delivery

Indicator 7: # of procedures with written standard operating and/or work instructions

Target Value: 50 **Actual Value: 65**

Improved operating procedures refer to the number of distinct operating procedures identified and documented with PACE assistance. Documentation includes a description of the service, work instructions, and detailed steps for the delivery of the service.

In FY2011, the project continued to provide technical assistant to the targeted ministries in terms of service documentation and improvement. Improved procedures had impact on citizen satisfaction as highlighted before.

This year PACE exceeded its target for this indicator due to a new initiative emerging from the COE program at the MOF, which PACE helped develop new written procedures for five different departments.

Indicator 8: # of services improved through business process re-engineering

Target Value: 75 **Actual Value: 116**

This indicator refers to the services that have been modified and improved after the documentation process. Improved means any change in the steps of the process, addition or deletion of an operating procedure, and changes in templates and/or forms used.

During FY2011, the project improved more services that originally targeted as a result of shifting services improvement for MOI from FY2010 to FY2011 to include software and hardware upgrades for MOI civil affairs departments, which were not completed in time to modify the procedures in FY2010. In addition, PACE helped MTIT identify, improve, and document 24 services, a new initiative emerging from the COE transformation phase.

Project Goal: Enhanced and Sustainable Institutional Capacity of PA Ministries and Institutions

Indicator 9: # of units/departments in ministries and executive offices with institutionalized self-assessment process

Target Value: 174 **Actual Value: 174**

An institutionalized self-assessment process serves as the basis for institutional capacity building and organizational development. Self-assessment is vital to identifying gaps by those most familiar with the institution and the development of reforms for improvement.

This indicator reflects the total count of units/departments within ministries that have employees trained for implementation of the COE methodology and have completed the self-assessment process. PACE reached the target in FY 2011 with completion of Phase 3 of the COE process for all partner ministries.

Indicator 10: # of executive office operations supported with USG assistance

Target Value: 23 **Actual Value: 35**

Executive office operations include all operations provided and/or enhanced at the different targeted institutions. These include: queuing systems, customer help desks, manuals of procedures, new or upgraded management information systems, and other IT system solutions, etc.

PACE supported 35 executive office operations in FY2011. Queuing systems, operating/HR/communications manuals of procedures, new management information system to the Licensing Bureau labs, and other improvements were realized.

The actual number of executive operations supported exceeded the target as a result of additional interventions identified by ministry partners during the COE transformation phase. These new interventions included strengthening HR systems and improving communications functions in five ministry partners.

Indicator 11: # of reform initiatives attempted by ministry COE teams

Target Value: 25 **Actual Value: 61**

This indicator includes specific reform activities to improve employee behavior, skills, resource access, and/or working environment with the goal of increasing citizen-centeredness, results focus, and/or transparency. These reforms may be on the department, directorate, ministry, or whole-of-government level. Ministries COE teams started to implement the transformation action plans reform initiatives during this year. In FY2011, 61 reforms were attempted (43 reforms were completed and 18 reforms are in implementation). In setting the target, PACE expected ministry teams to embark on only one reform initiative per COE criteria area. Instead, COE teams were much more ambitious in identifying and starting implementation of multiple initiatives in each of the five criteria areas. Ministries leadership commitment, PACE support and coaching, and the motivated teams all played a huge role in pushing forward these reform initiatives.

Targeted Ministry	MOF	MOI	MOPWH	MOT	MTTIT
# of reforms in implementation	2	9	4	1	2
# of reforms in completed	10	7	8	9	9
# of reforms attempted	12	16	12	10	11

The implemented reforms had a significant impact of all ministries levels, this was clear in service improvement, procedures development, staff skills gained, HR and communication strategies, and most importantly the increase in citizen satisfaction as a part of the overall project activities.

Project Goal: Increased PA knowledge and skills for performing core government functions

Indicator 12: # of executive branch personnel trained with USG assistance

Target Value: 724 **Actual Value: 496**

Training contributes to the acquisition of knowledge, sharpening of skills, understanding of concepts and rules, and also to changing attitudes and practices to enhance the performance of PA employees. Well-trained personnel are essential to enhanced executive branch performance.

Executive branch personnel include employees at the different targeted institutions. Training refers to workshops or any kind that leads to knowledge and skill transfers that is conducted through USG assistance. Training may take place as a short-term or long-term intervention, and may take place in-country or abroad.

To collect data for this indicator, the project records employee attendance using an internal database. The data collected includes the employees name, training type, topics, date, location, and ministry.

Indicator PMP reference number	13	14	15	16	17
Ministry	MOI	MOF	MOT	MOPWH	MTIT
# of executive branch personnel trained with USG assistance	14	252	27	26	177

PACE did not reach the target for this indicator due to changes in programming during implementation at MTIT. Instead of training post office employees throughout the West Bank in International Postal Service software, MTIT and PACE chose to bring only two employees from each office for the initial training in Ramallah. This was a more cost effective and efficient method for achieving programmatic goals. Deviations between targets and actual for other ministries were approximately 10 percent or less, reflecting normal variation in project implementation.

Indicator 18: % of people receiving training who utilize new knowledge and skills

Target Value: 65 percent **Actual Value: 86.6 percent**

To develop sustained capacity within the PA, it is important to improve knowledge, skills, and attitudes in relevant topics. PACE uses a vigorous monitoring and evaluation system to measure the impact of training. During the year, it conducted surveys and one-on-one interviews to collect data from 336 different ministries staff in order to assess the impact of selected trainings and the use of the newly gained skills by the trainees. Financial Audit, Customer service, International Post System, and Safety Audit trainings are examples of trainings for evaluation. This indicator measures the percentage of former trainees surveyed who report using new knowledge and skills in the work place. PACE exceeded its target value in FY2011 in this indicator, demonstrating the appropriateness and success of training initiatives.

Project Goal: Increased responsiveness of targeted PA ministries and institutions to the needs of the citizens

Indicator 19: # of citizens engaged in communication with ministries via targeted mechanisms

Target Value: 3,000 **Actual Value: 6,713**

PACE-funded grantees conducted numerous town hall meetings and workshop that brought government officials from various entities together with citizens. Citizens interacted with the government officials by posing questions, providing feedback, and/or making recommendations that are documented by the organizing CSO. In FY2011 6,713 citizens participated in such events conducted by project grantees. Participating ministries expressed satisfaction by requesting additional events, which lead to an increase in the number of events and citizens reached.

To calculate the number of citizens engaged in citizen government communication, the project uses monthly reports submitted by CSOs that include attendance sheets. Random site visits are also conducted to ensure data is correct.

CSO	AlHares	Flistiniat	PCDCR	TAM	Panorama	Amin	**Total**
# of citizens engaged in communication with PA	1,624	203	3,632	661	490	103	**6,731**

Indicator 20: % change in citizen feedback acted upon and communicated by targeted ministries

Target Value: 35 percent **Actual Value: 27 percent**

This indicator measures government response to issues raised in public meetings facilitated by PACE-grantees. During FY2011, PACE grantees engaged in public events that consisted of service delivery and traffic safety education. Recommendations were provided by citizens and school children, which the grantees documented and submitted to the targeted PA ministries for action.

This indicator includes the percentage of actions taken by the targeted ministries as a result of citizen's engagements in public events and complaints. After further follow up with project stockholders, PACE grantees reported the number of issues that the targeted PA miniseries acted upon improving.

PACE-grantees did not achieve the target of 35 percent for FY2011. When asked, the grantees explained that the huge number of issues raised (see next indicator) during the public meetings decreased the targeted percentage addressed by government officials. Some issues also required higher policy decisions, beyond the power of ministries to address in the one-year timeframe.

Indicator 21: Score on strategic communications audit

Target Value: 30 **Actual Value: TBD**

To evaluate partner ministries' capacity and performance in developing and implementing strategic communications strategies, PACE is currently conducting a communications audit using an external evaluator. The audit score is based on a methodology defined at the beginning of project operation. The external evaluator is scheduled to deliver his final scoring and analysis by the end of October.

Indicator 22: # of issues raised with public institutions via targeted mechanism by CSOs

Target Value: 40 **Actual Value: 108**

This indicator measures the effectiveness of CSO events to reflect the needs of citizens. Issues include citizen complaints about policies or services, specific discussions, and recommendations offered by citizens. Issues can be national, local, or a combination of the two, but should be of a type that can be addressed by a government body.

As the number of the public events supported by COS increased enormously in FY2011, the number of issues raised by the thousands of people participating in these events also exceeded expecations.

CSO	AlHares	Panorama	PCDCR	**Total**
# of issues raised with public institutions via targeted mechanism by CSOs	30	42	36	**108**

Indicator 23: # of communication campaigns and events supported by CSOs to increase awareness and dialog about government services

Target Value: 58 **Actual Value: 254**

Communications campaigns supported include all campaigns held by CSOs to advocate for new policies, raise awareness about existing policies and ministries services, raise awareness about strategic decisions and needs, using conferences, media campaigns, and mechanisms.

Using CSOs weekly and monthly reports as well as the grants team periodic site visits to such events the project identify the number of communication campaigns held by CSOs to increase the awareness about government services. Two hundred and fifty four events and campaigns were conducted by CSOs to increase cooperation between citizens and targeted ministries. The number significantly exceeded the target as requests by the targeted ministries, as well as the efficient implementation of such activities, allowed grantees to implement more events and target more citizens with the same budget.

CSO	AlHares	Flistiniat	PCDCR	TAM	Panorama	Amin	**Total**
# of communication campaigns supported by CSOs	98	2	117	17	18	2	**254**

Annex III: Training Activities, July 1 through September 30, 2011

	Training/Workshop	Location	Start Date	End Date	Male	Femal e	Targeted Ministry
1.	Budgeting Training for the five ministries staff to increase their knowledge of governmental budget concepts.	Ramallah	25/7/2011	28/7/2011	20	16	MOT, MOI, MOPWH, MTIT
2.	Customer and employees satisfaction workshop for the 5 ministries on collecting and analyzing data.	Ramallah	19/7/2011	19/7/2011	6	4	MOT, MOI, MOPWH, MOF, MTIT

Annex IV: Accruals Report, July 1 through September 30, 2011

Chemonics International Inc. is pleased to submit this Accruals Report for the PACE project. This report covers the period from July 1, 2011 through September 30, 2011 per Section F.7 of Contract No. DFD-I-06-05-00219-00- TO#6.

A. Total amount of USAID funds obligated to date

$21,000,000

B. Total actual expenditures invoiced to date

The Palestinian Authority Capacity Enhancement project has submitted invoices to USAID totaling $19,412,734.

C. Actual and accrued expenditures per month and in total for the current reporting quarter

July 10 Invoiced	August 10 Invoiced	September 10 Projected	Total
$397,536.18	$738,347.88	$461,474	$1,597,358.06

D. Estimated balance of unexpended funds as of the end of the current reporting quarter

We anticipate that approximately $1,125,792 of the obligated funds will remain after the Sept 2011 invoice is submitted.

E. Projected quarterly expenditures for the next three months

Oct 11	Nov 11	Dec 11*	Total
$306,435	$226,777	$592,580	$1,125,792

*Includes costs associated with possible project close-out.