



Local Funds Build Community from the Ground Up: Enhancing Management Capacity and Community Participation in the Palestinian Municipalities of Rafah and Khan Younis

Summary

Since its establishment in 1994, the Palestinian Authority (PA) has faced the challenge of creating effective local governments in the newly created Palestinian municipalities. For the PA to succeed in this effort, local governments need to achieve credibility and good working relations with local populations.

As part of its support to the Palestinian Authority and Peace Building in the Middle East, the **Canadian International Development Agency (CIDA)** has funded the **Palestinian Municipal Management Project (PMMP)** since 1998. Now in its second phase, this innovative capacity building initiative is managed and delivered by the **Federation of Canadian Municipalities (FCM)**.

One of the most successful components of the PMMP is the **Local Initiatives Support Fund (LISF)**, being implemented in the southern

Gaza municipalities of Rafah and Khan Younis. The LISF is designed to strengthen linkages between community groups and municipalities, and enhance the ability of both to affect positive change; the former by improving the quality of life in their constituencies, the latter by initiating and managing local economic development projects.

The LISF operates on the principle of allowing community organizations, in collaboration with the municipality, to identify projects suitable for funding. A joint committee composed of members of the municipal council and local community representatives is responsible for managing Fund operations, from a selection of thematic areas, proposal solicitation and project selection, through to resource allocation and project oversight. Proposals are evaluated against explicit criteria related to community needs, including viability, sustainability, community support, and gender and environmental considerations.



LISF funded this computer centre in Khan Younis, which takes residents out of the circle of violence in the area.

Initiated in 1999, the LISF has had three funding cycles to date, with more than 45 local organizations receiving project funding across a variety of issue areas and themes initially in Rafah, and subsequently in Khan Younis. The program has been a tremendous success: more than 20,000 people in both communities have benefited from the program, relations have vastly improved between the municipalities and their respective communities, and new skills and perspectives are beginning to drive local economic development.

Introduction

Context and Project Overview

Building successful communities in the midst of conflict is, to say the least, a challenging undertaking. Nowhere is this more true than the West Bank and Gaza, in the midst of perhaps the world's most entrenched conflict. Since well before the creation of the Palestinian Authority (PA) and the new Palestinian municipalities following the Oslo Agreement in 1993, development has been severely hampered by, among other things, ongoing violence, large displaced populations, and very high levels of poverty and unemployment. For the new municipalities, the task of community building is made even more daunting by a lack of experience in local government, weak institutional structures, meagre financial resources, and inadequate and deteriorating infrastructure.

In 1998, FCM and CIDA signed an agreement to implement the **Palestinian Municipal Management Project (PMMP)**. Now in its second phase, the project's goal is "to support development and peace initiatives that improve the quality of life of citizens and achieve sustainable development in the Palestinian municipalities." The Project assists the municipalities of Rafah and Khan Younis to enhance their management capacity and the level of public participation in municipal government. Both municipalities are densely populated urban areas located at the southern tip of Gaza near the Egyptian border, with populations of approximately 130,000 and 170,000 respectively – of which roughly 70% are refugees.

A sub-component of the PMMP, the *Local Initiatives Support Fund (LISF)* is focused on building more effective linkages between local government and the community, and assisting local community groups to improve the quality of life in their constituencies. The program operates on the prem-

ise that communities are best placed to identify their own needs and generate appropriate solutions. As such, two aspects are key: a participatory approach, actively seeking involvement from as wide a cross-section of the community as possible; and a requirement for adequate capacity in local government and among community groups to properly manage the program and projects.

Approach: Fostering Community Engagement Through Local Initiatives

Municipal government in the Palestinian Territories retains a relatively modest role in the lives of its citizens, generally limited to providing basic infrastructure and services (water, sanitation, roads and communications, parks, etc.). With the severe resource constraints they face – worsened in recent years by the debilitating economic effects of the *Intifada* - municipalities encounter enormous challenges in fulfilling even this modest mandate. For the community, the municipality may be the most visible level of government by virtue of its proximity, but the lack of mechanisms in place to ensure transparency and accountability render it a distant, opaque, and largely indifferent entity for most citizens. For the municipalities, the situation is a conundrum of sorts; vital though their services are, their position and mindset afford them little opportunity to engage communities in exploring creative ways to address community problems that could benefit both.

LISF Structure and Process: Open, Collaborative, Accountable, Inclusive

The central mechanism of the program is the LISF Committee, designed to bring together the municipality with representatives of the community in a collaborative process. It is established as a sub-committee of the Municipal Council, and is composed of members of the Municipal Council as well as representatives from a cross-section of the community, including refugee camps, women's and professional associations, etc.

The Committee manages a process that provides funding to projects identified by local community groups from a total fund of approximately USD\$150,000 in each of the two target communities (initially Rafah, and in Phase II, Khan Younis as well). The process is designed to elicit input on the community's priority issues. Transparency, accountability and inclusiveness are therefore essential - particularly where a culture of transparency in local government is not well rooted. In several funding cycles per year, a formal launch and public campaign invite project ideas in thematic areas selected by the Committee following consultation with the community. Examples include youth, women and children, infrastructure, environment, etc. Project eligibility and evaluation criteria include tangible and measurable community benefits, demonstration of community support for and input to projects, and gender and environmental considerations.

Projects chosen for funding (up to USD\$20,000 per project) are subject to stringent performance and accountability requirements, including payment schedules linked to progress reporting, competitive tendering for procurement, and detailed monitoring and evaluation reporting. Transparency, accountability and inclusiveness are also fostered by measures such as public access to LISF Committee funding decisions and project documentation, and by providing feedback on all project ideas, whether successful or not.

Building the management capacities of program participants is crucial for program and project success, and therefore is integral to the LISF process. Community groups are given assistance and training in business planning and project management, as well as guidance to facilitate understanding of and compliance with program criteria, including gender and environmental considerations. For the municipalities, training goes one step further; the foray into the new territory of economic development requires them to move toward a more proactive, outward-looking and client-centred orientation, where new skills, such as leadership, become essential.

Results and Analysis: Improved community relations and participation, enhanced management capacity of municipality and community groups, and hope for the future.

Enhanced Management Capacity

By all accounts, the LISF has been a tremendous success. In three funding rounds to date, grants have been given to more than 45 local groups across several thematic areas, with a wide variety of direct and indirect impacts. It is estimated that the projects have created jobs for up to 200 people to date, and thousands more have benefited. The program has produced everything from clean drinking water for hundreds of children to computer training for the deaf, to educational materials used by some 20,000 people, all with very modest investments.

The LISF model has succeeded in large part because it has continued to evolve for the better since its inception in 1999, partly out of necessity in reacting to uncertainty in the Palestinian Territories, where managing the unexpected is the norm. Following the first round, an evaluation revealed scope for adjustments, mostly related to transparency and accountability, communications, inclusiveness and local ownership, and capacity.

Initially, the municipalities, LISF Committees, and in some cases, community groups, were unaccustomed to the procedures of transparency, accountability and responsiveness in government, so these important aspects of project management were lacking in the LISF. Without proper systems to manage and track Committee decisions, activities, and operations, the LISF Committee appeared inaccessible, ad hoc, and somewhat arbitrary, impeding trust in the LISF process. Moreover, the ability to conduct proper due diligence in project evaluation and follow-up was weak – meaning inadequate assessments of project feasibility, accountability, and performance. A similar paucity of management capacity among project proponents compromised chances for project success, with both conditions having the potential to detract from overall program performance and credibility.

As a result of the first evaluation, the program provided program management training to community groups involved. The training, combined with

the actual experience of implementing and managing projects have significantly increased management capacities. Additionally, collaborating with the municipalities has led to a better understanding of the latter’s functions. For the municipalities, running an innovative economic development program has also significantly enhanced management capacities, while expanding the scope of their mandate.

Increased Community Participation

Another area in which the LISF model improved over the years was by developing a more inclusive process that engaged a broad cross-section of the community. Initially, the Committee gave insufficient attention to the importance of proactively fostering positive relations with a broad range of stakeholders. The need to actively promote the program to help ensure its sustainability, both within the community as well as to wider audiences, was missed by a Committee that had not yet grasped the essence or importance of leadership through an outward-looking, proactive orientation. Decisions were taken without consulting community groups, doing little to help secure community buy-in and ownership. Emblematic of the lack of openness was the initial failure to properly ensure inclusion of gender or environmental concerns into the LISF process. For example, there were no women on the LISF Committee in the first round. Now, approximately one-third of LISF Committee members are women.

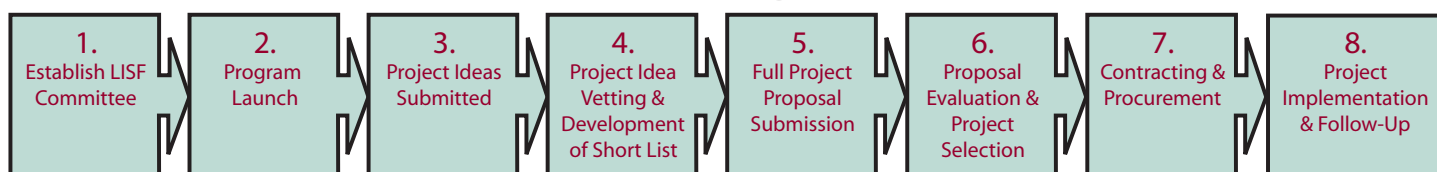
The Committee subsequently made changes to the process that involved active outreach to stakeholders (community groups, the media, other levels of government, donors, etc.). This had far reaching implications as it raised the profile of the program, established dialogue and even new partnerships that leveraged additional funding.

Improved Community Relations

The LISF process has allowed the municipalities to leverage greater credibility with the community by demonstrating genuine dedication and professionalism, while in turn developing greater understanding of community concerns. More important, however, is the change in the larger perceptions and attitudes of both sides. Community groups have come to see real benefits in engaging with the municipalities, viewing them as partners in community development. Likewise, the municipalities have learned to value support from, and cooperation with the community, and see their role in serving the community more expansively.

The success of the program has wider implications as well. In spite of the ongoing uncertainties and hardships that inform daily life in the Territories, a shared vision of community is beginning to emerge in both Rafah and Khan Younis, with hope for increased social stability along with economic growth. “Community groups are starting to see the benefits of working with municipalities, while municipalities have learned to value support from the community,” says Wafa Saad, who manages the PMMP for FCM. “It is encouraging

LISF Project Management Cycle





Members of Khan Younis's LISF Committee hold the first public information session on the LISF process.

that cooperation is now institutionalized, with a growing shared notion of community needs and aspirations resulting in better resource allocation decisions. Both sides are seeking new ways to cooperate and utilize their enhanced skills, resulting in greater prospects for public-private cooperation in future.”

Lessons Learned and Replicability

The LISF is clearly an effective mechanism for building community, and the potential for flexibility allows it to be easily replicated. Indeed, design flexibility with an iterative approach and regular evaluation (normally at the end of each funding cycle), have proven critical to adjusting the program to the complexities and turbulence of the Palestinian Territories.

For program sustainability, local ownership is key, with empowerment through active involvement in decision-making, particularly with respect to disadvantaged or marginalized groups. Indeed, maintaining active dialogue with community groups has proven essential for program survival in a conflict situation. Several adjustments have been made as a result, among them: the public program launch; creation of a database of local groups to inform about LISF issues and activities; adequate community representation for LISF Committee membership; including a larger number of community groups in training sessions, and; incorporation of gender and environmental considerations in project evaluation (e.g. selection of a portion of projects directly aimed at women, and involvement of women in the planning and implementation of projects).

Adequate management systems and tools (including clear roles and responsibilities within the LISF Committee) are important not only for transparency and accountability, but program performance as well. Accessibility of Committee decisions and program operations is necessary to secure and

maintain local buy-in, while the ability to conduct and support adequate due diligence in project evaluation and follow-up are necessary to properly assess project sustainability and chances for success.

In the larger environment, active outreach to stakeholders (community groups, the media, other levels of government, donors, etc.) is needed to build profile, networks, dialogue, partnerships and coordination (e.g. establishing synergies with other programs, leveraging additional funding). The program's replication in Khan Younis and its subsequent notice by other municipalities and levels of government are testament to this. One method worthy of mention is “story telling” to trumpet the program's successes through the media and other avenues.

The export of Rafah's experience to Khan Younis has forged linkages between the two municipalities, has demonstrated the replicability of the model, and has become something for other Palestinian municipalities to emulate.

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