

PROMOTING ENVIRONMENTAL SERVICES FOR PALESTINIAN JOINT COUNCILS

(Joint Councils for Services, Planning and Development)



A Model for Palestinian Environmental Services Districts

Respectfully submitted to:

The Palestinian Ministry of Local Government (MoLG)

This revised CED proposal incorporates recommendations provided by the MoLG in connection with the Preliminary Project Approval issued by the MoLG on 5 April 2005.

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Abbreviations Used in this Document

ANERA	American Near East Refugee Aid
CAP	Consolidated Appeals Process
CED	Center for Environmental Diplomacy
DJCspd	Department of Joint Councils for Services, Planning and Development
EC/WB	European Commission/World Bank
ESD	Environmental Services District
JCSPDP	Joint Councils for Services, Planning and Development Program
JED	Jericho Environmental District
JICA	Japan International Cooperation Agency
LRDP	Local Rural Development Program
MoLG	Ministry of Local Government
MTDP	Mid-Term Development Plan
NGO	Non-governmental organization
PES-PJC	Promoting Environmental Services—Palestinian Joint Councils
PLC	Palestinian Legislative Council
PNA	Palestinian National Authority
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

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I. INTRODUCTION

A. Context for this Revised Program Proposal

The Center for Environmental Diplomacy (CED) is dedicated to making positive contributions that help alleviate degradation of environmental quality and the very serious pollution and sanitation problems that are widespread and growing in the West Bank.¹

While cleanliness and care for the environment are deeply embedded in Palestinian culture, the expertise, financial resources and institutional capacity needed to remedy pollution and sanitation problems are unavailable or underdeveloped. There is great need for a proven and efficient institutional mechanism that can effectively address pollution and sanitation problems at the local level.

CED has in-depth knowledge of and experience with the institutional model commonly known as Environmental Services Districts (ESD). These Districts help people in many parts of the world solve pollution problems, improve water quality and provide sanitation services.

Considering the unique circumstances in the West Bank, CED was asked to develop a concept and proposal for establishing a “pilot” Environmental Services District in the Jericho area, the Jericho Environmental District (JED). In February 2005, this JED Proposal was distributed to all Palestinian Ministries with responsibilities relating to local governments, water and land management. At the same time, the Proposal was presented to local officials in the Jericho area and the international donor community. Follow up meetings were conducted with all recipients.

The overall response to CED’s initial Proposal was positive. However, feedback clarified that the Proposal needed to conform more closely with existing Palestinian projects and reform initiatives.

CED was informed that line authority for a project of this nature would rest with the Palestinian Ministry of Local Government (MoLG). On 5 April 2005, the MoLG issued preliminary approval for the JED Proposal (see Appendix), subject to the following list of conditions and modifications:

- Rename the project to: Promoting Environmental Services at Palestinian Joint Councils (PES-PJC), which is a joint private-public initiative between CED and the MoLG Department of Joint Councils for Services, Planning and Development (DJCspd).
- Revise the program so that it creates a model for establishing Environmental Services Districts all across the West Bank.
- Revise the program to conform to the Joint Council Consolidation Program being implemented by MoLG.

The idea of starting with a “pilot” PES-PJC Service District project in the Jericho area was approved. This revised PES-PJC Program Proposal incorporates all MoLG directives and recommendations received from other Ministries and potential donors.

¹ The Center for Environmental Diplomacy (CED) is a non-governmental organization that focuses on advancing environmental remediation and cooperation the West Bank and Jordan Valley. CED is registered as 501(c)(3) nonprofit organization incorporated in Washington, D.C., USA.

B. What is an Environmental Services District?

The ESD model can be customized to fit unique needs, culture and political circumstances. The following provides a general overview of the model.

What is an ESD?

An ESD is a non-profit, self-sustaining institution located in a geographic “service” area that provides water, sanitation, waste management and other services to communities within that service area.

How is an ESD governed?

ESDs are owned by the communities within their service area, and governed by a Board of Directors (or Council) through an established, democratic process. In countries where ESDs are common, there is usually a body of statutory law that defines formation, governance, responsibilities and powers. *Preparation of draft ESD laws for adoption by the Palestinian Legislative Council (PLC) will be part of this Program.*

Who pays for an ESD?

ESDs are usually given authority to charge fees and/or receive tariffs for the services they provide. Initially, they may require grant or other institutional support. ESDs usually have the authority to obtain grants and/or borrow funds to construct infrastructure to be operated and maintained for the benefit of the communities within the service area.

How does an ESD fit with government and civil society organizations?

ESDs are working partners with municipalities and other government organizations that need the help of a specialized institution to provide environmental services. Locally-elected officials usually serve on the ESD Board of Directors. ESDs may also partner with other non-governmental institutions to provide programs or services, at the discretion of the Board of Directors and ESD management. Locally, an ESD will work closely with the MoLG Department of Joint Councils for Services, Planning and Development (DJCspd).

Who runs an ESD?

Under the Board of Directors, an ESD is managed, and its projects implemented, by locally hired staff including management, administrative and field staff. The ESD can be an important source of both full-time and short-term employment for people in the service area.

What are the advantages?

More people get environmental services more efficiently. ESDs pool the resources of rural communities with larger municipalities to share the cost of developing administrative and technical expertise, and expensive infrastructure, over a large base of customers.

For more background, see these websites of the following successful ESD examples.²

- www.fountainsanitation.com
- www.securitywsd.com
- www.greenmountainwater.org

² There is now an interesting application of the ESD model in the region. Six Palestinian communities in Israel, in the Sakhnin area, collaborated to form the Towns Association for Environmental Quality, which is essentially a small ESD. They developed a common wastewater treatment facility and grey water recycling system for area farmers. It is run by 10 employees and is now self-sustaining.

C. The Role of CED

CED's objective is to help develop an efficient, transparent, locally-controlled Palestinian institution that will assist Palestinian society to reduce pollution and provide improved water and sanitation services for its people. CED is promoting the ESD concept as a proven and highly successful model for achieving these goals.

CED shall also work in the West Bank districts to implement, in cooperation with the MoLG's Department of Joint Councils for Services, Planning, and Development (DJCspd) programs of institutional capacity building for the DJCspd staff and Joint Council's staff, as well as environmental public awareness programs, workshops, and related seminars in understanding the establishment of Environmental Services Districts in the Palestinian Joint Councils.

In line with the above, CED's initial goal is to implement the concept into a pilot program, the Jericho Environmental District (JED), which includes various projects (see section V. B.) in the Jericho Al Ghor Valley.

During the JED pilot program, CED will work closely with the MoLG (Department of Joint Councils for Services, Planning, and Development) to develop a general legal framework that can be adopted by the Palestinian Legislative Council to govern the operation of PES-PJC Environmental Services Districts.

Thus far, CED's role has been to work with MoLG and other Ministries to help design a Palestinian Program for application of the ESD model throughout the West Banks.

When the PES-PJC Environmental Services District Program proposed by this document receives final approval from the MoLG, CED will initiate the establishment of a "pilot" ESD in the Jericho area, the Jericho Environmental District (JED). To bolster the success of Jericho's pilot project, the JED, CED will:

1. Develop an implementation strategy.
2. Mentor and incubate the JED at start, then advise on an ongoing basis.
3. Provide legal, planning, engineering, management and administrative support until JED develops these capabilities internally.
4. Train JED staff to help them become successful and independent.
5. Provide and/or raise financial support until JED becomes sustainable.
6. Assist JED to form critical partnerships with other helpful organizations.

When JED is successfully on its way to independence, CED will turn its efforts to another PES-PJC Environmental Services District in a new location. As the DJCspd headquarters are in Bethlehem, CED will facilitate close communications by having a branch office in or nearby the DJCspd headquarters.

D. PES-PJC Program Goals and Objectives

PES-PJC Program Goals and Objectives

Goal: *A cleaner, healthier environment in the West Bank and Jordan Valley.*

Objective: **1. Reduce pollution and improve water and sanitation services.**

- Dispose of solid waste appropriately, and recycle where possible.
- Improve drinking water service where needed.
- Manage sewage waste that leaches into aquifers, eventually through wastewater treatment plants.
- Promote and help enforce pollution laws.
- Raise public awareness of the actions that can be taken by individuals and families to reduce pollution and improve sanitation and public health.

Goal: *Greater institutional capacity in Palestinian Society to manage pollution and provide water and sanitation services.*

Objective: **1. Establish a proven institutional mechanism to assist Joint Councils for Services, Planning and Development, and local authorities / institutions to enhance environmental quality at the local level.**

- Adapt the ESD model to benefit Palestinian society.
- Develop legal frameworks and administrative mechanisms that conform with MTDP policies and promote MoLG consolidation and efficiency objectives
- Incorporate mechanisms for governance and administration that are democratic, transparent and which directly involve elected local officials.
- Promote partnership with the DJCspd, donors and NGOs.

Objective: **2. Establish a self-sustaining institutional model that is easy to replicate as needed.**

- Develop a successful working pilot for the PES-PJC Program in one location (Greater Jericho).
- Provide outside expertise, training and financial support until the pilot institution becomes self-sufficient and independent.
- Begin with small project and service objectives to develop experience and capacity.

Goal: *Broad-based community support and involvement, with local employment opportunities.*

Objective: **1. Gain community acceptance.**

- Demonstrate community benefits of ESD early on by maximizing local employment and subcontract opportunities in projects with visible environmental benefits.
- Conduct public awareness campaign that invites public input.

Objective: **2. Partner with existing local organizations and NGOs where possible.**

Objective: **3. Demonstrate commitment to under-served populations.**

- Target rural and other under-served communities with clean-up projects and employment opportunities.

CED believes that the PES-PJC Program will be a highly successful tool for achieving the above goals and objectives.

II. COMPLIANCE WITH PALISTINIAN NATIONAL AUTHORITY POLICY

CED's team includes civil and environmental engineers and a seasoned environmental attorney, all of whom have knowledge of the situation on the ground and experience working with Palestinian officials. In preparation, CED has met and received feedback from the staff of all Palestinian Ministries that have responsibilities for areas affected by this PES-PJC Program. To further prepare, CED has carefully studied the following PNA programs and policy documents:

1. Local Rural Development Program (LRDP)
2. Joint Councils for Services, Planning and Development Program (JCSPD)
3. Consolidated Appeals Process (CAP)
4. Mid-Term Development Plan (MTDP)
5. European Commission/World Bank Municipal Support Program

Since January 2005, CED has worked closely with the MoLG, which has line authority for this Program, to ensure that the Program is in total harmony with MoLG's Joint Council consolidation objectives and other goals for improving services to local communities.

On 5 April 2005, MoLG issued preliminary approval for this Program, subject to recommended revisions. This revised PES-PJC Program Proposal incorporates all MoLG requested modifications with helpful feedback received from other Ministries and the donor community, and is now submitted for final approval and implementation.

CED respectfully believes that this revised PES-PJC Program Proposal is now in harmony with MoLG and PNA policy and objectives.

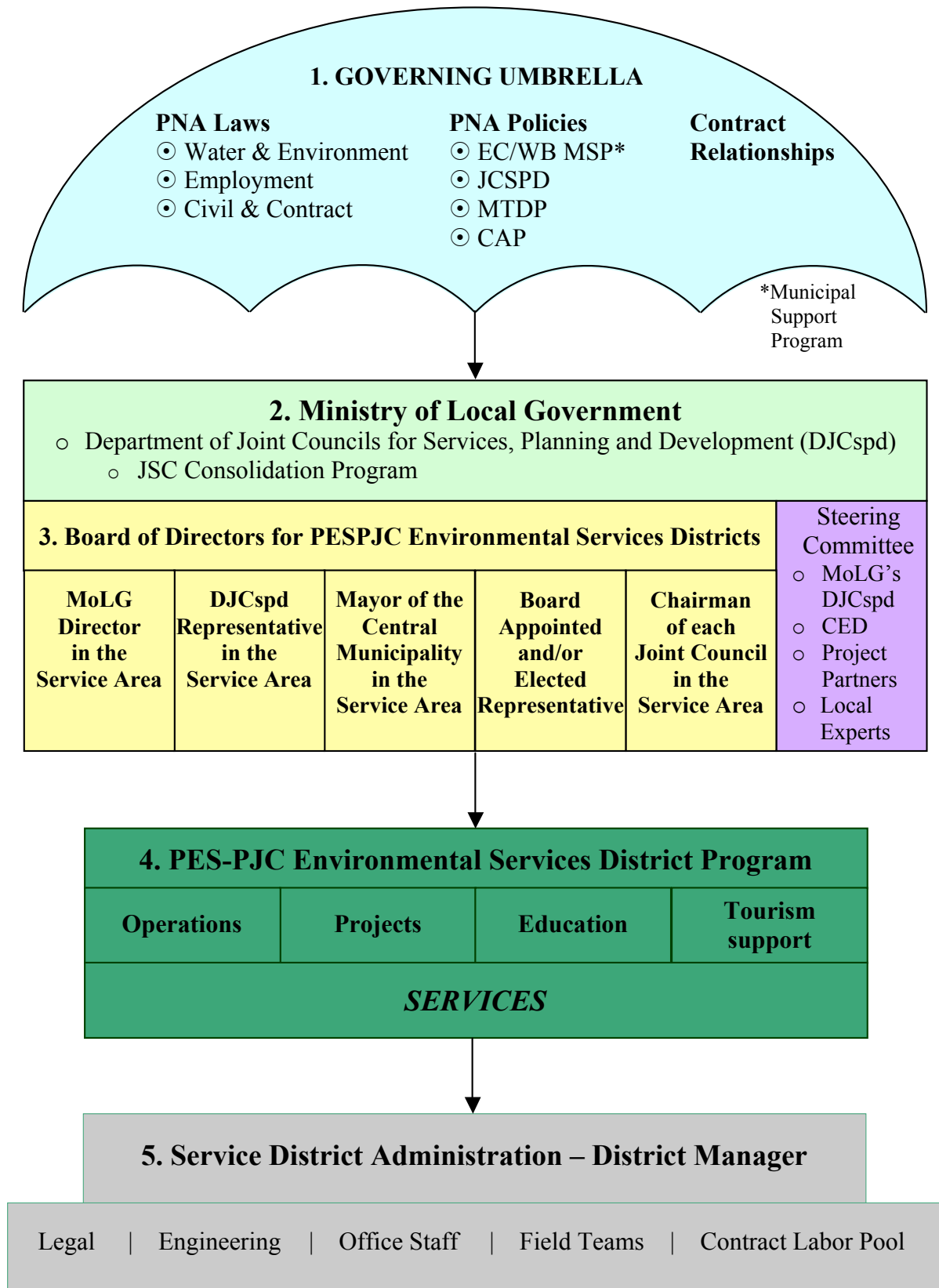
III. PROPOSED STRUCTURE FOR PES-PJC ENVIRONMENTAL SERVICES DISTRICTS

The following diagram depicts the proposed structural organization for PES-PJC Environmental Services Districts. The components in the diagram are numbered and correspond to the following discussion.³

³ It is important to note that the institutional structure described is a work in progress. It will be used for the initial Jericho Environmental District pilot. Structural adjustments may be adopted as experience is gained. A proposed legal framework for adoption by the PLC and widespread application will be jointly developed by CED and MoLG during the course of the initial pilot project in Jericho.

Diagram A: PES-PJC Environmental Services Districts

Institutional Structure for PES-PJC Environmental Services Districts



1. Governing Umbrella

In countries where ESDs are commonplace, there is also a fully developed body of laws, regulations and guidelines that govern everything from set-up to employment practices. The PNA is a government in formation. There are some relevant laws in place (e.g., the Water Law), but in many areas there are only goals, guiding policies and programs in development (e.g., MTDP).

PES-JSC Environmental Services Districts will be subject to both PNA laws (where established) and all official PNA policies and programs. As each ESD grows in its capacity, it may enter into contracts to develop projects and provide services. As this occurs, contractual obligations will also become part of the governing umbrella. In theory, future contracts could be with PNA Ministries, local government units and donor institutions. However, all such contracts would be coordinated through and in compliance with the PNA Governing Umbrella as it evolves.

2. Ministry of Local Government (MoLG) Authority

Line authority over PES-PJC Environmental Services Districts will rest with the MoLG, through its Department of Joint Councils for Services, Planning and Development (DJCspd). This is logical and efficient because PES-PJC Environmental Services Districts are intended to be an organizational mechanism for delivering environmental services within the consolidated Joint Councils and municipal units that the MoLG is now forming.

3. Board of Directors for PES-PJC Environmental Services Districts

PES-PJC Environmental Services Districts will be non-profit institutions owned collectively by the communities they serve. Their relationship with other local government units is not competitive. To the contrary, the ESDs will become specialists at the local level for projects and services that require environmental and sanitation expertise, freeing other local government bodies to focus on community management and services in other areas.

While the initial PES-PJC pilot in Jericho will function under the administrative authority of the MoLG, during its course, a general legal framework will be developed for adoption by the PLC to govern PES-PJC Environmental Services Districts development in other locations where consolidated service areas have been established by the MoLG.

To ensure continuity and ESD management that is consistent with both MoLG and PNA objectives, there will be two voting seats on each ESD Board of Directors for:

- ❖ The Director of MoLG in the service area
- ❖ A representative of DJCspd in the service area

MoLG has determined that the majority of the voting members should be locally-elected officials or their designated representatives:

- ❖ A representative of the central municipality in the service area
- ❖ The Chairman of each Joint Council in the service area
- ❖ If needed, the Board may increase its number by appointment or election.

Each ESD would also have an open-ended Steering Committee (advisory) that would include the DJCspd and various other parties invited by the Board of Directors, which could include project partners, partner NGOs, special experts and other players contributing to the success of a particular ESD.

4. PES-PJC Environmental Services District Program

Each ESD will develop its own unique program, derived from the needs of its service area and adopted by its Board of Directors.

Examples of potential ESD services and projects:

- a. **Services:** Water conservation and distribution, sewage collection and management of wastewater, collection and management of solid and hazardous waste and recycling programs.
- b. **Projects:** Development of wastewater, solid and hazardous waste facilities, village water and sanitation projects, community clean-up projects, new parks and watershed protection projects.
- c. **Operations:** It is expected that donors will be constructing desperately needed water treatment facilities and sanitary land fills in many areas. With proper training, PES-PJC Environmental Services Districts could become the operators of these facilities. In addition, many municipalities may find it cost effective and efficient to contract with ESDs to take over certain areas of environment and/or sanitation services.
- d. **Tourism Support:** Projects and actions that protect, beautify and enhance the service area's appearance and attractiveness for tourism, and residents.
- e. **Education:** Ongoing community awareness and environmental training programs.

In some cases, there will be need to provide multiple services, while in other ESDs, the scope of service may be more limited.⁴

Each ESD would have the flexibility to determine the program of services and projects it will undertake. Each ESD would have the authority to expand or change

⁴ CED is aware of a related project being developed by the Water & Environment Development Organization (Nader Al-Khateeb). This project in the Bethlehem area could also be viewed as a PES-PJC Environmental Services District pilot, where the initial focus is on solid waste management.

its program to meet the changing needs of its service area. Program development will come through a process of bottom up recommendations from public input, ESD managers and technical staff, and top down priorities identified by Board Members, which will be assembled into an ESD Program, approved by the Board of Directors and then assigned to the ESD Manager for implementation.

5. Service District Administration

Each PES-PJC Environmental Service District will need a professional manager, selected by its Board of Directors that is trained and experienced in managing the kinds of services and projects called for by the ESD Program.

It is common for ESDs to retain other local legal and engineering assistance until the volume of work justifies dedicated full-time staff expertise.

Each ESD will also need administrative staff able to perform planning, accounting, reporting, billing, payroll and basic financial management tasks. These locally employed staff will receive special training as needed.

The most numerous employees at mature ESDs are the field staff, who are local people trained to build and maintain equipment, systems and facilities, and who can also serve as site managers of new projects.

ESDs also employ large amounts of contract labor and equipment, which will be especially important for developing PES-PJC Environmental Services Districts. There are several important benefits associated with this approach:

- a. There is an abundance of underemployed, skilled laborers in Palestinian society. Maximizing this labor resource will generate good will and wide public acceptance for new PES-PJC Environmental Services Districts.
- b. There are many Palestinian farmers in rural areas that have and can bring needed equipment to the task (e.g., tractors, loaders, trailers and hauling vehicles). This will help minimize the early expense to the ESD of equipment purchases.
- c. Lastly, contract labor can be employed for the duration a specific task, without incurring permanent employment obligations. This will be important during the start-up period of PES-PJC Environmental Services Districts when expenses are still ahead of revenues.

Further discussion and strategies for building PES-PJC Environment Services District administrations are developed in Section V.

IV. REVENUES AND FUNDING FOR PES-PJC ENVIRONMENTAL SERVICES DISTRICTS

Mature ESDs provide important services and collect monthly service fees accordingly. Connection fees are charged to new residents and businesses. These funds are escrowed for future infrastructure replacement and expansion. In addition, and because ESDs are non-profit public institutions, they often qualify for government grants and/or low interest loans which can be used for human capacity building and/or infrastructure projects.

Because each PES-PJC Environmental Services District will have a unique program, it will also have a unique mix of funding opportunities. The following is a list of potential revenue sources CED has developed, based on its experience with ESDs and its general understanding of the context.

Funding for operations can come from:

1. Tariffs for water delivery, sewage collection, trash collection and maintenance of public property.
2. Tipping fees for solid and hazardous waste disposal.
3. Tourism tax on hotels, restaurants and other tourist attractions where the ESD is improving the beauty and attractiveness of the service area for tourism.
4. Connection fees as residents or business are connected to service systems.
5. Fines from people who illegally dump and pollute.
6. Fees for conducting environmental impact assessments required for new construction.

It will take time for each PES-PJC Environmental Services District to develop an adequate revenue base from services to enable financial independence and sustainability. Each ESD will have a start-up period where outside financial support and assistance—with training and organizational development—will be essential.

CED has reviewed the relevant PNA policies and programs governing financial support for Palestinian projects and believes that the following mix of funding sources for start-up, human capacity building and early (small) projects is feasible and consistent with the national policy. These possibilities include:

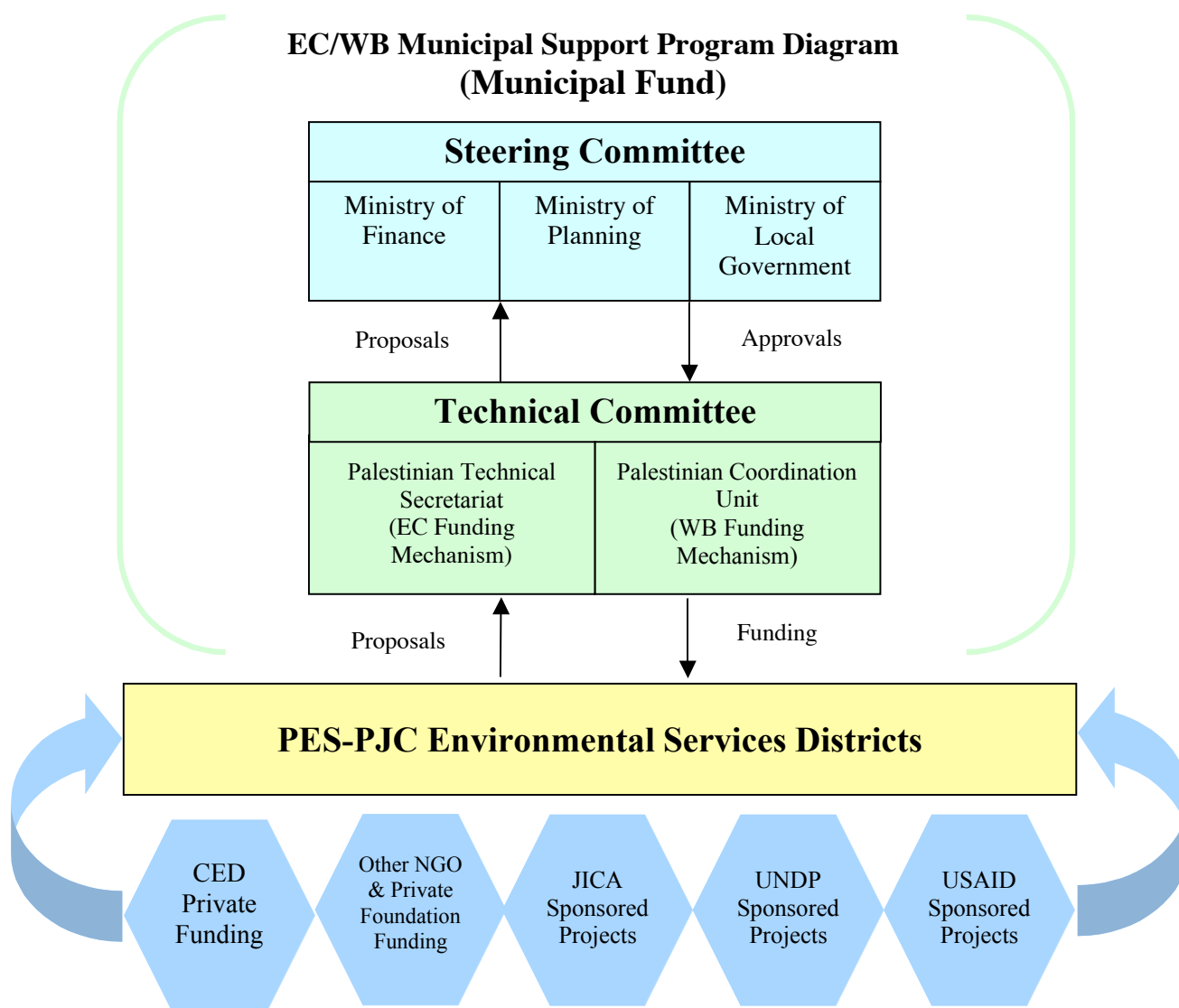
1. The Palestinian “Municipal Fund” (PES-PJC Environmental Services Districts could be treated as municipalities for access to this funding process).
2. Direct grants from private and International donors for early (small) projects.
3. Direct grants from private and International donors for training and human capacity building.
4. Indirect funding through NGO partners.

The following diagram illustrates potential Donor Funding Pathways that could be established for PES-PJC Environmental Services Districts.

Diagram B: Donor Funding Pathways

**Donor Funding Pathways
for
PES-PJC Environmental Services Districts
(projects and early capacity building)**

**EC/WB Municipal Support Program Diagram
(Municipal Fund)**



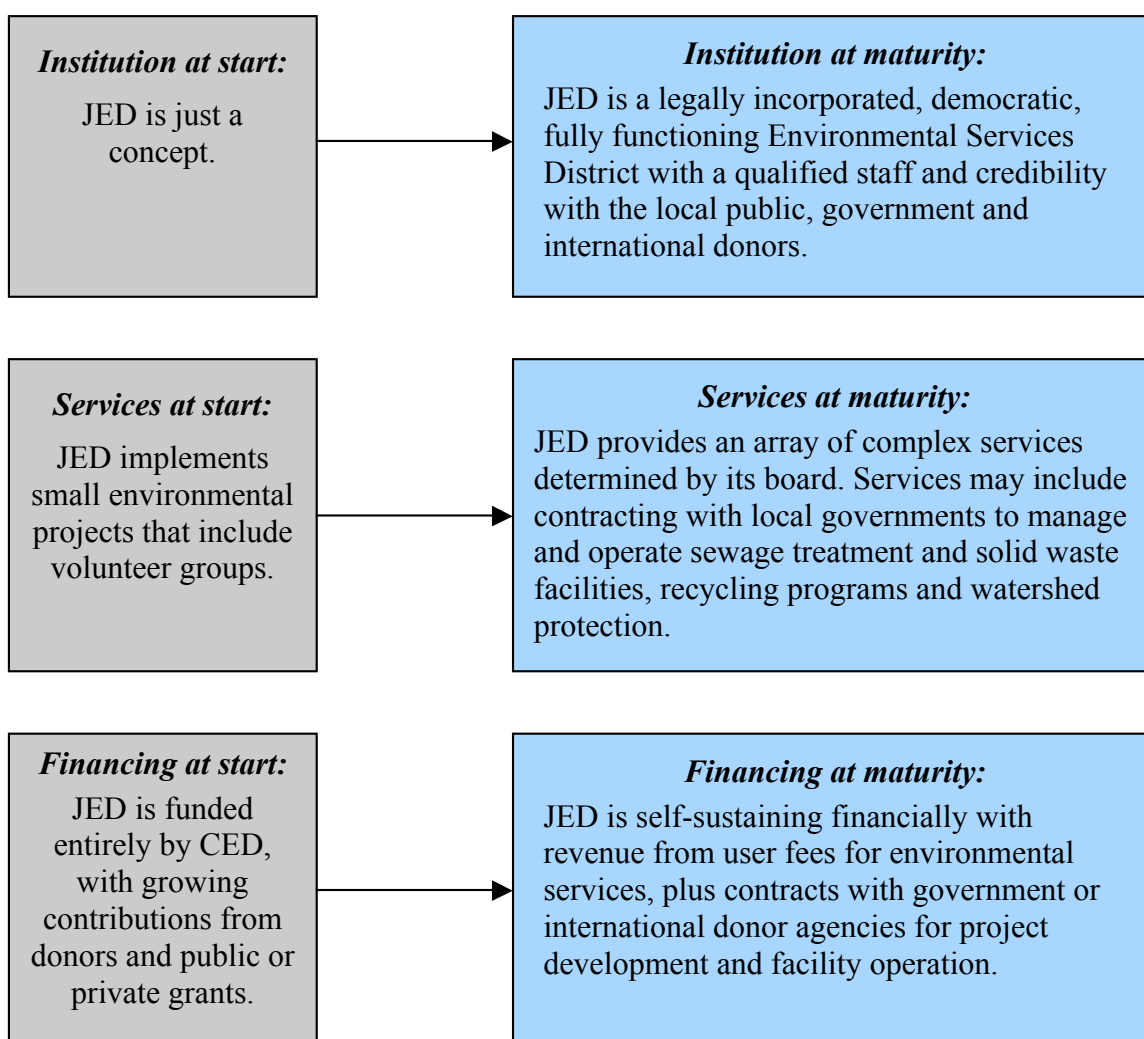
**Direct Funding of the PES-PJC from
International Finance Institutes and NGO Partnerships**

This Diagram only represents Donor Funding for Projects and Early Capacity Building. It does not diagram the Program that will be employed over time to develop sustainable revenue streams to support overhead and daily operations.

V. STRATEGY FOR BUILDING THE PES-PJC JERICHO ENVIRONMENTAL DISTRICT PILOT PROJECT

The Jericho Environmental District (JED) will serve as a pilot ESD for the PES-PJC Program. The boundaries of its service area will be determined by the MoLG, and its program of services and projects by the new Board of Directors. The details will be provided in a separate document to be updated as the project develops and is reviewed by the Board of Directors.

With the support of CED and its partners, JED's development will become apparent as it progresses along three parallel and intertwined tracks: the institution and its capacity, the service base, and the nature of its financial support. As a catalyst, mentor and supporter of the JED, CED's involvement—significant at first—will decrease as JED moves from start to maturity, or left-to-right in the diagram below.



A. Institution and Capacity Development

To build the PES-PJC Jericho Environmental District, the Center for Environmental Diplomacy will start by:

1. Opening a JED office with initial staff.
2. Formalizing JED's Board of Directors and approving the JED Business Plan.
3. Forming partnerships with NGOs working on related objectives in the area.
4. Building a JED "presence" through small projects, training programs and community education.

Before implementing large tasks and contracts, the JED staff will need to develop its own capacity and the trust of the community by demonstrated successes. Human capacity development will be achieved in the first year through both direct training opportunities and on-the-job experience.

CED has already identified an ESD in the USA willing to host JED trainees and show them how such institutions operate. This will provide both practical experience and a vision of what JED can become. Other models within the region, such as in Sakhnin, will be explored for partnerships as well.

B. Growth of JED's Services and Early Projects

JED will progress from smaller, early-stage activities ("Early Projects") that improve environmental health and public awareness to full-fledged services. At maturity, JED will be capable of offering services deemed to be of the greatest need to the communities in the service area. The potential array of services includes, among others, all those described above (in section III.4.a~e) as part of the ESD model.

To build local ownership and capacity, the JED pilot ESD will begin with several "Early Projects". These are designed to raise awareness about the ESD model and environmental and human health issues and involve Jericho area residents from children to adults as volunteers and contract laborers. As a long-term, self-sustaining institution, JED's success will depend on the commitment and ability of the people in the JED service area. These "Early Projects" will provide a training opportunity for future JED staff, and a chance for the Jericho area public to experience first-hand the benefits of such an institution by realizing tangible environmental benefits.

For the past six months, CED has held discussions with potential partners and donors regarding implementation of the following "Early Projects":

- 1. Environmental Survey.** JED will work with the MoLG (DJCspd), village authorities and the public to develop a list of priority problems to be addressed in Jericho and surrounding villages. The results will be shared with other interested stakeholders, and used to prioritize JED's own small infrastructure development and youth cleanup work. On behalf of JED, CED will work together with American Near East Refugee Aid (ANERA), an NGO with over 30 years' experience conducting such projects in Palestine. CED and ANERA will request funding from the World Bank and/or USAID.

- 2. Field Team/Small Infrastructure Development.** JED will hire local laborers and equipment to complete several small infrastructure improvement projects in Jericho and/or surrounding villages as identified by the Environmental Survey. The locally hired laborers and site managers will gain construction and field management experience for future JED work; at the same time, critical pollution problems will be addressed. On behalf of JED, CED will work together with American Near East Refugee Aid (ANERA), an NGO with over 30 years' experience conducting such projects in Palestine. CED and ANERA will request funding from USAID and/or private donors.
- 3. Youth-Lead-Youth to Clean-up Jericho.** JED will draw on the valuable energy and interest of the younger generation by training university-aged youth to design and lead simple cleanup projects for younger students. More difficult cleanup projects will be completed by older youth, hired as contract laborers. These older youth will gain valuable job experience—in project management and/or field labor skills—and income while raising awareness and making tangible improvements to their communities. On behalf of JED, CED will partner with the Palestine Wildlife Society (PWS), a proven Palestinian NGO with years of environmental education experience. CED and PWS will request funding from USAID and private foundations.
- 4. Environmental Education and Public Awareness.** JED will conduct a public awareness campaign (in Arabic) to increase understanding of environmental problems in the Jericho area and their impact on human and economic health. This project will use tools such as mailings, videos shown in public gatherings and local media coverage. JED will thrive amid a public that is informed about environmental problems and actively engaged in advocating for the improvement of those problems. On behalf of JED, CED will partner with PWS. CED and PWS will request funding from UNDP and private foundations.
- 5. JED Public Involvement.** Beyond raising awareness of environmental issues in general, JED will need to cultivate an understanding of its own role in the area. This project will use similar tools of public education, with the addition of contests and a public input map. On behalf of JED, CED will partner with PWS. CED and PWS will request funding from UNDP.
- 6. Sister District Exchange.** JED trainees will be selected to study first-hand an ESD in the USA, providing the chance to learn directly about complementary relationships of such an institution with the local government, financial flows and management. The participants will then provide direct input to Jericho area officials on the Jericho pilot project. On behalf of JED, CED will work with the Green Mountain Water and Sanitation District in Colorado, who is eager to host their Palestinian colleagues. CED will request funding from the U.S. Consulate General, UNDP and private foundations.
- 7. Ein Sultan Spring.** JED will collaborate with the Jericho Municipality to determine if there are needed recharge area protection measures required to protect this historic and invaluable water source.

C. Financial Sustainability

It will be some time before JED's full array of services is established and JED area residents will be able to financially sustain the ESD. Thus, outside support will be critical at the start and through early development.

Adding to the challenge are the current realities of the Jericho area economy. The large agriculture base, while functioning, is severely depressed due to restrained market conditions. The once vibrant tourism economy virtually disappeared during the past four years and is only beginning to revive. In light of the current economic circumstances, CED is developing an evolving strategy for JED's economic sustainability. The progression is described below.

Donor Funding

CED's private resources are the beginning base. CED is prepared to commit up to \$450,000 during the first two years to support direct administrative assistance, organization and training by CED professional staff, and a JED office and facilities in Jericho with modest funding for initial JED staff. CED is seeking matching funds of equal amount from public and private donors for these institution-building purposes.

To fund the early projects, training, and initial community awareness efforts, CED has prepared proposals on the above described "Early Projects" that are being presented to donors and NGO partners with the ability to process quickly and provide funding. The total being requested for these "Early Projects" is approximately \$250,000.

CED is estimating a budget requirement of \$1,150,000 for the JED start-up phase. The start-up phase is estimated to be 3 ~ 4 years, as illustrated in the graph below.

Self-Sustaining Funding

As JED area residents and businesses begin to realize and see improvement in water and sanitation services that improve their quality of life, it is expected that there will be growing willingness to pay for these improved services. However, this will be a gradual process. Self-sustaining funding will also be affected by economic circumstances in the service area.

There is a unique opportunity developing in the Jericho area that has potential to give an enormous boost to the development of JED. Japanese donors are proposing development of major waste water treatment and sanitary landfill facilities. If JED is able to train and develop a staff of skilled operators, there is potential for JED to become the contract operator of these facilities.

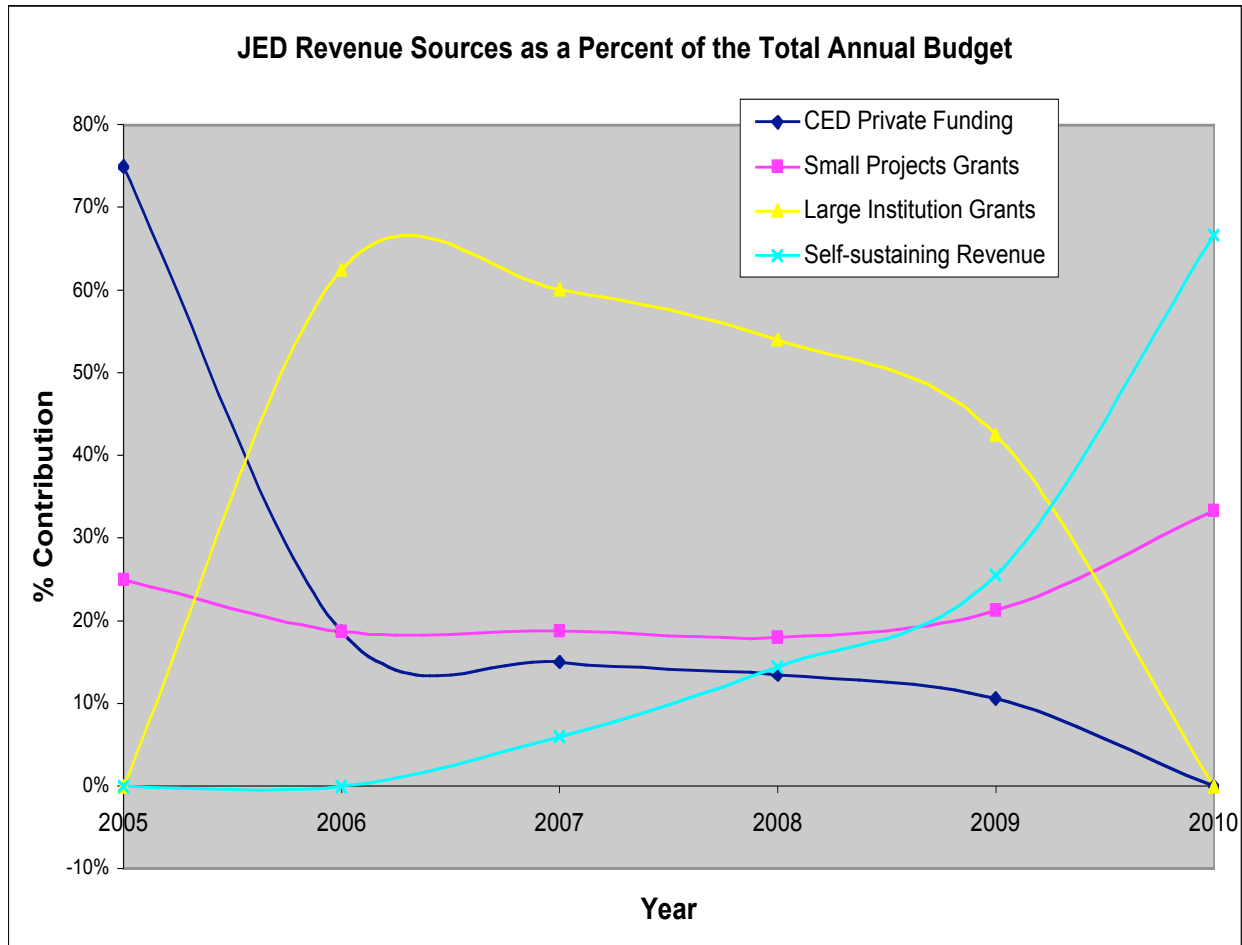
When JED develops a track record for providing projects and services that directly enhance Jericho area tourism, it will be appropriate for JED to begin receiving a revenue stream from the growth in tourism.

The main objective of an *Economic Feasibility Study* that CED hopes to complete for JED during its first year will be to develop these and other ideas for sustaining revenue streams and potential project funding. Over a period of five years, JED is expected to reach maturity and become self-sustaining.

Initially, the JED will receive CED private funding, institution-building funding from donors, and small project grants. As JED's internal revenue streams begin to develop, JED becomes less dependent on outside donor funding for internal costs.

An illustration of CED's vision for how JED revenue sources will develop relative to each other is presented in the graph below.

Graph: JED Revenue Sources as a Percent of the Total Annual Budget



VI. CONCLUSION

The ESD model, in many different forms, is commonly used by democratic societies around the world to efficiently deliver water, sanitation, waste and environmental management services at local levels. This institution does not currently exist in Palestinian society where there is great need for these kinds of services. The PES-PJC Program would, in conjunction with the MoLG's current Joint Council and municipality consolidation program, address the problem by establishing:

1. An institutional model for PES-PJC Environmental Services Districts' development, and
2. A working pilot for the PES-PJC Program in the Jericho area: the Jericho Environmental District.

The PES-PJC Program as now proposed is tailored to harmonize with, integrate and add new value to current PNA laws, policies and programs. It is designed to help the developing umbrella of PNA governance deliver "on the ground" results in the field of environmental services at local levels.

CED is willing and prepared to lead financially and technically in the development of the PES-PJC Program and to mentor and incubate the JED pilot project to self-sustaining maturity. CED is recruiting funding from international finance institutions and private foundations while forming collaborative relations with new technical partners from NGOs, such as ANERA and PWS, to support PES-PJC Program development. CED has existing cooperative programs with other NGOs, universities and the UNCRD as well, which are poised to help.

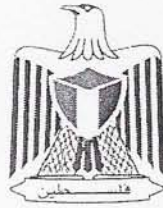
CED can report strong interest from the potential partners with which it plans to work. However, further progress in developing and solidifying these relationships is dependent upon an official endorsement of the PES-PJC Program by the MoLG and the Palestinian National Authority.

Currently, there is no legal authority for the creation of Environmental Services Districts in Palestine. A final Executive Decision is needed to initiate this PES-PJC Program and begin work on the JED pilot.

CED is willing to assist with the development of a legislative framework that will authorize the formation of PES-PJC Environmental Services Districts and plans to help establish other Environmental Services Districts in Palestinian areas. CED's initial focus will be on the pilot Jericho Environmental District, but, upon request and if additional funding can be obtained, CED is willing to help start PES-PJC Environmental Services Districts in other areas in parallel.

CED respectfully submits this revised PES-PJC Program Proposal for final approval and notice to proceed.

Palestinian National Authority
Ministry of Local Government



السلطة الوطنية الفلسطينية
وزارة الحكم المحلي

Date: 5.4.2005 التاريخ

No.: 1.8.5.1650 الرقم

Theodore T. Beckett
Chairman
Center for environmental diplomacy

Fax: 2971023

Dear Mr. Beckett

We would like to thank CED for their great efforts to establish environmental service districts in Palestine. MOLG has been working hardly to consolidate local government units and efficiently increase the delivery of important services. After taking into consideration the enclosed adjustments, the CED project will accomplish these efforts.

As several discussions have been made regarding the project proposal submitted by CED "Jericho Environmental District JED", we would like to draw your attention to some comments (attached). MOLG is expecting CED to consider these comments while reviewing the project proposal draft, and resubmit the final draft both in Arabic and English versions for our consideration.

Please do not hesitate to contact us for further inquiries.

Thank you

Sincerely,

Dr.Khaled Fahed AL-Qawasmi

Minister of Local Government

CC. Aid management dep./ MOP
Joint Service Council Dep./ MOLG
Projects Dep./ MOLG

File

الوزير

Attachment 1
Promoting Environmental Services at Palestinian Joint
Councils
Project Proposal
Ministry of Local Government Comments

1. To change project title to “Promoting Environmental Services at Palestinian Joint Councils”, as we would like the project to be consistent with the organizational scheme the MOLG is establishing.
2. To implement the project in full partnership between your institution and MoLG (DJCSPD).
3. To define, at later stages, the geographical areas for project implementation according to the jurisdiction of the ministry of local government.
4. The project tasks and activities should be within the scope of the Midterm Development Plan (MTDP) done by the Ministry of Planning and approved by the Cabinet.
5. That the project and its activities be steered in such a way to serve the realization of the goals of the Ministry both in the present or the future stages. these goals and the reduction of the numbers of local authorities to the minimum possible, and ensure the transfer of experience to the ministry's staff through the department of joint councils (DJCSPD) in order to bring about the continuation of the ultimate success of this experiment after the implementation period of this project is concluded.
6. That the offices of DJCSP be the main quarters for the administration and supervision of the Project in addition to the offices of the MoLG Directorates in the district. However, some logistic support may be required.
7. That a director/local coordinator be appointed to the Project in the earliest possible time based on the directives of MoLG.
8. The initial scope of services to be provided should be in the areas detailed in your proposal.
9. That the Project shall not be involved in any regional cooperation and will not be extended beyond the Palestinian institutions as the main and only counterpart.