



Local Governance and Services Improvement Program (P148896)

MIDDLE EAST AND NORTH AFRICA | West Bank and Gaza | Social, Urban, Rural and Resilience Global Practice Global Practice | Special Financing | Program-for-Results | FY 2016 | Seq No: 2 | ARCHIVED on 12-Aug-2016 | ISR24482 |

Implementing Agencies: Ministry of Local Government, Municipal Development and Lending Fund

Program Development Objectives

Program Development Objective (from Program-for-Results Appraisal Document)

The development objective of the proposed program is to strengthen the local government financing system and improve local service delivery in Program villages.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	--	● High

Implementation Status and Key Decisions

The development objective of the proposed Program is to strengthen the local government financing system and improve local service delivery in Program villages. The Trust Fund Grant Agreement was signed on March 14, 2016 and the Program became effective on June 2, 2016. The Palestinian Authority has already taken reform measures to meet the following two Program Prior Results, namely: (i) the adoption of a simple per capita based and predictable Annual Capital Grant Allocation Formula to channel capital investment funds eligible Program Village Councils (VCs); and (ii) the adoption of a standardized Good Governance framework for joint service provision. Achieving the Prior Results makes available the first Program funds in the amount of US\$1 million to be disbursed and strengthens the Ministry of Local Government (MoLG)'s oversight and implementation capacity. Other critical Program activities, including working closely with eligible VCs and Joint Service Councils (JSCs) are underway to strengthen capacity of eligible JSCs and VCs that are qualified for the implementation of critical prioritized local service delivery investments in a participatory manner.









Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P148896	TF-A1039	Effective	USD	5.00	5.00	0.00	0.00	5.00	0%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P148896	TF-A1039	Effective	14-Mar-2016	14-Mar-2016	02-Jun-2016	31-Dec-2020	--

Disbursement Linked Indicators (DLI)



► DLI 1: Enabling steps to strengthen local governance by MoLG (Amount(USD))

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	--	1000000.00
Date	16-Sep-2015	--	01-Aug-2016

Comments

DLR 1.1 (prior result) has been met. The Cabinet Secretariat of the Council of Ministers, in its capacity as the Independent Verification Agent submitted a Prior-Results Achievement Notification, dated February 25, 2016 for this DLR. Based on the information available to date to the Task Team, we confirm that DLR #1.1, as proposed in the Borrower's Notification, is considered to be achieved, and that grant proceeds allocated to the specific DLR can be disbursed.

► DLI 3: Percentage of VCs meeting the Program eligibility criteria annually (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	--	--	0.00
Date	16-Sep-2015	--	01-Aug-2016

Comments

This result is not due yet. The baseline number of eligible VCs (at appraisal completion) was 34 VCs.

► DLI 4: Cumulative number of Joint Projects approved (Amount(USD))

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	--	0.00
Date	16-Sep-2015	--	01-Aug-2016

Comments

This result is not due yet. Implementation of joint projects is anticipated to begin in January, 2017.

► DLI 2: Timely communication to VCs of the formula-based Annual Capital Investment Grant (ACIG) allocations and timely transfer of ACIGs to eligible VCs (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	No.	--	Not yet due
Date	16-Sep-2015	--	01-Aug-2016

**Comments**

This result is not applicable for year 1 of Program implementation.

► DLI5: Aggregated expenditure percentage of approved Joint Projects (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	--	0.00
Date	16-Sep-2015	--	28-Jun-2016

Comments

This result is not applicable for years 1 and 2 of Program implementation.

► DLI 6: Steps to improve transparency and predictability in the allocation of Transportation Fee adopted by MoLG (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	no	--	Not Applicable
Date	20-Jan-2016	--	28-Jun-2016

Comments

This result is measured in the second and third year of Program implementation, and is not due yet. However, the MoLG has already adopted the funds allocation criteria and formula that were set out in the Program Operations Manual. The latter was adopted officially by the Government in May, 2016.

► DLI 7: Capacity Building Activities delivered by MoLG based on their Annual Capacity Development Plan (Text)

	Baseline	Actual (Previous)	Actual (Current)
Value	Not Applicable	--	Five year capacity development plan prepared
Date	16-Sep-2015	--	01-Aug-2016

Comments

The MoLG has already prepared the Five year Capacity development plan, including the first year action plan. This effort was carried out in a consultative manner within the MoLG as well as with MDLF and the World Bank. The Plan was discussed at, and adopted by the First Program Committee Meeting which took place on June 15, 2016, and is ready for implementation.

Results**Results Area**



Intermediate Results Area

Results area 1: Strengthening local government financing system

Results area 2: Strengthening institutional systems for improved service delivery

Project Development Objective Indicators

► PDO indicator 1: VCs receiving transparent and predictable Annual Capital Grants (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	70.00
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020

Comments

This indicator is not due yet. The baseline number of eligible LGUs at Program approval was 34. The final number of eligible LGUs will be determined in October 2016, following their completion of the preparation/update of Annual Capital Investment Plans.

► PDO indicator 2: Timely communication to VCs of the formula based Annual Capital Investment Grant (ACIG) allocations and timely transfer of ACIGs to eligible VCs (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020

Comments

This indicator is not due first. As part of the Program prior results, the Minister of Local Government formally adopted on November 5, 2015 the criteria for a per-capita formula for the allocation of funds to eligible VCs under the Program.

► PDO indicator 3: People benefiting from improved service delivery in Program villages (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	350000.00
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020

Comments

This indicator is not due yet. Actual implementation of prioritized sub-projects implementation in Program villages is anticipated to begin in January, 2017. By then, this indicator will start to show progress.



► PDO indicator 4: Beneficiaries that feel Program investments reflected their needs (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	75.00
Date	16-Sep-2015	--	28-Jun-2016	31-Dec-2020

Comments

This indicator is not due yet. Actual implementation of prioritized sub-projects implementation in Program villages is anticipated to begin in January, 2017. By then, this indicator will start to show progress.

Overall Comments

Intermediate Results Indicators

► One: Annual Capital Grant Allocation Formula approved by MoLG (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	Y	Y
Date	16-Sep-2015	--	05-Nov-2015	31-Dec-2020

Comments

The Minister of Local Government formally adopted the Annual Capital Grant Allocation Formula on November 5, 2015. This action was one of the Program Prior Results (DLR 1.1).

► Two: Steps to improve transparency and predictability of Transportation Fee adopted by MoLG (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not available	--	Not due yet	By FY 18, at least 25% of Annual Capital Grants



allocation to VCs is disbursed annually per capita and on time in line with LGSIP Annual Capital Grant Flow Chart.

Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020
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Comments

This indicator is not due yet. Transportation Fee reform directive is due to be submitted for approval to the Cabinet of Ministers, by June, 2018, according to the Program Action Plan.

► Three: Percentage of VCs submitting their annual budget to MoLG electronically on time and have disclosed budgets publicly (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	60.00
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020

Comments

This indicator is not due until November 15 of each year, which is the date specified in the Annual Investment Grant Flow Chart for VCs to submit and publically disclose their annual budgets.

► Four: Percentage of VCs that have implemented at least 60% of their ACIPs (in terms of expenditure) by the end of each FY (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	70.00
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020

Comments

This indicator is not due in the first year of Program implementation. Once execution of the ACIPs begins in January, 2017, this indicator will begin to realize its results.

► Five: Cumulative number of joint projects approved (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	0.00	--	0.00	18.00
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020

Comments

This indicator is not due yet. The estimated number of Joint Projects approved by the end of 2017 is estimated at 6 projects. The MDLF is in the process of getting ready to announce Program Joint Projects eligibility, based on which applications for joint projects would be received.

► Six: Number of JSCs qualifying for financing under the Program (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	14.00	--	14.00	22.00
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2019

Comments

The current number of JSCs qualified is 14. The next JSCs assessment will be concluded by the end of November, 2016.

► Seven: Share of vulnerable groups who participated in ACIP consultations (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	30.00
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020

Comments

This indicator is not due yet. The Ministry of Local Government will track the participation of vulnerable groups in the preparation and update of the Annual Capital Investment Plans, due to be finalized in October, 2016. Once the plans have been prepared/updated, this indicators will be realized.

► Eight: Direct beneficiaries (number) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	350000.00
Date	16-Sep-2015	--	01-Aug-2016	31-Dec-2020

Comments

This indicator is not due yet, and will be measured at mid-term and Program completion.



Direct beneficiaries of which female (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	50.00

Overall Comments