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TENTH QUARTERLY REPORT

STRENGTHENING THE ACCOUNTABILITY AND TRANSPARENCY OF THE
LEGISLATIVE PROCESS IN THE WEST BANK/GAZA (*BAYAN*)

January 1-- March 31, 2008

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SECTION 1: EXECUTIVE SUMMARY

This report covers the period between January 1 and March 31, 2008 of the Strengthening the Accountability and Transparency of the Legislative Process (*BAYAN*) project in the West Bank and Gaza. The work plan was approved on November 7, 2007 and as approved is designed to strengthen the Palestinian Government's ability to research, analyze, draft and implement effective legislation and also support civil society's efforts to participate in the legislative process and hold governmental institutions accountable for their performance. During the reporting period, vetting approval for the Birzeit University Institute of Law was rescinded and BAYAN redesigned and postponed and/or cancelled program activities with the IoL. The redesigned activities took advantage of the emerging opportunities to support the Palestinian authority's (PA) National Legislative Agenda Planning Commission.

A summary of accomplishments during this reporting period include:

- Upon USAID approval, 5 grant agreements were signed with 5 Palestinian civil society organizations (CSOs) from the West Bank and Gaza. Among other objectives, the small grants provide the opportunity for CSOs and government to promote mutual partnership and allow for CSOs to effectively engage in public policy process. One special grant will strengthen the capacity of newly elected government local councils in the West Bank.
- Designed and conducted a Legislative Drafting training workshop targeting senior legal staff representing various ministries as well as PA independent institutions.
- Designed and conducted a Regulatory Impact Assessment (RIA) training workshop targeting senior staff representing various ministries, PA institutions as well as key CSOs.
- Organized and conducted two training programs (one each in West Bank and Gaza) to develop public budget analysis capabilities of CSOs as well as select PA Ministry technical staff.

- Continued to conduct numerous meetings with legal staff from PA Ministries and other PA institutions to introduce BAYAN, invite participation in the RIA and legislative drafting courses, and conduct informal needs assessment. Demand to participate in the trainings and utilize RIA and legislative drafting skills is very strong.
- Provided USAID with timely and critical updates of major events related to the PA and the National Legislative Agenda Planning Commission.

SECTION 2: MECHANISMS FOR INCREASING ACCOUNTABILITY AND TRANSPARENCY IN THE LEGISLATIVE PROCESS IN THE WEST BANK AND GAZA

3. Strengthening Accountability and Transparency in the Legislative Process¹

3.1 CSO Monitoring and Evaluation of the Legislative Process

During the reporting period, the BAYAN team assisted a select number of partner CSOs to develop their skills to oversee, analyze and report on the policymaking and legislative processes.

Budget Analysis: Tool Development and Training

During the reporting period, the BAYAN team organized and conducted two training programs for the purpose of developing public budget analysis capabilities of Palestinian CSOs as well as select PA ministries in West Bank and Gaza Strip.

The first training program was conducted in Ramallah, from January 6-10, 2008. The training course targeted nine key CSO staff members representing four West Bank partner CSOs as well as four key staff members from the Ministries of Social Affairs and National Economy. The course was delivered by a short-term local budget expert, Mr. Firas Zaghal. Mr. Zaghal used a budget analysis toolkit, user manual and PowerPoint presentations he had developed as the basis for the training.

The second training program was conducted in Gaza City from March 16-19, 2008 and targeted 13 key staff members representing five partner CSOs from the Gaza Strip. The course was delivered by a short-term local budget expert, Mr. Shareef Kishawi, with direct support from BAYAN Gaza manager Mr. Nael Younis. The expert used the materials developed and used during the West Bank budget analysis training.

¹ The *BAYAN* project has retained the numbering and titles of the tasks and sub-tasks as they appear in the original contract and the approved work plan.

The two courses provided specialized and in-depth information, insights and knowledge in public budget analysis to equip participants with the skills and tools necessary to oversee governmental performance by linking PA budget allocations and actual expenses to people's needs and priorities. Special emphasis was placed on equipping participants with skills and tools needed for analyzing the PA budget and linking the budget to PA Ministry policies and CSO advocacy initiatives. Information was presented and participants were given exercises and case studies to provide them practical experience and to increase their skills

Throughout the two training programs, the BAYAN team has received very positive feedback from participants on how the programs were useful in equipping participants with the necessary tools and skills in budget analysis. Khuloud Abdel Khaleq from the Ministry of Social Affairs who attended the West Bank course commented on her participation in the course by saying, "This is truly a unique course that provides essential knowledge in the area of assessing government performance, this workshop must be attended by the members of Legislative Council and by officials responsible for setting and executing budgets."

Also, Maher Issa, Director of Civitas Institute who attended the training program in Gaza commented on his participation in the training program by saying "The training program provided us with a useful tool that we can use in the future to analyze budgets. The government should follow the accrual basis in accounting for budget not the cash basis for more transparency and comprehensiveness. We request to increase the number of workshops related to public sector transparency and accountability, and to invite more participants even those not from civil society organizations."

B. Oversight Training and Mentoring

BAYAN learned from its experience during Year One when BAYAN conducted separate oversight and advocacy courses that the oversight and advocacy skills often overlapped and complemented one another. Accordingly, BAYAN has combined the oversight and advocacy training into one course to capture the synergies between the two trainings.

Two legislative and public policy oversight and advocacy training workshops are scheduled to be conducted during the next quarter, one each in the West Bank and Gaza. The trainings will target select members of newly vetted partner CSOs and new representatives from year one partners. During the reporting period, BAYAN submitted and received USAID approval to contract with local STTA and received activity technical approval.

C. Promote Expanded and Informed Media Coverage of the Legislative Process

During this quarter, BAYAN, in collaboration with Internews, revised the schedule and training agenda for a two-day workshop on the best practices for public dissemination of governmental and legislative records for BAYAN CSO partners and Palestinian media partners of USAID-funded Internews. BAYAN submitted and received approval from USAID for local media expert, Ms. Wafa Abdel Rahman to design and implement the two-day training. Participants from BAYAN and Internews local partners were identified and invited to the training. The training is scheduled for April 6 and 7, 2008.

3.2 Strengthening Governmental Legislation Review and Drafting Skills

The RIA and legislative drafting trainings conducted during the reporting period came at a critical time as the Palestinian Government is beginning to implement an ambitious two-year legislative agenda. Many of the trainees are instrumental in ensuring that the critical legislation and regulations proposed in the agenda are developed and drafted and can be effectively implemented. These training support the PA to meet its legislative agenda goals and to craft legislation which resolves increasingly complex social problems.

Legislative Drafting Training. BAYAN conducted the first phase of a Legislative Research and Drafting training from January 20-24, 2008 in Ramallah. The 26 participants were lawyers drawn from the legal offices of the President's Office and Cabinet, various Ministries and one Palestinian CSO. During the week, the trainees broke into three groups to decide on a pressing Palestinian social issue to tackle and began the process of developing a legislative research report as the basis for drafting effective legislation that meets policy objectives. The trainer, Dr. Lorna Seitz, the Director of Research and Training at the International Consortium of Law and Development, Boston University, uses a legislative problem solving methodology that shows trainees how to identify the root causes of a social problem and to choose the types of legislative provisions that are logically suited for altering the causes of problematic behaviors. As one participant noted: "The most important advantage of the training is identifying and analyzing social problems so as to help in legislative drafting." Further, Mr. Shadi Ayyad, Head of the President's legislation department has informed BAYAN that he now uses the training's research methodology when drafting all of his legislative projects.

RIA Training. BAYAN held the first phase of its Regulatory Impact Assessment (RIA) training February 10-14, 2008 in Ramallah for key participants representing the legal departments from the President's Office and Ministries of Justice, Telecommunications, Labor, and Social Affairs coupled with key civil society representatives. At the close of the training, Ms. Khuloud

Abdel Khaleq, head of the Ministry of Social Affairs legal department expressed the consensus in the class when she said that the RIA training changed her world and she could not return to drafting legislation in the old manner. "After I had the chance to learn and understand the importance of RIA in the context of bills development, it is clear to me now that the way we develop legislation at the current system suffers from serious shortcomings."

Through an interactive case study approach, participants learned to draft an RIA and understand the benefits of the RIA as both a document and process which allow policymakers to design precise, targeted laws and regulations that achieve policy aims efficiently and effectively with a minimum regulatory burden and in an accountable and participatory manner. Using RIA, the participants, many for the first time, were able to analyze the impact of a proposed law on related sectors and consider a full range of government interventions, evaluate their costs and benefits, and justify a chosen policy. In addition, civil society representatives were able to see the benefit of the RIA as a framework for civil society organizations to more effectively participate in the policymaking process and to hold their elected officials accountable for policy decisions. By the close of Phase 2 of the training during the next quarter, participants will have a completed RIA that can be used by their Ministry or CSO. An added benefit of the training has been the interaction and strengthening of ties between the PA representatives and civil society.

The discussion among participants at the close of the training was not whether RIA is appropriate within the Palestinian context but rather how the participants, USAID, and BAYAN could strategize and begin the process to institutionalize RIAs into the Palestinian policymaking process. BAYAN will continue to meet with and discuss with key PA and civil society partners emerging opportunities to institutionalize RIA and establish RIA pilot projects with partners who are committed to the process.

4. Strengthening the Broader Legislative Community

4.1. Strengthen Legislative Advocacy

As indicated above under 3.1.B.

4.2. Creating or Supporting a Legislative Development Institute

In December 2007, USAID informed BAYAN that in order to offer continued assistance to the Institute of Law (IoL) at Birzeit University, and despite the IoL having been vetted since May 13, 2007, BAYAN would need to submit vetting forms for the Birzeit University board of directors and key IoL individuals. In January 2008, the university informed BAYAN that they will not agree to submit such information. Accordingly, during the reporting period

BAYAN suspended, cancelled and/or redesigned many of the activities below. At the close of the reporting period BAYAN received notice from USAID that vetting approval for the IoL had been reinstated. Since IoL has recently been re-vetted, BAYAN will share with USAID possible programmatic options to re-engage the IoL during the final reporting period and will continue to work with USAID to ensure program goals are met.

A. In-Depth Follow-On RIA Training; Training of Trainers

This activity was suspended following rescinding of the IoL's vetting approval in January 2008.

B. RIA Training Course Developed

This activity was cancelled following the IoL's vetting approval withdrawal in January 2008.

C. RIA Drafting Manual Prepared

BAYAN's RIA trainer and expert, Faisal Naru, worked on a draft of an RIA drafting manual in collaboration with BAYAN's long term staff. The English version of the manual will be ready for review and finalization in April 2008.

D. Mentoring and Guidance on RIA Development

BAYAN continued to participate as an observer to the National Legislative Agenda Planning Commission. During the reporting period the Commission released its proposed 2-year legislative agenda. BAYAN has translated the ambitious legislative agenda and shared it with USAID. BAYAN continued to consult with and guide Justice Ministry, Cabinet and President's Legal offices on how RIA can be used to develop and implement policies and legislation required by the National legislative agenda in a manner which will ensure effective implementation. The consultations, coupled with the excellent feedback from RIA training participants, shows that there is a strong interest from the heads of PA legal offices and their staff to utilize RIA as they develop and implement the legislative agenda. During the next quarter, BAYAN will conduct the Second Phase of the RIA training and will continue to mentor staff and department heads interested in using RIA as a means to more accountable, transparent and effective policymaking. BAYAN will also seek approval from USAID to meet with select Ministers to discuss RIA and means to institutionalize the process within their Ministry,

4.3 Strengthening the Policy Process

Per agreement with USAID, no activity was planned for the reporting period.

Since its formation in July 2007, the new government is under immediate pressure to prove its legitimacy and to show effectiveness in responding to the needs of the Palestinian people. The RIA, legislative drafting and budget analysis trainings with key PA legal professionals under subtasks 3.1 and 3.2 will strengthen the PA's capacity to develop, draft and implement effective policies.

6. Small Grants Program for Local NGOs to Strengthen the Legislative Process

In an effort to widen the pool of potential sub-grantees, BAYAN re-issued the sub-grant solicitation in January after receiving a number of vetting approvals from the Mission. BAYAN received and reviewed summary applications from 11 vetted West Bank and Gaza CSOs, many of them newly vetted. On January 28, 2008, BAYAN submitted a summary application matrix to the Mission recommending seven of the CSO applications for approval. Based on approval from USAID, the BAYAN team worked closely with and mentored six CSOs from West Bank and Gaza to develop their approved concept papers into full applications. In parallel, and as requested by USAID, the BAYAN team worked closely with Ta'awon for Conflict Resolution to develop the special grant to support government local councils.

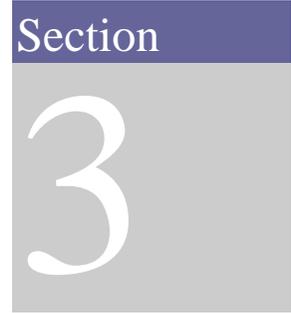
During February and March, BAYAN shared with USAID summary information sheets for seven full applications for approval. Upon USAID approval, BAYAN signed five grant agreements with five CSOs from the West Bank and Gaza and shared with USAID signed copies of agreements including signed USAID mandatory provisions and USAID certifications. During the last week of the reporting period, and in consultation with BAYAN, the five CSOs started the implementation of their grants.

Four of the grants will encourage and facilitate dialogue, public discourse and partnership between government representatives and other decision makers with the wider public including community leaders, community based organizations, women and youth associations and others. As part of those grants, tens of carefully designed workshops and town hall meetings will be organized in all West Bank districts and various parts of the Gaza Strip, including tens of rural locations where hundreds of people, men and women, will have the opportunity and the necessary platform to meet and discuss their concerns, aspirations and needs before their representatives and government officials. Citizens and community organizations will emphasize the significance of taking part in shaping policy-making processes. Government representatives will have the opportunity to present their policies, including proposed policies and legislation contained in the national legislative agenda. These discussions between PA representatives and the Palestinian community

will support a participatory, transparent and accountable policymaking process and most importantly encourage the Government to listen to people's views and recommendations.

A fifth grant, to be implemented by Ta'awon for Conflict Resolution, was designed based on a request from USAID and will provide advanced advocacy training to members of 27 secular government local councils and more than 80 community West Bank based organizations. Members of local councils and CBOs will be joined in the trainings, thus helping create more linkages and partnerships between local councils and the local community and may in the end facilitate more effective service delivery programs and other support rendered to citizens.

The BAYAN team will closely monitor implementation, evaluate the impact of the sub-grants and will report regularly to USAID on implementation impact, successes and challenges.

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Section
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SECTION 3: RESULTS MONITORING

During this reporting period, the project team has continued to collect the required data for the USAID-approved PMP and GIS for year two activities. All required GIS data have been entered into the GIS system with support from the USAID representative, Mr. Tayseer Edeas

The BAYAN team will continue to submit quarterly progress reports delineating progress made, obstacles faced and proposed solutions for addressing these obstacles.

Furthermore, and based on future funding for the project, BAYAN will work with USAID to explore appropriate methods for assessing the impact of its activities using more qualitative indicators.

SECTION 4: MANAGEMENT AND FINANCE

During the quarter, the *BAYAN* team undertook internal discussions, made personnel decisions, and began planning for BAYAN's scheduled June 30, 2008 closedown to ensure the project achieves the targeted results while maintaining effective and efficient management of the limited resources in full compliance with USAID regulations.

A. Management Structure

The current and approved management structure is efficient and allows BAYAN to maximize project resources to meet programmatic goals.

Financial Manager, Fadi Stephan resigned full-time effective April 7, 2008. Fadi will continue to work part-time with BAYAN (16 hours a week) and DAI Palestine and home office staff will also fill in when needed. Since the project is scheduled to close down June 30th, it is unlikely that BAYAN could employ a full-time replacement for Fadi who is also knowledgeable of USAID regulations and DAI procedures.

B. Financial Management

B1. Improved contract budget monitoring and reporting

Using DAI's Oracle system and its technical and administrative management information system (TAMIS), the *BAYAN* management team continued to update all financial and technical information of the implemented activities during this quarter. This effort allows the project to keep up more up-to-date financial information and to provide USAID with a more informed projection of resource utilization.

B2. Close down

During the quarter the BAYAN team prepared and has begun implementing a close down plan in anticipation of the June 30, 2008 termination of the BAYAN project. The plan has been submitted to the Mission for approval.

BAYAN is also in the process of preparing a disposition plan to be submitted by May 1 to the Mission for approval.