

## SUPPORT TO MUNICIPAL DEVELOPMENT PROJECT (MDP-3) Occupied Palestinian territory



Participation of a youth group at the inauguration of Rafah's beach park © Rafah Municipality

In this context, the Municipal Development Project (MDP) was developed in 2009 by the PA with the support of the World Bank and donors. This successful project has provided a framework for Municipalities to get regular, transparent and predictable funding while incentivising capacity enhancement in order to improve the quality of the services to their citizens. MDP has facilitated investment planning based on prioritised needs. It has also helped institutionalise social accountability in local decision-making processes.

Switzerland is committed to a just and lasting peace between Israelis and Palestinians based on a negotiated two-state solution. Its Cooperation Strategy for the oPt aims at contributing to the establishment of an independent, viable, contiguous and democratic Palestinian state. The Swiss engagement in strengthening local governance and effective service has been translated by its joining MDP in 2012. In light of the results achieved, Switzerland has renewed its support for the third phase of the project in 2017. Operating modalities of the project have proved to be relevant, efficient and effective. MDP targets all Municipalities, and it takes into account the specific needs of the Gazan Municipalities.

Switzerland utilises its financial contribution to leverage policy influence on priority topics of the Swiss Cooperation Strategy such as:

- a) Increasing the relative share of needs comprised in the grant allocation mechanism which is used to calculate the share of project funding to be received by each Municipality in order to support smaller and disadvantaged with sizable contributions.
- b) Promoting fairness between Municipalities in West Bank and in Gaza Strip with due consideration of the specific vulnerabilities of the latter, and
- c) Fostering effective and inclusive social accountability processes at local level.

Currently, 75% of the Palestinian population live in Municipalities. In many cases, they pre-date the Palestinian Authority (PA) and are key providers of services to the local population. Municipalities operate in an environment constrained by Israeli Occupation for more than 50 years and by the decade-long divide between the West Bank and the Gaza Strip. In that fragile context, total population growth and urban growth have substantially increased the pressure on public infrastructure and services.

80% of the 144 Palestinian Municipalities, as of 2017, provide fewer than 12 of the 28 prescribed services. These services are often limited to solid waste management, access to waste water network, access to drinkable water network and to internal roads. Municipal revenues are low in the occupied Palestinian territory (oPt) partly also due to the prevailing economic situation, which is not conducive for improving user fee collection and to introducing cost-recovery rates for services, in particular in the Gaza Strip.

## PROJECT HIGHLIGHTS

- › In oPt, the Municipal Development Project (MDP) has been an effective tool to foster donor harmonisation in the Local Government sector. Total funding under MDP-3 (2018–2021) exceeds 100 million CHF, to which the Palestinian Authority contributes with 10% counterpart financing.
- › MDP is the main vehicle for policy reforms in the sector: all Palestinian Municipalities are able to submit their Annual budget to the Ministry of Local Government. They have developed a four-year Strategic Development and Investment Plan according to a unified methodology to become eligible under the project.
- › Improvement in financial management: All Municipalities have established separate bank accounts for enterprise revenues.
- › Social Accountability and Transparency: MDP supported the establishment of Citizen Support Centres in 14 Municipalities, which facilitated the accessibility and automation of services. These Centres are able to generate gender records and statistics, which can be utilised to understand gender gaps in service provision and/or response times.
- › Key results from the second phase:
  - a) Infrastructure projects completed and utilized: 406 km roads, 131 km sidewalks, 18 km of retaining walls, 12 km of storm water drainage.
  - b) Public spaces constructed and accessible: 32 square km of public buildings and 36 square km of public gardens.
  - c) MDP promotes innovation and sustainable development at local level: 9 renewable-energy (solar) projects were completed in 7 Municipalities in the West Bank and 2 in the Gaza Strip.
  - d) Social accountability tools mainstreamed: 72% of Palestinian Municipalities disclosed their external audit reports and 94% of all Municipalities applied at least two public disclosure mechanisms allowing the citizens to submit complaints and follow up on the functioning of their Municipalities.
  - e) Financial sustainability enhanced: at the close of MDP-2, more than 30 Municipalities started to record operating and enterprise budget surpluses.

## PROJECT IN BRIEF

### PARTNERS

Municipal Development and Lending Fund (MDLF)

### PROJECT OBJECTIVE

Enhance the institutional capacity of municipalities in the West Bank and Gaza for more accountable and sustainable service delivery

### TARGET GROUPS

For the infrastructure part: ca. 500'000 residents provided with improved urban living conditions.

For the capacity development aspect: Technical staff in 144 Municipalities (West Bank and Gaza Strip) incl. MDLF and Ministry of Local Governance staff.

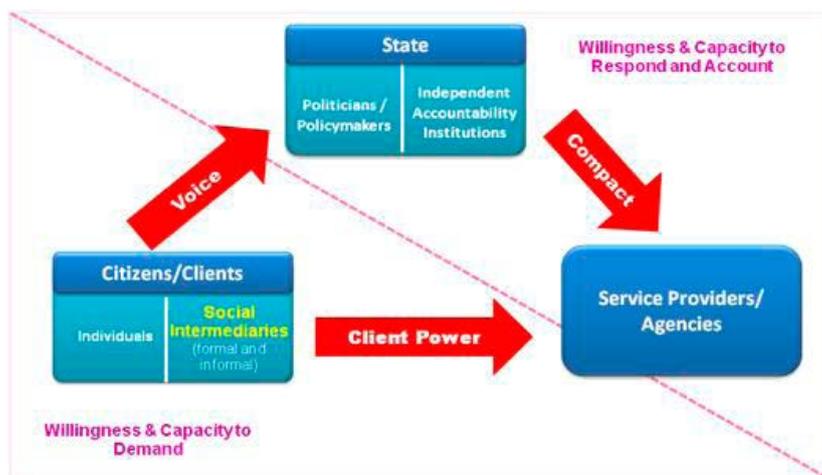
### PHASE OF DURATION

01.09.2017 to 31.12.2021

### PHASE BUDGET

SDC contribution CHF 5.3 Mio (approx. 4.8 Mio Euro) from a total budget of phase of Euro 102 Mio where Germany (KfW, GIZ), Denmark, the World Bank, France (AfD), the PA, the Netherlands (VNG) contribute together with Switzerland.

## Key Actors for Implementing Social Accountability



Source: DFGG Companion Piece to GAC Phase 2 Strategy: Strengthening the World Bank's Engagement on Demand for Good Governance (DFGG), Social Development Department, World Bank, 2012. [pdf]

## Imprint

Swiss Agency for Development and Cooperation;  
Cooperation Office Gaza & West Bank

Link to SDC's strategy in the oPt:

<http://www.swiss-cooperation.admin.ch/gazaandwestbank/>