The Performance of Palestinian Local Governments

An Assessment of Service Delivery Outcomes and Performance Drivers in the West Bank and Gaza

Main findings and Policy Recommendations | National Dissemination Workshop
Grand Park Hotel | Ramallah | November 13, 2017

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Acknowledgement
### Objective of the Local Government Performance Assessment (LGPA)

#### Knowledge gap
- No representative data at the Local Government Unit (LGU) level to assess and compare service delivery outcomes across Palestine
- Service coverage and basic governance data exists, but (i) does not cover all local services; and (ii) collected from the supply side, i.e., local authorities and service providers

#### Relevance
- No meaningful policy recommendations can be made without understanding what drives service delivery performance of Palestinian LGUs

#### Objective
- Establish the quantitative basis for analysis and a baseline for future benchmarking
# Methodology

**Mixed methods: quantitative and qualitative data collection, and fiscal data assessment**

<table>
<thead>
<tr>
<th><strong>Quantitative Data Collection</strong></th>
<th>Household Survey in all municipalities and Village Councils in the West Bank and Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Qualitative Data Collection</strong></td>
<td>Focus Groups and Stakeholder Interviews</td>
</tr>
<tr>
<td><strong>Fiscal Data Assessment</strong></td>
<td>Administrative Data, Desk Review and Interviews</td>
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</tbody>
</table>
LGPA Household Survey

Sampling

- Survey sample representative for the entire population, covering 380+ LGUs
- Household sample of N=11,970 households, representative at the Governorate and LGU level (municipalities and village councils)
- Population weighted and based on a remote sensing sampling framework
- Total available sample includes N=9,562 long interviews and an additional N=2,408 short interviews

<table>
<thead>
<tr>
<th></th>
<th>Municipalities</th>
<th>Village Councils</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Bank</td>
<td>6,203</td>
<td>4,165</td>
<td>10,368</td>
</tr>
<tr>
<td>Gaza</td>
<td>1,602</td>
<td>-</td>
<td>1,602</td>
</tr>
<tr>
<td>Total</td>
<td>7,805</td>
<td>4,165</td>
<td>11,970</td>
</tr>
</tbody>
</table>

Survey instrument

- 12 module questionnaire
- Access, quality and reliability of services in 8 sectors (water, waste water, electricity, solid waste, education, public transport, health care, local roads)
- Citizen participation and Willingness to Pay
- Household demographics and socio-economic data
Municipality and Village Council Size-Groups and Population in the LGPA Survey

- Small Village Council < 1,000
- Medium Village Council 1,000 - 4,000
- Large Village Council > 4,000
- Very Small Municipality < 4,000
- Small Municipality 4,000 - 25,000
- Medium Municipality 25,001 - 50,000
- Large Municipality > 50,000

Population:
- Small Village Council: 27,721
- Medium Village Council: 377,817
- Large Village Council: 189,987
- Very Small Municipality: 47,760
- Small Municipality: 1,095,418
- Medium Municipality: 524,676
- Large Municipality: 1,865,146

Population Range:
- 0 - 300,000
- 300,001 - 600,000
- 600,001 - 900,000
- 900,001 - 1,200,000
- 1,200,001 - 1,500,000
- 1,500,001 - 1,800,000
- 1,800,001 - 2,100,000
Service Delivery Outcomes:
Main Findings
Service delivery outcomes vary widely across sectors

- Water
- Sewage
- Solid Waste
- Roads
Access to services is relatively high, but the quality and reliability is rated low.

### Access to Services

<table>
<thead>
<tr>
<th>Service</th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piped Water</td>
<td>94%</td>
<td>54%</td>
</tr>
<tr>
<td>Piped Sewage</td>
<td>95%</td>
<td>84%</td>
</tr>
<tr>
<td>Solid Waste Collection</td>
<td>94%</td>
<td>84%</td>
</tr>
<tr>
<td>Paved Local Roads</td>
<td>74%</td>
<td>59%</td>
</tr>
<tr>
<td>Satisfaction with Services</td>
<td>77%</td>
<td>45%</td>
</tr>
</tbody>
</table>

### Satisfaction with Services

<table>
<thead>
<tr>
<th>Service</th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piped Water</td>
<td>42%</td>
<td>23%</td>
</tr>
<tr>
<td>Piped Sewage</td>
<td>36%</td>
<td>45%</td>
</tr>
<tr>
<td>Solid Waste Collection</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>Paved Local Roads</td>
<td>83%</td>
<td>70%</td>
</tr>
</tbody>
</table>
Service quality has been deteriorating and Gaza is facing a severe water and sanitation crisis.

Access to Improved Drinking Water (percentage of population with access)

97% of households in Gaza rely on drinking water delivered by water tanker-trucks.
Poor households tend to have lower access to services, but no significant gender gap exists.
Performance Drivers
The LGPA Performance Index: What drives outcome variations?

**Objective**
- Compare local government performance across all Palestinian LGUs (WB&G)
- Gain better insights into main drivers of service delivery outcomes
- Complement measurements reflecting the institutional capacity of municipalities (e.g., MDP performance ranking) with service outcome index

**Methodology**
- Three dimensions: access, quality and reliability
- Four key sectors: water, sewage, solid waste, local roads
- Satisfaction weighted with access (LGUs with higher access and strong satisfaction ratings in multiple dimensions achieve better scores)
Municipalities perform better than Village Councils, Gaza and remote areas lack behind.
Area C and proximity to the wall have an adverse impact on service delivery outcomes.

Share of Built-up surface in Area C and LGU Performance

Share of Households in Area C and LGU Performance

Note: Size of circles represents population size
Economies of scale:
Population size and density help better performance

Note: Size of circles represents population size
Fiscal capacity is a main driver of LGU performance.
Higher LGU responsiveness corresponds to better performance outcomes.
Reform areas for Action
Key area for action: Increase fiscal capacity

- Four ways to increase local fiscal capacity:
  1) Enhancing revenues
  2) Reducing expenditures
  3) Increasing transfers
  4) Borrowing for investment

- The PA needs to explore all four options, but critical first steps are:
  - Increasing revenue collection efficiency
  - Reviewing and revising LGU revenue and expenditure assignments
  - Changing financial incentives for LGUs to improve service delivery
  - Launching a serious inter-governmental fiscal reform
Reduce Palestinian LGUs dependency on utility service fees and introduce alternative revenue sources

Revenues by type in Municipalities (left) and VCs (right)
Address horizontal fiscal imbalances and revise functional mandates of LGUs

Total Per Capita Expenditures in LGUs

Average Per Capita Revenues and Expenditures in Municipalities and VCs (Operating Budget, 2011)

- Per Capita Revenues:
  - Municipalities: 197
  - VCs: 95

- Per Capita Expenditures:
  - Municipalities: 195
  - VCs: 95
Address vertical fiscal imbalances and consider regular a fiscal transfer

Total Revenue and Expenditure as a share of general by level of government (2011-2012)
Advance utility reform to professionalize service delivery and optimize size advantages

Performance gain of Joint Service Council membership (example of Jenin Water)

Overall: +4.38

Jenin: +30.82***
Key areas for action: make LGUs more responsive

• Publicize citizen feedback to provide incentives for LGUs to respond
  – Citizen Score Cards to enable citizens to monitor local government performance
  – Help community-based organizations understand the relative position of their LGU compared with other local authorities
  – Make data user-friendly

• Engage citizens at all stages of development planning, investment prioritization, and feedback on service delivery performance

• Make better use of public feedback and accountability tools
  – Citizen Service Centers (CSC)
  – One-Stop-Shops (OSS)
  – LGU websites
Citizens’ willingness to pay is driven by satisfaction with the service and LGU responsiveness.
Less than a third of citizens agree that their LGU is very responsive.

“My municipality or Village Council is very responsive to citizen concerns and complaints”

- **West Bank**
  - Agree or Strongly Agree: 30%
  - Partially Agree: 35%
  - Disagree or Strongly Disagree: 35%

- **Gaza**
  - Agree or Strongly Agree: 37%
  - Partially Agree: 27%
  - Disagree or Strongly Disagree: 36%

- **Municipalities West Bank**
  - Agree or Strongly Agree: 31%
  - Partially Agree: 35%
  - Disagree or Strongly Disagree: 34%

- **Village Councils West Bank**
  - Agree or Strongly Agree: 24%
  - Partially Agree: 39%
  - Disagree or Strongly Disagree: 37%
Only few citizens know about the existence of One-Stop-Shops

“Does your municipality/VC have a Citizen Service Center/One-Stop-Shop available?”

Sample: Municipalities, where One-Stop-Shop is available

<table>
<thead>
<tr>
<th>Type</th>
<th>Yes</th>
<th>Don’t Know</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Municipalities</td>
<td>19%</td>
<td>44%</td>
<td>36%</td>
</tr>
<tr>
<td>Medium Municipalities</td>
<td>15%</td>
<td>43%</td>
<td>42%</td>
</tr>
<tr>
<td>Small Municipalities</td>
<td>14%</td>
<td>33%</td>
<td>52%</td>
</tr>
</tbody>
</table>
Few people use feedback mechanisms, but are satisfied when they do.

**Instrument used to address a service issue**

- **Service Booklet**
  - West Bank: 2%
  - Gaza: < 1%
- **Feedback System**
  - West Bank: 6%
  - Gaza: 3%
- **Website**
  - West Bank: 6%
  - Gaza: 5%
- **Service Center/One-Stop-Shop**
  - West Bank: 4%
  - Gaza: 0%

**Satisfaction with instrument used**

- **Service Booklet**
  - West Bank: 67%
  - Gaza: 67%
- **Feedback System**
  - West Bank: 40%
  - Gaza: 41%
- **Website**
  - West Bank: 68%
  - Gaza: 67%
- **Service Center/One-Stop-Shop**
  - West Bank: 0%
  - Gaza: 69%
More outreach and active engagement strategy required from LGUs

Options for how the effectiveness of website can be improved

- Explain to public: Gaza 65%, West Bank 81%
- Train professionalism among officials: Gaza 6%, West Bank 2%
- Improve response time: Gaza 13%, West Bank 6%
- Improve handling of complaints: Gaza 15%, West Bank 11%

Options for how the effectiveness of the Feedback/Complaints System can be improved

- Explain to public: Gaza 53%, West Bank 68%
- Train professionalism among officials: Gaza 5%, West Bank 0%
- Improve response time: Gaza 23%, West Bank 7%
- Improve handling of complaints: Gaza 19%, West Bank 25%
Final remarks: Future use of the LGPA

- Make benchmarking an integral instrument for evidence-based policy making
- Track performance trends and improvements
- Assess policy impact and evaluate donor support on a regular basis
- Complement the successful performance-based grant mechanism established and managed by the Municipal Development and Lending Fund (MDLF)
- Scale-up and develop further the online citizen portal for all LGUs established by GeoMOLG
- Apply established baseline to monitor progress of Development Partner programs
- Produce and publish citizen score cards
Thank you!