

PD-ABM-600

1-21-98

**USAID/West Bank and Gaza
Results Report and Resources Request
1996-1998**

USAID

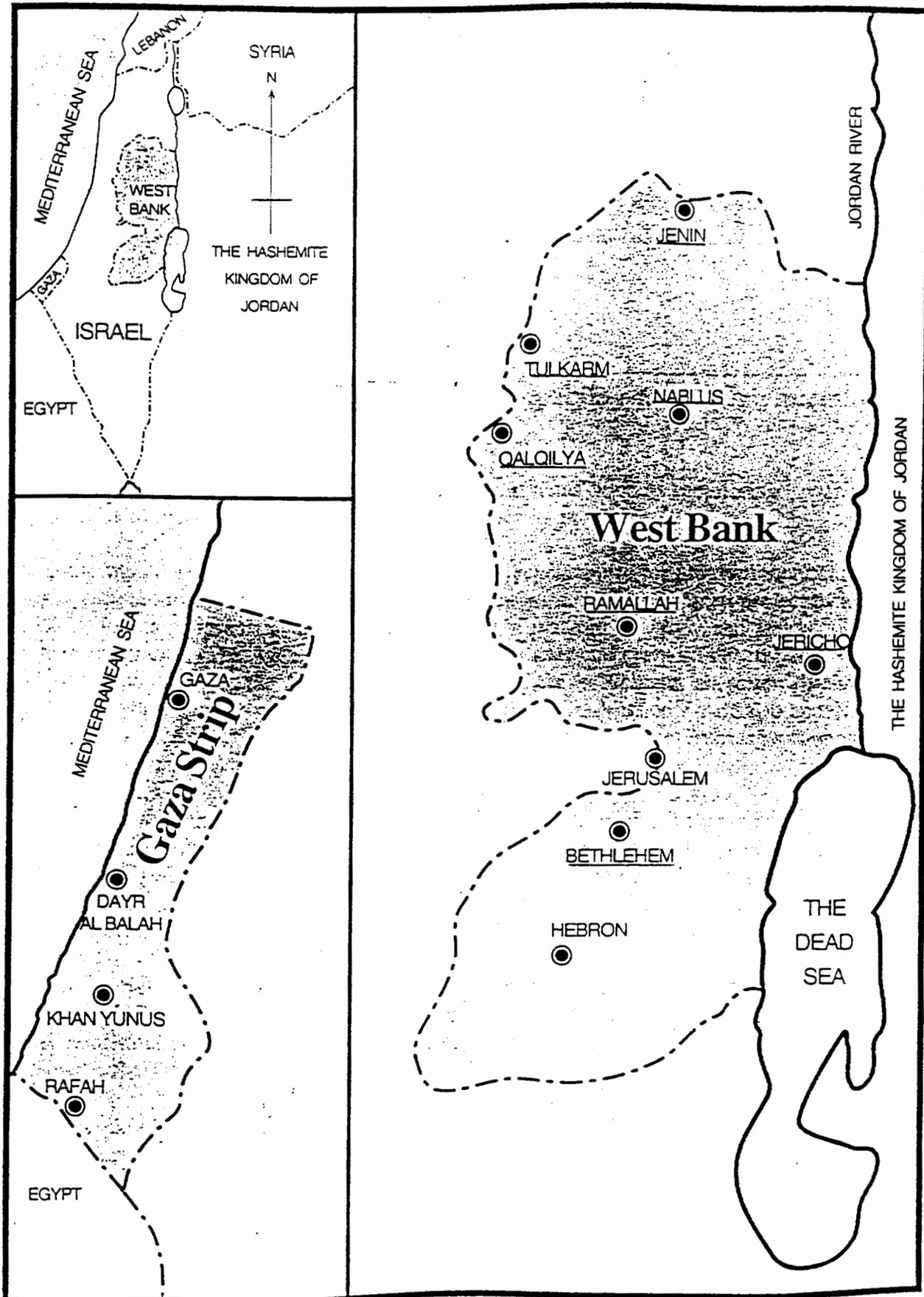


USAID

Acronyms

AMIDEAST	American Middle East Education and Testing Services (U.S. PVO)
ANERA	American Near East Relief Agency, (U.S. PVO)
CHF	Cooperative Housing Foundation (U.S. PVO)
CPRS	Center for Palestinian Research and Studies
CRS	Catholic Relief Services, (U.S. PVO)
DAI	Development Alternatives, Inc.
DOP	Declaration of Principles
EU	European Union
FY	Fiscal Year (October through September)
IBRD	International Bank for Reconstruction and Development (World Bank)
IFES	International Foundation for Electoral Systems (U.S. organization)
IMF	International Monetary Fund
I.R.	Intermediate Result
IRI	International Republican Institute (U.S. PVO)
JD	Jordanian Dinar
JWC	Joint Water Committee
LACC	Local Aid Coordinating Committee
NDI	National Democratic Institute (U.S. PVO)
NIS	New Israeli Shekel (approx 3 NIS = \$1.00)
NGO	Local Non-Governmental Organization
OE	Operating Expenses
OPIC	Overseas Private Investment Corporation (U.S. Government)
PA	Palestinian Authority
PICP	Palestinian-Israeli Cooperation Program
PIO	Public International Organization
PMA	Palestinian Monetary Authority
PWA	Palestinian Water Authority
PVO	Private Voluntary Organization
SBSP	USAID Small Business Support Project
SCF	Save the Children Foundation (U.S. PVO)
SME	Small and Microenterprise
SpO	Special Objective
S.O.	Strategic Objective
SSCI	USAID Small Scale Community Infrastructure Project
SWG	Sector Working Group
UNDP	United Nations Development Program
UNRWA	United Nations Relief and Works Agency
UNSCO	United Nations Special Coordinator for the West Bank and Gaza
USAID	United States Agency for International Development
USIS	United States Information Service
WBWD	West Bank Water Department
YMCA	Young Men's Christian Association, (U.S. PVO)

West Bank and Gaza



**USAID/WEST BANK AND GAZA
RESULTS REVIEW AND RESOURCES REQUEST**

TABLE OF CONTENTS

List of Acronyms
Area Map

		<u>Page Number</u>
I.	Progress of Overall Program/ Factors Affecting Program Performance	1
	A. Introduction	1
	B. Influences of the Programs Enabling Environment	2
II.	Progress Toward Achievement of Strategic and Special Objectives	4
	Strategic Objective No. 1: Expanded Economic Opportunities	
	A. Summary of Data/Analysis of Progress	4
	B. Expected Progress through FY 1997 and FY 1998	6
	Strategic Objective No. 2: Greater Access to and More Effective Use of Scarce Water Resources	
	A. Summary of Data/Analysis of Progress	8
	B. Expected Progress through FY 1997 and FY 1998	
	Strategic Objective No. 3: More Responsive and Accountable Governance	
	A. Summary of Data/Analysis of Progress	10
	B. Expected Progress through FY 1997 and FY 1998	
	Special Objective No. 1: Effective Transition to Self-Rule	
	A. Summary of Data/Analysis of Progress	12
	B. Expected Progress through FY 1997 and FY 1998	
	Special Objective No. 2: Selected Development Needs Addressed	
	A. Summary of Data/Analysis of Progress	14
	B. Expected Progress through FY 1997 and FY 1998	
	<i>Other Activities</i>	17
III.	Special Issues	18
	A. 22 CFR Issues and Schedule	
	B. Impact of Gender	
	C. New partnerships Initiative	

IV. Resources Requirements	20
A. Program Request by Strategic Objective	20
B. Program Management Requirements: Operating Expenses and Staff	21
C. Field Support from USAID/Washington	22

Annexes:

A. Objective Trees	
B. Table 1:	Performance Data Tables by Strategic Objective
C. Budget Tables:	Table 2: All Resources Funding Table
	Table 3: Funding Scenarios by Strategic Objective
	Table 4: Regional and Global Field Support
	Table 5: Staff Requirements by Strategic Objective
	Table 6: Operating Expenses Requirements

I.

**PROGRESS OF OVERALL
PROGRAM/FACTORS
AFFECTING PROGRAM
PERFORMANCE**

I. PROGRESS OF OVERALL PROGRAM/FACTORS AFFECTING PROGRAM PERFORMANCE

A. Introduction

The USAID/West Bank and Gaza program emerged as a direct U.S. Government response to the Declaration of Principles signed between the Government of Israel (GOI) and the Palestinian Liberation Organization (PLO) in September 1993. Since then, the program has evolved in response to rapidly changing political and economic events. The USAID Mission was not established until late 1994, and is--as yet--not fully staffed. Consequently, it has not been possible to develop a long-term strategy until now. The nature and extent of information provided in this document (e.g., project output performance through 1995) reflect the recent start-up of the USAID/West Bank and Gaza program and the simultaneous preparation of the Mission's Strategic Plan, covering the period 1996-2000 (submitted for Washington approval along with this Report).

In general terms, USAID's flexible and timely response to political and economic demands in the West Bank and Gaza has played a major part in providing tangible benefits of the peace process to Palestinians, and it has begun to lay the groundwork for future development. While it is impossible to directly attribute the impact of USAID assistance at the strategic objective level at this stage of the program it is clear that the majority of Palestinians support the peace process and foresee that they will reap its benefits, despite the difficult conditions that they continue to confront. For example, a poll conducted by the Jerusalem Media and Communication Center (JMCC) in February 1996 revealed that 84.2% of residents in Gaza and the West Bank expressed some level of optimism about the Palestinian future. The challenge for the USAID program, in conjunction with other donors, is to continue to meet the expectations of Palestinians as the peace accords are implemented.

Some progress can be directly attributed to USAID assistance. Budgetary support to the multi-donor World Bank Holst Fund and for the establishment of a Palestinian police force was instrumental in financing basic public sector services during the initial transition to Palestinian rule in Jericho and Gaza. USAID-financed activities resulted in approximately 1,100 person years of emergency employment through 1995; this was part of a broader donor effort (including Japan, Norway, Sweden, Italy and the U.K.) that was to have generated a total of more than 4,000 person years of employment in the West Bank and Gaza in response to worsening unemployment. Private sector activity has been stimulated by USAID's assistance to hundreds of firms, four local chambers of commerce, and other business associations. Infrastructure projects, such as the Al Karama Towers apartment complex, water distribution systems and shelter rehabilitation activities, were initiated--both to provide Palestinians immediate evidence of U.S. support for the peace process and to address longer-term obstacles to sustainable development related to sub-standard infrastructure in the West Bank and Gaza. Finally, USAID support was instrumental in ensuring broad participation (more than 80% of eligible voters) in elections for the Palestinian Council and Head of the Executive Authority.

A review of USAID/West Bank and Gaza's accomplishments during the past year must take into account the context of transition--both internal and external--that has shaped the program. In many areas, the operational details of the peace process (e.g., technical priorities/approaches, institutional responsibilities) were not defined to a degree that would have allowed medium-term (3-5 years) donor commitments of support, at least until the signing of the Interim Agreement in September 1995 and the January 1996 Palestinian elections. Therefore, the USG's response to Palestinian needs and related Israeli concerns has evolved in recent months, and the Strategy that is submitted with this Report focuses USAID resources in new areas (e.g., water supply, industrial zones, legislative and public policy processes, local governance). As a result, while the specific achievements cited in this Report are associated to the extent feasible with the Strategic and

Special Objectives outlined in the Mission's proposed Strategy, they are discussed primarily as project outputs, not progress towards higher-level targets under a Strategic Framework.

B. Influences of the Program's Enabling Environment

Below is a brief summary of major factors that have had an impact on the program over the last year, and those that are likely to have an effect over the reporting period.

Peace Process: As the *sine qua non* of the USAID/West Bank and Gaza program, progress towards Mission Objectives will be directly linked to the continuation of the peace process and related political and technical level cooperation between Israelis and Palestinians. Delays and complications in negotiations and implementation of peace accords translate directly into delays and complications in the USAID program. The UNDP Grant to carry out water interventions is a specific example of how the peace process has defined and affected the progress of USAID's activities over the last year. Early in FY 1995, resources were set aside to support infrastructure improvements (water, roads, schools, etc.) in the West Bank, in anticipation of the turn-over of West Bank territory under the terms of the Interim Agreement. However, as partners and customers stressed the priority of water resources, USAID decided to dedicate all FY 1995 funding set aside for the Municipal Services Project to water resources initiatives. Delays in signing the Interim Agreement meant that funds could not be obligated to the UNDP until the last days of the Fiscal Year. Implementation of these activities was then further delayed as the UNDP worked with Palestinian and Israeli water authorities to clarify legal rights and logistical details under the terms of the peace accords. Implementation was delayed in March 1996 because water pipes could not be delivered and project personnel cannot travel due to border closures in the wake of terrorist attacks. Execution of Mission activities, as well as future designs and funding decisions, will remain sensitive to future steps in the peace process (e.g., final status negotiations, local government elections, response to terrorism).

Border Closures: Since January 1995, Palestinian access to Israeli markets and goods has been restricted due to border closures for more than 120 days. The loss to the economy in the West Bank and Gaza of these closures has been estimated by the World Bank to be \$3 million per day (including as much as 70,000 jobs and \$1.4 million per day in workers' income, and \$2 million per month in PA revenues). The impact of closures is most acute in Gaza where 30%-40% of the GNP traditionally derives from jobs in Israel and border areas with Israel, and another 25% is derived from agricultural exports. Any closure has a negative impact on industrial production as inputs become scarce and/or more expensive. While Israel's security concerns are very real, the impact of closures on the economy can easily offset that of all donor investment combined. Israel's reaction to the recent spate of terrorist attacks by extremist Palestinians has the potential of raising this issue to a new level. Beyond the loss of income from jobs in Israel, long-term closures would force Palestinians to confront the prospects of shortages of basic goods (e.g., foodstuffs, fuel, concrete, etc.), loss of investor confidence, and reduced value of capital (e.g., lack of maintenance/spare parts for equipment, slaughtering of breeding livestock for consumption). Past closures have led to delays and additional costs specific to USAID activities (e.g., an estimated \$500,000 in cost overruns for the construction of the Al Karama Towers, delays in establishing an election-related democracy resource center in Gaza, cancellation of training events, etc.), as well as difficulties in ensuring implementation oversight (e.g., limited access to Gaza for grantees based in Jerusalem, limited ability of USAID and grantee Palestinian staff to report for work). In developing its Strategy, the Mission assumed a certain level of integration between the Palestinian and Israeli economies and societies. If aspects of the current Israeli policy of virtually complete separation from Palestinians become permanent, the resulting adjustments in the West Bank and Gaza will pose new implementation as well as tactical issues for the USAID program. It could also be expected that

progress towards each USAID Strategic Objective will be slower and less significant than anticipated.

Definition of Roles and Responsibilities within the Palestinian Authority (PA): At all levels and in all technical areas, the PA is still in the process of defining and codifying roles and responsibilities. The Palestinian Water Authority and West Bank Water Department, for example, have not established a clear organizational relationship or division of labor. The new legislative Council must develop internal procedures and a Cabinet must be appointed. Local government elections will be held in July, but the authority of local councils to, for example, raise and manage revenues is unclear. In many instances, the legal and regulatory framework differs between the West Bank and Gaza and is very unclear. For the foreseeable future, UNRWA will continue to be a major service provider in areas that are typically the domain of the local public and private sectors (e.g., schools, health clinics), although one would expect some transition as PA line ministries strengthen their implementation capacity and collection of revenues. This situation has affected the conduct of the USAID Program to date, and may be a limiting factor in the future.

Implementation Capacity: In providing assistance in support of the peace process, donors have been faced with the challenge of identifying appropriate implementation mechanisms to carry out rapidly expanding programs. In lieu of viable public and private sector options, over the last five decades UNRWA has carried out a range of interventions to provide services to refugees in the West Bank and Gaza. The UNDP also implements projects, and international PVOs have had a field presence in the West Bank and Gaza for decades. Donors have taken advantage of the experience of these organizations to rapidly start-up and expand programs, but it has become clear that some of this implementation load will have to be transferred to other organizations (e.g., local NGOs, contractors, the Palestinian Authority). As an example of the impact of this issue on USAID Programs, progress under the Gaza Wastewater Project fell behind schedule in FY 1995, due at least in part to excessive demands being placed on UNRWA by the donor community. In response, USAID, UNRWA and the Municipality of Gaza have agreed to shift management and operational responsibilities to a U.S. contractor. As the Mission becomes more fully staffed, a broader range of implementation options can be considered. However, as long as USAID cannot engage the PA directly (because of administrative/financial management limitations and/or political and legal restrictions), the implementation capacity of potential partners will remain a concern and possible limiting factor to the impact of USAID activities.

Value Added Tax (VAT), Duty and Visa Requirements: Because Palestinian self-rule does not entail control of international borders and autonomous areas do not include an air or sea port, project commodities and the personal effects of contractor/grantee international staff must enter through Israel. Developing systems to exempt USAID financed goods from import duties has been a long and difficult process. There has, however, been recent modest progress on this matter. In some but not all cases, VAT charged on purchases of project commodities in Israel has been transferred to the PA and then refunded to USAID contractors/grantees. Notwithstanding, USAID may have to reconsider its policy of not paying taxes in order to avoid lengthy delays in project implementation and future audit complications for its grantees and contractors. However, in this case the cost of USAID activities would increase by the 17% VAT mark-up on all goods and services procured in Israel, as well as the amount of other taxes and duties. In addition, Israeli visas are necessary to enter/exit Israel when travelling to areas under PA control and for residency purposes in the West Bank and Gaza. This too is being negotiated with the GOI.

II.

PROGRESS TOWARD ACHIEVEMENT OF STRATEGIC AND SPECIAL OBJECTIVES

II. PROGRESS TOWARD ACHIEVEMENT OF STRATEGIC AND SPECIAL OBJECTIVES

STRATEGIC OBJECTIVE NO. 1: EXPANDED ECONOMIC OPPORTUNITIES

A. Summary of Data/Analysis of Progress

1. Small Business Support: USAID efforts to increase access to markets, enhance productivity, and improve access to technology are contingent on improving the capabilities of selected private sector enterprises. To date, the Mission's primary mechanism for addressing constraints in these areas has been the Small Business Support Project, implemented by Development Alternatives, Inc. (DAI) and its Palestinian and U.S.-based sub-contractors.

(a) Major Outputs (through December 1995):

- ▶ 20 training modules in 11 substantive areas developed.
- ▶ 32 training courses and seminars conducted for 710 participants.
- ▶ 11 partnerships with Palestinian institutions to carry out training. formed (5 training institutions, including universities; 1 local NGO and 5 chambers of commerce).
- ▶ 250 firm level assistance tasks completed or in process.
- ▶ information systems upgraded at 4 chambers of commerce, the Federation of Chambers, and the Higher Council for the Arab Tourist Industry.
- ▶ Market Access Network to provide businesses with information on local, regional and international market opportunities and service providers under development

(b) Analysis:

Since the start-up of the Project in February 1995, USAID assistance has laid the groundwork for activities that will: i) provide professional marketing and business development services to Palestinian firms in order to expand employment opportunities; ii) offer services through business associations and training to strengthen the network of private sector organizations and increase production/marketing capacity; and iii) promote an enabling policy environment through national-level counterparts. DAI is currently carrying out work, in coordination with the Mission's strategy development exercise, that will determine the impact of outputs to date, and establish systems to determine baselines, set targets and measure future impact related to the Strategic Objective Results Framework.

2. Job Skills: USAID has funded pilot YMCA efforts to enhance the skills and employment opportunities of graduates of Vocational Training Centers and Industrial Schools in the West Bank and Gaza since 1992. A new Grant to YMCA signed in September 1995 under the Small-Scale Community Infrastructure (SSCI) Project will generate 160 permanent jobs through loans for equipment rental and place 840 vocational school graduates. This Grant supports efforts under the SO to strengthen skills and improve access to technology.

(a) Major Outputs (through September 1995)

- ▶ 900 tradesmen trained.
- ▶ more than 2,500 students participated in short-term activities.
- ▶ 819 vocational school graduates placed in jobs.
- ▶ 32 microenterprises formed.

(b) Analysis:

While the new YMCA Grant is funded under the SSCI Project, which focuses on emergency, temporary employment, it is included in this SO because of its potential for creating permanent employment, as reflected in output data from the previous Grant. During the period of the Strategic Objective, the Mission will consider expanding the activity or developing other means to have a cost-effective and significant impact on employment and incomes.

3. Loan Portfolio: USAID supports the financing of micro, small and medium-sized firms through UNRWA under the SSCI Project and the Global Bureau's loan guarantee facility. These mechanisms have a niche in providing financial services to the vast majority of enterprises in the West Bank and Gaza that are currently denied access to the formal banking system by collateral and administrative requirements and other weaknesses in the nascent financial system.

(a) Major Outputs (through March 15, 1996, except UNRWA which is through December 1995):

<u>Financial Institution</u>	<u>Loan Limit</u>	<u>Amount of Loans¹</u>	<u>No.</u>	
			<u>Loans</u>	<u>Jobs</u>
Cairo Amman	\$ 4.0m	\$ 661,429	24	N/A
Jordan National	\$ 3.0m	\$ 638,322	47	N/A
Bank of Palestine	\$ 1.0m	\$ 150,000	1	N/A
<u>UNRWA</u>	<u>\$ 4.0m</u>	<u>\$ 686,000</u>	<u>34</u>	<u>87</u>
TOTAL	\$12.0m	\$2,135,751	106	N/A

(b) Analysis:

Utilization of loan guarantees has been slower than expected, as the formal banking sector remains risk adverse. The Jordan National Bank recently has had more success in providing loans of between \$5,000-\$10,000 to smaller firms, and UNRWA loans range from \$3,000 to \$75,000. Because of overall needs and other donor financing for small businesses, this Strategic Objective will focus on microenterprises and phase-out small and medium enterprise credit. Future monitoring of these activities will provide information on jobs created and the liquidity of targeted enterprises.

¹ Amounts shown for the Cairo Amman Bank, the Jordan National Bank, and the Bank of Palestine are the total of loans guaranteed up to 50% by USAID.

B. Expected Progress through FY 1997 and FY 1998

USAID assistance will have sector-wide impact on microcredit delivery and similarly significant results in enhancing the productivity and competitiveness of the relatively small number of Palestinian enterprises with potential for expansion into the export market. Training and technical assistance will also target the thousands of Palestinian firms in the West Bank and Gaza that sell primarily to the domestic market to improve product quality and productive capacity.

Intermediate Result No. 1.1: Improved Small and Micro Enterprise (SME) Access to Financial Services

During the period covered by the R-4, the volume and value of credit delivered to SMEs in the West Bank and Gaza through PVO microfinance programs supported by USAID will increase significantly, providing access to credit to the 25% to 30% of the population who rely on microenterprises as their principal source of income. NGO programs will adopt methodologies conducive to operational efficiency and program sustainability (e.g., appropriate interest rate policies and loan delinquency management) that will lead to full cost recovery over time. These NGOs will be compelled to obtain an increasing percentage of loan funds from commercial sources. USAID will have selected and helped train "champions" (institutions that are convinced to take the lead in testing mechanisms to reach the 80% of enterprises in the West Bank and Gaza that have 5 employees or less) from the formal financial system who agree to adopt alternative loan collateral instruments. Towards the end of the period, selected PVO microfinance programs will have achieved full operational sustainability through loan repayments, and selected financial sector intermediaries will utilize USAID assistance to begin microcredit delivery through branch office outlets.

Intermediate Result No. 1.2: Improved Access to Markets

Market information will be disseminated to the majority of exporting firms in the West Bank and Gaza. There will be a significant and measurable increase in export volumes of selected firms resulting from enhanced access to market information and firm-specific technical assistance. Many questions remain relative to industrial zones, and USAID's commitment of resources has been minimal to date, pending clearer commitments by Israeli and Palestinian authorities and more precise definition of options/actions and expected impact. If these details are worked out, negotiations will be completed, an Industrial Zone Authority established, enabling legislation passed, investment promotion efforts underway, and zone construction begun on at least one site. Later in the period, development of and production in (an)other site(s) may begin. Products manufactured within the zones will be efficiently transported to markets across boundaries with Israel.

Intermediate Result No. 1.3: Enhanced Productivity of Selected Enterprises

Several thousand of firms and individuals will be utilizing productive skills developed through USAID-funded technical assistance and training. Selected firms will be producing higher value-added content; trained individuals will receive higher wages; and adoption of appropriate technology will yield higher production efficiency per unit of labor/capital invested. USAID and appropriate implementing partner(s) will identify opportunities to expand sustainable job skills opportunities in the West Bank and Gaza, and appropriate assistance initiatives to further this effort will be designed and implementation begun.

Intermediate Result No. 1.4: Appropriate Policy Framework for Private Sector Development Created

Laws, regulations and statutes governing commercial activities will be reviewed and modified or expunged as appropriate. Based on this progress, firms/individuals involved in commercial litigation will experience less delays in disposition; more firms will be established as entry requirements are streamlined; alternative dispute resolution mechanisms will operate efficiently; processes leading to the privatization of service delivery will be initiated, and laws, regulations and policies protecting intellectual property rights will be adopted and enforced in conformance with internationally-recognized standards.

**STRATEGIC OBJECTIVE NO.2: GREATER ACCESS TO AND MORE EFFECTIVE USE OF
SCARCE WATER RESOURCES**

A. Summary of Data/Analysis of Progress

1. Waste/Storm Water: To date, the Mission has addressed this area through the \$40 million Gaza Wastewater Project, which was initiated in June 1995 to develop waste and storm water conveyance, collection and re-use systems in Gaza City. The Save the Children Neighborhood Upgrading activity, initiated in September 1995, will also impact on this and the area cited in #2 below, but is too recently started to have any discernable data relative to major outputs.

(a) Major Outputs (through March 1996):

- ▶ Rehabilitation of the Sheikh Radwan Reservoir Pump Station and Intake Structure.
- ▶ Establishment of an Interim Stormwater Holding Reservoir at Ascola Pond in the Waqf Area.
- ▶ Installation of Submersible Pumps and Construction of Dual Force Mains to Transport Stormwater from Ascola Pond to Sheikh Radwan Reservoir.

(b) Analysis:

Although the Gaza Wastewater Project is just underway, the need to take steps beyond the limited outputs cited above before the next rainy season has led UNRWA, USAID and the Municipality of Gaza to agree to a modification of implementation plans. UNRWA will complete Phase I activities in 1996 (emergency sewer cleaning/repairs) and USAID is carrying out an accelerated procurement process to contract a U.S. firm to carry out project management functions. The actions taken to date in Gaza have already provided residents in the Sheikh Radwan and Waqf areas some relief from the flooding that has characterized past winter rainy seasons. In addition, the Municipality's stormwater management has significantly improved with the utilization of the new equipment for sewer and storm drain cleaning.

2. Water Distribution Systems: USAID has funded the construction and upgrade of municipal and village water systems through the UNDP and Catholic Relief Services (CRS). These activities have provided experience to USAID and its partners that relate to the broader interventions which are being initiated under the Strategic Objective.

(a) Principal Outputs (through December 1995)

- ▶ more than 80,000 meters of pipe laid in Nablus, Rafah and Ramallah (the purpose of these initiatives was to create jobs, therefore reliable data was not gathered relative to the beneficiaries of the water systems improvements)
- ▶ 2 village water systems, benefitting 3,000 residents constructed.
- ▶ 5 water catchments constructed.
- ▶ 45 dunams of land reclaimed

(b) Analysis:

CRS will be encouraged to focus USAID resources during the remainder of its Integrated Rural Development Grant on water systems, as the Mission tests the cost efficiency, impact and sustainability of village-level interventions. Likewise, a Grant with the UNDP, signed in September 1995, is designed to provide improved water services to over 150,000 residents of the West Bank by the end of 1997. However, progress to date for these activities has been slowed by difficulties in coordinating with Palestinian and Israeli water authorities, as well as border closures.

B. Expected Progress through FY 1997 and FY 1998

In FY 1998, there should start to be a measurable impact at the Strategic Objective level. At this point, not only will improvements in the Water Resources sector maintain pace with the rapidly expanding population, but there should also be measurable progress towards reducing the backlog of unserved or poorly serviced domestic consumers. Significant, quantifiable progress at the SO level is not expected until the latter part of the Strategy period and in the years thereafter, but this progress will be based on investment made during the R-4 period.

Intermediate Result No. 2.1: Increased Water Supply

It is anticipated that up to 6 tandem well arrangements will be developed in the Eastern Aquifer Basin. These wells are expected to produce between 10 and 16 million cubic meters per year of water. Water conveyance systems will deliver the increased supply to an estimated 399,000 users in the Hebron-Bethlehem Area and roughly 80,000 users in other areas. Monitoring systems will be in place to ensure that the water being delivered to virtually all Palestinians water users in the West Bank is safe for consumption.

Intermediate Result No. 2.2: Integrated Management of Water Resources

Based on the installation of 17,000 meters of stormdrains, increased pumping capacity at the Sheikh Radwan Reservoir, and construction of 83,000 meters of new sewers, at least 200,000 residents in Gaza City will benefit directly from the environmentally sound collection of wastewater and stormwater. The total volume of water either recovered or saved is projected to exceed 3 million cubic meters per year.

Intermediate Result No. 2.3: Market-Oriented Mechanisms for the Allocation of Water Resources Implemented

It is envisaged that training to strengthen the capacities of municipalities to generate and collect revenue will have been initiated. It is anticipated that the ability of the municipalities to achieve full cost recovery will improve as the consumers perceive improvements in the quality of services. Additionally, actions will have been taken to develop pilot programs and projects promoting the effective use of existing, limited water resources. Once policy dialogue has achieved the treatment of water resources as an economic resource, it is envisaged that appropriate pricing structures will promote more effective allocation of this limited resource.

STRATEGIC OBJECTIVE 3: MORE RESPONSIVE AND ACCOUNTABLE GOVERNANCE

A. Summary of Data/Analysis of Progress

To date, USAID activities relating to democracy have been short-term and transitional, and are therefore presented under a Special Objective. It is expected that the AMIDEAST Institutional Development Project will contribute directly to the public policy-making capacity of the Executive Branch, which is an Intermediate Result under the Strategic Objective. To date, pending a restructuring of this Grant to more closely tie into the Mission's Strategic Objective, AMIDEAST has provided technical assistance to the PA for a broad range of public administration issues that do not necessarily relate directly to this Strategic Objective. Project-level accomplishments through 1995 included:

- ▶ support for the drafting of a new civil service law.
- ▶ 40 executive assistants trained.
- ▶ strategic planning workshop for the Palestinian Authority held.
- ▶ Public Administration Human Resource Center, that will be responsible for Authority-wide training and technical assistance, established in the Ministry of Planning.
- ▶ a series of training courses focusing on general public sector management issues, such as budget management, computer use, personnel planning, strategy development and project planning initiated.

B. Expected Progress through FY 1997 and FY 1998

At the strategic objective level, USAID expects that the approval rating for the performance of the Palestinian Interim Self-Governing Authority will be greater than 50%, rising from its current level of 38.6%. At the intermediate result level, USAID expects the following:

Intermediate Result No. 3.1: Increased Participation of Civil Society in Public Decision-Making

By 1997/1998, USAID will have begun working with a range of civil society organizations focused on advocacy and good governance. These organizations will have helped to shape legislation drafted by the Authority, an appropriate and enabling NGO law will be in place, and formal mechanisms will have been established for sharing information between the government and civil society. Membership in key civil society organizations will have increased, and organizations will be generating a greater percentage of revenue to cover their operating costs. A majority of organizations who are implementing this component of the strategy will have adopted democratic means for choosing leadership and for internal decision-making.

Intermediate Result No. 3.2: Strengthened Legislative and Public Policy Capability

The roles and responsibilities of the Council and Executive Authority will have been defined, and transparent procedures will be established for the drafting, review and approval of legislation and government policies. The majority of legislation will be drafted and ratified through the established procedures. A committee structure will have been established in the Council and training begun in analysis and drafting of legislation. Technical assistance will have been provided for reform of the legal framework for the judicial area, and drafts completed of key legislation in this area.

Intermediate Result No. 3.3: Strengthened Local Government Planning, Budgeting and Implementation Capabilities

Local government strengthening activities are not expected to begin until FY 1997, after the local government elections are held and the authority and role of local government is better defined. The Mission will support limited technical assistance in FY 1996 in drafting the overall local government and local government elections laws. By 1998, approximately 360 local elected councils will be in place, and a law drafted and approved outlining the roles, responsibilities and authorities of the councils and the municipal mayors. The Mission expects to design a program of assistance in 1997 for local governments that may encompass technical assistance and public works.

SPECIAL OBJECTIVE NO. 1: EFFECTIVE TRANSITION TO SELF-RULE

A. Summary of Data/Analysis of Progress

1. Election Support: Supporting the January 1996 elections for the Council and Head of the Executive Authority was the focus of USAID's assistance in the area of democracy through 1995. The International Foundation for Election Systems (IFES), the National Democratic Institute (NDI), and the International Republican Institute (IRI) carried out activities to support electoral mechanisms, promote participation, and encourage the responsiveness of elected officials. USAID also financed USIS workshops on broadcast regulation and television production, and provided basic broadcasting equipment for the Palestinian Broadcasting Corporation.

(a) Major Outputs (through March 1996):

- ▶ 77,000 Palestinians participated in civic education programs and voting simulation workshops.
- ▶ technical assistance provided to the Central Elections Commission on the organization of the elections.
- ▶ periodic public opinion polls and election day exit poll conducted on democracy to raise awareness of key issues.
- ▶ domestic monitoring coalition (Palestinian Domestic Monitoring Coalition--PDMC) made up of more than 40 local NGOs created.
- ▶ 1,500 trained domestic monitors on election day, which covered 80% of election sites on election day, 60% of sites during the nighttime vote count, and 10% on the following day.
- ▶ 30 member international delegation, lead by former U.S. President Jimmy Carter, observed elections.
- ▶ information shared and exchanged between different political factions through Civic Fora with 5,600 participants.
- ▶ Civic Forum network established and 225 member organizations strengthened.
- ▶ capacity of Palestinian Broadcasting Corporation to cover elections improved (USIS).

(b) Analysis:

According to the Jerusalem Media and Communications Center public opinion poll conducted in February, more than 70% of Palestinians viewed the election process as relatively free and fair. International observers also widely regarded the elections as legitimate and as a first step in the transition to democracy. The direct impact of USAID-financed interventions is reflected in a few examples: In pilot tests before the elections, IFES found that nearly 30% of the ballots were "spoiled", i.e. filled in incorrectly; in the actual elections, the percentage of spoiled ballots was only 3%. The pre-election and election day observers issued statements about the election processes, highlighting areas of concern, which helped convince the Central Elections Commission to respond to issues raised about the changing number of Council seats, the extended candidate registration period and the shortened campaign period. Polls conducted by the Center for Palestinian Research and Studies (CPRS) through USAID's Grant with IRI were relied upon during the campaign, and continue to be relied upon, as an objective and trustworthy source of information on Palestinian public opinion.

2. **Budgetary Support:** To date, USAID has provided \$39.9 million (of a total \$169 million) to the multi-donor World Bank Holst Fund to finance public services in the West Bank and Gaza. USAID expects to provide an additional \$10 million in FY 1996 as its last contribution to the Holst Fund.

Primary Outputs/Analysis:

USAID is one of 24 donors plus the World Bank which has provided resources for the Holst Fund. The Fund is used primarily for central administration salaries and operating costs, and special projects like the \$5 million clean-up of Gaza. No outputs can be directly attributable to any one donor, and oversight and management of funds is in accordance with World Bank provisions. Based on projections made prior to the recent closures of the West Bank and Gaza, it was estimated that the PA would not require budget support beyond this year from the Holst Fund.

B. Expected Progress through FY 1997 and FY 1998

Through the remainder of FY 1996, USAID's activities under this Special Objective will focus on preparations for the upcoming local elections, scheduled for July or August, 1996. USAID will support programs through IFES, for elections administration support, and through NDI, for civic education activities, related to these elections. With USAID assistance, the election of approximately 360 local councils, covering the municipal, village and local levels will be widely seen as legitimate. An appropriate elections law for the local elections will be in place, and the elections administration by the Ministry of Local Government will be seen as fair. A greater percentage of voters will participate in the local elections (i.e. more than 80%) than in the Council and Head of the Executive Authority elections. Mistakes will be corrected in the voter registry, and new manuals will be produced for election-day pollworkers. Approximately 10,000 people will have participated in monthly discussion groups leading up to the municipal elections, on such topics as the organization of the elections, the expected role of the local councils and mayors, and voting procedures, concentrating particularly on increasing knowledge of how illiterate voters can participate, given the numerous problems that arose in the Council and Head of the Executive Authority elections. These discussion groups will reach an equal number of male and female participants, and provide a forum for the exchange of opinions among various political factions. In addition, the network of civic education leaders will have taken initial steps to institutionalize the Civic Forum program and transform it into a permanent mechanism for the dissemination of information at the grassroots level. An evaluation of this program will have been conducted, providing USAID with valuable information on program impact and methodology.

This Special Objective will be phased out in FY 1996 after the local elections are held and USAID's last contribution to the Holst Fund is made.

SPECIAL OBJECTIVE NO. 2: SELECTED DEVELOPMENT NEEDS ADDRESSED

A. Summary of Data/Analysis of Progress

1. Improved Housing Stock in Gaza: As a short-term intervention, USAID is financing the construction, upgrading and financing of shelter in Gaza, through U.S. and local contractors, the Palestinian Housing Council (PHC), the Cooperative Housing Foundation (CHF), and UNRWA. All activities are scheduled to be completed in FY 1996.

(a) Major Outputs (through December 1995)

- ▶ 192 new housing units constructed (ready by April 1996).
- ▶ 1,151 housing units upgraded.
- ▶ 322 housing loans valuing \$1.6 million approved.
- ▶ 10,000 residents of Gaza with new or improved housing.

(b) Analysis:

In March/April 1996, the Al Karama Towers will become the first donor-financed major infrastructure project to be completed in Gaza since the signing of the DOP. While the primary rationale for other shelter initiatives was the generation of temporary employment, CHF has made significant progress in institutionalizing a housing credit facility in Gaza. In order to safeguard its investment in housing finance, the Mission is considering a no-additional cost extension of the CHF Grant, and will address the issue of reflows with the PHC.

2. Temporary Employment Generation: USAID has financed initiatives, mainly in Gaza, as part of a multi-donor effort to address acute unemployment. USAID has attempted to maximize the impact of these stop-gap measures by balancing selection criteria related to employment content and the potential developmental impact of improving community and municipal infrastructure. Temporary employment opportunities were also created in the West Bank and Gaza through the recently completed Save the Children Foundation (SCF) Community Development and Jobs Grant.

(a) Major Outputs (through December 1995)

- ▶ 1,151 person years of temporary employment.

(b) Analysis:

The labor content of new small-scale infrastructure activities (which does not include Al Karama) has ranged from 38% to 45%, which is consistent with the levels estimated at the time the SSCI Project was designed. Start-up of several activities financed in FY 1995 has been slower than expected because of various logistical problems, but they are on track to be completed by the summer of 1997. Because of difficulties in identifying schools that can be rehabilitated in a cost-effective and timely manner, USAID intends to finance new school construction with FY 1996 funding, although it is recognized that the labor content will be lower than in rehabilitation efforts.

3. Capacity of Local Institutions to Implement Development Projects Strengthened: Grants made to ANERA and SCF in 1994 were designed to strengthen the capacity of local organizations to carry out development projects. While their sectoral focus has been different, this common purpose provides the rationale for grouping the Grants and continuing activities through the planned PACD (June 1997).

(a) Major Outputs (through September 1995)

- ▶ 30 organizations received sector grants.
- ▶ 14 organizations received management skills training .
- ▶ 40 partner organizations have been identified.
- ▶ Palestinians benefitting from partner organization activities:

Type	Total	Women
Women's Projects	3,476	3,405
Agriculture	22,183	15,957
Sanitation	325	153
Environmental	158,352	80,068
Water	4,700	2,491

- ▶ 3 irrigation systems constructed benefitting 9,000 persons.
- ▶ 1 light industry complex constructed benefitting 200 persons.
- ▶ 6,000 doses of vaccine administered and 260 farmers educated as part of brucellosis program.
- ▶ Reservoir to hold 2,000 cubic meters of winter run-off water constructed.

(b) Analysis:

While not focused in technical or geographic areas, these transitional Grants have made significant progress in developing partnerships with local organizations and testing different development approaches. The Mission will work with the Grantees to maximize the impact of activities through the PACD. Based on this experience, the Grantees will be expected to compete for future USAID funding within the context of the Mission's Strategic Objectives.

B. Expected Progress through FY 1997 and FY 1998

Intermediate Result No.1: Improved Housing Stock in Gaza

Based on the completion of the Al Karama Towers, UNRWA shelter upgrading and the CHF home improvement loan activities, approximately 6,000 lower-income Gazans will have upgraded their housing situation (in addition to the 10,000 that have done so to date through USAID financing). USAID, in consultation with the Palestinian Housing Council, CHF and the European Union, will have established a mechanism (or mechanisms) to use the reflows from the Al Karama sales (amount to be determined based on final sale arrangements) and the approximately \$4 million CHF home improvement loan facility. While USAID will not invest new resources in broader, longer-term housing sector initiatives, these activities will be closed-out in a way that will promote sustainable, private sector financing mechanisms.

Intermediate Result No. 2: Temporary Employment Generated

Currently, USAID plans to obligate \$8 million to UNRWA in FY 1996 for new school construction. With the completion of all UNRWA activities, it is estimated that more than 1,000 person years of short-term employment will be created between now and the end of FY 1997. While this is a relatively small number compared to the overall unemployment figures in the West Bank and Gaza, it is part of an overall donor effort that will generate several times that amount of employment, targeting the most vulnerable sectors of the Palestinian population.

Intermediate Result No. 3: Capacity of Local Institutions to Implement Development Projects Enhanced

ANERA and SCF will submit implementation plans shortly to cover the period from the present through the Grants' PACD. These plans, and subsequent funding decisions, may influence the magnitude of project outputs, though it is expected that some level of strengthening of local institutions will be accomplished regardless. It is expected that as many as 100 local organizations (NGOs, cooperatives, businesses) serving approximately 80,000 people will have improved administrative, financial and technical capabilities. Approximately 160 jobs will be created directly and immediately as a result of ANERA activities, with the potential for 2,700 jobs created in the long-term.

OTHER ACTIVITIES

Two on-going USAID activities do not relate in any way to the Mission's Strategic Framework: Grants to the Society for the Care of the Handicapped (SCH) and AMIDEAST (Human Resources Development).

The purpose of the SCH Grant was to ensure that handicapped persons in Gaza were prepared to enter society and at-risk children could be "mainstreamed" into the education system. Because the Grant has no relationship to the Mission's Strategic Objectives and due to pending audit issues, the Mission does not anticipate providing future funding to SCH, unless some amount must be provided to close-out the Grant. As a result of activities under the Grant, at-risk children (poor and, in some cases, traumatized by violence) who participate in the SCH program perform in the 80th percentile in school, while a control group performs only in the 20th percentile. USAID financed an ear mold laboratory, bachelor degree studies for 33 students, and audiology and speech lab used by 1,000 clients per month. In early 1995, 4,007 children (780 handicapped, 3,000 "at-risk" and 227 with communication disorders) were served by the Grant. Due primarily to budget cuts, that number is now 2,778 (660 handicapped, 1,839 "at-risk" and 279 with communications disorders).

The \$16.5 million AMIDEAST Grant dates back to 1987; all activities ended by 1995, except the financing of two graduate students in the U.S. who will finish their programs in September 1996. A last obligation of \$920,000 was provided in FY 1994. Through the life of project, training was provided to: 337 faculty members from 10 post-secondary institutions; 105 university staff in library and laboratory management, administration and engineering/instructional technology; 1,359 health professionals; and 935 English students. In 1994/1995, AMIDEAST concentrated its efforts on a new public law component, which included a judicial systems needs assessment, workshops on landlord and tenant laws, a workshop on the legal status of NGOs, and four applied research grants.

Since the Strategy for the USAID/West Bank and Gaza Program is being submitted for review at the same time as this R-4, and no prior approved Strategy was in place, this Section is only relevant for Sub-section C: "22 CFR Issues and Schedule."

III.

SPECIAL ISSUES

III. SPECIAL ISSUES

A. 22 CFR Issues and Schedule

Based on the Initial Environmental Examination (IEE) of the Municipal Services Project, formal environmental assessments will be carried out prior to the initiation of all new water supply or wastewater activities, unless there is a strong rationale for negative determinations concurred with by the ANE Environmental Officer. It is anticipated that these actions will be part of the scope of work of the Project's prime contractor, although it is possible that ANE assistance or buy-ins to Global mechanisms (e.g., PRIDE) may be requested if special circumstances arise.

The following initiatives are likely to require the preparation and approval of IEEs:

- Industrial Zones Development
- Micro-enterprise Development
- Local Governance (probably not until 1997)

Possible increases in funding levels above those previously planned for the following Projects may require confirmation that current IEEs remain valid:

- Small Scale Community Infrastructure (UNRWA School Construction)
- Democratic Understanding and Development [DUAD] (civic participation and support to the Council)

B. Impact of Gender

Gender is considered an important factor in each of the Mission's Strategic Objectives, although disaggregation of data will be easier/more relevant in some areas than others. For example, measurement of access to water will be calculated on the basis of household/family with piped potable water, and per capita consumption data will be gathered on a system-wide basis; disaggregation of these data in the context of the West Bank and Gaza would not be feasible nor would it add much for planning/reporting purposes. However, the involvement of women in local decision-making processes and education activities related to water resources will be targeted and measured. Likewise, women will be targeted and data disaggregated in relation to USAID's support of small and microenterprises. Finally, under the Mission's Transition to Self Rule Special Objective, USAID-sponsored activities in support of the elections process have targeted specific groups, including woman. For example, IFES' and NDI civic and voters education programs were designed to maximize women's participation, including dedicated activities that reached 3,600 woman. The success of these and other USAID-sponsored programs is reflected in the fact that 42% of voters in the January elections were women, a significant level in an Arab culture. Mechanisms to achieve the Mission's civic participation and local governance intermediate results will be designed from the beginning to take into account, encourage and monitor women's involvement in the emerging democratic system. In all cases, as the Mission develops and finalizes its results packages and performance monitoring and evaluation plan (PMEP), gender will be a specific factor considered.

C. New Partnerships Initiatives (NPI)

One of the basic premises of the USAID/West Bank and Gaza Program is that short-term improvements and longer-term sustainable development in areas of Palestinian autonomy depend on the emergence of a strong civil society. While local NGOs have played a critical role in the delivery of basic services, their autonomy and ability to play a role in policy-making have been minimal. This

is a result both of internal administrative, financial and technical weaknesses and the legal and cultural framework under which they operate. USAID activities will promote the role of civil society as an advocate of policy change and monitor of government responsiveness to Palestinian needs. USAID and other donors will assist local organizations to generate and allocate resources, and encourage the central government to divest related authorities. Therefore, while not accessing specific NPI funding, USAID/West Bank and Gaza activities will directly support NPI objectives. Additional details can be found in the Mission's Strategic Plan.

IV.

RESOURCE REQUIREMENTS

IV. RESOURCE REQUIREMENTS

A. Program Funding Request by Strategic Objective

The base funding level of the USAID/West Bank and Gaza program for the budgetary planning period (through FY 1998) is \$75 million per year, in accordance with the USG pledge of support to the Palestinian-Israeli peace process. This funding level will allow the Mission to fund on-going activities and initiate new activities that will be central to the achievement of its Strategic Objectives. For planning purposes, this R-4 presents scenarios in FY 1997 and FY 1998 that are, respectively, 20% and 30% less than this base level. Approximately \$1,500,000 over the next three years will be used for PD&S-like activities, but attributed to appropriate Strategic Objectives, or spread across SOs (e.g., possible financing of a USAID office in Gaza). There are no generic pipeline or mortgage issues; specific issues are discussed below.

1. Expanded Economic Opportunities: (FY 1996-FY 1998 funding: approximately \$27 million) During the R-4 period, USAID will fully finance the current contract with DAI under the Small Business Support Project, and --pending assessments of progress toward the Strategic Objective--it may be extended and expanded in FY 1997. Funding will also be provided to fully fund the on-going UNRWA Small Business Lending activity. The remainder of funding is programmed to initiate industrial zone and microenterprise interventions during the period. Any significant cut in the Mission's budget would likely lead to reductions in funding for industrial zones, and an increased reliance on other-donor and PA resources for this aspect of the Strategic Framework.

2. Greater Access to and More Effective Use of Scarce Water Resources: (FY 1996-FY 1998 funding: approximately \$142 million) In FY 1996, two major contracts will be awarded to carry out wastewater activities in Gaza and water resources initiatives primarily in the West Bank. The significant investment scheduled for the next three years reflects the scope of the problem and the USG's commitment to play a lead role in addressing it. While this SO is the Mission's highest priority, because it accounts for almost 60% of the program budget, it can not be insulated from any significant overall funding cuts. Every effort would be made to keep the Strategic Objective intact, but re-use and re-charge aspects of the SO would likely be deferred if the Mission's budget is reduced during the R-4 period. Since much of the expected out-year impact of this SO depends on more effective use of all water resources, delays in promoting re-use and re-charge will mitigate--to some extent--USAID's earlier investments in developing new supplies.

3. More Responsive and Accountable Governance: (FY 1996-FY 1997 funding: approximately \$26.3 million) Based on the phase-out of prior Mission activities related to elections and PA start-up costs (see Special Objective below), all activities under this Strategic Objective--except possibly the re-worked AMIDEAST Grant--will be initiated over the next year. It is expected that Requests for Assistance (RFAs) will be issued in FY 1996 related to civic participation and legislative strengthening. A local governance initiative will begin in FY 1997, pending certain prerequisite actions that are outlined in the Mission's Strategy. Any reduction of the Mission's budget is likely to require a drastic reduction in the scope and impact or elimination of the local governance IR.

4. Transition to Self-Rule Facilitated: (FY 1996-FY 1997 funding: approximately \$13.1 million) Funding for this Special Objective will be completed in FY 1996 with the conclusion of the local elections and USAID's last contribution to the Holst Fund. Therefore, the various funding scenarios do not affect this SpO. However, to date a Congressional hold has prevented obligation of \$10 million to the Holst Fund.

5. Selected Development Needs Met: (FY 1996-FY 1998 funding: approximately \$15.6 million) This funding level will allow for the completion of the Gaza Housing Project, although the Mission is considering a no-additional cost extension to the CHF Grant for home improvement loans. This level also includes for the full funding of the ANERA and SCF Grants by FY 1997. However, SCF has a pipeline of more than \$2 million, therefore it is possible that full funding will not be required to finance activities through the PACD (June 1997). Likewise, the ANERA Grant will only be fully funded if technically sound sub-activities can be completed prior to the same PACD. Therefore, this is an area where planned funding might be reduced, with or without a reduction in the Mission's overall budget. Funding levels proposed in this R-4 account for an \$8 million Amendment to the UNRWA Small Scale Community Infrastructure Grant for new school construction, which is intended to be USAID's final contribution to emergency employment initiatives. However, given the on-going unemployment problems in the West Bank and Gaza (which have been worsened by recent closures) and the possibility that the USG might want to respond to other unexpected emergency situations, the Mission might request authority to increase its funding of this Special Objective. Such a request will be made on an ad hoc basis if such demands arise. Since it is most likely that this contingency would be exercised during the R-4 period, the Mission would most likely reduce funding for or defer industrial zones and local governance activities, and provide less forward funding for water re-use/re-charge efforts. Since, as opposed to overall funding cut scenarios cited above, such a re-programming would not necessarily entail similar cuts throughout the life of the Mission's Strategic Plan, this re-programming would probably result in delays in the activities mentioned rather than cancellations.

6. Other: Tentatively, \$500,000 has been set aside in FY 1996 to provide funding for initiatives that are outside of the Mission's Strategic Framework. The Mission does not anticipate funding any other activities outside of its approved Strategic Objectives in subsequent years.

B. Program Management Requirements: Operating Expenses and Staff

USAID/West Bank Gaza currently projects a total staffing requirement of 61 positions to implement the proposed program strategy. This staff would comprise 16 U.S. Direct Hires (USDH), including one International Development Intern (IDI); 7 U.S. Personal Services Contractors (USPSC), including one resident hire USPSC; 3 Dependent Hire PSCs; and 35 Foreign National PSCs (FNPSC), including 5 program-funded FNPSCs.

With an overall funding level of \$75 million per year for FY 1996-FY 1998, the proposed staffing level for USAID/WBG is significantly lower than those of other missions with much smaller programs. Staffing projections -- already reduced from an earlier approved level of 69 positions in order to accommodate OE funding constraints -- are based on the management and accountability requirements of this high profile program:

- design, review and approval of 4-6 new activities each year;
- implementation and continuing oversight for more than 30 individual contract, sub-contract, or grant activities;
- reporting and assurance of accountability for all facets of the program.

The current NSDD 38 approved level of 14 USDH positions will need to be increased to 16 to include a Contracting Officer and an Executive Officer (IDI) position to achieve the Mission's strategic objectives:

- A Contracting Officer position is required to address the present and increasing workload requirements of new procurements and the effort required to administer these contracts and grants. Also, it will be important that all of our grants and contracts be modified to assure that we can report on results. Currently, the Mission receives regional support from USAID/Amman. In the past year the two Regional Contracting Officers (RCOs) have spent 50% of their time on TDY to USAID/WBG at an OE cost of approximately \$22,000. The Mission proposes to add a USDH position for a CO to be resident in Tel Aviv. This will entail an additional budget requirements of \$200,000, which would be offset to some extent by the savings for TDY expenses and could result in an overall Bureau savings if there is an option for transferring one of the CO positions from USAID/Amman to USAID/WBG.

- The Mission requires a second EXO position² to support reconfigured administrative management functions under re-engineering principles that will be implemented with the May 1 start-up of New Management Systems and the increased importance of the role of the Executive Officer as a member of the strategic objective teams. Administrative support for these teams -- in terms of participation and innovative responses to the unique (and presently ambiguous) regulatory and tax status situation of strategic partners operating in Israel and in areas controlled by the Palestinian Authority -- impose a significantly greater workload requirement upon the Executive Office. In addition, as a new Mission just bringing most of its local hire employees on board, a critical area of emphasis over the next several years will be human resources development, ensuring that initiatives such as expanding the role of the FSN staff are carried out. The more traditional role of the EXO also will continue and will expand with the advent of ICASS, the new combined administrative service to replace FAAS. It is anticipated this system will go worldwide in October 1996, and even should this date slip Tel Aviv is slated to be on the list of posts where ICASS will implemented in a pilot phase.

Although the FY 1996 ABS request was for a total of \$5,611,000, the Mission budget for FY 1996 approved in November 1995 was based on a revised, "bare bones" staffing level of 59 positions (excluding the two new USDH positions identified above) and amounted to \$4,243,000, exclusive of FAAS costs (approximately \$338,000). At a minimum, USAID/WBG requires this budget and staffing level in order to achieve our strategic objectives. The addition of the two USDH positions will increase the bare bones budget of \$4,243,000 to \$4,596,500.

C. Field Support from USAID/W

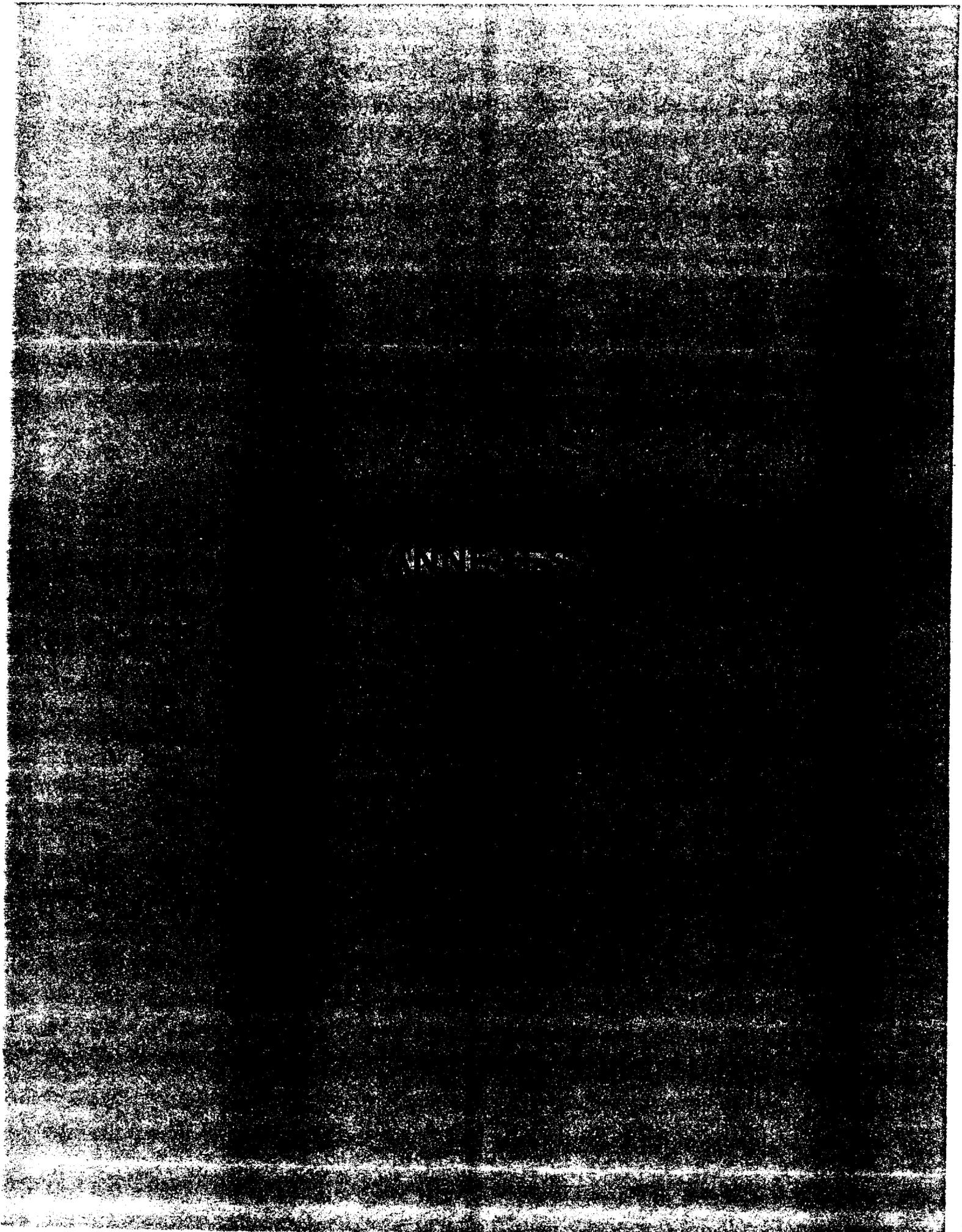
In support of Strategic Objective No. 1, Expanded Economic Opportunities, the Mission anticipates executing buy-ins (\$135,000 in FY 1996 and \$400,000 in FY 1997) to provide technical assistance related to its new microenterprise activity. Likewise, the Mission will execute buy-ins (\$145,000 in FY 1996 and \$1 million in FY 1997) to support industrial zone development. In both cases, the

² Given the shortage of EXOs, the Mission is requesting an IDI position. While NSDD 38 approval would be needed, the USDH FTE would not increase as IDIs have their own two-year FTE. However, the IDI position would require additional support costs of \$175,000 in FY 1996, since USAID/W only provides missions with \$25,000 in annual support costs for IDIs.

Mission anticipates tapping into similar mechanisms in FY 1998. However, since significant funding cuts would entail reduced support for industrial zones, the related buy-ins would probably be eliminated from Mission plans.

At this time, the Mission does not anticipate requesting any field support for its Water Resources Strategic Objective with FY 1996-FY 1998 funding. Funding previously obligated to UNRWA under the Gaza Wastewater Project will be used to extend and expand the Missions's buy-in the Environmental Health Project, increasing the amount to \$620,000. It is also possible the Mission will utilize PRIDE or a some other G mechanism to conduct environmental assessments, although no specific actions are planned at this time.

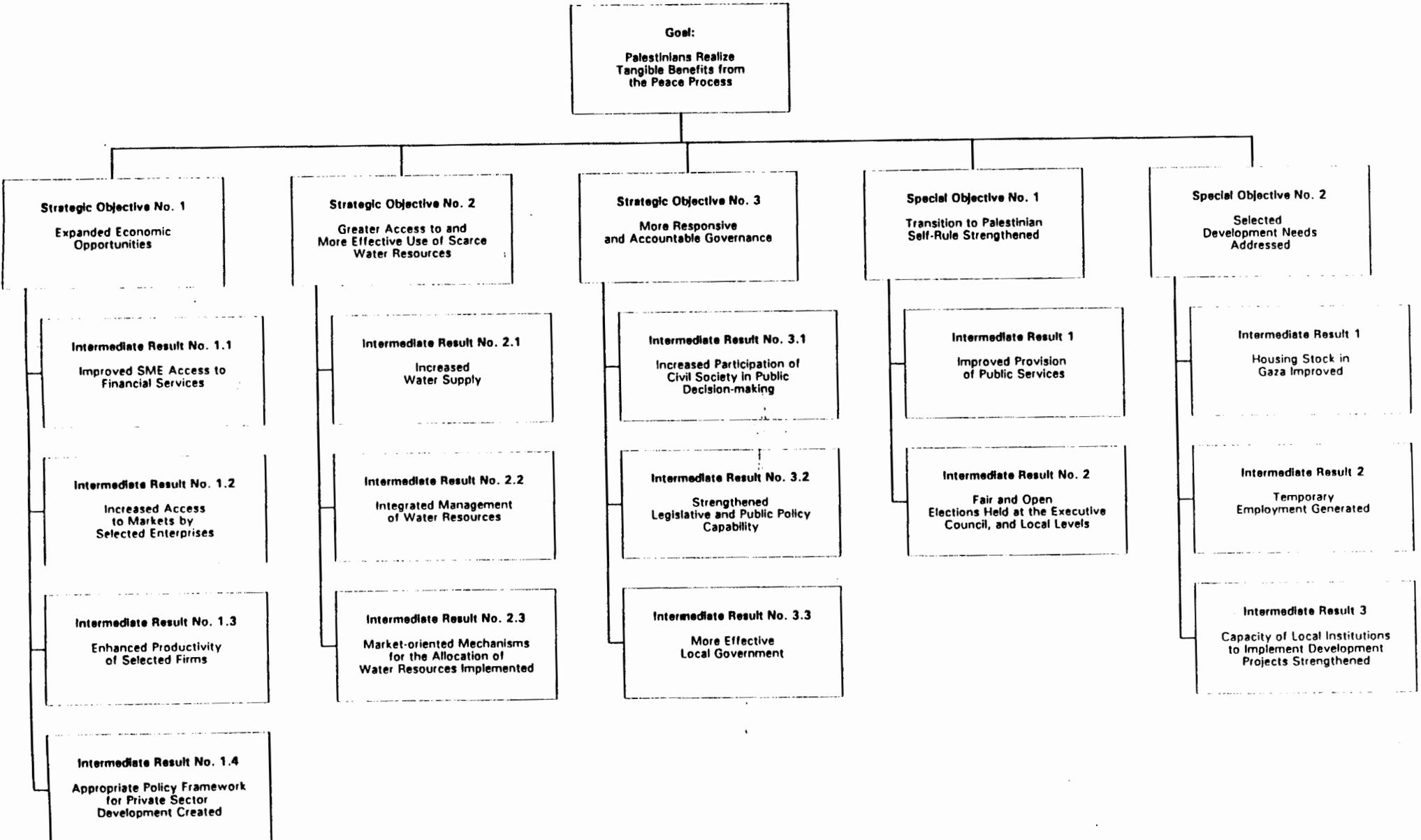
Since all activities under the Mission's Democracy Strategic Objective will be designed this FY and next, and since the Democracy Center is also in the process of designing several new field support mechanisms, the Mission has no specific buy-in plans in this area at present. However, it is possible that G mechanisms for accessing technical assistance for local governance and implementing policy change will be considered by the Mission in the future.



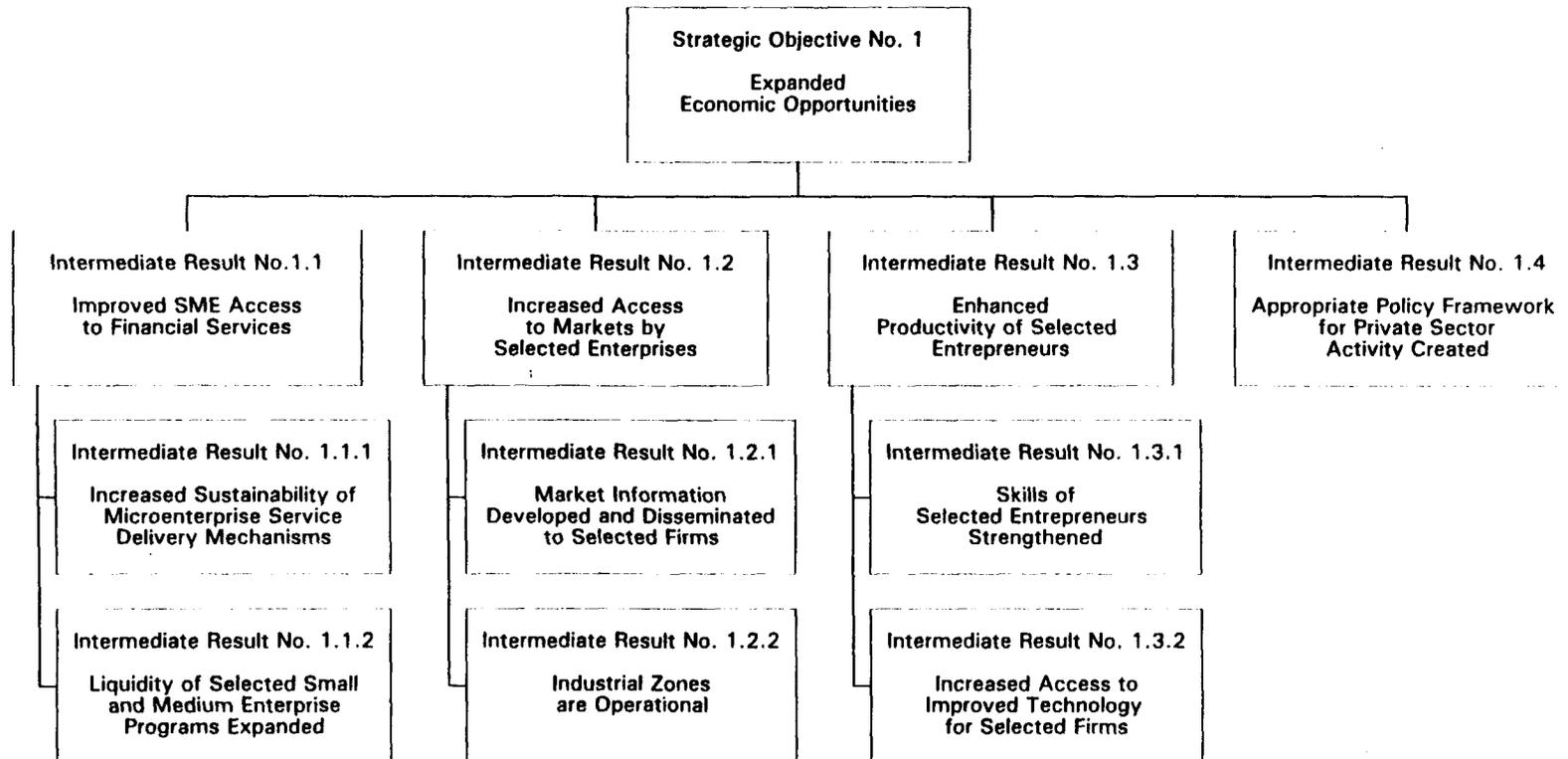
ANNEX A

STRATEGIC OBJECTIVE TREE

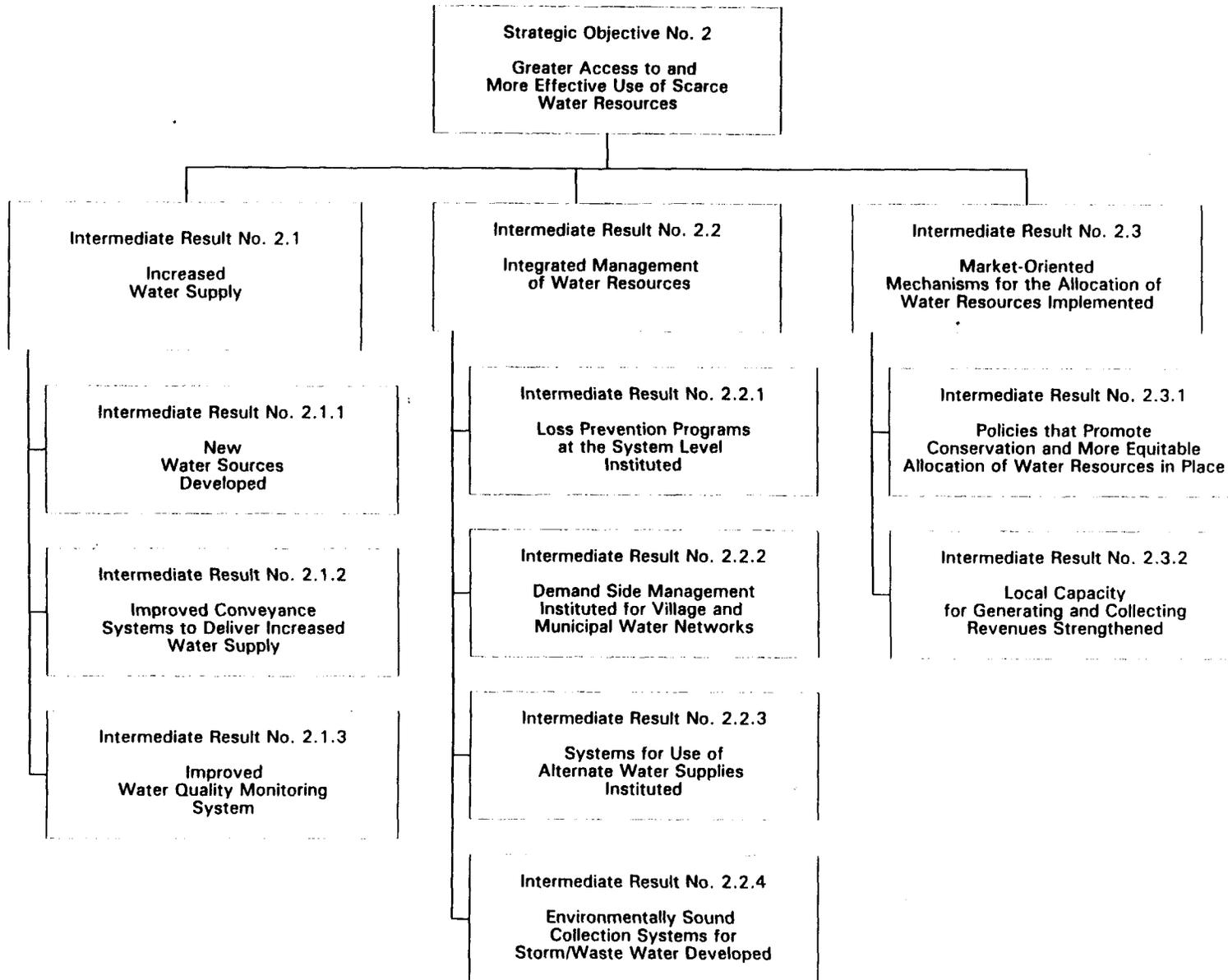
USAID/ West Bank and Gaza



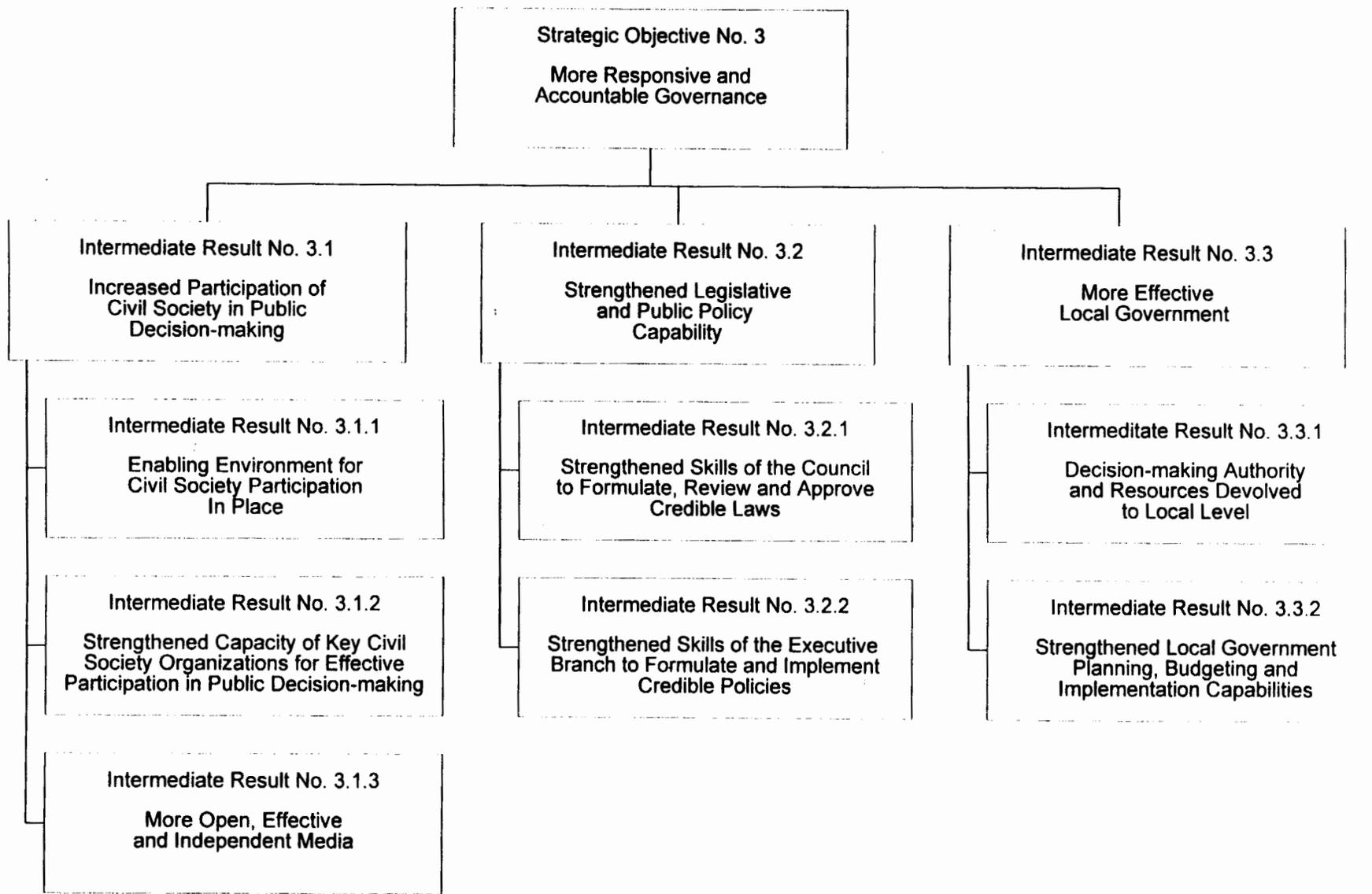
USAID/ West Bank and Gaza



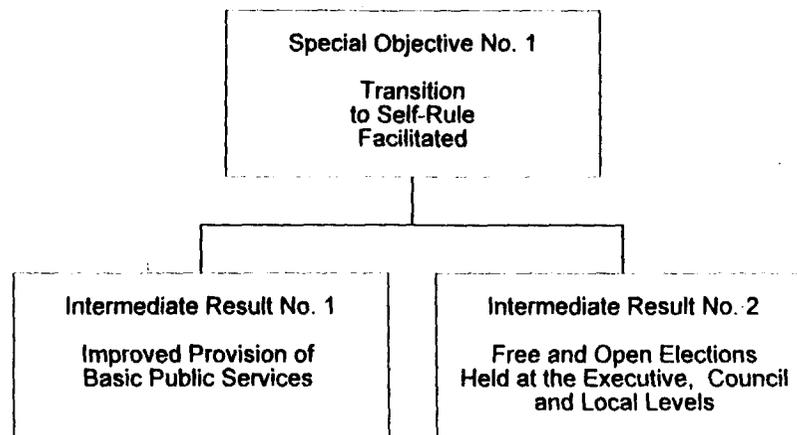
USAID/West Bank and Gaza



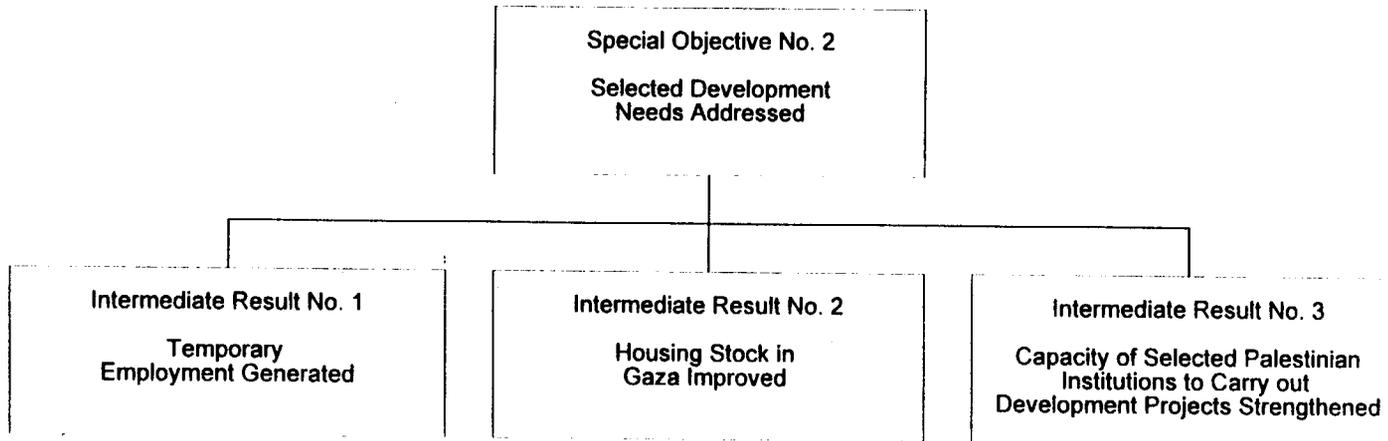
USAID/West Bank and Gaza



USAID/West Bank and Gaza



USAID/West Bank and Gaza



ANNEX B

PERFORMANCE DATA TABLES
BY
STRATEGIC OBJECTIVE

PERFORMANCE DATA TABLE FOR SO1

WEST BANK AND GAZA			
STRATEGIC OBJECTIVE 1: Expanded Economic Opportunities			
Indicator SO1 (a): Palestinians employed by small and micro-enterprises (SMEs) and in industrial estates			
Unit of Measure: Number	Year	Planned	Actual
Source: Field surveys of SMEs, Industrial Estate Authority records, Business Registration Data.	Baseline 1995	_____	TBD
Comments: --Baseline and targets for this SO will be established by December 1996, based on microenterprise and industrial zone designs and DAI impact assessment under Small Business Support Project. Baseline may be established for 1995 or 1996, depending on available data. --World Bank estimates up to 100,000 permanent new jobs will be created through industrial estate development in the West Bank and Gaza.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

WEST BANK AND GAZA			
STRATEGIC OBJECTIVE 1: Expanded Economic Opportunities			
Indicator SO1 (b): SMEs operating			
Unit of Measure: Number	Year	Planned	Actual
Source: Field surveys, business registration data.	Baseline 1996	_____	150,000
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	
Comments: There are 150,000 micro entrepreneurs in the West Bank and Gaza. This number will be confirmed as a baseline when monitoring and evaluate plan is finalized.			

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
STRATEGIC OBJECTIVE 1: Expanded Economic Opportunities			
Indicator SO1 (c): Real value of total sales revenue of SMEs			
Unit of Measure: Equivalent in USDs	Year	Planned	Actual
Source: Field surveys/sampling	Baseline 1995	_____	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

25

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.1: Improved Access to Financial Services by SMEs			
Indicator IR 1.1 (a): Institutional outlets for SME finance			
Unit of Measure: Number of NGO outlets; bank divisions/branches dedicated to microcredit.	Year	Planned	Actual
Source: Field surveys/samplings	Baseline 1995	—	3
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

50

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.1: Improved Access to Financial Services by SMEs			
Indicator IR 1.1 (b): SMEs with access to outlets for financial services			
Unit of Measure: Number of microenterprises within target radius of each outlet	Year	Planned	Actual
Source: Field surveys, municipal records, census data where available, business registrations	Baseline 1995	—	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

5

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.1: Improved Access to Financial Services by SMEs			
Indicator IR 1.1 (c): Value of credit available to SMEs from formal sources			
Unit of Measure: Dollar equivalents of cumulative loans, total # of loans	Year	Planned	Actual
Source: NGO/bank records.	Baseline 1995	—	TBD
Comments: Systems will be established/adopted by each intermediary credit agency to capture these data.	1996	TBD	
	197	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

22

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.1.1: Increased Sustainability of Microenterprise Financial Services Delivery Mechanisms			
Indicator LLIR 1.1.1 (a): Total costs recovered under micro finance programs			
Unit of Measure: Percentage	Year	Planned	Actual
Source: NGO/Bank records	Baseline 1995	—	TBD
Comments: Systems will be established/adopted by intermediaries to capture these data.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.1.1: Increased Sustainability of Microenterprise Financial Services Delivery Mechanisms			
Indicator LLIR 1.1.1 (b): Funds for micro-credit from non-donor sources			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Bank/NGO records	Baseline 1995	—	TBD
Comments: Systems to be established/adopted by intermediaries to capture these data.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.1.2: Liquidity of Selected Small and Medium Enterprise Programs Expanded			
Indicator LLIR 1.1.2 (a): Value of loans to small and medium enterprises by banks participating in the Loan Guarantee Program and UNRWA small business lending facility.			
Unit of Measure: USD millions / # of loans guaranteed.	Year	Planned	Actual
Source: Bank records	Baseline 1995	_____	2.1/106
Comments: Actual data reflects Loan Guarantee Program through March 15, 1996.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.1.2: Liquidity of Selected Small and Medium Enterprise Programs Expanded			
Indicator LLIR 1.1.2 (b): SMEs receiving credit from selected sources			
Unit of Measure: Number of borrowers	Year	Planned	Actual
Source: NGO records.	Baseline 1995	—	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.2: Increased Access to Markets by Selected Enterprises			
Indicator IR 1.2 (a): Real value of goods sold by selected enterprises			
Unit of Measure: U.S. Dollar equivalent	Year	Planned	Actual
Source: Survey of firms assisted, Industrial Estate Authority Record	Baseline 1995	—	TBD
Comments: Sampling of volume will also be reported on in narrative comments since volume of different types of products cannot be aggregated.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

17

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.2.1: Market Information Developed and Disseminated to Selected Firms			
Indicator LLIR 1.2.1 (a): Selected small businesses receiving market information			
Unit of Measure: Number	Year	Planned	Actual
Source: Project Implementation records, Industrial Estate Authority Records	Baseline 1995	—	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

f

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.2.1: Market Information Developed and Disseminated to Selected Firms			
Indicator LLIR 1.2.1 (b): Contracts resulting from marketing assistance			
Unit of Measure: Number and U.S. dollar equivalent	Year	Planned	Actual
Source: Survey of firms assisted	Baseline 1995	_____	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

sp

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.2.2: Industrial Zones are Operational			
Indicator LLIR 1.2.2 (a): Real value of goods shipped out of industrial zones			
Unit of Measure: U.S. dollar equivalent	Year	Planned	Actual
Source: Industrial Estate Authority records	Baseline 1995	_____	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.3: Enhanced Productivity of Selected Enterprises			
Indicator IR 1.3 (a): Average in wage rates for training recipients			
Unit of Measure: U.S. dollar equivalent	Year	Planned	Actual
Source: Surveys of training participants	Baseline 1995	_____	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.3: Enhanced Productivity of Selected Enterprises			
Indicator IR 1.3 (b): Value added per unit cost			
Unit of Measure: U.S. Dollar equivalent	Year	Planned	Actual
Source: Survey of firms receiving T.A, training or technology assistance, project records reflecting company baseline data. Comments:	Baseline 1995	_____	TBD
	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.3.1: Entrepreneurial Skills Strengthened and Expanded			
Indicator LLIR 1.3.1 (a): Enterprises and associations with trained employees by region			
Unit of Measure: Number	Year	Planned	Actual
Source: Data collected by implementing (training) institutions.	Baseline 1995	_____	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

49

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.3.1: Entrepreneurial Skills Strengthened and Expanded			
Indicator LLIR 1.3.1 (b): People trained			
Unit of Measure: Number	Year	Planned	Actual
Source: Data collected by training institutions	Baseline 1995	_____	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
LOWER LEVEL INTERMEDIATE RESULT 1.3.2: Increased Access to Improved Technology			
Indicator LLIR 1.3.2 (a): Technology adopted			
Unit of Measure: Percentage (firms adopting improved technology divided by total).	Year	Planned	Actual
Source: Survey of firms receiving T.A. in related technology options	Baseline 1995	—	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.4: Appropriate Policy Framework for Private Sector Development Created.			
Indicator IR 1.4 (a): Value of new investments			
Unit of Measure: U.S. Dollar equivalent	Year	Planned	Actual
Source: P.A. statistics on Ministry of Economic, Trade and Industry data	Baseline 1995	_____	TBD
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.4: Appropriate Policy Framework for Private Sector Development Created.			
Indicator IR 1.4 (b): Reduced cost of transactions			
Unit of Measure: U.S. Dollar equivalent	Year	Planned	Actual
Source: Sample surveys of costs of business regulations.	Baseline 1995	_____	TBD
Comments: Businesses currently bear high costs associated with inappropriate/inconsistent enforcement of regulations governing contract enforcement, banking and finance regulation, taxation, labor regulation, technology licensing and other areas. This IR will reflect a reduction in those costs as laws and regulations are modified to provide increased transparency and efficiency.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

5

PERFORMANCE DATA TABLE FOR SO 1

West Bank and Gaza			
INTERMEDIATE RESULT 1.4: Appropriate Policy Framework for Private Sector Development Created.			
Indicator IR 1.4 (c): New Firms			
Unit of Measure: Number	Year	Planned	Actual
Source: Business regulation data; Process analysis; Sample surveys of new entrants and prospective investors.	Baseline 1995	_____	TBD
	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	
Comments: Transparency of bureaucratic requirements and policies conducive to investments showed result in a greater number of firms entering the market in the West Bank/Gaza.			

50

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
STRATEGIC OBJECTIVE 2: Greater Access to and More Effective Use of Scarce Water Resources			
Indicator SO2 (a): Users with access to piped, potable water			
Unit of Measure: Percentage of total population	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	—	65
Comments: -- These are preliminary projections. Baseline and targets to be formally established by November 1996. Percentages account for projected increase of the population from 2 million to 2.5 million - 1996 2,000,000 1997 2,116,000 1998 2,239,000 1999 2,369,000 2000 2,500,000	1997	66	
	1998	67	
	1999	70	
	Target 2000	72	

55

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
STRATEGIC OBJECTIVE 2: Greater Access to and More Effective Use of Scarce Water Resources			
Indicator SO2 (b): Domestic consumption rate			
Unit of Measure: Liters per day per capita	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	45
Comments: -- These are preliminary projections. Baseline and targets to be formally established by November 1996. The minimum water requirement for domestic consumption is estimated at 70 liters per capita per day. However, 135 liters per capita per day for domestic consumption is considered to be a more reasonable level for developed areas. Generally, water planners consider somewhere between 400 and 1,400 liters per capita per day to be the amount of water required to meet all demands - agriculture, industry, commercial, and domestic. -- Since most Palestinians have access to piped, potable water, but in insufficient quantities, this indicator complements the previous one.	1997	49	
	1998	53	
	1999	66	
	Target 2000	88	

56

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
STRATEGIC OBJECTIVE 2: Greater Access to and More Effective Use of Scarce Water Resources			
Indicator SO2 (c): Agricultural and industrial requirements met with non-potable water			
Unit of Measure: Percentage of agricultural requirements	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	—	0
	1997	0	
	1998	0	
	1999	3	
	Target 2000	10	
Comments: -- These are preliminary projections. Baseline and targets to be formally established by November 1996. Needs are estimated at 190 million cubic meters annually, until 1999 when it is expected that improved techniques and policies will lower the needs level to 185 million cubic meters (180mcm in 2000). Less demand for potable water for agriculture and industry reflects more effective use and frees up those scarce resources for domestic use.			

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT 2.1: Increased Water			
Indicator IR 2.1 (a): Gross volume of potable water available			
Unit of Measure: Million cubic meters/year	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	—	243
Comments: -- These are preliminary projections. Baseline and targets to be formally established by November 1996. -- Will reflect impact of all new water sources, improved conveyance systems and water quality monitoring.	1997	249	
	1998	255	
	1999	261	
	Target 2000	267	

5

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.1.1: New Water Sources Developed			
Indicator LLIR 2.1.1 (a): New wells developed			
Unit of Measure: Number per year	Year	Planned	Actual
Source: Contractor reports/surveys	Baseline 1996	—	3
Comments: Primary area of donor/USAID intervention in developing new sources are wells, although other options may be considered in the future.	1997	3	
	1998	3	
	1999	3	
	Target 2000	3	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.1.2: Improved Water Conveyance Systems			
Indicator LLIR 2.1.2 (a): Additional bulk delivery capacity of major transmission systems.			
Unit of Measure: Million cubic meters/year	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	0
Comments: -- These are preliminary projections. Baseline and targets to be formally established by November 1996.	1997	2	
	1998	6	
	1999	22	
	Target 2000	23	

5

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.1.2: Improved Water Conveyance Systems			
Indicator LLIR 2.1.2 (b): Users of water distribution systems.			
Unit of Measure: Number	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	1,300,000
Comments: -- These are preliminary projections. Baseline and targets to be formally established by November 1996.	1997	1,400,000	
	1998	1,500,000	
	1999	1,650,000	
	Target 2000	1,800,000	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.1.3: Improved Water Quality Monitoring System			
Indicator LLIR 2.1.3 (a): Minimum water quality norms and standards established and implemented			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	No
Comments: Criteria for "yes" determination to be established with annual review by contractor/USAID.	1997	No	
	1998	No	
	1999	Yes	
	Target 2000	Yes	

62

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT 2.2: Integrated Management of Water Resources			
Indicator IR 2.2 (a): Volume of water re-used			
Unit of Measure: Million cubic meters/year	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	0
Comments: -- These are preliminary projections. Baseline and targets to be formally established by November 1996. -- Includes waste and storm water	1997	0	
	1998	0	
	1999	3	
	Target 2000	10	

62

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT 2.2: Integrated Management of Water Resources			
Indicator IR 2.2 (b): Volume of losses prevented			
Unit of Measure: Million cubic meters/year	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	0
Comments: -- These are preliminary projections. Targets to be formally established by November 1996.	1997	1	
	1998	2	
	1999	6	
	Target 2000	9	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT 2.2: Integrated Management of Water Resources			
Indicator IR 2.2 (c): Volume of water conserved			
Unit of Measure: Million cubic meters/year	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	—	0
Comments: -- These are preliminary projections. Targets to be formally established by November 1996.	1997	0	
	1998	2	
	1999	5	
	Target 2000	8	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT 2.2: Integrated Management of Water Resources			
Indicator IR 2.2 (d): Volume of usable water from other alternate sources			
Unit of Measure: Million cubic meters/year	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	0
Comments: -- These are preliminary projections. Targets to be formally established by November 1996.	1997	0	
	1998	0	
	1999	3	
	Target 2000	9	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.2.1: Loss Prevention Programs Instituted			
Indicator LLIR 2.2.1 (a): Users covered by programs			
Unit of Measure: Number	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	—	0
	1997	0	
	1998	100,000	
	1999	300,000	
	Target 2000	800,000	
Comments: -- These are preliminary projections. Targets to be formally established by November 1996.			

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.2.2: Demand-side Management Instituted for Village and Municipal Networks			
Indicator LLIR 2.2.2 (a): Users with metered water			
Unit of Measure: Number	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	—	TBD
Comments: Criteria to be established by November 1996.	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.2.3: Systems for Use of Alternate Water Supplies Instituted			
Indicator LLIR 2.2.3 (a): Users of Alternate Supplies			
Unit of Measure: Number	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	0
Comments: Targets to be established by November 1996.	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.2.4: Environmentally Sound Collection Systems for Storm/Waste Water Instituted			
Indicator LLIR 2.2.4 (a): Gross volume collected through environmentally sound methods			
Unit of Measure: Million cubic meters/year	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	TBD
Comments: -- These are preliminary projections. Baseline and targets to be formally established by November 1996.	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT 2.3: Market-Oriented Allocation Mechanisms Implemented			
Indicator IR 2.3 (a): Cost recovery			
Unit of Measure: Percent of total costs recovered	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	TBD
Comments: Baseline and targets to be established by November 1996.	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.3.1: Policies that Promote Conservation and More Equitable Allocation of Water Resources in Place			
Indicator LLIR 2.3.1 (a): Specific policies and regulations (based on multi-donor policy agenda) ratified and adopted			
Unit of Measure: Yes/No for each agenda item.	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	TBD
Comments: Agenda to be established by November 1996; items to include water rationing and pricing criteria.	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO2

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 2.3.2: Municipal Capacity for Generating and Collecting Revenues from Water Strengthened.			
Indicator LLIR 2.3.2 (a): Municipalities with strengthened capacity based on established criteria			
Unit of Measure: Percentage of total number of municipalities	Year	Planned	Actual
Source: Representative sampling by contractor	Baseline 1996	_____	0
Comments: Criteria, baseline and targets to be established by November 1996.	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
STRATEGIC OBJECTIVE #3: More Responsive and Accountable Governance			
Indicator SO3 (a): Citizens' perception of government responsiveness and accountability			
Unit of Measure: Percentage of citizens who feel that the Palestinian Authority's performance has been above average	Year	Planned	Actual
Source: Periodic public opinion polls by the Center for Palestinian Research and Studies (CPRS)	Baseline 1995	—	38.6%
Comments: CPRS conducts public opinion polls every six weeks on a variety of issues. One question they ask every few months is the perception of the performance of the Palestinian Authority, and whether it is excellent, good, average, weak or bad. In August 1995, 38.6 % of the respondents thought that the PA's performance was excellent or good, an increase over the 31.4% responding this way in December 1994. The Mission's target is that a majority of Palestinians (more than 50%) feel that the Palestinian Authority's performance has been above average. This is being used as a proxy measure of the government's responsiveness and accountability to its citizens. A small change is shown for 1996 since the Mission's programs will only begin in the second half of 1996. Since there are some issues with the use of public opinion polls, due to their susceptibility to the influence of external factors, this indicator is being combined with a more qualitative one to measure overall responsiveness and accountability. It is possible that, in further defining its strategy, the Mission will adopt a more targeted survey question to analyze the different factors contributing to perceptions of above average performance. CPRS public opinion polls have a margin of error of +/- 3%.	1996	40%	
	1997	> 50%	
	1998	> 50%	
	1999	> 50%	
	Target 2000	> 50%	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
STRATEGIC OBJECTIVE #3: More Responsive and Accountable Governance			
Indicator SO3 (b): Civil society-initiated complaints of government misconduct that are satisfactorily resolved			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Data collected by implementing partners	Baseline 1995	—	0
<p>Comments: To attempt to measure whether government is becoming more responsive and accountable, implementing partners under the civil society strategy component will be asked to track the number of complaints made to the government related to the government's performance in implementing policies reflective of a democratic system, and whether they were resolved satisfactorily from the perspective of the individual or group lodging the complaint.</p> <p>Since there has been no organized way to lodge complaints with the government to date, the baseline is zero. Our target is for more than 90% of these complaints to be resolved satisfactorily by 2000. The intermediate targets will be developed in conjunction with our implementing partners. It is possible that the Mission will differentiate between the responsiveness and accountability of the Council, executive authority and local government in order to provide a more comprehensive picture of the degree to which the strategic objective is being achieved.</p>	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	> 90%	

PERFORMANCE DATA TABLE FOR SO 3

WEST BANK AND GAZA			
INTERMEDIATE RESULT 3.1: Increased Participation of Civil Society in Public Decision-Making			
Indicator IR 3.1 (a): Laws and policies drafted by civil society organizations and presented to the Council/Executive Authority			
Unit of Measure: Number	Year	Planned	Actual
Source: Data collected by implementing partners	Baseline 1995	—	0
	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	
Comments: This indicator will measure the degree to which civil society organizations are drafting and presenting laws and policies to the Council and Executive Authority, based on their own initiative. Since civil society organizations have not had the opportunity to do this in the past, the baseline is zero. Quantitative targets, as well as a means to measure quality of the legislation or policies being presented, will be established in conjunction with implementing partners. This indicator will be supplemented by a narrative explaining changes in civil society's capacity to initiate laws and policies and in the sophistication of their relationship with the Council and Executive Authority.			

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
INTERMEDIATE RESULT 3.1: Increased Participation of Civil Society in Public Decision-Making			
Indicator IR 3.1 (b): Modifications in laws, regulations and policies proposed by civil society and accepted by the Council/Executive Authority			
Unit of Measure: Number	Year	Planned	Actual
Source: Data collected by implementing partners	Baseline 1995	—	0
Comments: To measure the impact of civil society's participation in the policy debate, this indicator will track the number of modifications proposed by civil society to Council/Executive Authority initiated laws and policies, as well as the number of these modifications that were accepted by the Council or Executive Authority. Since civil society has not participated in policy dialogue in the past, the baseline is zero. Appropriate interim and final targets will be established in conjunction with implementing partners. This indicator will be supplemented by a narrative explaining the degree of openness of the Council and Executive Authority to input from civil society organizations.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.1.1: Enabling Environment for Civil Society in Place			
Indicator LLIR 3.1.1 (a): Enabling NGO law ratified and implemented			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	—	No
Comments: A draft NGO law has been prepared and is being reviewed by the Palestinian Authority. The Mission anticipates that this law will be reviewed and passed by the Palestinian Council this year.	1996	Yes	
	1997	Yes	
	1998	Yes	
	1999	Yes	
	Target 2000		

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.1.1: Enabling Environment for Civil Society in Place			
Indicator LLIR 3.1.1 (b): Formal consultative mechanisms established			
Unit of Measure: Number	Year	Planned	Actual
Source: Data collected by implementing partners and Mission	Baseline 1995	—	0
	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	
Comments: The targets for this indicator will be established in consultation with implementing partners.			

10

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.1.1: Enabling Environment for Civil Society in Place			
Indicator LLIR 3.1.1 (c): Registered civil society organizations by category			
Unit of Measure: Number	Year	Planned	Actual
Source: Palestinian Authority	Baseline 1995	—	0
Comments: No civil society organizations have yet been registered with the Palestinian Authority.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

88

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER-LEVEL INTERMEDIATE RESULT 3.1.2: Strengthened Capacity of Key Civil Society Organizations to Participate in Public Decision-Making			
Indicator LLIR 3.1.2 (a): Key civil society organization's total operating costs covered by membership dues and self-generated funds			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Key civil society organizations	Baseline 1995	—	TBD
Comments: A baseline will be established once key civil society organizations are identified.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.1.2: Strengthened Capacity of Key Civil Society Organizations to Participate in Public Decision-Making			
Indicator LLIR 3.1.2 (b): Size of active membership of key civil society organizations			
Unit of Measure: Number	Year	Planned	Actual
Source: Key civil society organizations	Baseline 1995	_____	TBD
Comments: A baseline will be established once key civil society organizations are identified.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

28

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.1.2: Strengthened Capacity of Key Civil Society Organizations to Participate in Public Decision-Making			
Indicator LLIR 3.1.2 (c): Key civil society organizations that have adopted democratic and transparent decision-making procedures and practices			
Unit of Measure: Number	Year	Planned	Actual
Source: Key civil society organizations	Baseline 1995	—	TBD
Comments: A baseline and targets will be established once key civil society organizations have been identified.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.1.3: More Open, Effective and Independent Media			
Indicator LLIR 3.1.3 (a): Number and diversity of information sources			
Unit of Measure: Number	Year	Planned	Actual
Source: USIS	Baseline 1995	_____	TBD
Comments: This indicator will be established in consultation with USIS	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PC

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.1.3: More Open, Effective and Independent Media.			
Indicator LLIR 3.1.3 (b): Key political , social and economic issues/policies adjusted as a result of improved media analysis and commentary			
Unit of Measure: Number	Year	Planned	Actual
Source: USIS	Baseline 1995	_____	TBD
Comments: This indicator will be tracked by USAID, but accomplished through ongoing USIS programs.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
INTERMEDIATE RESULT 3.2: Strengthened Legislative and Public Policy Capability			
Indicator IR 3.2 (a): Degree of clarity of the respective roles of the executive and the Council			
Unit of Measure: Clear/Unclear	Year	Planned	Actual
Source: Mission assessment	Baseline 1996	_____	unclear
Comments: This indicator will measure the degree to which the roles and responsibilities of the Executive Authority and the Council have been clearly defined. This is seen as a vital element to establishing an open and transparent legislative and policy making process. The baseline is 1996, since the Council was not elected until January, 1996. The Mission anticipates that one year will be required to clarify and operationalize the respective roles and responsibilities.	1997	clear	
	1998	clear	
	1999	clear	
	Target 2000	clear	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
INTERMEDIATE RESULT 3.2: Strengthened Legislative and Public Policy Capability			
Indicator IR 3.2 (b): Existence of appropriate organizational structures and procedures for drafting, reviewing and approving key legislation and policies			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: Mission assessment	Baseline 1996		No
	1997	Yes	
	1998	Yes	
	1999	Yes	
	Target 2000	Yes	
Comments: A key element of a functioning legislative and executive branch is the existence of an open and transparent process for the drafting, review and approval of legislation and policies. The Mission anticipates that this process will be put in place by 1997. 1996 is used as the baseline since the Council did not exist before this date.			

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
INTERMEDIATE RESULT 3.2: Strengthened Legislative and Public Policy Capability			
Indicator IR 3.2 (c): Key legislation and policies drafted and ratified through established procedures			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Mission assessment	Baseline 1996	—	0
Comments: Once procedures are established for the drafting, review and approval of legislation and policies, it will be crucial for these procedures to be uniformly implemented and enforced. The Mission will measure the percentage of legislation and policies that are drafted in accordance with these procedures. Since the government structures for producing and approving legislation and policies did not exist prior to 1996, 1996 is used as the baseline. By the year 2000, all legislation and policies will be drafted in accordance with the established procedures. Intermediate targets will be established once the legislative and policy-making system becomes more clear. Since the Mission is working from a situation of non-existent practices to creating practices, it is possible that intermediate targets could be established at 100%.	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	100%	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.2.1: Strengthened Skills of the Council to Formulate and Analyze Credible Policies			
Indicator LLIR 3.2.1 (a): Draft legislation based on sound technical analysis and factual data			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	_____	N/A
Comments: Targets will be established once Council procedures are in place and legislation starts to be considered.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.2.2: Strengthened Skills of the Executive Branch to Formulate and Implement Credible Policies			
Indicator LLIR 3.2.2 (a): Key policy recommendations supported by sound technical analysis and factual data			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	_____	N/A
Comments: Targets will be established once baseline information is collected.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.2.2: Strengthened Skills of the Executive Branch to Formulate and Implement Credible Policies			
Indicator LLIR 3.2.2 (b): Degree to which government budgeting and expenditure decisions are based on informed analysis of needs and priorities			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	—	N/A
Comments: Targets will be established once baseline information is collected.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.2.2: Strengthened Skills of the Executive Branch to Formulate and Implement Credible Policies			
Indicator LLIR 3.2.2 (c): Existence of review and quality assurance procedures			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	—	No
Comments: The Mission anticipates that review and quality assurance procedures will be put in place in 1996. The Mission will monitor the extent to which these procedures are used.	1996	Yes	
	1997	Yes	
	1998	Yes	
	1999	Yes	
	Target 2000	Yes	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
INTERMEDIATE RESULT 3.3: More Effective Local Government			
Indicator IR 3.3 (a): Public perception of the responsiveness of local government			
Unit of Measure: Percentage of population with positive opinion of responsiveness	Year	Planned	Actual
Source: CPRS public opinion poll data	Baseline 1996	_____	TBD
Comments: To gauge the responsiveness of local government to citizens, the Mission will conduct at least annual public opinion polls on citizens' satisfaction with local government performance. A baseline and targets will be established later in 1996, once the local elections are held.	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.3.1: Decision-Making Authority and Resources Devolved to the Local Level			
Indicator LLIR 3.3.1 (a): Public sector resources managed at the local level			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	—	TBD
	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	
Comments: Baseline for autonomous areas in 1995 to be established.			

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.3.1: Decision-Making Authority and Resources Devolved to the Local Level			
Indicator LLIR 3.3.1 (b): Local revenue retention rate			
Unit of Measure: Percentage	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	—	TBD
Comments: Baseline for autonomous areas in 1995 to be established.	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.3.2: Strengthened Local Government Planning, Budgeting and Implementation Capabilities			
Indicator LLIR 3.3.2 (a): Extent to which key local government management systems and procedures are in place and operational			
Unit of Measure: Yes/No; Number of systems and procedures which are operational	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	_____	N/A
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

PERFORMANCE DATA TABLE FOR SO3

WEST BANK AND GAZA			
LOWER LEVEL INTERMEDIATE RESULT 3.3.2: Strengthened Local Government Planning, Budgeting and Implementation Capabilities			
Indicator LLIR 3.3.2 (b): Extent to which key local government functions are manned by appropriately trained and experienced staff			
Unit of Measure: Yes/No; Number of local government entities with appropriately trained and experienced staff	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	—	N/A
Comments:	1996	TBD	
	1997	TBD	
	1998	TBD	
	1999	TBD	
	Target 2000	TBD	

p:\progm\strat\tblsmp3

1.6

PERFORMANCE DATA TABLE FOR SpO1

WEST BANK AND GAZA			
SPECIAL OBJECTIVE 1: Effective Transition to Self Rule			
Indicator SpO1 (a): Degree to which a functioning and cohesive government structure is in place			
Unit of Measure: Not in place/In place	Year	Planned	Actual
Source: Mission assessment	Baseline 1995	Not in place	Not in place
Comments: A functioning and cohesive government structure is defined as one which generates sufficient revenue to cover its operating costs, is elected, and has defined roles and responsibilities among its various components. The "operating costs" aspect of this definition has been affected by the recent and extensive closures of the West Bank and Gaza.	1996	Not in place	
	1997	In place	

PERFORMANCE DATA TABLE FOR SpO1

WEST BANK AND GAZA			
INTERMEDIATE RESULT 1.1: Improved Provision of Basic Services			
Indicator IR 1.1 (a): PA operating costs funded by non-donor sources			
Unit of Measure: Percentage	Year	Planned	Actual
Source: PA Ministry of Finance	Baseline 1994	—	90%
	1995	—	82%
	1996	88%	
	Target 1997	100%	
Comments: PA operating costs for 1994 are estimated at \$297 million, 90% of which was funded from PA revenues or Israeli Civil Administration transfers. In 1995, 82% of the \$501 million operating budget was funded from these sources, with the remainder covered by the Holst Fund. The PA estimated that it would be able to cover 100% of its operating costs through non-donor sources by 1997. This target however, may be difficult to achieve if border closures continue.			

PERFORMANCE DATA TABLE FOR SpO1

WEST BANK AND GAZA			
INTERMEDIATE RESULT 1.2: Free and Open Elections Held at the Executive, Council and Local Levels			
Indicator IR 1.2 (a): Palestinians who view the elections as legitimate			
Unit of Measure: Percentage	Year	Planned	Actual
Source: CPRS opinion polls	Baseline 1996-Concil	—	66%
Comments: Since elections assistance is related to two discrete elections in the same year, information will be collected related to the legitimacy of each election. No targets are established beyond 1996, since elections assistance will be completed this year. In an exit poll on election day of 2775 voters at 143 polling stations, 66% felt that the council elections were fair. Another poll will be conducted fore the local government elections scheduled for July 1996. The Mission expects that an even larger percentage of voters will view these elections as legitimate.	1996-Local government	>66%	

PERFORMANCE DATA TABLE FOR SpO1

WEST BANK AND GAZA			
INTERMEDIATE RESULT 1.2: Free and Open Elections Held at the Executive, Council and Local Levels			
Indicator IR 1.2 (b): Qualitative assessments of international and domestic monitors as to the fairness and openness of both elections			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: International and Domestic monitor reports	Baseline 1996-Concil	Yes	Yes
Comments: This indicator tracks the extent to which international and domestic monitors felt that the council and local government elections were fair and open. A yes means that the majority of post-election reports from monitoring groups indicated that the elections were generally fair and open. For the council elections, the reports of US, EU and other international monitoring groups and the domestic monitoring groups, noted that, in spite of problems, the elections were legitimate and fair.	1996-Local government	Yes	

PERFORMANCE DATA TABLE FOR SpO2

WEST BANK AND GAZA			
SPECIAL OBJECTIVE 2: Selected Development Needs Met			
Indicator SpO2 (a): Income generated			
Unit of Measure: U.S. Dollar equivalent (annual)	Year	Planned	Actual
Source: Grantee reports	Baseline 1994-1995	————	8,000,000
	1996	4,700,000	
	1997	2,000,000	
Comments: In FY 1994 and 1995, USAID funded programs carried out by the UNDP, UNRWA and SCF, resulted in 1,065 person years of employment (PY), with an average salary of \$25 per day. FY 1996 = 600 PYs (UNRWA 370, UNDP 230) x \$25/day average salary FY 1997 = 250 PYs (UNRWA) x \$25/day average salary.			

102

PERFORMANCE DATA TABLE FOR SpO2

WEST BANK AND GAZA			
SPECIAL OBJECTIVE 2: Selected Development Needs Met			
Indicator SpO2 (b): People with new/improved housing			
Unit of Measure: Number (annual)	Year	Planned	Actual
Source: PHC/grantee/contractor reports	Baseline through 1995	—	10,000
Comments: These are approximate figures based on the number of improved shelters and an estimated family size of 8-10. At this time, it is not expected that USAID will finance shelter improvements beyond 1996.	1996	6,000	
	1997	N/A	

PERFORMANCE DATA TABLE FOR SpO2

WEST BANK AND GAZA			
SPECIAL OBJECTIVE 2: Selected Development Needs Met			
Indicator SpO2 (c): Potential beneficiaries of development projects carried out by strengthened local institutions.			
Unit of Measure: Number (cumulative)	Year	Planned	Actual
Source: Grantee reports	Baseline Through 1995	—	60,000
Comments: Reflects communities/groups served by local organizations that will be strengthened through partnerships with ANERA and SCF.	1996	70,000	
	1997	80,000	

PERFORMANCE DATA TABLE FOR SpO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT SpO 2.1: Improved Housing Stock in Gaza			
Indicator IR 2.1 (a): New/rehabilitated units			
Unit of Measure: Number (annual)	Year	Planned	Actual
Source: Grantee/Contractor reports	Baseline Through 1995	—	1,151
Comments: Total through 1995 from Gaza Rehabilitation Project/UNRWA (535), Gaza Housing Project/CHF (332), and Small Scale Community Infrastructure/UNRWA (284 including 64 female-headed households). 1996 projections: 192 Al Karama, 300 CHF, 87 UNRWA. At this time, no projections are made for FY 1997 because it is anticipated that all housing activities will have terminated.	1996	579	
	1997	N/A	

PERFORMANCE DATA TABLE FOR SpO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT SpO 2.2: Temporary Employment Opportunities			
Indicator IR 2.2 (a): Employment			
Unit of Measure: Person years (annual)	Year	Planned	Actual
Source: Grantee reports	Baseline Through 1995	—	1,105
Comments: Outputs to date include Gaza Rehabilitation Project (294), Gaza Housing Project (250), Small Scale Community Infrastructure (231), Community Development and Jobs/SCF (290), and UNDP Water Networks (40). FY 1996 totals based on SSCI/UNRWA (shelter rehab, new and maintain schools, after-school program), completion of UNDP water networks, and SSCI/UNDP (street paving/tiling) projections. Only the UNRWA after-school program and new school construction will continue into 1997.	1996	600	
	1997	250	

136

PERFORMANCE DATA TABLE FOR SpO2

WEST BANK AND GAZA			
INTERMEDIATE RESULT SpO 2.3: Local Institutions Strengthened			
Indicator IR 2.3 (a): Institutions with improved administrative, financial, technical capacity			
Unit of Measure: Number (cumulative)	Year	Planned	Actual
Source: ANERA/SCF reports	Baseline Through 1995	—	40
Comments:	1996	90	
	1997	100	

16.

ANNEX C
BUDGET TABLES

Table 2
ALL RESOURCES TABLE
USAID/WEST BANK AND GAZA
(\$000)

Funding Category	FY 1996*	FY 1997		FY 1998	
		Base*	Base - 20%	Base *	Base -30%
Sustainable Development					
Economic Growth Of which: Field Support ***					
Child Survival/Disease Of which: Field Support ***					
Basic Education Of which: Field Support ***					
Population Of which: Field Support ***					
Environment Of which: Field Support *** USAEP					
Democracy Of which: Field Support ***					
Economic Support Funds	75,512	75,000	60,000	75,000	52,500
Of which: Field Support ***	280	1,400	400	1,400	400
Of which Child Survival Of which: Field Support ***					
Of which Basic Education Of which: Field Support ***					
PL480:					
Title II					
Title III					
Other (HG, MSED)					
GRAND TOTAL	75,512	75,000	60,000	75,000	52,500

* The FY 1996 level and base levels for FY 1997 and FY 1998 are \$75 million, in accordance with the USG's pledge of assistance in support of the Palestinian-Israeli peace process.

10

Table 3
Funding Scenarios by Objective
(\$000)

OBJECTIVE	FY 1996*	FY 1997		FY 1998	
		Base*	Base - 20%	Base *	Base - 30%
Strategic Objective 1: (Expanded Economic Opportunities) (Economic Support Funds)					
Total SO 1:	11,835	8,400	7,400	6,700	5,000
Strategic Objective 2: (Greater Access to and More Effective Use of Water Resources) (Economic Support Funds)					
Total SO 2:	33,465	51,643	42,300	58,000	40,500
Strategic Objective 3: (More Responsive and Accountable Governance) (Economic Support Funds)					
Total SO 3:	4,510	11,500	10,300	10,300	7,000
Special Objective 1: (Transition to Self-Rule Facilitated) (Economic Support Funds)					
Total SPO 1:	13,100		0	0	0
Special Objective 2: (Selected Development Needs Met) (Economic Support Funds)					
Total SPO 2:	12,102	3,457	0	0	0
Other (Economic Support Funds)					
Total Other:	500	0	0	0	0
GRAND TOTAL	75,512	75,000	60,000	75,000	52,500

* The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level.
** Base is defined as operating bureau allocations from the FY 1997 OMB request level.

**Table 4
GLOBAL FIELD SUPPORT**

Mission Strategic Objective	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)							
				FY 1996**		FY 1997**				FY 1998**	
				Obligated by:		FY 1997 Base		FY 1997 Base - 20%		FY 1998 Base	
				Operating Unit	Global Bureau	Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau		
S.O.1: Expanded Economic Opportunities	MIP/PRIME (940-0406): microenterprise support	High	2 years (1996-97)	135	----	400	----	400	----	400	----
S.O.1: Expanded Economic Opportunities	TBD: Industrial zones support	Medium	2 years (1996-97)	145	----	1000	----	----	----	1000	----
GRAND TOTAL.....				280	----	1400	----	400	----	1400	----

*For Priorities use high, medium-high, medium, medium-low, low
 ** The FY 1996 level and base levels for FY 1997 and FY 1998 are \$75 million in accordance with USG's assistance pledge in support of the Palestinian-Israeli peace process.

Table 5

Staff Requirements (FY 1996)

Staff	Strategic Objective 1: (Economic Opportunities)	Strategic Objective 2: (Water Resources)	Strategic Objective 3: (Governance)	Special Objective 1: (Self-Rule)	Special Objective 2: (Development Needs)	Other**	Total Staff by Class
USDH	1	3	1	0	1	10	16
FSN* (OE)	1	2.5	1	0	1.5	25	30
FSN* (TF)	0	0	0	0	0	0	0
FSN *(Prog.)	1	2	2	0	0	0	5
US/TCN PSC (OE)**	0	0	0	0	0	4	4
US/TCN PSC (TF)	0	0	0	0	0	0	0
US/TCN PSC (Program)	1	3	2	0	0	0	6
Total Staff by Objective	4	10.5	5	0	2.5	39	61

* Refers to both FSNDH and FSNPSC.

** Includes 3 dependent hires and 1 resident hire

*** Includes EXO, Financial Management, Program and Front Office Staff that support multiple objectives and therefore it is impracticable to divide into small fractions.

Table 6
Operating Expense Requirements

OE/Trust Funded Levels by Major Function Code	FY 1996
U100 USDH	644,100
U200 FN Direct Hire	0
U300 Contract Personnel	1,056,800
U400 Housing	832,300
U500 Office Operations	1,748,400
U600 NXP	314,900
Total Mission-Funded OE	4,596,500
.....Of which Trust Funded	0