

WEST BANK/GAZA SUPPORT SERVICES PROJECT

**PALESTINIAN HOUSING COUNCIL
STRATEGIC PLANNING RETREAT**

TRIP REPORT

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Submitted to:

USAID/ANE/WB&G

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TRIP REPORT

PHIC STRATEGIC PLANNING RETREAT

I. INTRODUCTION

A. Background

In September, 1994 the Palestinian Housing Council (PHC) signed a Cooperative Agreement (CA) with the United States Agency for international Development (USAID) providing \$ 500,000 in grant funds to cover twelve months of PHC expenses associated with the USAID Gaza Housing Project. In November, 1994 the PHC, using technical assistance from Management Systems International (MSI), formulated an Implementation Plan for that CA. Formulation of the Implementation Plan included a diagnostic assessment of the PHC by a Management Specialist and a Housing Policy Specialist provided by MSI. The Implementation Plan contained, among other actions, a recommendation to undertake a Strategic Planning Retreat for the Board of Directors and senior managers. According to the Implementation Plan the Retreat would have the following characteristics:

- The Retreat would be preceded by the formulation of several issues papers focusing on areas of importance for the PHC;
- It would seclude the Board and senior managers for three days allowing them to consider and discuss the issues;
- It would produce a strategic plan, including actions to be taken in the immediate future; and
- It would have a follow-up effort.

USAID accepted this recommendation. Retreat facilitation resources were contracted from MSI and the Retreat was scheduled for May 26 to 28, 1995 to be held in Antalya, Turkey.

B. Retreat Objectives and Planning

A Scope of Work for the design and execution of the Retreat was prepared by MSI. (See Annex One.) The purpose of the Retreat was

To clarify, set and prioritize the intermediate (3 to 5 year) goals of the Palestinian Housing Council.

Technical assistance was to be provided by the Management Specialist and the Housing Policy Specialist who worked with the PHC in the formulation of the Implementation Plan. They were to be joined by a Facilitator. Preparation, execution and follow-up for the Retreat were to extend

over a period of approximately 35 days. In the end, the Housing Policy Specialist was not included in the team and the elapsed time for the Retreat - preparation through follow-up - was nine days.

II. PROCEEDINGS

A. Preparation

Issues Framing Papers

Issue papers were prepared by PHC management and the MSI Management and Housing Sector Specialists. They were prepared for the purpose of identifying and defining key problem areas and issues requiring PHC action. (See Annex Two.) Another purpose of the issues papers was to inform participants prior to the workshop about some of the issues they would be addressing.

The issues papers were the following:

- Building for a Better Future: presents general information about the PHC and was prepared by the PHC public relations department.
- The Organizational Structure of the PHC: prepared by MSI, identifies problems in the organization structure and decision making process.
- The Role of the PHC in the Housing Sector: identifies key relationships in the housing sector and which PHC needs to define and develop.
- Jerusalem Rehabilitation Program: describes the various components of PHC's program in Jerusalem oriented toward construction, rehabilitation and historical building preservation.
- Challenges and Prospects in the Administration Structure: presents some guiding principles, identifies obstacles and solutions for administrative improvement.
- Financial and Administrative Policies: includes a description of the process of beneficiaries selection and the issues in determining lending terms. The paper provides the number of applications in relation to number of units available.

Participant Interviews

During a brief three days visit prior to the retreat, the MSI Facilitator interviewed key participants to help clarify the issues, relationships, and interests in order to better design the retreat including agenda, exercises, and schedule. These interviews were useful in familiarizing the Facilitator with the nature of the PHC and the housing sector activities and the problems faced. Another important purpose of the interviews was the establishment of interpersonal

relationships and rapport between the Facilitator and the participants. Finally, there was the purpose of familiarizing the key participants with the Facilitator and the objectives of the retreat.

The MSI consultants met with the USAID Deputy Mission Director and the EU Delegate in Jerusalem regarding their respective housing projects in order to be informed about the particular issues in the housing sector that PHC needs to address. These included, housing finance terms, beneficiaries' selection and support, the role of PHC as a mortgage bank, and the organizational capacity of the PHC.

Logistics Preparation

The PHC took the primary responsibility for logistical support, under the Cooperative Agreement. They identified the facilities in Turkey and made travel arrangements.

Design

As this was a participatory workshop, the design was flexible enough to allow for the participants' inputs at the start and at other stages of the Retreat, yet directive enough so that the objectives were adhered to and achieved.

The Scope of Work shown in Annex One describes, under sub-section B.2.f, how the components of the Retreat were to flow. Once the logistics and timing details were established, necessary refinements in the design were introduced.

The agenda was prepared as a process agenda, focusing on the steps that the participants would go through during the Retreat.

B. Chronology of Activities

The Retreat was held in Antalya, Turkey, from 26 to 28 May 1995. The majority of the PHC participants were able to secure the necessary papers from the Israeli authorities to travel to Turkey but there were exceptions which included the General Director of the PHC. The total number of participants was 26, composed mostly of members of the PHC Board or General Assembly and including most of the senior staff. (See Annex Three.) USAID personnel involved in the immediate preparation and implementation included a project officer from the USAID/West Bank and Gaza. MSI provided the Facilitator, a Management Specialist, and an interpreter/translator/assistant. (The entire Retreat was held in the Arabic language and much of what is reported below is translated from Arabic.)

The participants received the issue papers and the relevant information about the Retreat prior to the workshop and were given time after the start of the Retreat to ensure that they had an opportunity to read the papers.

The Chairman of the Board introduced the workshop and its proposed objectives. He then introduced the Facilitator and asked him to present the proposed methodology for the workshop. The objective and methodology were discussed and agreed upon by all participants.

Although the workshop preparation included issues papers, the workshop allowed for the participants to identify issues according to their perspectives. Participants went through a process of identifying issues and problems areas for immediate PHC attention. Having identified an array of such issues, participants were divided into working groups and asked to cluster and group the issues into major issue areas. The following major issue areas were identified:

1. The lack of mission statement and goals for the PHC;
2. The lack of clarity in the role of the PHC in the housing sector and the relationship of the PHC with other organizations;
3. The problems in the organizational structure of the PHC;
4. The prominence of the status of Jerusalem as it affects housing;
5. The lack of development of the housing industry and technology in Gaza and West Bank;
6. Uncertainties in the financial resources available to the PHC; and
7. External impediments and influences on the housing sector in Gaza and the West Bank.

In terms of content, the identification and agreement on these major issues were the primary product of the first day of the workshop. In terms of process, there was a trust relationship that was established between the Facilitator and the participants. The participants accepted the role of the Facilitator and took ownership of the Retreat once they were aware that they had each contributed to its methodological values.

The second day was devoted to the discussion of the major issue areas in small groups. One group was formed to deal specifically with the mission and goals of the PHC. It included the former and current Chairmen as well as the current Vice Chairman. The Mission and Goals Small Group was instructed to formulate the mission statement of the PHC based on its existing mandate and charter. The six other major issues were divided among four groups. They were asked to analyze the issues and identify weaknesses, problems, and factors that need to change.

The first group came back with a mission statement and 8 general goals for the PHC. The other groups brought back actions to be taken in order to resolve the issue areas they considered. These actions were refined by the full group into twenty action recommendations. (See below under "Major Issue Areas and Recommended Actions".) Formulation of these action recommendations concluded Day Two.

Day Three began with an exercise to prioritize the twenty action recommendations. The first five (see pages 9 to 13 below) were assigned to work groups with the task of identifying steps required to achieve the recommendations, along with time frames and responsible organizational units. The results were reported, discussed and refined. They were then adopted by the general group. (These action plans are shown on pages 9 to 13 and are presented with their timelines in Annex Four.) Time did not permit continuation of the process for the remaining action

recommendations. Instead a plan on how PHC would continue the process after the Retreat was developed and agreed to.

Participants agreed that one additional day for a workshop in Jerusalem would be needed. A coordinator was chosen to oversee the planning process and a target period of three weeks was agreed upon for completing the task. Further details were to be elaborated following the Retreat (see below).

The last session, prior to the closing comments, was used to carry out an evaluation of the Retreat. This included a discussion of participants impressions regarding the outcomes and filling out an evaluation form. (See Annex Five.)

C. Outcomes

The Retreat produced the following outcomes.

Mission Statement for the PHC

*To participate in solving the housing crisis of Palestine
and to contribute to the urban development of Palestine.*

Overall goals

- 1. Participate in the development of the housing sector*
- 2. Protect the housing stock*
- 3. Participate in construction operations*
- 4. Develop the housing infrastructure and the appropriate services*
- 5. Contribute to economic and social development*
- 6. Participate in formulating a national housing strategy*
- 7. Encourage single and multi family housing projects*
- 8. Undertake studies, research and experiments for setting standards and codes for the housing sector*

Major Issue Areas and Recommended Actions

1. The Organization's Structure

- To implement decentralization throughout the organizational structure.
- To make the Council's institutions operational, including in particular the General Assembly, by assigning it a larger monitoring and evaluation role.
- Undertake an evaluation of the organizational structure of the PHC by an expert group leading to specific recommendations. The following issues may be examined in the light of such a study:
 - The extent to which it is necessary to make the current systems more suitable for and responsive to the current situation;
 - Fill the existing or proposed staff positions of the organizational structure;
 - Identify the functions and responsibilities of the various components of the structure while respecting managerial hierarchies;
 - Complete the establishment of missing systems;
 - Develop an evaluation system for assessing the performance of units and staff;
 - Identify the communication channels within the organization horizontally and vertically and
 - Amend the staff salary structure in order to attract and maintain good staff.

2. Role of PHC and Relationships with Other Organizations

- To identify the principles which should govern the relation between the PHC and other institutions.
- To delegate a committee from the PHC Administrative Board to determine principles and meet with the Ministry of Housing.

3. Development of Financial Resources

- To formulate a practical approach to attract financial resources from international and Palestinian sources internally and externally.
- To set up a clear financial policy for the utilization of these resources toward the achievement of the PHC's mission and objectives.

- To develop a clear mechanism for financing the housing units which the Council is developing.
- To ensure that the financial policies of the PHC as far as utilization of resources aim in general to maintain the flow of revenues and protect the PHC's capital in the long term.

4. Overcoming Impediments and External Factors

- The Israeli occupation and its control of the structures governing the organization and permits for construction, and the lack of institutional support available.
- To request from international agencies to assist in reducing the external obstacles that the occupation has posed and which affect the work of the PHC.
- The conditions of the donors.

5. Technology of Construction

- To take part with specialized and relevant agencies in the coordination of specifications, standards and codes and in the establishment of systems for quality control.
- To support policies aiming to develop and organize the technical capacities and the national industries.
- To work with relevant national and international agencies toward the improvement of import conditions in order to secure the delivery of construction materials without obstacles, at the prevailing world market prices, and identification of the sources and specifications of the import agents.

6. Jerusalem

- To develop the program of housing construction in Jerusalem.
- To intensify the information role of the PHC.
- To establish a construction fund for Jerusalem.
- To protect and repair the old buildings.

Action Plans for the Top Five Priority Recommended Actions

Issue: Jerusalem

Action recommendation: To support the Arab population housing in Jerusalem

STEPS FOR ACTION	TIME PERIOD	RESPONSIBILITY
1. To complete the special measures needed for the establishment of the PHC's development and construction program in Jerusalem.	1-6-95 to 15-6-95	Administrative board
2. Proceed with the provision of individual loans through existing financial organizations	15-7-95 to 15-7-96	same as above
3. Establish a real estate development company with the participation of other entities.	15-6-95 to 15-10-95	same as above
4. To identify, purchase, and build on land licensed for housing.	From 1-6-95 to end of plan	same as above
5. Acquire undeveloped land and develop it through the Council or other entities in preparation for housing projects	From 1-6-95 to end of plan	same as above
6. To maintain and restore houses in the Old City for residential purposes	From 15-6-95 to end of plan	same as above

Issue: Organizational structure

Action recommendation: To assess the organizational structure of the PHC

STEPS FOR ACTION	TIME PERIOD	RESPONSIBILITY
■ To form an independent and objective committee of experts	1-6-95 to 15-6-95	Administrative board
■ To study in detail the current organizational structure and systems of the PHC	16-6-95 to 15-7-95	Study committee
■ Field study of all work sites (interviews with all staff and decision makers)	16-7-95 to 31-7-95	study committee
■ Formulate the suggested organizational structure	1-8-95 to 30-8-95	study committee
■ Discussion of the proposal	1-9-95 to 30-9-95	All parties concerned in the PHC
■ Integrate the amendments into the recommended system	1-10-95 to 15-10-95	study committee
■ Adopt the amended system		Board of the PHC
■ A committee from the General Assembly will be formed to oversee the implementation of the recommendations	1-9-95 to 2- 12-95	Board of the PHC

Issue: Financial resources

Recommended action: To generate financial resources

STEPS FOR ACTION	TIME PERIOD	RESPONSIBILITY
■ To create a mechanism/unit responsible for generation of financial resources	0-6 months	Board and the relevant administrative unit
■ To request donations and loans (financial and in-kind) from international and non governmental organizations	0-60 months	as above
■ To create a mortgage bank	0-12 months	same as above
■ To get donations (fixed or liquid) from national and local authorities	0-24 months	same as above plus local PHC committees
■ To develop joint projects with the local and international private sector entities	0-60 months	Board / adm. Unit and financial and technical PHC units
■ To participate and cooperate with specialized banks for housing construction		Board and the relevant administrative unit

Issue: Financial resources

Recommended action: To develop financial policies

STEPS FOR ACTION	TIME PERIOD	RESPONSIBILITY
■ To acquire and purchase land and develop the infrastructure	1-1-96 to 1-1-99	Administrative board and relevant administrative unit
■ To develop low cost housing projects	1-1-96 to 1-1-99	same as above
■ Adopt loan procedures	1-1-96 to 1-1-99	same as above
■ To participate in the development of housing sector related industries	1-1-96 to 1-1-99	same as above plus CHF
■ To develop a program for rural housing	1-9-95 to 1-9-98	same as above
■ Revive and rebuild Jerusalem	1-9-95 to 1-9-98	
■ To develop a program for improvement of housing and environmental conditions	1-9-95 to 1-9-98	administrative board and CDF

Issue: Relationship with other organizations

Action recommendation: To develop relations of cooperation with local and international organizations

STEPS FOR ACTION	TIME PERIOD	RESPONSIBILITY
■ To assess the current situation in terms of the relations of PHC with other organizations	1-6-95 to 1-1-96	A committee from the board
■ Review the organization of the department of public relations and specify its functions		same as above
■ Contact the Arab housing institutions and examine bases of cooperation		Public relations unit
■ Contact international housing institutions		same as above
■ Develop the information and communication with the public and with various institutions		same as above

III. FUTURE STEPS

The PHC identified the following needs at the end of the Retreat:

- a. To formulate specific plans for the rest of the recommendations for action made during the Retreat;
- b. To develop a Three Year Plan and
- c. To formulate the management plan for the first year of the Three Year Plan

In order to achieve the first item, the PHC will hold an additional one-day workshop. The purpose of the workshop will be to complete the work of the Retreat. The PHC will then elaborate all action plans in such a way as to analyze them as a program. One week after the first workshop the PHC will hold a second one-day workshop to analyze all the actions plans more closely in terms of their timing, resource requirements and their integration. This workshop will result in the basic components of the PHC Three Year Plan. The PHC will then spend approximately three months achieving the second and third tasks described above. A Three Year Plan with detailed planning elaborated in the first year will be prepared and presented to the General Assembly in October, 1995.

To carry out the workshops and to plan the development of the Three Year Plan, the PHC will request follow on services from MSI for the second half of June.

ANNEXES

1. SCOPE OF WORK
2. ISSUES PAPERS
3. LIST OF PARTICIPANTS
4. TIMELINES FOR ACTION PLANS
5. EVALUATION RESULTS

ANNEX 1

SCOPE OF WORK

PHC Strategic Planning Retreat

A. Background

On February 3, 1994 USAID and the Palestinian Housing Council (PHC) signed a Memorandum of Understanding wherein USAID agreed to grant US\$ 25.5 million to construct and provide housing and improve housing conditions in the West Bank and Gaza. The project is entitled the Gaza Housing Project (GHP).

On September 28, 1994 USAID and PHC signed a Cooperative Agreement providing US\$ 500,000 to the PHC in grant funds for the first twelve months' expenses associated with the implementation of the Gaza Housing Project. Among the terms and conditions of that Cooperative Agreement, under Section E:

USAID will be substantially involved in the implementation of this Agreement. USAID involvement includes but is not limited to...review and written approval by USAID of the Work Plan which details the use of funds provided under this Agreement.

The Work Plan for the one-year period of October, 1994 to September, 1995 calls for the execution of a Strategic Planning Workshop. Specifically, the Work Plan calls for a planning retreat for the Board of Directors and senior managers with the following characteristics:

- The retreat would be preceded by the formulation of several issues papers focusing on the areas of most importance for the PHC at the present time;
- It would seclude the Board and senior members for three days allowing them to consider and discuss the issues and to decide upon its policies, roles and direction;
- It would produce a Strategic Plan, including actions to be taken in the immediate future to execute the plan; and
- It would have a follow-up effort during which execution of the Plan can be checked and modifications can be made where necessary.

B. Statement of Work

1. Purpose of the Workshop

The purpose of the PHC Planning Retreat is to clarify, set and prioritize the intermediate (3 to 5 year) goals of the Palestinian Housing Council given the rapidly changing circumstances in the WB/G housing sector, including:

- Formation of the Ministry of Housing;
- Development of the housing financial markets;
- Pressures from already consigned foreign donor assistance and
- The urgent need for low income housing.

2. Activities to be Carried Out

(a) Framing of Issues

(Washington, D.C.)

The MSI Team will frame certain issues which were raised during the Work Plan effort. These issues include:

- Definition the roles and functions of the PHC, particularly in the following areas:
 - *vis a vis* the Ministry of Housing
 - Who sets policy?
 - Low income or moderate income housing?
 - *vis a vis* a housing bank and the banking function
 - What are other possible institutions?
 - Why the PHC and what are its advantages?
 - *vis a vis* the private sector
 - Construction *per se*?
 - Construction planning/ coordination?
 - *vis a vis* municipalities
 - Who does infrastructure and the PHC role?
 - Zoning and planning?
 - Coordination?
 - Construction funding
 - *vis a vis* planned foreign donor activities
- Deciding on the most appropriate organizational structure for the PHC to carry out these roles and policies, focusing on such factors as:
 - The relationship between the Board of Directors and the PHC senior staff and decision-making responsibilities of each;
 - The particular role and responsibility of the General Manager
 - *vis a vis* the Board and
 - *vis a vis* the regional office managers;

- The relationship between the various field offices and the Board, on the one hand, and the senior staff, on the other; and
- The need for clear lines of delegated authority if PHC is to be geographically decentralized *versus* the need to concentrate PHC staff if decision-making is to be centralized

Such issues, once framed by the MSI Team, will be communicated to the USAID Housing Officer in the WB/G Mission. He will review the issues with members of the PHC Board and the General Manager with the purpose of expanding or modifying the issues to be discussed at the Retreat. The Mission will communicate the results of that review to the MSI Team. All communication can be done via E-Mail to facilitate the process.

b) Preparation of Issues Framing Papers (Washington, D.C.)

Issues Framing Papers will be prepared prior to the Retreat. The level of detail in these papers will depend on the availability of time prior to the scheduling of the Retreat. The Issues Framing Papers will be concise and have the purpose of focusing the attention of the participants and their discussions on the questions which need either resolution during the Retreat or action following the Retreat. The Issues Framing Papers will be translated into Arabic and distributed to Retreat participants prior to the Retreat's opening.

Preparatory Steps Prior to Travel:

1. Ascertain timing preference: PHC and USAID
 2. Select the Facilitator
 3. Ascertain issues of interest to PHC
 4. Prepare Retreat agenda
 5. Send Retreat Invitation with:
 - Agenda
 - Issues Framing Papers
 6. Get reaction from PHC
-

(c) Briefing USAID and interviewing of PHC Board and Senior Staff (Jerusalem)

The Team will brief the USAID Housing Officer, the Project Officer and other Mission staff on the purpose of the Retreat, the activities to be carried out and its expected outcomes. The Facilitator will spend three to five days interviewing Board members and senior staff who will be participating in the Retreat. The purpose of these interviews will be to familiarize the Facilitator with participants and to understand the issues they feel are important, their points of view, and other aspects about the PHC that may be important in the Retreat and help the Facilitator lead it.

(d) Retreat Preparation and Logistics

(Jerusalem)

Prior to the Team's travel to the field the PHC will have identified a location for the Retreat. If necessary this location will have been cleared by USAID/WBG. The PHC and MSI will communicate regarding all expected facilities costs. The PHC will make sure that the selected facility will have all necessary equipment, food and lodging capacity for the participants. For approximately five days prior to the Retreat the MSI Team will handle all preparation and logistics requirements.

Preparatory Steps prior to Travel:

1. Identify several possible locations/facilities
2. Compare and select location/facility re.
 - Costs
 - Equipment and supplies available
 - Distance and transport facilities
 - Office support, i.e. copying, faxing, etc.
3. Negotiate with facility
4. Make all arrangements:
 - For payment
 - For deliveries
 - For accommodations
 - For transportation

(e) Preparation and Distribution of Materials

(Jerusalem)

PHC Strategic Planning Retreat Workpapers binders will be assembled. These will include the Agenda, the Work Plan, Issues Framing Papers and other strategic planning tools.

Preparatory Tasks Prior to Travel:

1. Prepare the binders themselves
 2. Identify and compare possible copying services re.
 - Costs
 - Location
 - Delivery
 - Speed
 - Quality
-

(f) Execution of the Retreat (Jerusalem)

- State, discuss, modify and agree on:
 - Purpose of the Retreat
 - Outcomes of the Retreat
- Establish groundrules and *modus operandi*
- Discuss and understand the issues
- Add and discuss new issues
- Set priorities among issues
- Discuss and agree on PHC's position on each issue
- Set positions in terms of:
 - Goals
 - Objectives
 - Time frames
 - Measurable outcomes
- Formulate a PHC Strategic Plan
- Discuss and agree on actions to carry out PHC's Strategic Plan
- Formulate an Action Plan including:
 - Timing
 - Responsible actors
- Write up and agree on the Action Plan

(g) Execution of Retreat follow-up actions (Jerusalem)

- Obtain and insert details not identified during the Retreat into the Action Plan

(h) Briefing USAID/WBG on the results of the Retreat (Jerusalem)

(i) Preparation of Retreat Final Report Washington D.C.
and Rabat

- Write up the results of the retreat, sharing, comparing and revising drafts via E-Mail
 - Basic retreat description:
 - Participants
 - Dates
 - Location
 - Statement of retreat objectives
 - Description of activities carried out during retreat
 - Summary statement of the Strategic Plan
 - Summary statement of the Action Plan
 - Attachment A: The PHC Strategic Plan
 - Attachment B: The PHC Action Plan
- Submit draft Final Report to PHC and USAID for review and comment

- Finalize Retreat Final Report

3. Outcomes Expected

The following outcomes can be expected from the Planning Retreat itself:

A Strategic Plan for a specified (intermediate term) period

An Action Plan for achieving the Strategic Plan

Steps to be taken, at least at a broad-category level

Individuals and organizational units responsible

Timing for the completion of action steps

The following outcomes can be expected from other activities to be carried out during the assignment:

A final report on the outcomes of the Planning Retreat

Followup steps taken immediately after the Retreat:

Detailed formulation of Action Steps (It is anticipated that some details to the Action Plan will not be completed during the Retreat. These steps, including elaboration of details which need to be worked out, search for data that needs to be obtained and contact with persons not participating in the retreat who need to be consulted, will be carried out immediately following the retreat.)

C. **Scheduling**

The field work for the Retreat will be carried out over a four-week period. This will be preceded by a two-week period for issues formulation and followed by a seven-week period for followup, report drafting and review and final report preparation. It is anticipated that the assignment will begin on February 13 and end on or about May 13. A Work Plan for the assignment is shown on the following page.

D. **Staffing and Level of Effort**

Harry Carr, Institutional Development Spec.

24 person/days - Jerusalem

11 person/days - Washington

Mr. Carr will be responsible for the overall performance and results of the assignment, serving as Team Leader. In this role he will also have primary responsibility for the logistics of the retreat. He will also provide technical services in institutional strengthening, informed by his prior knowledge of the PHC, to the activities of the assignment by: preparing Issues Framing Papers; providing advisory assistance during the retreat; and having primary responsibility for drafting the final report.

Tahar Berrada, Housing Policy Specialist

24 person/days - Jerusalem
10 person/days - Rabat

Mr. Berrada will have primary responsibility for the technical aspects of the assignment, i.e. housing policy, program development and execution. Specifically, he will be responsible for assuring the technical quality of the Issues Framing Papers, the discussions during the Retreat and the final report. He will provide technical services by: preparing Issues Framing Papers; providing advisory assistance during the Retreat; participate in the drafting of the final report and have primary responsibility for quality assurance in finalizing the report.

Dr. Hamouda Hanafi, Facilitator

12 person/days - Jerusalem
3 person/days - Boston

Dr. Hanafi will have primary responsibility for the quality of the retreat itself. He will familiarize himself with the issues to be discussed in the Retreat and with the participants themselves. He will design and carry out the retreat. He will then participate with the team in follow-up activities and with the de-briefing of USAID.

ANNEX 2

ISSUES PAPERS

The Palestinian Housing Council: Building for a Better Future

Financial and Administrative Policy for Allocation of the Housing Units in the Gaza Strip

Jerusalem Rehabilitation Program

Challenges and Ambitions in the Organizational Structure

The Role of the PHC in the Housing Sector

The Organizational Structure of the PHC

The Palestinian Housing Council

Building for a Better Future

Prepared by the Public Relations Department

(Translated from Arabic)

INTRODUCTION

The Palestinian Housing Council (PHC) was established in 1991, following the announcement by the European Union that they were ready to provide a grant of 29 million ECU's to assist housing programs in the Occupied Territories. The PHC was the first national Palestinian organization with the task of monitoring, organizing and developing the housing sector in Palestine, and undertaking housing for people of limited and middle income.

INFORMATION ABOUT PHC

The PHC has been registered as a private not for profit society in Jerusalem. PHC has a General Assembly composed of 26 Palestinian individuals, most of whom are from the engineering field. The General Assembly elects a Board of Directors composed of thirteen of its members once every two years. The Board of Directors selects its President and members of its committees, which are: Technical Committee, Financial Committee, Planning and Studies Committee, the Public Relations Committee, and the Legal Committee. The Board of Directors meets as needed, and on average once every 2 weeks, to monitor the work of the Council and to take decisions regarding its current and future activities.

The Council's headquarters is in Jerusalem. There are four branches of the Council, in Ramallah (technical office), Nablus and Khalil in the West Bank, and in Gaza. Each branch is responsible for monitoring the work in its geographic area and all are responsible to the headquarters office in Jerusalem. In each of the branches, there is a local committee made up of business people and engineers to provide consultation to the council regarding construction projects.

The Council has a General Director reporting to the Board who is charged with the daily monitoring of the Council's activities. There is also an Assistant to the General Director, and Directors for Administration, Finance, Technical Affairs, and Planning and Studies. There is also a Department for Public Relations and a Committee for purchases and donations. A department for marketing and loans is being considered. The work of all these departments is defined in the structure document of the Council which specifies the prerogatives and tasks of each.

AIMS OF THE COUNCIL

The principal aim of the Council is to solve the housing crisis in the Palestinian Territories.

The objectives of the Council are as follows:

1. To study the housing crisis and ways to solve it.
2. To contribute to the formation of a national strategy for housing in Palestine
3. To inform other countries and specialized agencies of the situation of housing in Palestine and encourage them to provide support for its solution.
4. To define a mechanism for implementing solutions to the housing crisis.
5. To undertake constructions with the most modern methods while conserving the religious, social and cultural character in Palestine.
6. To build housing units for people of limited and moderate income.
7. To sell housing units at cost to beneficiaries of limited or moderate income.
8. To utilize the revenues for the sale of housing units for additional construction of additional housing units for persons of limited or moderate income.
9. To oversee the repair and maintenance of buildings, and to provide loans for this purpose.
10. To supervise the programs of rural and urban development and to make plans and secure budgets for these purposes.
11. To participate in the establishment of a housing bank with the aim of providing loans for individuals and groups for private housing.
12. To encourage the private sector to participate in the construction activities.
13. To obtain loans or donations from Arab and Western sources to support housing projects.
14. To cooperate with local and foreign institutions to develop and modernize the housing sector in Palestine.
15. To assist local housing associations to implement their housing programs.

CONDITIONS OF ELIGIBILITY FOR A HOUSING UNIT

The general conditions necessary to benefit from housing units built by the Council are:

1. To be a citizen residing permanently in the West Bank, including Jerusalem, or in Gaza.

2. That the beneficiary or spouse, or any dependents, does not own a house.
3. To be unable financially to build a house or home.
4. To be unable to pay for the value of a house.
5. To be of limited or moderate income.
6. Not to have already benefited from a housing loan from any source, either to oneself, spouse, or dependent.

More than 5,600 Palestinians submitted applications to compete for 1200 units that the PHC built.

CURRENT AGREEMENTS

Three principal agreements relating to housing projects in the Territories have been signed so far.

European Union

The first agreement is for 29 million ECU's to build 1200 units equally distributed between Gaza and the West Bank.

The second agreement, signed on 8 July, 1992, is for 10 million ECU's to support previous housing projects and build additional units, and was signed on 28 November 1994.

The European Union had provided an amount of three million ECU to build housing units in Nasiret in Gaza through the British Overseas Development agency. These units have been given to the PHC for supervising their construction. Thus, the total of EU assistance is 42 million ECU.

USAID

PHC and USAID signed an agreement on 3 February, 1994 relating to the building of 192 units for an amount of 6.8 million dollars in Jebilya, Gaza. The amount of USAID in 1994 for the Occupied Territories is 25.5 million dollars, which is part of the financial assistance pledged to the Palestinian Authority by the US Government. In addition to the 192 units, the remaining amounts will be used for technical assistance for the management of the projects and the promotion of the housing sector through training, research and studies, neighborhood development projects, and programs to rehabilitate housing through small loans.

Japan

An agreement was signed on 1 August 1994 providing 10 million dollars to build 270 units for the police officers of Gaza. The Palestinian Authority assigned the task of building this to the PHC in cooperation with UNDP.

HOUSING PROJECTS IN PROGRESS AND IDEAS FOR THE FUTURE

PHC prepared the necessary plans to build 100 units related to the European funding. The PHC purchased land as it was difficult to acquire state-owned land due to the policy of the Israeli occupation which refuses to assist Palestinians in the building of the infrastructure for their society and economy.

After establishing its organizational structure and particularly technical departments, PHC called upon engineering and planning agencies and contractors in Palestine to take part in the categorization of their services in order to allow them to take part in bids for planning and construction. The PHC asked the categorized agencies to take part in a competition for the best planning of various projects and received several offers which were analyzed by various committees to decide upon the winners. Contracting agencies that offer the lowest prices are selected to do the building according to an agreed upon schedule. More than one contractor can be used for one project - for example, the Karama project in Jabalyia has 7 contracting agencies including an American contractor working in the US-funded project. The project includes building 13 buildings, 6 of which with US funding and 7 with European funding.

THE GAZA STRIP

There are 4 housing projects funded by the EU, and 5 by the USA. They are distributed throughout the Strip and total of 798 units. There is a plan to build 160 additional units in Nassirat to start as soon as funding is available. The police housing in Gaza concerns 270 housing units, and the Palestinian Authority made available the land in Beit Hanoun for these units.

THE WEST BANK

All projects in the West Bank are funded by the European Union. A total of 221 units are in construction in various towns in the West Bank and more are planned after additional funding is obtained, so that a minimum of 594 units will become available. This number will increase after determining the number of units in Jerusalem, Betounia and Yata. PHC plans to use not less than 30% of the second EU funding for housing programs in the rural areas. The EU and PHC had agreed to reserve 5% only of the first grant for rural areas.

JERUSALEM

Due to the difficulty of obtaining land in Jerusalem, PHC was unable to build 60 units it planned and could not get building permits either. PHC, in agreement with the EU, had reserved 10 % of the original grant for Jerusalem. This amount is still unused until a method for its utilization is found. Due to the difficulty of undertaking general housing programs in Jerusalem for Palestinians, the PHC is currently studying other means of housing in Arab Jerusalem and for developing it and preserving the Arabic presence in the city. One of the ideas is to provide financial and technical assistance to land owners within the limits of Jerusalem to allow them to build houses for their use and for the use of other citizens. The council will enter into a partnership with the landowner to do the construction.

CONCLUSION

Official and non-official Palestinian reports state that Palestinian territories need more than 250,000 housing units to solve the housing crisis. As the PHC program covers not more than 1% of the general need, a substantial effort is still required for the large unmet need. The PHC is spending numerous efforts to obtain additional financial support and to support the private sector's involvement in solving the housing crisis.

A needs assessment team of the Islamic Development Bank visited the Occupied Territories in 1995 to study the general economic situation. One of its interests was to support the housing sector particularly in Jerusalem. The team held several meetings with the PHC to examine the best methods to support the housing sector particularly in Jerusalem. The housing needs were explained and ready-made plans were presented for construction in several towns of the West Bank and Gaza which only await funding. The visiting team will present its report to the Board of Trustees of the Bank and it is expected that the Bank will give more than 15 million dollars to support housing projects in the Palestinian territories.

The PHC cooperates with the Palestinian Authority to reduce the impact of the crisis and help the Palestinian people to achieve social and economic well being.

ANNEXES

1. Housing projects in the West Bank

N ^o .	Project	Number of units			Starting date	Ending date
		Total	Approved	Future		
1	Marj El Faouda - Nablus	90	31	59		
2	Wadi Elzoomar - Tulkarem	45	45		10/5/94	9/5/95
3	Marj Ibn Amer - Jenin	64	56	8	6/8/94	5/8/95
4	Khalil El Rahmane - Al Kbalil	25	25		10/8/94	9/8/95
5	Marah Ghenim - Doura	47	20	27	8/11/94	7/11/95
6	Ennasr - El Bira	31	31		7/10/94	16/10/95
7	Badr - Bir Zeit	50	20	30	24/9/94	23/9/95
8	El Mahd - Bethlehem	140	40	100		
9	El Awda, Kalkilya	40	16	24	1/2/95	31/1/96
10	Al Yarmouk - Ariha	30	30		17/10/94	16/10/95
11	Singer - Doura	32	24	8	19/1/96	18/1/97
12	Hattine - Beit Rima			24		
13	Rafidya - Nablus	33	33		1/1/96	31/12/96
14	El Fath - Jerusalem					
15	Bitunia - Bitunia					
16	Yata - Yata					

All housing projects in the West bank are funded by the European Union.

2. Projects in the West Bank, by land size, Planning agency and contractor:

NO.	Project	Land size (sq.m)	Architect	Contractor
1	Marj El Faouda - Nablus	4557	Al Hajaoui	
2	Wadi Elzoomar - Tulkarem	3513	Aldyar Lilistesharat	Al Bayan Wa Serwan
3	Marj Ibn Amer - Jenin	4551	Sinan Litakhtit and Majmoua Handasiya	Aldyar Watatweer
4	Khalil El Rahmane - Al Khalil	1831	Anastas	Al Dyar Al Moukadassa
5	Marah Ghenim - Doura	3638	Aldyar Lilistesharat	Mohamed Abou Ayash
6	Ennasr - El Bira	2181	Al Quds El Handasi	Al Itifaq
7	Badr - Bir Zeit	3872	Basem Khouri	Al Aqsa and Jenin
8	El Mahd - Bethlehem	14175	Attasmim El Handasi	
9	El Awda, Kalkilya	2513	Rokn Lelhandasa	Al Maktab Al Handasi
10	Al Yarmouk - Ariha	2611	Anastas	Korch Al Handasi
11	Singer - Doura	2425	Rokn Lelhandasa	Al Sharq Littahudat
12	Hattine - Beit Rima	2039	Elsakakini	
13	Rafidya - Nablus	1953	Basem Khouri	Zahran Lilmoukawalat
14	El Fath - Jerusalem			
15	Bitunia - Bitunia	1440		
16	Yata - Yata	2000		

3. Housing projects in Gaza:

N ^o .	Project	Number of units			Starting date	Ending date
		Total	Approved	Future		
1	Al Kalaa, Khan Younis	96	96		11/93 (72 u.) 12/94 (24 u.)	2/95 (72 u.) 10/95 (24 u.)
2	Ain Jalout - Nasirat	320	160	160	12/93 (128u.) 11/94 (32u.)	3/95 (128u.) ¹ 12/95 (32u.)
3	Al Karama - Jabalya	416	416		6/94 (192u.) 10/93 (224u.)	12/95 (192u.) ² 12/95 (224u.)
4	Rafah - Rafah	126	126		9/94	4/95
5	Police - Beit Hanoun ⁽³⁾	256	256		2/95	2/96

All projects are funded by the European Union except as indicated in notes 2 and 3.

(1): ODA pilot project units, the rest being built by the PHC.

(2): Funded by USAID (EU funded units built also in same location)

(3): Japanese Government funding, PHC implements the project in cooperation with UNDP.

4. Projects in Gaza, by land size, Planning agency and contractor:

N ^o .	Project	Land size (sq.m)	Planner	Contractor
1	Al Kalaa, Khan Younis	5908	Abul Fatah	Al Majaydah, Moukawiloun Al Arab, Al Horya, Bonyane Dawlyah
2	Ain Jalout - Nasirat	21460	Al Fanya Lilitisharat	Sakka and Zemmou, Shams, Washah, Kishtah
3	Al Karama - Jabalya	22127	Baladi	Shams, Ramly, ABB, Khudhary, Ismail, Shihab, Al Ashqar
4	Rafah - Rafah	8760	PHC Gaza	Kordy, Kishtah, Abu Zindah
5	Police - Beit Hanoun ⁽³⁾	5000	PHC Gaza	

7. **Directors of Branch Offices:**

	Name	Position
1	Eng. Nabil Aref	Technical Department, Ramallah
2	Eng. Omar Othmany	Gaza Branch
3	Eng. Shaheen Shaheen	Nablus Branch

8. **PHC OFFICES:**

HEADQUARTERS:

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Tel and Fax: 2- 271 666

BRANCHES:

1. RAMALLAH

Technical Department,
Dahdoolan Building, End of Gamal Abdel Nasser Street
Branch Office Director: Nabil Aref
Tel: 2- 954 723 / 4
Fax: 2- 954 722

2. GAZA

Thalatheen Street
Director of Branch Office: Omar Othmany
Tel: 7- 280 929 and 7- 283 280
Fax: 7- 283 290

3. NABLUS

Near Maazooz El Masry Mosque
Branch Office Director: Shaheen Shaheen
Tel: 9- 381 169
Fax: 9- 381 168

4. AL KHALIL

Azraeef Building
Bir Essabaa Street
Tel: 50- 271 934

Financial and Administrative Policy for the Allocation of the Housing Units in the Gaza Strip

Prepared by the Interim General Director
and the Director of Planning and Research

Submitted to the Board of Directors

(Translated from Arabic)

INTRODUCTION:

In 1992, the Palestinian Housing Council (PHC) announced its plans to build housing units according to specifications which include allocating these units to beneficiaries in moderate or lower income brackets.

1. Applications for planned and executed units:

The PHC received about 1,966 applications from Gaza alone distributed among Gaza City, Rafah, Khan Younis, and Nussiarat where the PHC has its projects.

The PHC has 958 units planned and contracted for as follows:

Location	Number of units
Nussiarat	320
Al Karama (Gaza)	416
Khan Younes	96
Rafah	126
Total	958

Prior to the analysis of applications and determination of eligibility, there are on average two applications for each unit available, but it is expected that the number of applicants who qualify as in need will be less than the number of applications.

There are variations among the regions in the ratio of applications to available units:

Region	Applications	Housing Units
Rafah (Housing Project of Rafah)	134	126
Khan Younes (Al Kalaa project)	191	96
Al Karamah Towers	1524	416
Nussiarat and Ain Jaloot Towers	117	320
Total	1966	958

There is a shortage of applications in Nussiarat and Ain Jaloot while in Gaza there is a ratio of 3.6 applicants per unit offered.

The request for applications did not include clarifications and specific indications about the specifications of the units such as size, infrastructure costs or administrative and social aspects.

The estimate of costs of the housing projects in general have been affected by technical, environmental and financial factors. These have led to costs exceeding the limits set by the plan, which aimed initially to provide housing for low and moderate income beneficiaries.

2. Current situation (construction, administration and financing)

a. *Construction situation:*

It is expected that the construction work will be completed as follows:

[Note from translator: no completion dates were given in the text]

Khan Younes Towers:

Nussiarat Towers:

Kalaa Towers:

Karama Towers:

The periods for making the units available vary between three and ten months from today [Mid may 1995]. The completion dates for the infrastructure and various aspects such as sanitation, water, electricity and other amenities have also to be taken into consideration before the project is ready for residents and keys to the units are given to the beneficiaries.

b. *Financial situation:*

The policy of the PHC is based on the principle of preserving the continuity of the value of invested funds without reducing the number of housing units in the projects, and on reinvesting the funds in additional projects to extend the benefits of housing to a greater number of people. It is therefore necessary for the Council to adopt clear financial policies leading to these objectives.

This means that the ability to pay the first installment (down payment) and the monthly installments are at the top of the list of indicators upon which the selection of the final list of beneficiaries should be made.

It is possible to adopt the study done by the economic advisor of the PHC (Dr. Mohamed Samhouri) as a basis for following a financial policy for selecting future beneficiaries particularly in the area of Gaza.

As for the method of setting up the financial organization to calculate the overall costs and to collect the first installment and the subsequent monthly payments it is possible to use the experience acquired in the buildings improvement loan program and to work toward achieving better terms.

c. *The administrative situation*

All applications presented to the PHC in Gaza have been analyzed a week ago using a point system but there were omissions in the information related to income and occupation in addition to the low number of applications in certain areas as compared to the number of housing units available.

In the second phase, interviews will be held with the beneficiaries from the primary list with the purpose of updating the information and documentation and verifying that all conditions are met, as required by the PHC. The next to final list will then be established within 2 weeks of completing all interviews.

In the third and final phase, the final list is selected on the basis of making the down payment and completing all procedures and legal steps and presenting guaranties in addition to the selection of special committees of beneficiaries in each project. The handing of the keys will be done in a ceremony attended by community leaders and the representatives of the Authority and of the private sector.

The Department of Planning and Research expects that there will be a gap between the number of applicants eligible to own units as per the criteria and the indicators mentioned in the report of Dr. Samhouri. It may be necessary to reopen the application process to achieve the completion of sale of all units.

In the case of reopening the application process, the Planning and Research Department has taken some measures for reviewing and auditing the applications and documentation within a period not exceeding one month.

An information package has been prepared to provide all needed information to all applicants to inform them about the PHC policies, the conditions for purchasing a unit and the specifications of each housing development, so that applicants can take all needed actions to respond to the requirements of the PHC.

The Council is in a better position now as it is able to identify financial and administrative principles to apply to all beneficiaries, and it has formulated a mechanism for auditing the information and data in the procedure of selecting beneficiaries, as well as for distributing the housing units and servicing them.

JERUSALEM REHABILITATION PROGRAM

Prepared by Eng. Ali Barakat
(Translated from Arabic)

INTRODUCTION:

The establishment of a specialized executive office to deal with the various issues related to the city of Jerusalem is based on the desire to preserve the Arab identity of Jerusalem and to limit the impact of Israeli plans to change the city's ethnic balance and expel its Arab residents through various methods and procedures. Our first priority is to address the danger posed by Israeli plans and policies. These policies aim to establish a *fait accompli* through the implementation of construction, housing and infrastructure plans within the framework of settlement areas which are becoming thicker by the day, and also aim to change the demographic and population realities of the city in favor of the Israelis and their establishment in the Old City and its surroundings.

DEFINITION OF THE PROGRAM:

The program aims to prepare a work plan to achieve the special requirements of the housing and renovation projects in Jerusalem and its surroundings and draw urban development policies which take into account the special and exceptional situation of the city and which define special ways to deal with it. The program oversees and monitors the execution of housing projects.

OBJECTIVES OF THE PROGRAM:

1. Prepare an implementation plan for the maintenance and renovation of buildings in the Old City after the study and survey of the situation in terms of housing, social, economic and environmental conditions.
2. Organize the recording of information, statistics and maps related to the structural organization of the neighborhoods and areas inhabited by Arab residents of Jerusalem and define the land areas which have been organized for housing.
3. Promote individual and multiple dwellings and encourage investment projects within the confines of the city and its surroundings.
4. Make available appropriate lots and buildings roof-tops for the implementation of building projects.
5. Establish a real estate investment company to achieve the objectives of housing projects in Jerusalem.

IMPLEMENTATION STEPS:

I. The project for renovation and protection of old buildings in the City

There are two possibilities for implementing housing developments in the Old City, and in the following we will present summaries of procedures, conditions and requirements for the achievement of the project's objectives.

a. Comprehensive development of the Old City's neighborhoods where Arab residents live

This is achieved by dividing the Old City into segments, each of which comprises a group of buildings and is considered an integral development project for renovation and protection of the old buildings after field surveys, technical assessments of the urban and architectural heritage, and evaluations of what needs to be either repaired or rebuilt to the same architectural specifications as in the original building.

b. Individual housing through provision of housing loans

This is achieved through financial loans to beneficiaries, which are reimbursed in monthly installments determined on the basis of an assessment of each case.

c. Religious and historical buildings:

A comprehensive inventory of all historical and religious buildings and buildings of public services with the aim of determining:

- Ownership and affiliation
- Development and restoration needs
- Coordination with related agencies and parties

II. Projects for Multiple and Individual Dwelling

a. Multiple dwellings:

The need: to provide housing loans to build housing developments outside of the Old City.

Conditions:

- Registered and authorized cooperative associations for housing
- Project location within the limits of the municipality of Jerusalem
- A building permit, or an approval in principle from the municipality based on a detailed development plan, is obtained

- Beneficiaries are holders of Jerusalem identity and from limited income brackets
- Ability to pay the installments
- Ability to contribute a minimum of 30 percent of the costs of building.

b. Individual housing

Objectives:

- Promote individual housing and encourage residents of Jerusalem to develop housing through incentives to secure appropriate housing.
- Encourage citizens to make use of land that they own in various areas of Jerusalem through preparing land surveys and obtaining building permits from the municipality.
- Complete the allowed percentages of existing buildings and increase the number of floors or units in each.
- Create job opportunities for all sectors contributing to the field of housing and construction.

Conditions for beneficiaries of housing loans:

1. A building permit to build a new or additional building
2. Financial inability to build on own's own
3. Having appropriate guarantees to pay the installments
4. Ability to participate in the cost of building with at least 30% of the total cost
5. To use the completed building for housing of the beneficiary or rental to a Jerusalem family for housing purposes.

Implementation steps:

After submitting the request to benefit from an individual building loan and completing the required forms, the following steps are needed:

1. Verify the property documentation and building authorization and the construction and development plans.
2. Study the social situation of the beneficiary and his/her family

3. Land survey of the site and preparation of a technical and economic report on the economic value and the technical specifications of the project.
4. Present the documents to the local committee for study and appropriate decision.
5. Submit the report with the documents to the Board of Directors for approval.

III. Housing Projects

To purchase appropriate land and building rooftops for the purpose of developing housing projects on them by the Palestinian Housing Council in a similar way to the projects currently being developed in the West Bank and Gaza.

Conditions:

- The site has to be within the organized areas for housing
- The minimum portion for building should be 50% of the land surface
- Appropriateness of land prices, costs of building and permit fees

CHALLENGES AND AMBITIONS IN THE ORGANIZATIONAL STRUCTURE

Prepared by the Administrative Department
(Translated from the Arabic)

Achievements of the PHC in the first three years (1993-95)

The PHC is a young institution whose leaders believe in modernization and are making efforts to develop the structure of the administrative work in the Council. In the last three years, the Council has had important achievements some of which are listed below:

I. The compendium of regulations and procedures

1. The articles of constitution of the PHC
2. The internal by-laws
3. PHC staff handbook
4. Job descriptions for administrative, technical and financial positions.
5. Salary and fees schedules
6. Financial procedures
7. Procedures for purchases, offers, contracts and requirements
8. Procedures for classifying and registering engineering and contracting agencies
9. Point system for the selection of beneficiaries of housing projects
10. General technical specifications
11. Electrical technical specifications
12. List of general conditions for agreements with contractors
13. Other procedures, instructions and systems

Many of the above systems and procedures have been subject to amendments as needed to update them and adapt them to emerging requirements. The PHC did not set up these systems just for the sake of having systems but has been eager to prepare systems to assist and organize its business.

II. The good selection of human resources

The appointment of staff is based on competence first and foremost and the opportunities are given to all applicants to compete regardless of gender, race, religious affiliation or color.

III. Integrity of the allocation of contracts

The central committee for allocation of contracts carries out all the measures and preparations for contracting the housing projects, aided by the financial and technical departments of the Council.

IV. Preparation of the executive leadership

The Council has stated delegating responsibilities and decentralizing and it is hoped that this trend will continue.

V. Establishment of relations with other organizations

Cooperative relationships have been established with many local, Arab and foreign organizations and such relationships can be reinforced with exchanges of field visits and experiences as well as with the provision of advice and financial support to the Council.

VI. Organizing the administrative work

The Council has made notable progress toward organizing all of its administrative work with plans for computerizing the operations in the near future.

VII. Relations with staff

The achievements of the Council in the area of staff relations are as follows:

1. The PHC is the only Palestinian organization which reserves one day of the year to honor all of its personnel with board members and senior staff in attendance.
2. An annual certificate of recognition is given to distinguished staff members in addition to material incentives.
3. Salary increases commensurate with the financial situation of the Council, the latest increase coming in the form of a professional allowance for all technical administrative and financial staff.
4. A constant effort to improve the situation of staff and facilitate the provision of services and incentives to them including the following:
 - The creation of a pension fund with contributions from the Council to match contributions made from staff salaries;
 - Insuring all staff against work-related accidents; and
 - Approval by the Council of a health scheme for the staff.
5. The Council provides training to develop the skills of its employees including training abroad. The Council is currently according an increased attention to this matter and as it established the Department of Training and Research, the latter has started preparing a comprehensive plan for training events and participation in events abroad.

The PHC, Problems, Obstacles and Solutions

1. Inappropriate organizational structure

When the structure was established in the first year of the Council, there was a lack of clarity in the Council's goals and in the comprehensiveness of the vision, prior to the appointment of most of the senior staff positions and to the creation of the departments and branch offices.

The weaknesses of the structure, include the following:

The Administrative Board occupies the top of the hierarchy, yet there is a lack of clarity in its role and this may be due to its title. If the current title is taken literally, it means that it is the Board which should assume the executive leadership of the Council rather than the general administration which is headed by the General Director. The current situation leads to confusion in prerogatives and makes the post of General Director closer to that of secretary of the Council, prevents the General Director from assuming its functions, as he is unable to take most decisions without referring to the administrative board and is unable to take appropriate and timely administrative decisions.

If the title for the board is that of board of trustees, the problem will be resolved as the prerogatives of the board are limited to that of general policy and goals formulation, approval of systems and procedures, etc. and the general administration will be the only executive administration responsible to the Board of Trustees.

This confusion in the structure has created two executive structures in the Council. The agendas of the Board meetings usually included tens of items for study by the Board and, not even once, has the agenda been fully completed in a given meeting, despite the frequency of the meetings, an average of two per month at least. In reviewing the agendas, we can see that the majority of items could have been studied and resolved with the appropriate decision by the administration at different levels.

2. The Committees of the Council

The structure of the Council includes several committees comprised of Board members. These are permanent committees with advisory functions and submit their recommendations to the Board which alone has the power to decide.

These committees add to the problems of confusion of prerogatives, represent hidden centers of power within the structure and indirectly influence the operations of the management in many areas particularly that of decision making.

These committees also indirectly weaken the principle of unity of command as all directors including the General Director will be getting their orders from more than one source. For example the General Director will get his orders from the Board as well as indirectly from the heads of permanent committees, the Technical Director will get his orders from the General Director and from the Chair of the Technical Committee, the Finance Director from the General

Director and from the Finance Committee Chair, the Administrative Director from the General Director and the Committees chairpersons etc.

It is therefore necessary to examine the situation of these committees and to decide whether it is in the interest of the Council to maintain all or some of them. If they are to remain, there will be some precautions needed to ensure their non-intrusion into the executive affairs and to limit their work to the consultations requested by the Council. This role requires changing the situation of the committees into temporary ones formed on an ad-hoc basis. This also requires changing their composition so that they include specialists and experts as required by the subjects of their consultation.

3. The Directors of the Branches

The branches were not active at the time the structure of the Council was established and were in the process of formation except for the Gaza Branch which has always had intensity in its work qualitatively and quantitatively. The situation of these branches was not clear and they appeared in the structure as related to the general director on one hand and to the department directors on the other hand. The director of the branch is often an engineer linked to the technical director and to the general director with additional links to the directors of other departments. He is also linked to one or more of the members of the administrative board from the area of the branch.

The branch director in this case is described as one who:

- Is often unable to make appropriate decisions
- Receives instructions and orders from several sources with some possible conflicting orders
- Is unable to determine precisely the limits of his responsibilities, duties and prerogatives

There are two ways to solve this problem:

First: to place the Branch director under the direction of the General Director to whom he will be exclusively responsible.

Second: to implement the principle of decentralization and give the branch the latitude to direct its financial, technical and administrative operations while providing it with the needed guidelines for reference and accountability. This requires linking the directorate of the branch with the administrative board and not with the general director or finding another way so that the general administration has responsibility for the branch with stipulations for coordination with other departments and sections of the Council.

4. Procedures, rules and regulations

The regulations of the Council have been established based on the structure of the Council, by different committees which did not coordinate with one another. Their amendment is needed so that the following is achieved:

- Improve the appropriateness of the Council's systems and their adaptation to changes in the structure and to the requirements of responsibility, delegation and decentralization in the administration of branches.
- Eliminate all shortcomings in the procedures such the current limitation of 100 Dinars on the general director's maximum approval authority.
- Eliminate all conflicting regulations and coordinate among procedures in their text, meaning and application.
- Provide opportunity for flexibility in the systems so that they can be adapted to new situations and can be appropriate for the Council's situation and its ambitions.

5. Problems in human resources and staff

The difficulties in this area are as follows:

a. Difficulty in selecting competent staff

The Council is finding difficulties in recruiting competent personnel for the senior positions, as most good applicants are those with jobs in other organizations where they receive relatively high salaries and would expect higher salaries from the Council, a requirement that may be beyond the Council's means.

b. Lack of personnel in some of the departments

This is evident in the administrative department which despite its importance and the multitude of operations it performs has only a director and two secretaries who additionally carry out all administrative and support work for the other departments and are usually forced to stay long hours and skip holidays.

The position of assistant to the director has only been filled for one month, thus the director has been doing his work and that of the assistants who should be two at least and could not be expected to monitor the work of all units and branches, sign papers and transactions, inspect building sites, and follow up on the implementation of decisions. The director should have an executive secretary to assist him with his schedule and paperwork.

c. Staff turn over

Some of the appointed staff members in the Council have left for more lucrative jobs. Most of these were engineers, directors and secretaries and all were competent staff. This phenomenon was clearly apparent since the advent of the national Palestinian Authority and the staff turnover will represent a real problem for the Council unless some remedies are introduced such as:

- Reviewing the salaries scales, improving them and providing monetary incentives. This has been done earlier by the council and has reduced the turnover but did not eliminate it.
- Appointing the needed competencies through proper selection and attracting palestinian competencies from abroad, and this means expanding the use of private contracts.
- Using experts, advisors and consultants and assigning them to specific and specialized tasks within their competence.

6. Coordination among the administrative units of the Council

There is yet a lot to do to increase the coordination in procedures and administrative operations between the departments of the Council on one hand and between the branches of the Council and the general administration on the other hand.

The committee of directors which exists theoretically in the structure and which is composed of the general director and the directors of the main departments can find the appropriate coordination ways through regular and organized meetings. Coordination should aim at the following:

- Avoid routine and eliminate excessive lengthy administrative procedures
- Select the most appropriate, shortest and clearest procedures for correspondence, transactions and all other operations related to decision making and avoid delays, obstacles and shortcomings.
- Use appropriate modern technology to improve the quality of communication between units and branches, and use these technologies for all administrative procedures whether relating to coordination or organization and monitoring of administrative records.
- Continue the coordination effort and increase the ability to resolve issues as they occur from time to time.

There are other obstacles which we have not noted here based on the fact that they do not represent major problems at this time and are often related to major obstacles that we have discussed.

CONCLUSION

The principle goal of the creation of the Palestinian Housing Council was to serve the Palestinian public through assisting to resolve the long standing housing crisis and thus to assist in providing a better and more dignified life. The Council has proven its ability to play its role with success despite the many difficulties, and its ambition will continue to be toward reaching its goal.

All factors for the success of the Council exist, and they include the enthusiasm of the people in charge of the Council and their reserves of determination to persevere, added to the awareness among all of the people of the requirements needed to build the Palestinian state around Jerusalem as its capital.

The coordination and complementarity among all actors in the field of housing will bear results and produce the highest of achievements.

THE ROLE OF THE PHC IN THE HOUSING SECTOR

Prepared by USAID/WB&G Consultant Harry Carr
(Translated to Arabic for the Retreat)

Essence of the Issue

The Palestinian Housing Council's (PHC) role in the housing sector is very (too?) broadly defined. The PHC is currently involved in a number of project design and implementation activities, including construction management. The PHC also plays a policy role. The establishment of the Ministry of Housing in the Palestinian Authority and the increased burden placed on the PHC by its numerous project management activities require that the PHC examine what roles it can best play in the housing sector.

Background

The Palestinian Housing Council (PHC) was created in 1991 and was the sole Palestinian body responsible for planning and implementing housing programs and policies in the Occupied Territories. At that time, the Palestinian Authority was not yet operating in Gaza and Jericho.

The PHC's mandate for undertaking activities in the housing sector is broadly written. More than ten objectives are listed in its charter. To date, the major activities undertaken have included design and construction of the USAID and European Union-funded housing projects. The PHC is also playing an active role in the design and implementation of the USAID-funded Home Improvement Loan Program (HILP) and the Neighborhood Upgrading project (with Save the Children). In addition, the PHC has investigated participating in a housing bank which would finance housing construction in Gaza and the West Bank.

Until the summer of 1994, the PHC acted alone in the Palestinian housing sector -- working within the guidelines governing the Occupied Territories. During the Summer of 1994, the Ministry of Housing was established by the Palestinian Authority (PA). The Ministry has been staffed and has begun activities in the sector. At this time, however, it is unclear what role the Ministry will play in the housing sector. Nevertheless, it is certain that the roles of the PHC and the Ministry in the sector will need to be defined.

Having been the sole Palestinian body working in the housing sector, the PHC has taken on a broadly defined role that includes everything from policy making to direct construction of housing units. The PHC's portfolio will grow significantly with the addition of the USAID-funded HILP and the Neighborhood Upgrading project. Required activities in housing unit finance will also add to the PHC's portfolio.

Dimensions of the Issue

The major dimensions of the Housing Sector Role Issue are identified below. There may be others that will be identified during the Planning Retreat. This is a way of looking at the issue

in its component parts. Once these are understood, then making decisions about them becomes easier.

- What is the PHC's role in the housing sector? Is it to increase shelter provision for all? Is it to provide low-income shelter? Is it to build housing units? Is it to found a housing finance bank? Is it to draw up a housing strategy? Is it to develop private sector provision?
- Should the PHC play a policy making role or a project implementation and management role or both? What types of policy making roles and project implementation roles should the PHC take? How will the PHC interact with the Palestinian Authority?
- Should the PHC be a direct provider of housing or should it facilitate the provision of housing by the private sector and other institutions? What types of housing sector activities should the PHC be involved in and what resources will be needed to undertake these activities? Such activities might include: direct construction of housing; housing finance; neighborhood upgrading and home improvement programs; sites and services projects.

Decisions Required of the PHC

Below are listed several sorts of decisions the PHC is facing within the Housing Sector Role Issue. The list is not meant to be exhaustive. During the Planning Retreat the PHC might identify others. They provide focus, however, to the decision-making deliberation of the PHC Board and senior staff.

- A. The PHC must narrow the focus of its objectives and activities in order to use limited resources most effectively.
- B. The Palestinian Authority will certainly be making and implementing policy in the housing sector. How should the PHC be involved in influencing housing policy? What resources will be required to do this?
- C. To be directly involved in housing construction is very labor intensive and very expensive. Such direct involvement does not always ensure the most efficient provision of housing. Does the PHC want to continue building housing units? What types of activities will help the PHC must fully meet its objectives in the housing sector?

Assumption and Constraints

In considering how to solve the various dimensions of the issue and what decisions to make, the PHC Board and its senior staff should discuss and consider what assumptions need to be made about the future and what constraints might influence the decisions they can make. Some of these assumptions and constraints are identified below.

- The limited financial and managerial resources
- Role of the PHC itself in the housing sector
- Role of the Ministry of Housing in the housing sector
- Role of municipalities in the housing sector, particularly regarding infrastructure
- The obligations placed on the PHC by its agreements with international donors

THE ORGANIZATIONAL STRUCTURE OF THE PHC

Prepared by USAID/WB&G Consultant Harry Carr
(Translated to Arabic for the Retreat)

Essence of the Issue

There is unclear definition of roles and responsibilities in the PHC and the *de facto* roles and responsibilities are dysfunctional. The PHC needs to think about certain fundamental aspects of how it manages its affairs and how it is structurally organized and then decide on and formalize its roles, responsibilities and lines of authority.

Background

The current organizational and geographic structure of the PHC are based, primarily, on the role assigned to the PHC by its agreements with international donors. Foreign donors, mainly USAID and the European Union, have provided approximately US\$ 60 to 70 million to construct low and moderate income housing in the West Bank and Gaza. These agreements have also partially defined the role, and consequently the organization, of the PHC by requiring the PHC to contract local firms to carry out the construction funded in the agreements and for it to play the role of construction manager. They have defined the geographic location of the housing to be built. All of these as well as other contractual parameters have determined much of how the PHC has geographically distributed its staff and organized itself.

A further determinant of the PHC's current organization and structure is the phase of work it is proceeding through in its agreements with USAID and the EU. The PHC is in the construction phase and has not yet entered the phase of apartment sales and finance administration. Once the PHC does enter these phases its functions will expand. Moreover, these new functions, notably finance administration and social welfare, will place their own structural and geographic requirements on how the PHC is organized.

The PHC is characterized by a large governing body (its thirteen member Board of Directors chosen from its 26 member Council) invested with ultimate authority and yet reluctant to delegate operational authority to lower levels. It is staffed, almost entirely and including the Board, by engineers and architects. These characteristics have had a certain effect upon the organization and structure of the PHC.

Finally, a major determinant of how the PHC is organized is the fact that until recently it has acted alone in the housing sector. There has been no other governmental authority to place any constraints or policy definition on it. During the Summer of 1994 the Ministry of Housing was established by the Palestinian Authority (PA). At this time it is unclear what role the Ministry will play in the housing sector but it clearly will place some bounds around what the PHC does. In that way it will play a significant role in determining the future organization of the PHC.

Dimensions of the Issue

The major dimensions of the Organizational Structure issue are identified below. There may be others that will be identified during the Planning Retreat. This is a way of looking at the issue in its component parts. Once these are understood, then making decisions about them becomes easier.

- Should the PHC be geographically centralized or decentralized
- There is the need for definition of roles and responsibilities of HQ as compared with branch offices
- There is a need to make clear, logical, and generally understood destinations of responsibilities between the Board and senior managers
 - Definition of responsibilities of the General Manager
 - Definition of lines of authority
 - Within offices and
 - Between geographic levels

Decisions Required of the PHC

Below are listed several sorts of decisions the PHC is facing within the Organizational Structure issue. The list is not meant to be exhaustive. During the Planning Retreat the PHC might identify others. They provide focus, however, to the decisionmaking deliberation of the PHC Board and senior staff.

A. Much of what has determined the organization and structure of the PHC is changing, e.g. the entrance of the Ministry of Housing into the sector, the new functions the PHC will begin with its EU and USAID projects, etc.

Therefore, the PHC has to look to the future and consider how these "determining factors" will effect the PHC and then decide how the PHC should be reconfigured to meet these influences.

B. The role of the PHC vis a vis the Ministry of Housing, the municipalities, a financing institution and the private sector have to be clarified. Therefore, based on this role definition and clarification, the PHC has to decide how it should be reconfigured to meet its changing roles and responsibilities in the housing sector.

C. The PHC should look at how it is at once decentralized geographically while its authority is highly centralized. The PHC should consider and understand the incompatibility of these two characteristics.

Therefore, based on the deliberative process of the Planning Retreat, the PHC should find ways of reconciling its geographic structure with its lines of authority.

Assumptions and Constraints

In considering how to solve the various dimensions of the issue and what decisions to make, the PHC Board and its senior staff should discuss and consider what assumptions need to be made about the future and what constraints might influence the decisions they can make. Some of these assumptions and constraints are identified

- Role of the PHC itself in the housing sector
- Role of the Ministry of Housing in the housing sector
- Role of municipalities in the housing sector, particularly regarding infrastructure
- Expectations regarding Israeli control of border crossing, i.e. closings, permits, etc.
- The obligations placed on the PHC by its agreements with international donors

Justification

The PHC's operations are quickly expanding in volume -- new USAID, EU and Japanese projects coming on-line -- and in nature -- grass roots/home and neighborhood improvement, finance administration social research. The current management responsibilities and organizational structure will not support effective execution of these new and increased operations.

ANNEX 3

LIST OF PARTICIPANTS

Ministry of Housing

Mr. Mohammad Ziara, Director General

Members - Board of Directors

Administrative Board (11 out of 13 members attended)

Dr. Muhammad Shadid, Chairman

Dr. Abd Al Rahman Hammad, Vice Chairman

Engineer Ibrahim Amr, Secretary General

Engineer Lourance Khair, President Public Relations Committee

Engineer Abdullah Abdullah, Treasurer/President Financial Committee

Engineer Nashat Tahbub, President Technical Committee

Engineer Adnan Al-Huseini

Mr. Ibrahim Shaaban

Engineer Nabil Tarazi

Mr. Imad Yaish

Engineer Sulaiman Abu Samhadaneh

General Assembly (3 out of 13 members attended)

Mr. Fraih Abu Midian, Minister of Justice, Palestinian Authority

Dr. Mazen Rasekh

Mr. Abbas Abdelhaq

PHC Functionaries - Senior Staff

Mr. Saleh Subhi, Administrative Director

Engineer Nabil Al-Aref, Technical Director/Ramallah Branch Manager

Dr. Ishaq al Qutub, Planning and Research Director

Engineer Salah Hammad, Branch Director - Gaza

Engineer Omar Hamarneh, Gaza Branch

Engineer Said Zurob, Staff

Dr. Muhammad Samhuri, Advisor

Engineer Ali Barakat, Jerusalem Office

Mr. Talat Ibrahim, Jerusalem Office

Talaat Briwash, Administrative Assistant, Jerusalem Office

Engineer Mahmoud Abd-Al-Aziz, Consultant/former General Manager

Support Staff

Dr. Hamouda Hanafi, Facilitator

Mr. Soufian Mushasha, USAID

Mr. Harry Carr, MSI/USAID

Ms Jeanne d'Arc Meneh, Translator/Interpreter

ANNEX 4

TIMELINES FOR ACTION PLANS

ANNEX 5

EVALUATION RESULTS

ITEM	Very good	Good	Fair	Bad	Very bad	Total responses
Retreat content	13	10	1	--	--	24
Retreat duration	2	4	14	3	1	24
Venue and facilities	7	8	9	--	--	24
Participation	11	11	2	--	--	24
Facilitation	17	6	1	--	--	24