



## Policy Implication Note

### MSPs, Service Delivery and State Institutions in the Palestinian Territories

#### INTRODUCTION RESEARCH

The provision of utility services, such as drinking water, electricity, waste management, and transportation and communication infrastructures, is a crucial aspect of development. It is, moreover, assumed that people's appreciation of their government significantly depends on the extent to which the state can provide such services – or enable other actors to do so. Hence, utility service provision initiatives are also a crucial part of state-building efforts. In fragile situations, where the state lacks the willingness, capacity or opportunity to deliver services, however, non-state actors (NGOs, international agencies, community based associations, insurgency groups) may develop alternative and hybrid arrangements around services in the form of Multi-Stakeholder Processes (MSPs) – with or without government cooperation. The effects of such MSPs on state capacity and legitimacy have so far remained largely unexplored.

The international donor community, including the Dutch Ministry of Foreign Affairs, increasingly recognizes that development is crucially dependent on governance dynamics and structures. State-building is approached as a variable of a balanced and resilient state-society interaction. A key insight here is that state-building in fragile situations depends as much on state *legitimacy* as it does on *capacity*. State institutions need not only be capable to fulfil their tasks regarding service delivery, but also need to be *perceived* as fulfilling these tasks and fulfilling them satisfactorily. The 2011 World Development Report illustrates this shift in thinking and stresses the importance of confidence-building as a prelude to institutionalization in fragile contexts. The WDR also recognizes that states cannot restore confidence alone and need 'inclusive-enough' societal coalitions for this.

The 'MSPs, service delivery and state institutions' research explores the relation between state legitimacy and 'inclusive enough societal coalitions' in the realm of utility services. The research consortium<sup>1</sup> studied arrangements between state and non-state actors for basic service delivery in fragile societies and investigated how such arrangements may contribute to the legitimacy of states. In anticipation of a more elaborate Policy Brief to be published in December 2011, this Policy Implication Note presents seven core recommendations – concerning objectives, partners and processes – for international donors engaging with service delivery MSPs in DR Congo.

#### THE PALESTINIAN TERRITORIES

This Policy Implication Note is based on the consortium's preliminary findings in the Palestinian Territories. In the Palestinian context, 'the' State is a problematic concept, at least in the Weberian sense,

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<sup>1</sup> The consortium includes researchers of Clingendael Institute, the Dutch Ministry of Foreign Affairs, Maastricht School of Management, Oxfam Novib, Twente University, Utrecht University and Wageningen University and is part of the Peace, Security and Development network ([www.psdnetwork.nl](http://www.psdnetwork.nl)). Field work was done in Burundi, DR Congo, Nepal and Palestine.

since there was no single Authority at the time of the study<sup>2</sup>; boundaries are not fully recognized or respected by Israel; and authorities do not have a monopoly on the use of arms, nor control over their territories (almost 60% of the West Bank being effectively under Israeli control). The 'Palestinian Territories' consist of the Gaza Strip and the West Bank with A, B, C, H1, H2 and the Eastern Segregation Zone. Area A is under Palestinian control (17% of the land of the West Bank); Area B has its civil affairs under Palestinian control and security under joint Palestinian-Israeli control (24% of the land); Area C is under Israeli civil and military control (59%). This includes all settlements, land surrounding these settlements, military installations, security zones, and roads for Israelis in the West Bank. H1 is the part of Hebron under Palestinian control, H2 is under Israeli control. This segregation in various areas, road restrictions<sup>3</sup>, and the presence of roadblocks, checkpoints, and other barriers, complicates effective service delivery in various ways, mostly because the space for construction of new infrastructure for water, waste water treatment and solid waste is generally located in area C. Construction in that area requires permits from Israeli authorities (through the Joint Water Committee and/or Civilian Administration).

We studied MSP's involvement in (a) the rehabilitation of irrigation wells in Qalqiliya and Tulkarm; (b) a waste water treatment plant in Kharas village (Hebron District); (c) the Zahrat Al-Finjan Landfill (Jenin District); and (d) desalination of water for domestic use in El Bureij, Gaza Strip. All interviews and focus group discussions were conducted by staff from the Palestinian Hydrology Group (PHG), through their offices in Jenin, Hebron, Ramallah and Gaza. The information was supplemented with input from a series of workshops in the period 2009 – 2011, and project documentation.

State authorities that were most frequently involved in the MSPs studied were: The Palestinian Authority (West Bank) or Hamas (Gaza); Ministries, in particular the Palestinian Water Authority (PWA), the Ministry of Environmental Affairs (MEA); the Environmental Quality Authority (EQA), the Ministry of Agriculture (MoA), the Ministry of Local Government (MoLG), the Palestinian Legislative Council (PLC), the Ministry of Health (MoH), and the Ministry of Finance (MoF); local and regional authorities, in particular councils and municipalities, but also Joint Service Councils; and the Coastal Municipal Water Utility (CMWU) in Gaza.

Our study revealed that the legitimacy of Palestinian state organizations that participated in the MSPs to enhance service delivery is affected by a multitude of factors, such as (a) its institutional and professional capacity; (b) its responsiveness to citizens' needs; (c) its dependency on decisions from Israeli authorities; (d) its performance in (facilitating) service delivery; (e) its enforcement of rules and regulations; (f) the acceptability of its policy and instruments; and (g) the perception of the PA in general. One of the findings of this research is that cooperation between multiple stakeholders receives support at the highest administrative level. This is, amongst others, expressed in the Water Sector Plan 2011-2013 as one of the five strategic goals: 'Institutions that will function in an effective and competent manner on the basis of cooperation between all segments of society' (PWA 2011:10).

## Preliminary Findings and Policy Implications for Donors

### Seven Lessons Learned

#### 1. Political unrest is not necessarily bringing a halt to cooperation between multiple stakeholders to improve service delivery

The Zahrat Al-Finjan Landfill (Jenin District) project was submitted only 2 weeks before the onset of the 2<sup>nd</sup> Intifada, and has – despite some delay – been completed, reaching far more beneficiaries (over 600,000) than originally intended (200,000).

<sup>2</sup> The research was conducted before the formation of a united government between Hamas and the PA. The 'unity government' (May/June 2011) is therefore not included in the description and analysis.

<sup>3</sup> Road access is controlled and restricted through a number plate system. Some roads are for cars with Palestinian number plates; other roads are for cars with Israeli number plates, and some for both.

- HOW: Initial and *repeated* risk-assessment and contingency planning are necessary to ensure minimum impact of conflict for beneficiaries and to continue functioning of the MSP during project implementation. (see box 1)
- HOW: Be supportive of, and responsive to, special requests of MSPs during political unrest. Support (reasonable) requests for change of procedures, e.g. in terms of tendering; shipments (port of arrival); contractors/advisors; and time frame when such changes facilitate continuation of cooperation and completion of the project.

#### BOX 1 – MSPs during political unrest

Security considerations and risks were anticipated at all stages of the well-rehabilitation project in Qalqiliya and Tulkarm. This included risks of: (a) not receiving permits; (b) a ‘stop of works’ order by the Israeli Defence Forces; or (c) military operations. Great effort was taken to minimize risks for water users to be cut off from water. This resulted in a strategy to (a) request permits from the Joint Water Committee; (b) rehabilitate one well at a time; (c) have a list of alternative wells in less sensitive areas; (d) reduce visibility; and (e) approval from ECHO and the Palestinian Water Authority.

## 2. The role of donors and their ground staff proves to be essential in terms of facilitating mobility and permits from the Israeli authorities

- HOW: Maintain a continuous and cordial dialogue with the military authorities, even during the height of a conflict, to facilitate the movement of project related people and goods and to ensure permits required to construct or repair infrastructure.

## 3. Planned political events can have a major impact on MSPs

The elections in Gaza that were won by Hamas triggered two new developments that led to a halt of the project in Bureij area. These were (a) the withdrawal from EU and other donors; and (b) the emergence of double authority structure and rivalry between Hamas- and Fatah-based Palestinian Water Authority (PWA). The initiative has, eventually, taken up again by a few MSP members, but the transition to a new government, and the existence of a double authority structure hampered performance.

## 4. Use MSPs to create inclusion and ownership at local and national level

Local ownership *and* support at national level are both critical for project success.

- HOW: Identify practical (local) and strategic (national) interests of multiple stakeholders, and identify where support can be mobilized, e.g. through adequate stakeholder analysis. (box 2)
- HOW: Encourage local ownership within the MSP through support of local initiatives, workshops with beneficiary communities; training of staff from municipalities, village councils, and making local organizations responsible for manageable tasks.
- HOW: Ensure extensive participation and dialogue *during preparation*. This includes a needs-assessment and dialogue with other donors active in the sector, local government institutes, relevant ministries, community groups and (where relevant) Israeli environmental and military authorities. Early participation by local organizations and communities facilitates the input of local situational knowledge and thereby increases the chance of success. (box 3)
- HOW: Encourage the effective use of policy instruments tailored to the local situation to raise revenues for Operation and Maintenance. In the case of the Palestinian Territories: combine water and electricity bills.

#### BOX 2 – MSPs merging pragmatism and strategy

The co-existence of multiple interests increased the potential for cooperation in the case of the rehabilitation of irrigation wells in Qalqiliya and Tulkarm. Interests of a practical nature (access to water, improvement of farmers’ livelihoods) were coinciding with strategic interests (continuation of cultivation of Palestinian lands between the Green Line and the wall, that would fall to the Israeli state if it would be abandoned for some years).

### BOX 3 – Community involvement versus community obstruction

In Kharas village, the waste water treatment was opposed by several people during construction. Discussions revealed that the resistance was primarily based on simmering social tensions within the community. It took 2 months to resolve these.

## 5. Use MSPs to bridge gaps across and between local and national institutions

Successful MSPs can have a spin-off effect at national level. Inter-municipal cooperation in service delivery in the The Zahrat Al-Finjan Landfill increased interest for inter-municipal cooperation on the wider national level.

- HOW: Support, where possible, requests to create a domestic platform for multi-stakeholder meetings where experiences and lessons of working *with and through a variety of MSPs* can be shared, in a non-evaluative environment. Through such platforms, governmental organizations can identify spin-off effects of local successes to be reproduced nationally

### BOX 4 – MSP spin-off

The WB 'Implementation Completion and Results Report' for the Landfill project reports that when the Joint Service Council was established in 2000, the council consisted of 15 municipalities and 5 village councils. Nine years later, this number increased to 56 communities (WB, 2009, p. 15)

## 6. Strengthen the capacity of actors participating in MSPs

Local ownership *and* support at national level are both critical for project success.

- HOW: Identify institutional weaknesses through stakeholder analysis and needs assessments and support activities to strengthen the capacity of those stakeholders in response to their real needs. Also look at the positioning of these organizations and political dynamics in their institutional and political context.
- HOW: When the capacity of one (or more) of the MSP members proves to be weak, it may be advisable for the MSP to temporarily shift tasks in project implementation and, at the same time, to initiate activities to strengthen the capacity.

## 7. Encourage MSPs to develop a strategy to ensure sustainability upon project completion and create a mechanism to monitor this strategy

Sustainability is a major issue and stakeholders feel that donors are not sufficiently addressing post-project sustainability.

- HOW: Identify, from an early stage, necessary conditions required to enable project sustainability. The MSP should discuss these with relevant stakeholders, and jointly develop a strategy to address these at an early stage. This should include a plan for effective revenue collection upon completion.
- HOW: The modalities and timeframe used by most donors limits the possibilities to create follow-up monitoring strategies. Donors should therefore incorporate a mechanism for monitoring the sustainability of their projects.