
CHF International / West Bank and Gaza

Local Democratic Reform
LDR

3rd Quarterly Report
1 April 2006 - 30 June 2006

Cooperative Agreement # 294-A-00-05-00242-01



Um El-Nasser (North-Gaza) Rapid Response activities: Solid Waste Clean-Up Activities

Implementing PVO: CHF International – West Bank / Gaza in Partnership with ARD Inc. and
Center for Engineering and Planning

USAID Program: LDR

Funded by: USAID

Cooperative Agreement #: 294-A-00-05-00242-00

Modifications 294-A-00-05-00242-02

Agreement Officer: Roy Plucknett

USAID CTO: Samah Khoury

CHF Chief of Party: Henri Disselkoen

Quarterly Report No.: 3

Reporting Period: 1 April – 30 June, 2006

Date of submission: July 31, 2006

Prepared by: Henri Disselkoen

Approved by: Lana Abu Hijleh

Submitted to: USAID West Bank Gaza

Table of Contents

1.0	LDR ACHIEVEMENTS – QUARTER 2.....	6
1.1	ADMINISTRATIVE AND LOGISTICAL ACTIVITIES:.....	6
1.2	RAPID RESPONSE PLAN ACTIVITIES	8
1.3	DEVELOPMENT OF CONCEPT PAPERS FOR A SHIFT TOWARDS HUMANITARIAN ASSISTANCE	9
1.4	STAFF DEVELOPMENT AND PROGRAM PREPARATIONS.....	9
2.0	DIFFICULTIES ENCOUNTERED	10
3.0	FINANCIAL	10
Annex A:	EPLA Concept Paper #3: The New Humanitarian Assistance Agenda – - A Community Centered/Governorate Coordinated Mechanism.	
Annex B:	EPLA Concept Paper #4: Community Mobilization Strategy.	
Annex C:	EPLA’s Rapid Response Activities completed.	
Annex D:	USAID’s letter of Intent of Suspension of the EPLA program.	
Annex E:	USAID’s approval for the visit of Consultant Mr. G. Forbes	

EXECUTIVE SUMMARY

This third quarterly report covers EPLA activities from April 1, 2006 to June 30, 2006. Shortly after the closure of the period under review – but before the submission date of this report-, USAID conveyed to the EPLA team that the EPLA name will be changed to “Local Democratic Reform” (LDR). As such the new name has been stated on the cover page, and the original name of the program “Empowerment of Palestinian Local Authorities” (EPLA) will not be used in this report and future official correspondence regarding the program except when referring to official documents and correspondence issued previously under EPLA’s title. However, CHF will not change the program’s printed material until the name change is confirmed through a modification of the Cooperative Agreement.

On September 30, 2005, the United States Agency for International Development (USAID), signed Cooperative Agreement No. # 294-A-00-05-00242-00 awarding CHF International (CHF) the sum of \$20,999,952 to implement the **Empowerment of Palestinian Local Authorities (EPLA)** program in the West Bank and Gaza Strip. The name was changed recently by USAID to Local Democratic Reform.

The overall goal of the LDR program is: **“to develop an enabling environment and operational framework for an effective, empowered and democratic local governance system in the WBG,”** in support of USAID’s vision of a sovereign, independent, and viable Palestinian state living side by side in peace and dignity with Israel. Related to this goal, the overarching challenge is how to enable a functional, balanced and constructive relationship between the emerging Palestinian state and its sub-units which is premised upon – and captures the power of – local autonomy, democratic processes, transparency, and shared resources. Inherent in this goal is the necessity of both national and local perspectives to arrive at a consensus vision of how Palestinian governance will be structured for the long term.

The outcomes of the December 15, 2005 municipal elections and the January 25, 2006 Palestinian parliamentary elections, in which Hamas won a majority, resulted in a shift in USG assistance policy to the recently formed Palestinian Government, including directives to USAID Grantees to adhere to a no-contact policy with the Hamas controlled government and FTO controlled municipalities. In light of the shift in assistance policy to a humanitarian focus while maintaining support to democracy promotion initiative, LDR has been working closely with USAID to ensure the program resources and mechanisms support the implementation of the humanitarian assistance agenda while continuing its democratization activities.

USAID staff is preparing a modification of the LDR Cooperative Agreement. The main changes will be issues like introduction of the no-contact policy, suspension during the upcoming interim period support to national government and decentralization activities, while enhancing the program local component that focuses on promoting democratic local governance, community mobilization and support to moderate leadership.

Most of the LDR program objectives and outputs will remain the same. Examples of these are: promoting and institutionalizing democratic local governance systems, involving LGUs in participatory community efforts resulting in enhanced and responsive provision of basic services, promoting community and LGU practices based on transparency, accountability, community participation, and consensus building among various groups and stakeholders.

Despite the political changes and new directives, during the third quarter, LDR has achieved significant results. The Rapid Response Activities were completed, focus continued on staff development efforts, and several rapid assessments depicting the implication of the current crisis on LGUs performance and communities’ humanitarian conditions were conducted and forwarded to USAID to guide policy development. The nine geographical areas with Rapid Response Activities included projects in Bethlehem Governorate, Nablus and Jenin Governorates, Um El Nasser (North Gaza), Qarara (South East Gaza), and Khan Younis. The projects in Jenin city, Nablus and El Bireh were cancelled by USAID and the one planned for Hebron has been postponed until further notice.

Staff development and program preparation activities have been significant during this quarter. Staff received in house training technical, administrative and corporate matters. Additionally, targeted training to the community mobilization team was prepared for during the reporting period to be undertaken in two 3-day seminars on Advanced Participation Methods (APM - how to effectively lead workshops with community representatives). The training will be offered to LDR team as well as to a team of potential community facilitators to be contracted to assist in community mobilization inception activities. Former president and co-founder of the International Facilitators Organization, Mr. Gary Forbes, will lead the seminars.

Senior staff have been busy during this quarter brainstorming and preparing various concept papers in response to the changing political environment and the continuously evolving socio-economic context (see Annexes A and B). Two more concept papers have been submitted to USAID and various needs assessments and studies on local governance laws and practices have been undertaken.

Difficulties encountered this quarter surround the current instability of the political situation. Security concerns and movement of LDR staff continues to be difficult due to closures and movement restrictions. Rapid Response Activities in Gaza were significantly affected by the reduction in availability of construction materials due to the closure of Karni crossing, but they were completed before the deadline (see Annex C).

On April 26, 2006, USAID informed the LDR Team that it intends to suspend under the LDR (at the time still titled EPLA) Cooperative Agreement. The notice requested CHF to refrain from undertaking any new activities or procurements without the written consent of the Agreement Officer. It also asked that all home and field office remain mobilized until further instructions are received from USAID. CHF fully adhered to all instructions received in the Intent to Suspend Assistance letter.

On June 25, 2006, the security situation in the WBG deteriorated following a series of events. The Israeli Authorities undertook several measures including tightening the closure on Gaza, increasing restrictions on mobility in the WB and increased military operations and incursions into the Gaza Strip. The tightened closure led to shortages of medicines, fuel, and other essential commodities, as well as further deterioration in the economic situation. The military operations targeted the Gaza power plants, bridges, roads, and other infrastructure resulting in a power cuts, interruptions in water supply, deteriorating sanitation conditions and hence the health situation. Health and other basic services provided by hospitals, clinics and municipalities have been severely affected by lack of resources and destruction of the infrastructure.

Financial reports are submitted separately from the Quarterly Progress Reports but it should be noted that since no new activities and procurements were initiated based on USAID instructions, the program did not meet its financial targets.

1.0 LDR ACHIEVEMENTS – QUARTER 3

1.1 Administrative and Logistical Activities:

Staffing and Office Establishment:

- Hiring of LDR staff in Ramallah, Bethlehem, Nablus and Gaza has been completed except for engineers and one driver.
- Rental Agreements for all LDR offices have been signed.
- In the period under review, USAID approved transferring two vehicles from one of CHF closed programs (PINE/LIBERTY) to LDR Gaza.
- In January 2006, a market survey for vehicle purchase was completed, evaluations of the bids were carried out and a waiver request submitted to USAID, approval was deferred until USG guidance is received. USAID has requested to check on the current validity of the market research. LDR is working on an update.
- A request is pending with USAID to expand the Source and Original waiver granted for procured equipment to incorporate additional needed furniture and equipment procured by LDR at a later stage.

Visits:

CHF International's Regional Director for the Middle East and North Africa, Mr. Bruce Parmalee, visited the West Bank early April 2006. One objective for the visit was to discuss with the CHF field team the directions and strategies under development by LDR team in coordination with USAID in response to the unfolding political and humanitarian crisis.



CHF WBG Meeting with Rick Hill 2 June, 2006

CHF International's Director of the Office of Strategic Initiatives and Analysis (OSIA), Rick Hill, visited CHF WBG from June 1-3, 2006. Mr. Hill is a known for his expertise in conflict and post conflict assistance programs. His visit focused on the current challenges and opportunities in the WBG.

Coordination with LDR Consortium Partners:

Team building efforts incorporating the LDR consortium staff and consultants from CHF, ARD and CEP are very successful and well-functioning. For CEP, a nationality waiver¹ was requested from USAID. However, no decision was received so far.

Coordination with USAID:

The LDR team maintains frequent contact with its CTO and holds meetings with the Head of DG when required, and attends all organized Contractors/Grantees meetings with the USAID Mission Director and the USCG. There

¹ Submitted to USAID on December 9, 2005

were several meetings organized by the USAID Mission in which the Contractors/Grantees were presented with new USG policy guidance and directives.

On May 11, 2006, a "Meet & Greet" session with Ms. Nancy Shalala, the new Director of the USAID DG Department, was organized by USAID and attended by the LDR senior management. A meeting between LDR senior management and USAID DG Office departing Director Mr. Pieter Wiebler and newly assigned Director Ms. Nancy Shalala was held. LDR's Concept Paper #3 (see Attachment A) was discussed and USAID team provided further guidance on the directions the program might pursue. LDR updated the concept paper and on May 23, 2006, a conference call was held between USAID team; Ms. Nancy Shalala, Mr. Peter Wiebler, Ms. Samah Khoury, and LDR team Ms. Lana Abu Hijleh, Mr. Henri Disselkoen (CHF), and Mr. Kenn Ellison (ARD). USAID team requested LDR to consider expanding the program outreach to additional needy communities and to structure the planned support to each of the potential target areas differently in line with the program various objectives. LDR revised its proposed approach and presented it in Concept Paper #4 (see Attachment B).

Eight WBG notices (#15-#22) were released by USAID regarding new procedures or alerts and the second amendment of the cooperative agreement was signed early May to replace the special provision "Prohibition against support for Terrorism" with an updated version.

Pending issues with the USAID CTO and Contract Office are the following requests: (1) the nationality waiver for CEP; (2) the source, origin waiver for additional needed equipment; (3) request for procurement of vehicles²; (4) a list of eligible LGUs³ to be potentially targeted by LDR; (4) and amendment of the cooperative agreement with regard to correctly referencing CHF NICRA base⁴.

Coordination with MoLG:

In the period under review, the LDR staff refrained from contacting any PA officials including the Ministry of Local Government. The same no-contact policy is being adhered vis-à-vis members known FTO controlled LGUs.

Site Selection Activities:

In January 2006, LDR identified a list of 57 most likely eligible LGUs and 62 potentially eligible LGUs to be targeted by the Program; in March the list was sent to USAID upon their request for vetting. The original plan in the LDR proposal had been to select approximately 30 LGUs and 10 JCSPDs (each incorporating an average of ten LGUs). LDR also looked into the structure of JCSPD to determine their potential eligibility. Only 4 seem to meet the criteria however all will be presented to USAID for their determination. Hence, the site selection process has been on hold awaiting further guidance from USAID.

Implementation Plan

LDR engaged in preparing a Plan of Work based on the direction of USAID and following the latest guidance received from the mission. The Plan was not officially submitted to USAID since no final decision was still issued regarding the future role of the LDR. Nonetheless, the team is engaged presently in preparing a draft a draft Implementation Plan along the lines of latest preliminary guidance received USAID. LDR will only be able to finalize the Implementation Plan following clear directions from USAID and an official amendment of the Cooperative Agreement.

² USAID has asked the EPLA Team to update the market research and to review the needs in light of the new implementation plan and the travel problems experienced over the last year and anticipated for the coming year.

³ USAID uses the term 'to ensure that LGUs are safe LGUs'; the result is similar as the result of a 'vetting' process, but USAID does not use the term 'vetting' for LGUs.

⁴ The cooperative agreement mentions the NICRA rate for ARD Inc. rather than the one of CHF International. The error is only in the text, all budgets and budget calculations show the correct NICRA.

Studies and Needs Assessments:

During the reporting period of April-June 2006, financial situation analysis of several non-FTO controlled municipalities were carried out to assess their ability to render basic services. It became clear that less than half of the citizens are paying user fees (e.g. for solid waste management, water, electricity) for received basic services. In many LGUs across the West Bank and in all LGUs in the Gaza Strip, the percentage of "collected" versus due fees and taxes was less than 25%. This created severe financial crisis in LGUs affecting their ability to pay salaries, cover cost of fuel and other operational costs of water supply and sanitation systems, public health services such as solid waste collection and disposal and many other services usually under the responsibility of LGUs.

1.2 Rapid Response Activities

LDR completed the USAID approved rapid response activities. Annex 3 shows all activities in detail, the following table presents a summary:

No.	Title of project	Location	Status
WB-1	Enhancing Communication between Jenin Municipality and Citizens. Rehabilitation of the City Center Main Road.	Jenin City	Canceled.
WB-2	Enhancing Communication between Nablus Municipality and Citizens. Construction of a Multi-purpose Youth Sports Hall.	Nablus	Canceled.
WB-3	Enhancing Communication between El Bireh Municipality and Citizens. Rehabilitation and Beautification of City Northern Entrance.	El Bireh	Canceled
WB-4	Bethlehem Governorate Preparedness for Season of Festivities in 5 areas.	Bethlehem Governorate	Completed.
WB-5	Enhancing Communication between Hebron Municipality and Citizens. Rehabilitation and Beautification of Abu O'Baida Street.	Hebron	Postponed till further notice
WB-6	Rehabilitation and Upgrading of Municipal Social Services in Needy Communities of Nablus+Jenin Governorates.	Nablus/Jenin Governorate	Completed.
GS-1 (2 projects)	Enhancing Communication between Municipality and Citizens. Manufacturing and Supply of Communal Solid Waste Containers.	Um El Nasser	Completed.
	Rehabilitating the Access Road		The project was deferred.
GS-2	New Road Safety Project, and Rehabilitation of Ma'ari neighborhood.	Qarara	Completed.
GS-3	Rehabilitation and Upgrading of Public Buildings and Works in Several Needy Communities	Khan Yunis	Completed.

	of Khan Younis City		
--	---------------------	--	--

1.3 Development of Post Parliamentary Elections Concept Papers

CHF's and LDR contributed substantially and substantively to the ongoing debate and consultation within USAID and its partner community on how to best respond to the unfolding political and humanitarian crisis following the 25 January 2006 parliamentary elections and the formation of Hamas led government end of March. The LDR team engaged in internal and external discussions with community representative and technical experts, participated and contributed to most USAID organized sessions pertaining to the humanitarian situation in WBG, responded to all USAID queries and questions on several relevant topics, and developed several concept papers for USAID consideration incorporating suggested response approaches to the situation through LDR structure. The following is a complete listing of the papers although some were included in the 2nd Quarterly Report:

1. EPLA Post Election Concept Paper, submitted on February 3, 2006 which sets forth key elements and recommendations supporting continued USAID assistance on governance and democracy themes via the EPLA.
2. EPLA Activity Template submitted on February 9, 2006 which responds to specific questions posted by USAID regarding the program objectives, approach and strategy.
3. EPLA Concept Paper #2: The New Humanitarian Agenda – A Community Centered Approach' submitted on 29 March 2006 which sets forth a strategy demonstrating how a framework for ongoing management of the likely humanitarian crisis can be accomplished utilizing EPLA's established structure and modified mechanisms. The paper further focuses on activating community, civil society and private sector structures to manage and coordinate humanitarian and emergency responses.

In the period under review, two more Concept Papers were produced:

1. EPLA Concept Paper #3: The New Humanitarian Assistance Agenda –
- A Community Centered/Governorate Coordinated Mechanism.
2. EPLA Concept Paper #4: Community Mobilization Strategy.

These two papers are attached to this report as Annex A and Annex B respectively.

1.4 Staff Development and Program Preparations

To utilize effectively the period of halted new activities LDR requested USAID approval to engage in staff development activities in preparation for potential re-initiation of Program support. As such, USAID Contract Office approved conducting special training seminars on Advanced Participation Methods during July to be led by an ARD consultant Mr. Gary Forbes (See Annex E).

April 2006:

- Concept Paper #3 was developed and submitted to USAID.
- A list with potential consultants (individuals and firms) and potential short term field workers was completed and inputted in a database for future reference.

- Financial and service performance assessments were started for over 50 non-FTO municipalities, in the Gaza Strip and in the West Bank.

May 2006:

- Concept Paper #4 was developed and submitted to USAID. Meetings with USAID were conducted to further prepare the program implementation.
- A statistical database on all mid-sized non-FTO municipalities in West Bank & Gaza has been developed and the profiles have been filed in a unified data base.
- Internal communication procedures have been further strengthened.

June:

- LDR staff, including consultant Dr. Hussein Al A'raj, worked with the CHF Ramallah and Nablus offices on implementation scenarios based upon the latest guidelines provided by USAID.
- Mr. Issam Akel, LDR Team Leader of the Planning & Democratic Governance Department did the same for the Bethlehem office.
- The Chief of Party spent almost half of the month in the Gaza offices to work with the Gaza staff on the same issues.
- Mr. Mohammad Said Al Hmaidid worked with the two Gaza engineers and the Gaza coordinator on a new manual for future project preparations, implementation, monitoring, evaluation, and reporting.
- Mr. Isam Akel worked again with the Community Field Coordinators of all offices and Management Team on survey forms and the community database.
- Staff started to work on the preparations of the APM seminars, to be conducted by Mr. Gary Forbes in July.

2.0 DIFFICULTIES ENCOUNTERED

- Travel Restrictions have continued to slow down staff movement. By the end of June, Gaza became off-limits.
- The closures of Karni Crossing (utilized for goods movement into and out of Gaza) have seriously hampered both food imports and construction materials, resulting in severe shortages and slowing project implementation. Fuel shortages and IDF bombings in the end of June made it very difficult for the basic service providers to perform.
- The LDR Team adhered to the no-contact policy, which made it sometimes difficult to obtain information.

3.0 FINANCIAL

The financial reports are sent separately to USAID from CHF HQ. There are no financial issues to be reported.

GS 3 Rehabilitation works in Khan Younis

**GS – 3 Khan Younis – Beach Road:**

EPLA RRP helped to respond to urgent community needs, like the necessary installation of fences along the beach Road

**GS – 3 Khan Younis City:**

Curbstone painting and the installation of traffic signs help to make the traffic In Khan Younis city safer

**GS – 3 in Khan Younis City:**

WFF program workers are constructing a surrounding wall for the Khan Younis water well with materials supplied by EPLA



GS – 3 in Khan Younis City:

The installation of wooden benches in Khan Younis City will benefit the elderly in this highly populated urban community



GS – 3 in Khan Younis City:

The old municipal building was renovated with workers from the WFF program and paint and other materials from EPLA

GS 2b Street lighting in Qarara



GS – 2a Qarara:

More security and traffic safety was provided to the population of Qarara through the installation of street lights.



GS 2b Developing Al Ma'ari area in Khan Yunis



GS – 2b Qarara:

Five roads in Ma'ari area were developed by providing them with interlock paved roads



GS – 2b Qarara:

The tiled roads will make the ways for pedestrians and cars safer, especially in the area surrounding the main school in the community

Example of one road – Before – During and After: Al Kashan Road



BEFORE



DURING



AFTER