



Policy Note
Strategic Development and Investment Planning (SDIP)
for
Palestinian Cities and Towns

September, 2009
Ramallah, Palestine





Foreword

Within the framework of its development policies that aim at enhancing local governance and improving level and quality of municipal services, the Ministry of Local Government (MoLG) is delighted to introduce the new Policy on Strategic Development and Investment Planning (SDIP) for Palestinian Cities and Towns as a recommended instrument for local development...

Since the 2005 local government elections an increasing number of Local Government Units have been adopting various forms of strategic planning to meet their complex challenges. Planning and providing certainty in times of uncertainty is the hallmark of Palestinian municipal leadership. This leadership has in recent times increasingly been seeking new and innovative ways in which to serve their communities. In the face of scarce resources and pressures of urbanization, unemployment, resource and land restrictions municipal leaders have been turning to strategic planning as a tool with which to use their limited resources to maximum effect. The methodology and rates of success in strategic planning has varied and it was felt that for the concept to be a useful developmental tool; it would be necessary to assist the local government units so that strategic planning can be applied to municipalities across all of Palestine.

Within this context, and as part of the local government reform process, there has been an immediate need to clarify the basis of strategic planning for local governments from the policy-making centers of national government. Therefore, the Directorate of Urban Planning at the Ministry of Local Government (MOLG) has been leading a process together with the Ministry of Planning (MOP), the Municipal Development and Lending Fund (MDLF), and other key stakeholders to develop a framework for Strategic

Planning, referred to as “**Strategic Development and Investment Planning for Palestinian Cities and Towns**” or SDIP. This Policy Note is the result of the efforts that have been invested in elaborating and setting the basis of strategic planning at local government level.

In this regard, as the Minister for Local Government, it gives me great pleasure to present this Policy Note and I hope that not only local government units, but all other levels of government will take lessons from the ideas and intentions of the SDIP as they undertake their daily tasks. I believe that using the SDIP approach to planning will, ultimately, lead to improved service delivery and resource management – tasks we have been mandated to fulfill.

I would like to thank our development partner the German Technical Cooperation (GTZ) for their continuous support and commitment to the SDIP concept. I would like also to thank all development partners especially BTC, JICA, UNDP, and CHF who have contributed in developing the SDIP concept and will be committed for its promotion and successful implementation.

Dr. Khaled Kawasmi
Minister of Local Government
Ramallah, September 2009

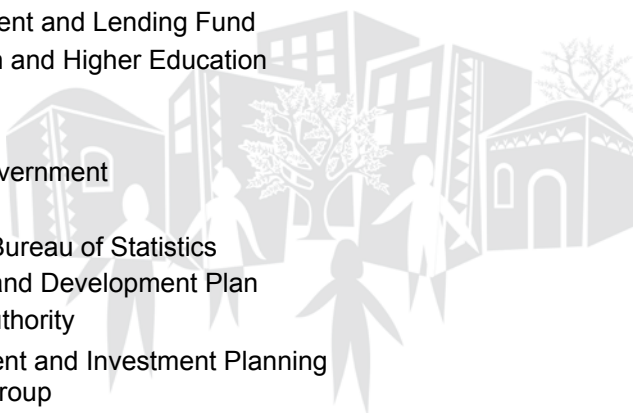


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Abbreviations

ISWG	: Issue Specific Working Group
JCDP	: Joint Councils for Development and Planning
JSC	: Joint Service Councils
LGU	: Local Government Unit
MDLF	: Municipal Development and Lending Fund
MOEHE	: Ministry of Education and Higher Education
MOF	: Ministry of Finance
MOH	: Ministry of Health
MOLG	: Ministry of Local Government
MOP	: Ministry of Planning
PCBS	: Palestinian Central Bureau of Statistics
PRDP	: Palestinian Reform and Development Plan
PWA	: Palestinian Water Authority
SDIP	: Strategic Development and Investment Planning
TWG	: Thematic Working Group





1 Context

1.1 Palestine has been witnessing social, economic, and environmental challenges such as increased urbanization levels, high unemployment rates, limited control over natural resources and land, restrictions on transporting goods and population, and other major challenges. Most of these challenges are most acutely experienced at the local level and local government units (LGUs) being the closest to the Palestinian population are considered to be key actors when responding to such challenges.

1.2 Concomitantly, there has been a process of local government reform taking place which, if it has to happen effectively, requires a measure of strategic planning guided by the policy-making centers of the government. Therefore, the Directorate of Urban Planning at the Ministry of Local Government (MOLG) – together with the Ministry of Planning (MOP), the Municipal Development and Lending Fund (MDLF), and other key stakeholders – have been working to develop a framework for Strategic Planning at local government level referred to as “Strategic Development and Investment Planning for Palestinian Cities and Towns” or SDIP.

2 Aims, Objectives and Principles

2.1 This Policy note is based on:

- Local Authorities Law No. 1 of 1997
- Palestinian Reform and Development Plan (PRDP) 2008 - 2010
- Local Government Reform Action Plan of 2004


2.2 This Policy Note shall elaborate and set the basis of the SDIP. Specifically, it aims to:

- Introduce the SDIP as an instrument in local development;
- Regulate and set the standards for the preparation, implementation, monitoring, and use of SDIPs;
- Suggest roles and responsibilities of key stakeholders involved in the development process at the local level;
- Clarify differences, complementariness, and uses of different planning approaches at the local level; and
- Encourage Palestinian LGUs to act within an integrated development framework that aims at improving the quality of life for Palestinian citizens.

2.3 The key objectives for introducing the SDIP are to:

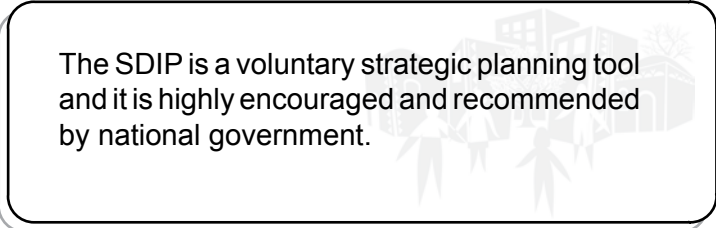
- Promote the decentralization process in Palestine;
- Improve governance and decision-making processes at the local level;
- Improve responsiveness to emerging community needs;



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- Enhance services delivery at the local level;
 - Promote rational local economic and social; and
 - Set the basis of an integrated development approach that ensures integrated development among different governing levels.

2.4 The rationale of the SDIP is to achieve an improved quality of life for Palestinians by introducing A modern planning approach that is:

- Responsive to community development needs and priorities and is able to improve service delivery at the local level;
- Strategic in terms of identifying and tackling crucial community issues while utilizing available resources and capacities;
- Integrated in terms of considering social, economical, and environmental issues. Further, in terms of providing an input for policy making levels and higher planning system;
- Inclusive in terms of involving community (including the marginalized groups) in decision-making processes;
- Action-oriented in terms of providing a framework for immediate actions by all community stakeholders; and
- Built on good governance principles where participation, accountability, and transparency are integral parts of the design.



The SDIP is a voluntary strategic planning tool and it is highly encouraged and recommended by national government.

3 Significance of the SDIP

3.1 The intended impact of the SDIP is to make Palestinian towns and cities better places to live

3.2 The SDIP is highly significant since it is intended to be used as a:

- Framework for balancing LGU capacities and objectives through priority setting;
- Reference to prepare, monitor, and supervise LGU budgets;
- Mechanism for integrated management of local government services and decision-making;
- Frame of reference for community and business participation;
- Tool for inter-governmental co-ordination; and
- Tool for promoting rational development and improving LGU capacity.

4 SDIP Approach and Process

4.1 The SDIP comprises a five-phase process:

Phase One: Where are we now? Preparation and Analysis

Phase Two: Where do we want to go? Strategic Development Framework

Phase Three: How do we reach there? Implementation and Monitoring Plans

Phase Four: What will make us reach our destination? Implementation

Phase Five: Did we reach? Evaluation and Update

These are simple, practical, and participatory processes which have proven to be successful in the context of Palestine. The manual on “Strategic Development and Investment Planning for Palestinian Cities and Towns 2009” stipulates a step-by-step guide for preparing, implementing, and monitoring SDIPs.

The SDIP will allow for economic, social, environmental, (even political) and other broader themes that go beyond the core mandate of the LGU to become incorporated into the planning process.

The SDIP is a four-year participatory development planning process and instrument that intends to steer local development directions in an integrated multi-theme and -stakeholder approach

4.2 As an output, the SDIP is a Strategic Development Framework and Development Plan. The Strategic Development Framework will steer the local development in a community where local stakeholders (Civil Society, Private Sector, etc) would use as the main development reference, while the Development Plan is a 4-year plan that would steer the work of the local government unit and would comprise the following:

- Diagnosis of the following thematic areas: Planning and Zoning, Social Services, Local Economy, Public Health and Environment, Utility and Infrastructure Services, Security and Disaster Management, and Culture and Sports;
- Priority and strategic development issues (Thrusts);
- Community development vision (8 - 12 years);
- Development objectives in-line with the priority strategic issues (3 - 4 years);
- Performance indicators at the level of the development objectives (3 - 4 years);

- Implementation plans for the municipal-related projects and programs (to be included in the yearly municipal budgets and plans);
- Monitoring and evaluations plan; and
- Estimated budget and responsibilities of financing and implementation.

4.3 The planning horizon for the SDIP is specified as follows:

- The duration of the SDIP is 4-years to align with the term of office of an LGU's council; but the SDIP's longer term development vision will have 810- year horizon. The 8 - 10 year visioning sets out the broad aims of the community for its future development and goes beyond the term of office of one municipal council. However, the four-year plan is harmonized with the municipal government's term of office and thus, sets the realistic time-frame for the implementation of the plan.
- The plan is updated annually. This is to ensure proper and regular adjustments given the rapidly changing environment in Palestine.

4.4 For the SDIP to function effectively, appropriate institutional arrangements to manage and guide the process are essential. Institutional arrangements should also recognize the need for subsequent implementation and monitoring. The council of the LGU is encouraged to establish an SDIP entity within the LGU to oversee the SDIP process.

4.5 The SDIP planning themes are two-fold. Firstly, themes that are within the direct mandate of the LGU, and secondly, themes that are locally-based but are within the mandate of other stakeholders. Based on the provisions of the 1997 Local Government Law, the following themes are considered to be important:

LGU RESPONSIBILITY AND THEMES	ADDITIONAL STAKEHOLDERS
Planning and Zoning	Ministry of Planning and Ministry of Local Government
Social Services	Ministry of Social Services, Ministry of Health Ministry of Education and Higher Education , Donor Agencies, NGOs
Local Economy	Ministry of Finance, Ministry of National Economy, Private Sector
Public Health and Environment	Ministry of Health, Environmental Quality Agency, and Governorates
Utility and Infrastructure Services	MOLG, MDLF, Donor Agencies
Security and Disaster Management	Civil Defense, Police, and Governorates
Culture and Sports	Ministry of Culture , Ministry of Youth and Sports, and NGOs



4.6 The primary users of the SDIP are the LGUs, under the leadership of their elected council members and mayors. These elected officials have important responsibilities since they establish the social, political, and administrative climate within which the planning process functions.

4.7 Other users of the SDIP would be:

- Line ministries;
- MDLF;
- Private Sector;
- Civil Society and the public at large; and
- Donor and international agencies.

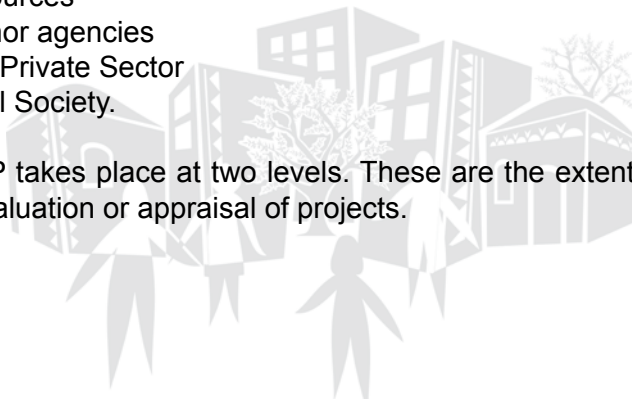
5 SDIP Preparation, Implementation, Monitoring and Updating

5.1 The ‘SDIP Manual 2009’ shall guide LGUs on the preparation, implementation, monitoring and updating of their SDIPs.

5.2 The SDIP is not a once-off initiative to develop a strategic document, but an ongoing and iterative, collaborative cycle that involves many stakeholders creating partnerships. Building on these partnerships, the LGU follows up and steers the implementation of the SDIP. The following mechanisms should ensure proper implementation of the SDIP plan:

- Internal Institutional Arrangements such as the municipal SDIP entity; and
- Linkages to and options of various funding mechanisms such as:
 - LGUs own funding sources
 - Government and Donor agencies
 - Cooperation with the Private Sector
 - Cooperation with Civil Society.

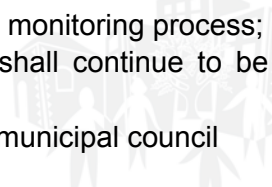
5.3 Monitoring of the SDIP takes place at two levels. These are the extent to which objectives are being achieved and the annual evaluation or appraisal of projects.





6 Linkage to Current Planning Systems

6.1 The SDIP shall eventually combine and integrate the current both planning streams (development and physical/spatial planning) at the local level. The SDIP approach is intended to be the basis for informing intergovernmental cooperation and to achieve development integration at all levels of government leading to improved coordination and integration with the different levels of government and within line ministries¹.

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- The SDIP entity is a key and focal point for the success of the monitoring process;
 - Stakeholders who have participated in the planning stage shall continue to be involved in the monitoring process
 - Monitoring reports should be discussed and approved by the municipal council
 - Monitoring reports should be published on annual basis

7 Roll-out of the SDIP

7.1 The SDIP will be rolled-out as follows:

- **Ministry of Local Government and Ministry of Planning:** A detailed SDIP guidelines in the form of a manual have been developed and piloted in selected LGUs. The manual is ready and available for use by all LGUs through both ministries (MOLG and MOP). Support through the MOLG regional/district offices will be provided to establish municipal SDIP entities as well as various initiatives being undertaken to ensure linkages to current planning system.
- **The Municipal Development and Lending Fund (MDLF):** The MDLF considers the SDIP as a key tool in the promotion of LGU interests in its municipal performance ranking system that underlies the performance-based financial transfer mechanism. It has designed a performance-based transfer mechanism for allocating funds to local governments. Having an SDIP is a key performance requirement to be met by LGUs in order to be classified in a higher category within the system and accordingly be entitled to access higher amounts of Capital Infrastructure finances.

¹ A separate Policy Note on the role of the national government in supporting the SDIP process is to be published along with this policy note. Both policies are complementary and shall clarify the integration and linkages of the SDIP to the ongoing planning and governance systems in Palestine.



8 LGUs to which the SDIP Applies

8.1 The initial targeting of the roll-out approach will focus on those LGUs which have the following characteristics:

- Minimum level of administrative and professional capacity – elected council, city engineer, financial manager;
- Interested and eager to embark on such effort with self-contribution; and
- Willing to cooperate with other LGUs in joint planning initiatives.

8.2 The SDIP will also apply to the Joint Services Councils (JSCs) and Joint Councils for Development and Planning (JSDPs) which are formed from a number of village councils agreeing to cooperate on matters of strategic importance to their communities. The SDIP approach will eventually be used across all LGUs.

9 Capacity Development needs

9.1 The SDIP demands a different way of thinking about local planning. In many instances the extent of the cultural change required by all involved is yet to be appreciated. Therefore, it is imperative to engage in a capacity building program aimed at developing an understanding towards the SDIP and qualifying resources to manage the process at all levels of governance:

- **Local Level:** LGUs shall be equipped with capacities and knowledge to deal with the SDIP approach. The capacities shall be developed at the organizational level as well as the human resource level by appointing staff dedicated specifically to the SDIP entities. In addition, public promotion and awareness campaigns targeting the LGUs and their communities shall be organized and executed on a regular basis. Such campaigns will be organized by the MOLG as part of the support provided via the regional offices in the Governorates.
- **National Government Level:** As in the LGUs, national ministries involved in the process need to be capable of managing the SDIP processes and provide the required support to LGUs in preparing, implementing, and monitoring their SDIPs. Therefore, a national capacity building program aimed specifically at equipping the MoLG with the required capacities and resources to manage the SDIP roll-out process will be developed.
- **Service Provider Level:** In order to ensure proper and quality advice to LGUs willing to prepare their SDIPs, expertise and qualifications of local service providers in Palestine should be promoted to meet the specifications set by the SDIP manual and guidelines.





10 Conclusion

10.1 With the issuance of this Policy, the SDIP becomes the recommended instrument for local development in Palestine and the 'SDIP manual 2009' becomes the frame of reference for preparing, implementing, monitoring and updating strategic development plans. Therefore, the MOLG will set-up the required institutional arrangements at both levels; national (including the Directorates) and local, and will ensure proper coordination with all relevant stakeholders for the sustainability of this approach.

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Ramallah, Palestine

