

The EYE

EXPERIMENTAL ISSUE



**THE NEWSLETTER OF THE
GOOD GOVERNANCE INITIATIVE**

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Introduction and definition of the Good Governance Initiative

The Good Governance Initiative (GGI) is the result of concurrence and participation among a number of sides of the civil society including the private sector as well as relevant personalities. The idea of GGI stemmed from the necessity to achieve wider participation of the Palestinian society in the efforts to realize good Palestinian governance based on the principles of democracy, integrity, and transparency. GGI seeks to accomplish this in a number of different ways including:

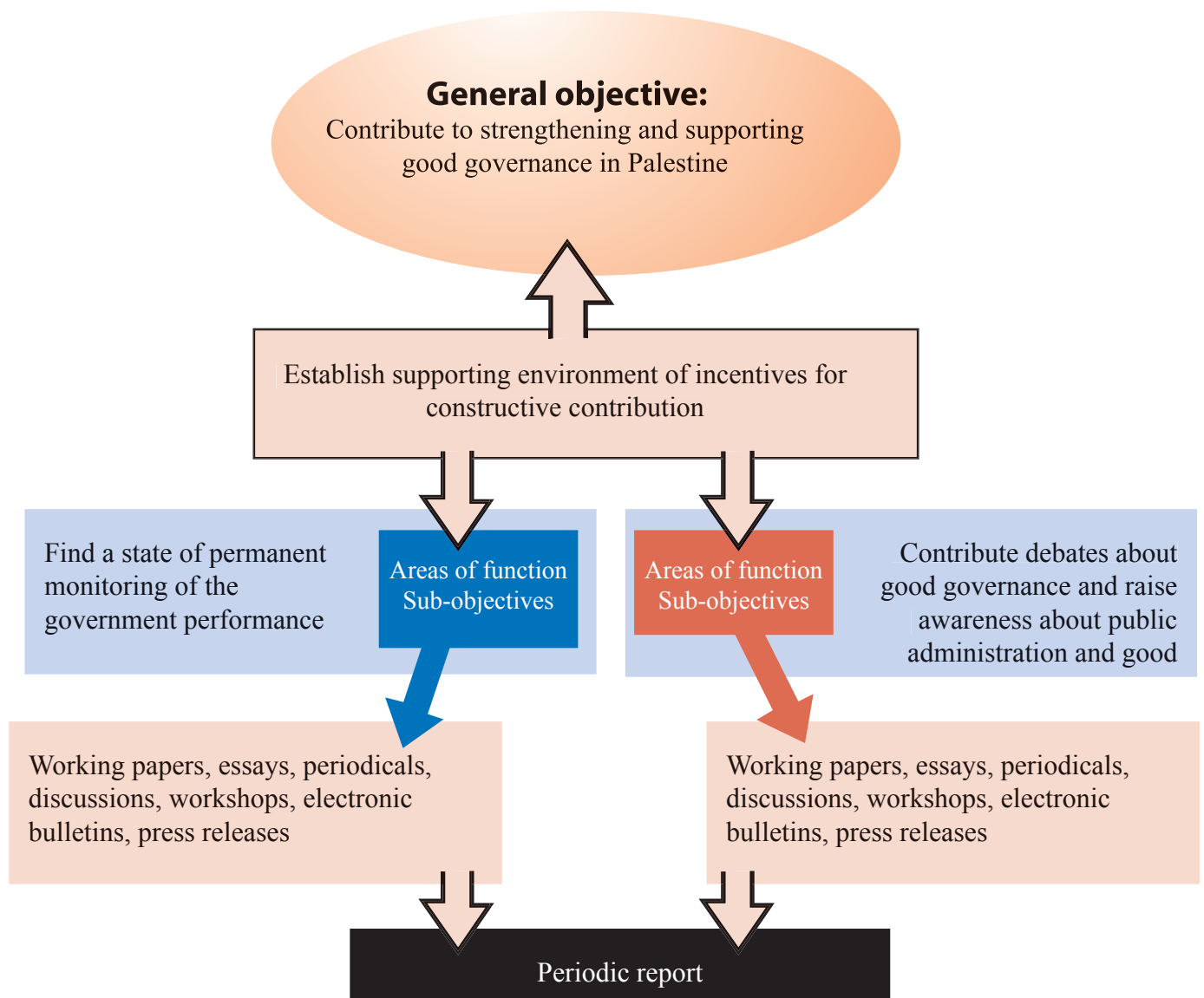
- Inform the Palestinian society of the function and performance of public institutions and raise awareness about the concepts of good governance; hence, increase the capacity of the society to direct and follow up.
- Activate the role of NGOs in monitoring the performance of the public institutions.
- Develop standards and measuring methods to assess the performance of the public institutions.
- Find a state of debate and exchange of information among those in charge of public institutions and NGOs including the private sector.

Since the current situation witnesses Israeli attempts to undermine official institutions and limit their independence; in addition to the decline in international aid, GGI seeks at this stage to support continuity, success, and effectiveness of the performance of Palestinian public institutions in the face of such pressure and strengthen the basis of good governance in the special Palestinian context.

EYE is one of the most important outputs of GGI. This experimental issue aims at raising public awareness concerning good governance through theoretical presentation of the concept, its basis, and features. The issue also explains the means and standards as well as the indicators and functional approach of the process of assessing the performance of the public institutions. The issue also contains part and analysis of an opinion poll, which the Jerusalem Media and Communication Center (JMCC) conducted in the occasion of one-hundred days of the election of the 10th Palestinian government. It is worth noting that this issue does not cover all measurement indicators, which will be adopted to assess performance at public institutions. The current phase is the phase of producing a list of comprehensive indicators of the entire functions of the public Palestinian institutions.

This issue focuses on the most prominent sides of the performance and achievements of public institutions especially the cabinet and the PLC as well as the financial and security performance and management of resources. The newsletter deals with certain unjustifiable shortcomings in the government performance. This issue was supposed to cover the most prominent features of the performance of the President's Office; however, this was not possible because of insufficient information; in any case, future issues will deal on a large scale with the performance of the President's Office.





Good governance

The concept of good governance

The concept of good governance is one of the most widely used concepts in the area of assessing government performance. The concept gains special and practical significance when the discussion is about the role and performance of the governing regime, its institutions, and its mandates since such regime is directly responsible and in control of public financial resources and revenues as well as human resources it employs and supports through using public funds.

The funding of the governing system of the PNA relies on the Palestinian citizen. This case similar to other cases of democratic countries where funding relies on citizens. This makes good governance concept even more important. Direct and indirect taxes and custom duties constitute more than one-half of the public budgets during previous years. The rate could go even higher in times of political and economic stability to cover the entire budget or most of it. The remaining part of the public budget is funded by grants, aid, and public debt.

Good governance concept is the effective tool of sustainable development; moreover, the application of the concept of good governance cannot be dealt with without discussing the economic, political, social, and cultural dimensions of development. Good governance can be widely described as managing different resources of the governing regime in transparent manner with integrity, for the purpose of just, continuous, and planned development in a political and institutional environment that respects human rights and the principles of democracy, accountability, and the rule of law. A report by the UNDP in :1997 states that good governance consists of the following elements

General features of good governance

1. Participation of the various components of the society in policy-making, public plans, priorities, and national visions including the public, civil society organizations, political parties, the private sector, and any other activities.
2. Having sufficient legislative and legal references and basis to organize the activity of the government authorities and institutions as contractual basis for regulating the relationship between government institutions, citizens, civil society, and business sector.
3. Transparent work of the government authorities and institutions and institutionalization of their accountability, which requires facilitation of obtaining information about the authorities and institutions. Consequently, this would ease monitoring of the government performance and accountability, which is to a great degree relates to transparency of authorities and institutions of the government. Lack of free flow of information about the government would make talking about accountability meaningless. Moreover, internal accountability by the Palestinian Legislative Council, the Financial and Administrative Control Bureau, Ministry of Finance, or the General Personnel Council is insufficient. The public, civil society organizations and the business sector must take part in the accountability using different methods and instruments.



4. The ability of the government system to adapt and respond to public demands within its available resources.
5. Having minimum grounds for national consensus of directions and political and public priorities and equal distribution of resources under government control.
6. Ensure that state institutions function efficiently and effectively thus preventing wasting of public money. The measurement of the efficiency and effectiveness of the performance of the state must be in line with planned budgets and objectives and desired results.
7. Define the strategic visions and directions of the country since the aforementioned elements cannot be of any use without a systematic and comprehensive planning process framework with dimensions connected to the national agenda that includes the nationally agreed visions.

Good governance aspects and the Palestinian experiment

The PNA has faced enormous challenges and obstacles since establishment including lack of experience and limited resources as well as the difficulties imposed by the Israeli occupation, which limit the success of the PNA in carrying out its responsibilities. The PNA has noticeably failed in making progress in crucial areas such as security, judiciary, and building institutions in a manner that enables managing them efficiently and affordably despite its achievements in financial management and civil service.

Reviewing the elements of good governance and comparing them with the Palestinian governing system show great distance between them, which has an impact on the size and performance of the PNA institutions. This requires great efforts to bridge the gap between good governance and the real situation in Palestine.

The report of the General Control Bureau in 1996 and the corruption report of the PLC and the functions of the Ministerial Reform Committee dealt with a number of reform issues and priorities; most importantly the preparation for the presidential and legislative and local elections. The reports also dealt with separation of powers, financial reform, security reform, public administration and civil service reform ...etc. a number of achievements were made such as:

- Appointing new central election committee
- Naming the members of the judicial council in the aftermath of signing the judicial authority law and council's initiation of its function
- Integration of financial transactions at the Ministry of Finance
- Approving a new organizational structure for the PNA ministries
- Partial separation of overlapping mandates and responsibilities of the Ministry of Justice and the Supreme Judicial Council
- Appointing a number of judges and prosecutors
- Launching the administrative reform and development initiative at the PLC

Despite the modest progress made in the abovementioned there are still many strategic issues in need of intervention including:

The structure of central government

PNA ministries and non-ministerial institutions suffer major structural deficiencies including:

- The number and size of ministries and non-ministerial institutions are not based on scientific methods especially if compared to the size of the population and available resources, which leads to depletion and inappropriate disbursement of the limited resources of the PNA.
- There are conflicting and overlapping of responsibilities, mandates, and roles among ministries and government institutions, which hinder the functioning of such institutions and increase their cost.
- Government institutions suffer weak coordination among their own offices.
- Many non-ministerial institutions of the government still operate in accordance with vague roles and mandates; such institutions, which employ 1000s of people, operate without feasibility study to the services they provide.

Size of civil service

The civil service sector of Palestine is inflated with 4% of the total population as civil servants who are randomly distributed; hence, 60-70% of the total PNA **expenditure goes to salaries** and wages.

Public financial management

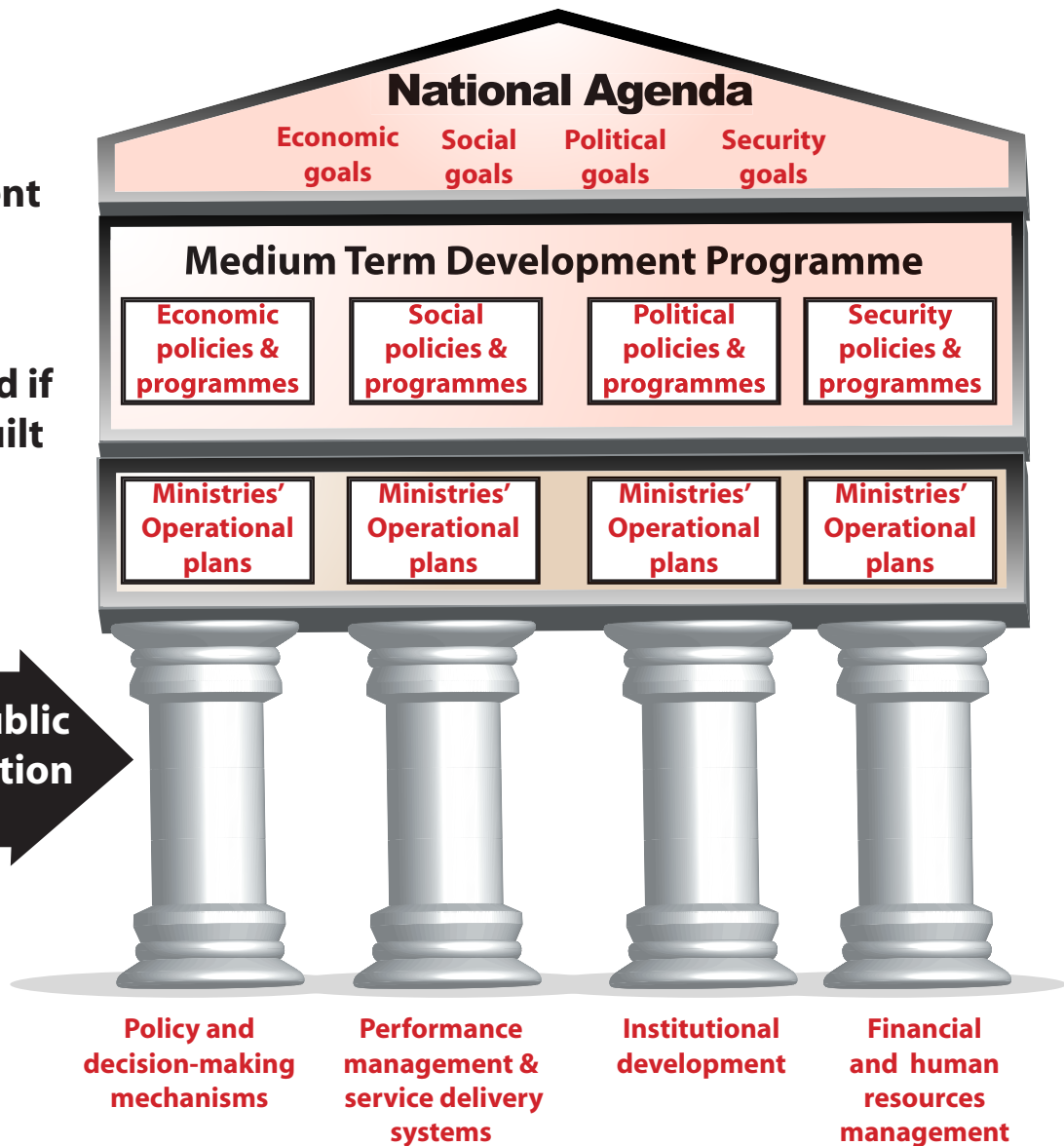
- Despite the reforms in public financial management during the past years including the unified central account, the submitting of the budget for PLC approval, publication of monthly revenues and expenditure reports, there is a number of issues that require dealing with such as:
- Not connecting planning with budgeting. The mid-term plans submitted by ministries are not financially covered by the public budget. Therefore, the budget becomes a mechanism of calculating revenues and expenses without paying attention to development priorities of the government.
- Inefficiency of the Administrative and Financial Control Bureau, which superficially audits administrative and financial activities of some PNA institutions.
- No unified accounting system for all ministries and institutions of the PNA.



**Palestine's
development
goals**

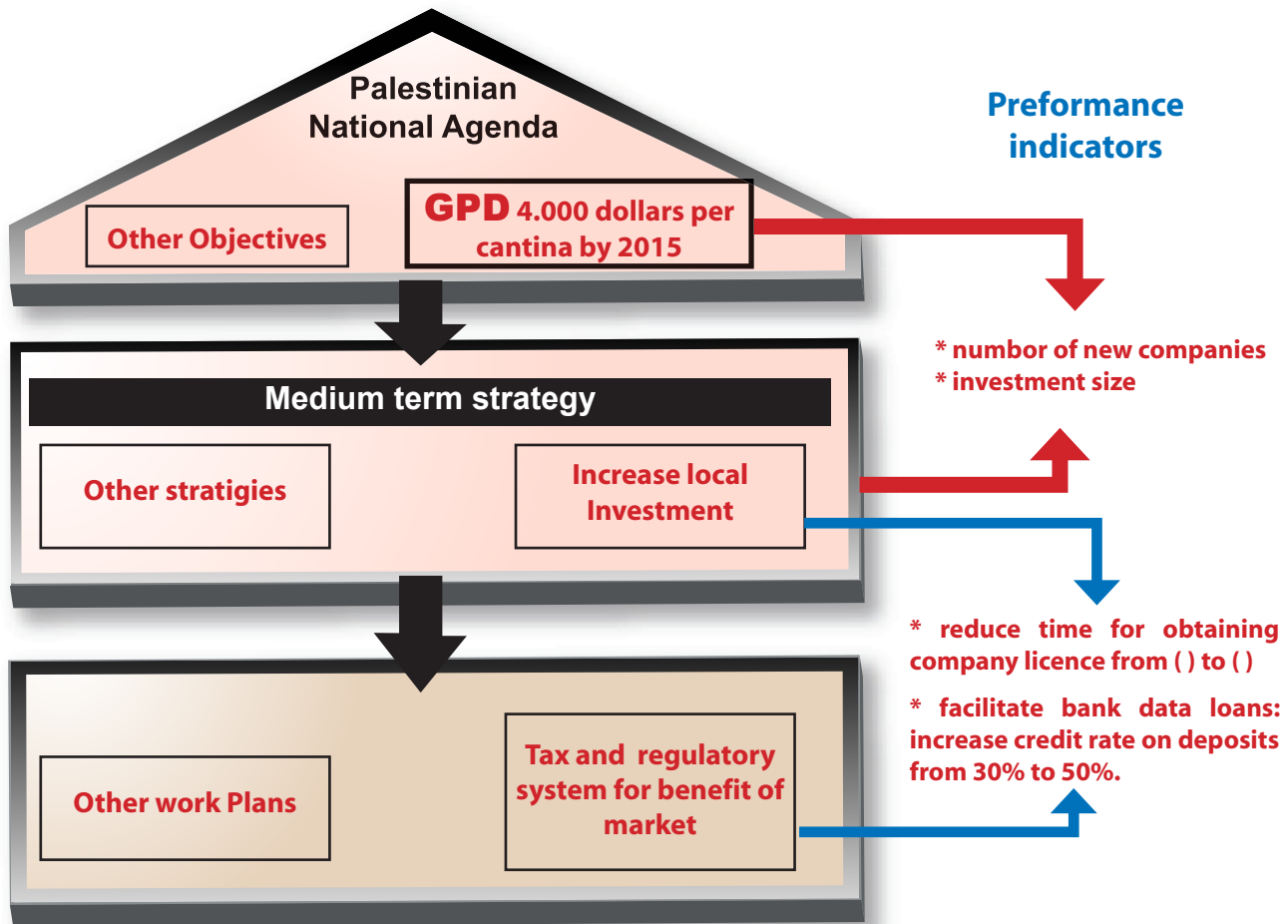
**can only ...
be achieved if
they are built
on**

**... good public
administration**



Government performance and civil service

Government performance and services delivery hypothetical example



Government performance and management of civil service

The management of civil service in Palestine suffers from many problems and gaps such as:

- Lack of comprehensive strategy for human resources at the PNA; the sector operates without a comprehensive national plan;
- Lack of comprehensive and unified central database for the public sector human resources;
- The civil service law, despite amendments, suffers from gaps pertaining employment of human resources in the PNA, incentives, and monitoring of such resources; and
- No assessment of government performance based on plans and priorities and effectiveness and efficiency of utilization of available resources.

These are only examples of shortcomings and gaps in the public administration and civil service in Palestine, which require combining the efforts of the official and unofficial sides of the Palestinian society in order to be overcome and bring the government institutions into a state of balanced, efficient, and effective performance.



General framework of the approach of work of the initiative

Introduction

Many countries of the world rely on performance assessment indicators to assess the performance of their public institutions. The process relies on collection of information about the performance of the public institutions and review of such performance through performance assessment indicators. The Good Governance Initiative will follow the same mechanism in assessing the performance of public institutions. Work is currently focused on defining performance indicators drawn from the general and sub objectives, which the Initiative seeks to achieve. Performance will be assessed gradually, i.e. through monitoring the most significant 40 indicators during year one; the rest of the indicators will be monitored at a later stage. The indicators cover a number of aspects of the performance of the public institutions including human resources management, financial resources management, education, health; in addition to the key governing institutions such the PLC, the cabinet, and the President's Office. The indicators focus on the performance and behavior of the government pertaining operations, activities, programs, implementation mechanisms, and the results of the activities and programs. This will be based on good governance principles and features especially transparency, integrity, accountability, efficiency, and effectiveness.

Standards of selecting indicators

The indicators were defined taking the following standards into consideration:

- **General consensus on the indicators:** Indicators enjoy national consensus for activating the process of following up on the performance of public institutions. For instance, a number of indicators related to the UN Millennium Development Goals were defined. In addition to a group of indicators based on a number of diagnostic studies of the governance institutions and recommendations resulting from **such studies, which were approved by the cabinet.**
- **International best practices of good governance:** A number of indicators were set up after they had been Palestinized through extensive revision of studies and reports of international best practices of good governance.
- **Availability of information:** Indicators cover only areas where information could be gathered in order to realize transparency and efficiency for the process.

Information collection

The information about the indicators will be gathered in different ways including review of official documents of the governance institutions, which are monitored; browsing the websites of such institutions; following up on local newspapers; holding interviews with people in charge at the government sector; field visits for opinion polls; revision of the publications of the Palestinian Central Bureau of Statistics and public institutions especially **those that will be focused on in monitoring.**

Preface about the indicators

Indicators of using financial and human resources

Public institutions performance assessment indicators in the area of financial and human resources are based on assessing achievements in activating the principles of transparency, accountability, and ideal use of resources. Indicators assess extent of comprehensiveness of the PNA budget and to what extent it is related to national and sector objectives. Also, they assess public participation in budget preparation, adherence to approved budget in implementation, and assessing the professionalism of civil service pertaining efficiency in recruitment and promotions; the relationship between governance institutions and managing and developing civil service. The indicators also seek to collect sufficient information about the events *inside the institutions concerning the indicators*.

Indicators of government performance in the fields of health and education

The public sector performance assessment indicators in health and education are based on assessing the extent of efficiency and effectiveness of the health and education services against the objectives of the health and education institutions. The indicators include for example children who obtain basic vaccinations during the first 2 years of their life; the number of health clinics for every 10,000 people; the allocation made for the Ministry of Health in the approved budget; rate of transfers for treatment abroad compared to the rate of transfers to local hospitals; and how trustful are people in the public health services. Education indicators include dropouts rate, *illiteracy rate; rate of students per teachers*.

The indicators of the performance of the main governing apparatuses

These indicators focus on assessing the efficiency and effectiveness of the performance of the PLC; the Cabinet; and the President's Office. The indicators include the number of cabinet sessions during a certain period; its agenda and preparation; the number, type, and legality of its decisions. Moreover, the indicators focus on the transparency of the cabinet decision-making process; efficiency of the cabinet and PLC committees; availability or lack of qualified technical teams at these institutions; and how trustful is the Palestinian citizen in their work.



Palestinian Legislative Council performance

The PLC has held regular sessions since it was elected during the final days of January 2006. The results of the PLC work of the previous period have been dealt with through a number of performance assessments

Indicator	Results and remarks																		
PLC sessions	<ul style="list-style-type: none">▪ The PLC continued to hold sessions regularly; also, it was called for emergency sessions▪ The average quorum of the PLC during 1st session reached 76% of the members; more than half of the absentees (11) were detained. <table><tr><th>Session date</th><th>Quorum</th><th>Absentees</th></tr><tr><td>March 6, 2006</td><td>112</td><td>16</td></tr><tr><td>April 4, 2006</td><td>103</td><td>29</td></tr><tr><td>May 3, 2006</td><td>114</td><td>18</td></tr><tr><td>May 15, 2006</td><td>95</td><td>37</td></tr><tr><td>June 15, 2006</td><td>76</td><td>56</td></tr></table>	Session date	Quorum	Absentees	March 6, 2006	112	16	April 4, 2006	103	29	May 3, 2006	114	18	May 15, 2006	95	37	June 15, 2006	76	56
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Permanent committees of the PLC	<ul style="list-style-type: none">▪ Formation of all permanent committees of the PLC according to bylaws except the PLC Affairs Committee, which plays an important role in the PLC functions. The Education and Social Affairs Committee was replaced by the following committees:<ul style="list-style-type: none">- Education Committee: Includes education and higher education, culture, media, antiquities, and religious affairs- Social Affairs Committee: Includes social, health, labor, childhood, youth, and women affairs- Martyrs, detainees, wounded, and veterans committeeThe interior, security, and local government committee was replaced by:<ul style="list-style-type: none">- Interior and security committee- Local government committeeThe natural resources committee was also separated from the economic committee <p>The permanent committees of the PLC have to the date of this publication failed to recommend approval of any draft laws except for the law on the .date of voting by the police and the security officers; and the budget law</p>																		

PLC's legislative achievements	<ul style="list-style-type: none">▪ The new PLC approved laws in third reading only during its 1st session, the laws include:<ol style="list-style-type: none">1. Law on the date of voting by the police and the security officers2. The budget law▪ The number of draft laws transferred to the relevant permanent committees at the PLC totaled 12. The PLC has not yet voted on these draft laws; they are still being debated at the committees.▪ The date of the first transfer of draft laws to relevant committee was on April 5, 2006 <p>All decision were rejected except for the presidential decree on the date of voting by the police and security forces</p>																																				
MPs bank accounts	PLC members disclosed their <i>financial interest</i> as required by the law except for one and the detained members																																				
PLC accountability/ PLC members to government/ members of the government	<ul style="list-style-type: none">▪ The PLC requested the presence of the Prime Minister and a number of ministers to accountability sessions. The questions of questions and answers were as follows: <table><tr><th>Date</th><th>No. of questions</th><th>No. of answers by the government</th><th>No. of postponed questions (government declined to answer)</th><th>No. of postponed questions (members of government failed to be present without excuse)</th><th>No. of postponed questions (relevant person apologized)</th></tr><tr><td>Mar. 22, 06</td><td>1</td><td>1</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Apr. 18, 06</td><td>2</td><td>2</td><td>0</td><td>0</td><td>0</td></tr><tr><td>May 3, 06</td><td>6</td><td>4</td><td>2</td><td>0</td><td>0</td></tr><tr><td>May 31, 06</td><td>14</td><td>3</td><td>7</td><td>3</td><td>1</td></tr><tr><td>June 14, 06</td><td>17</td><td>3</td><td>13</td><td>0</td><td>1</td></tr></table>	Date	No. of questions	No. of answers by the government	No. of postponed questions (government declined to answer)	No. of postponed questions (members of government failed to be present without excuse)	No. of postponed questions (relevant person apologized)	Mar. 22, 06	1	1	0	0	0	Apr. 18, 06	2	2	0	0	0	May 3, 06	6	4	2	0	0	May 31, 06	14	3	7	3	1	June 14, 06	17	3	13	0	1
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PLC decisions	<ul style="list-style-type: none"> ▪ Non of the PLC decisions during 1st session dealt with corruption ▪ Non of the decisions dealt with reform within the PLC (the previous PLC adopted a reform and administrative development plan for the PLC)
Publicity and transparency of the PLC functions	<ul style="list-style-type: none"> ▪ The PLC continued to hold open sessions before the public ▪ The PLC failed to update and activate its webpage and failed to publish any introductory bulletins during 1st session

Performance of the cabinet

Monitoring the performance of the cabinet depends on a number of indicators covering certain aspects of its function. The following table shows the indicators that will be monitored to assess the cabinet and the available information:

Indicator	Results and remarks
PLC sessions regularity	The cabinet decided to hold weekly meetings on Tuesdays at 13:30; the meetings went on regularly despite all difficulties (12 meetings were held during the relevant period)
Number and type of cabinet decisions	The cabinet issued 113 decisions; they can be classified as follows: 39 policy decisions, 30 senior staff appointment decisions, and 48 administrative or procedural decisions. This figure number is insufficient compared with the previous one. See comments on the decisions below.
The formation and effectiveness of the cabinet committees	<p>The cabinet formed the following permanent committees:</p> <ul style="list-style-type: none"> □ • Ministerial affairs committee that includes ministers of planning, health, interior and national security, justice, education and higher education, finance, cabinet secretary, and head of the General Personnel Council. • Ministerial infrastructure committee that includes ministers of public works and housing, local government, agriculture, national economy, telecommunications and IT, transport, tourism and antiquities, labor, finance, planning, and the head of energy and natural resources authority. • Ministerial social affairs committee that includes ministers of social affairs, woman affairs, culture, detainees affairs, health, religious affairs, labor, refugees affairs (minister without portfolio), and education. • Ministerial economic affairs committee that includes ministers of national economy, finance, planning, telecommunications and IT, transport, agriculture, tourism and antiquities, public works and housing, and labor. <p>The cabinet also <i>formed kitchen</i> cabinet that includes the prime minister, deputy prime minister and ministers of interior and national security, foreign affairs, information, planning, finance, and cabinet secretary. The minister of justice and cabinet secretariat were requested to conceptualize the mechanism and tasks of the kitchen cabinet and submit it to the cabinet for approval. contenu--></p>



	<p>The cabinet also formed ministerial committees too follow up on the following issues:</p> <ul style="list-style-type: none"> • The wall and the settlements • Allocation and development of public land • Set up and implement the reform and development plan in management of public land • Dealing with non-ministerial government institutions • Inspecting ministries' organizational structures • Managing the greenhouses • Reviewing the requirements of Al Ram municipality, Jerusalem • Oversee the cultural heritage protection center in Bethlehem • Review issuance of bonds for Palestinian people • Review the Gaza trade center project • Review the financial position of the PNA • Review the status of the Ministry of Civil Affairs <p>The cabinet cancelled the 9th government decision to form special scholarships permanent committee and transferred the mandates to the Ministry of Education and Higher Education and relevant institutions.</p> <p>Ministerial economic affairs committee and ministerial administrative affairs committee were the only effectively operating committees since each of them met 4 times during the first 100 days of the swearing in of the 10th government. The two committees submit</p>
Legality of the cabinet decisions	Cabinet decisions are mostly legal except for the two decisions on the executive unit in support of the interior minister and terminating licensing new non-governmental organizations. See legal presentation of the decisions below.
Quantity and quality of decisions submitted by cabinet committees to cabinet	The cabinet took 15 decisions referred by the ministerial economic committee; 26 decisions referred by the administrative committee; 16 decisions referred by the prime minister; and rest came through appointing committees to certain tasks. This means that the cabinet is active and discusses important issues.

Transparency of cabinet function	The cabinet worked hard during its first 100 days in office to communicate with the public through issuing press releases after each session. The press releases included details of the cabinet session and its decision in certain cases. The press releases were given to news agencies and posted on the cabinet website. However, the cabinet did not post its decisions on the website, which was not updated. Additionally, not all press releases included description of the cabinet decisions and not much information is available about the function of the different cabinet committees.
Cabinet decisions implementation follow up	Some cabinet decisions require follow up. For instance, the decision to commission cabinet members to prepare plans for the ministries by the end of the year, according to the government program, to be submitted to the cabinet secretariat by end of April 2006; and the decision to commission the administrative affairs committee to review the decisions the previous government issued during its last three months in office. Some decisions reflected a follow up mechanism of previous decisions such as the decision to stop freezing presidential decrees. However, a clear follow up mechanism of implementing the decisions was not clear; for example, the decision to prepare ministries work plans was not followed up though deadline expired 2 months ago (except for the Ministry of National Economy, which submitted and circulated its work plan).

Cabinet appointments decisions and their implementation

The cabinet referred to the President of the PNA appointing 29 new senior employees at 17 ministries and government institutions. The appointments included deputy ministers and directors general. 8 people were referred to deputy ministers' posts ranking A1; 8 people were referred to occupy similar posts ranking A2; 11 people referred to directors general posts ranking A4; and 2 consultants ranking A1 and A4. The majority of those people started work after issuance of their referrals but before legal procedures were completed, i.e. before a presidential decree of appointing them was issued as stipulated by the Civil Service Law.

Cabinet policy decisions

The cabinet policy decision varied with respect to their impact on the government on the long run. Some of them dealt with the current crisis while other had long term nature; most important of these decisions were:

1. The cabinet decision to initially approve the proposal to amend the organizational structures of the ministries and the new post of deputy minister and transfer the issue to the administrative affairs committee for review and comments on the legal and administrative aspects. The decision did not disclose any information about the reasons behind its issuance especially that the position of deputy minister existed at all PNA ministries. A new post of deputy minister has strategic effects on the form and type of the system of the government. This requires review from experts in public administration to examine the extent of the need for such step.
2. The cabinet decision to commission the Minister of Information to monitor the local media and report to the cabinet. The decision does not have direct impact on the freedom of the press; however, it is worrying since it does not disclose the nature of the required monitoring of the press.



3. Cabinet decision of taking the following austerity measures in order to combat the financial crisis of the Palestinian government:

- End the unfunded external courses of public servants temporarily
- Reduce the 2005 approved capital purchases of the government by 50%
- Unify the limit of the expenses of the mobile phones of the ministries by NIS 200; however, ministers and those whose work requires higher level are exempted from the decision (the later requires minister's approval but to the extent that the minister's decision does not contradict with the cabinet decision)
- Reduce purchase of newspapers; the relevant minister determines the required amount needed
- Rationalize the use of all kinds of stationary as much as possible
- Reduce hospitality to coffee and tea unless the minister decides otherwise when receiving official delegates from outside ministry
- Rationalize the use of electricity and water and energy as a whole
- End internal and external travel that may incur expenses on behalf of the PNA except for missions ministers deem necessary
- End overtime work without previous decision from the relevant minister
- Merge branch offices of ministries and government institutions as much as possible in an appropriate manner without harming public services
- Not renewing apartment lease contracts upon termination
- Reassessment of the direct phone and fax lines ending all external lines except for the necessary calls as determined by the relevant minister

The decision does not disclose information about the amount of saving expected from following the above measures. The cabinet took decisions that were not in line with the austerity measures such as establishing branch offices for the Ministry of Religious Affairs in Tubas; and new branch offices for the Ministry of Social Affairs in Bidia and Salfet; and the decisions to appoint people in senior positions at ministries and government institutions and appointing large number of security officers.

4. The cabinet decision to re-annex the civil aviation authority and seaports authority to the Ministry of Transport; and to cancel cabinet decision number 19/12/09 of 2005 concerning reporting of the Bureau of religious Opinion and Legislation to the cabinet thus making the Bureau report to the Ministry of Justice and under direct charge of the Minister of Justice. The decisions reflect appropriate administrative trends and increase efficiency of the government performance and reduce inflation of the PNA institutions.

Legality of the cabinet decisions

In light of the above and as stipulated by Article 6 of the Basic Law "The rule of law principle is the foundation of governance in Palestine; all authorities, apparatuses, commissions, institutions, and persons shall be subjected to the law," the legal side of the two most important cabinet decisions must be examined:

First: The decision on terminating licensing new non-governmental organizations

Cabinet decision on terminating licensing new non-governmental organizations was issued on April 22, 2006. The decision stipulates in Article 1 “Bring to a halt the decision to license new societies.” Consequently, the Deputy Minister of Interior and National Security issued decision number 75 of 2006, which stipulated in Article 1, inter alia, “Bring to a halt reception of applications for registration of new charities and/or non-governmental organizations as of May 22, 2006 until August 21, 2006.

The decision violates the provisions of Article 26 of the Basic Law, which guarantees the right to participation in the political life and the right to establish trade unions, societies, unions, leagues, clubs, and grassroots organizations. The decision also violates Law number 1 of 2000 concerning charities and non-governmental organizations. The Law stipulates “Palestinians shall have the right to practice social, cultural, professional, and scientific activity freely; this shall include the right to form and run societies and non-governmental organizations in accordance with the provisions of this law.” The Law also details the mandate of the Ministry of Interior in registering societies, not licensing them. Article 4 of the same Law obligates the Minister of Interior to decide with respect to application fulfillment of registration requirements within 2 months of submission other wise the applicant shall be considered legally registered. The applicant may appeal the Minister’s decision to reject the application within 30 days of reception of the Minister’s decision in writing.

Second: The Minister of Interior decision to form executive security force from military wings of the splinter groups to be deployed in Gaza Strip

The decision of the Minister of Interior to form an executive security force, without the approval of the President of the PNA, violates the provisions of the Basic Law and the Law concerning serving in the Palestinian security forces number 8 of 2005. The following texts prove the illegality of the decision:

1. Article 39 of the Basic Law stipulates “The President of the Palestinian National Authority is the commander in chief of the Palestinian forces” therefore, the formation of any security apparatus must be upon decision of the commander in chief.
2. Article 46 of the Basic Law stipulates “The cabinet shall assist the President in performing his tasks and practicing his powers as explained by this Basic Law.” Paragraph 7 of Article 69 of the Basic LAW details cabinet responsibility in “safekeeping public order and security.” Article 84 of the Basic Law states “1. Security and police forces are regulatory forces; they are the armed forces in the country. Their job is to be limited to protecting the country and serving people and protecting the society and public order and security. They shall carry out their duty within the limits of the law in respecting the entirety of rights and duties. 2. The security and police forces shall be regulated upon a law.”



3. Establishing any new security force must be regulated by the law of serving in the security forces number 8 of 2005. The decision of the Minister of Interior violates such law because of the following:
- Article 3 of the aforementioned Law stipulates that the security forces consist of the national security; the liberation army; internal security forces; and the general intelligence. The text is plain in considering any new force must be from within these three forces; hence, the formulation of new force is in violation of the law provisions.
 - The law sets up the standards and provisions of appointing security forces; their ranks; uniforms; and salaries. Appointing security personnel is carried out on individual basis; the Interior Minister decision violates this since it appoints people collectively.
 - The law details the issues the security forces are prohibited from including reflecting political opinion; involvement in politics; and bipartisanship. Security forces are prevented by the law from paid or unpaid work for others even during official holidays. Is forming new executive security force of military factions in line with theses chapters?

Financial position of the Palestinian National Authority since the 10th government took office

March 27, 2006

Managing public finance effectively and efficiently is among the cornerstones of good governance; most countries seek to achieve effective and efficient public finance management whether such countries are rich or poor in resources. Poor countries are perhaps the most in need of development and implementation of financial policies capable of progressing economic activity with the least costs and in line with the best practices of public financial management. The Palestinian Ministry of Finance has sought since 2003 to introduce a number of changes to the system and practices of public finance management. The Ministry realized achievements in financial reforms and development of systems most importantly the unified financial account and preparation of the annual budget with review and approval of the Palestinian Legislative Council. The Ministry of Finance also succeeded in publishing financial statements on its website; auditing the financial statements of the PNA by external auditors; paying public servants salaries directly into their bank accounts through bank transfers; and establishing new foundation for moving ahead with financial reform.

Despite the statements made by the current government and its program of reform and change, it failed to build on the achievements of the Ministry of Finance because of inappropriate circumstances and lack of required funding. Hence, the achievements of the Ministry of Finance are at risk. The difficulties the current government faces can be summarized as follows:

1. Bringing direct development aid from donor countries to the PNA as well as technical assistance to a standstill.
2. Banks freezing any dealing with the 10th government and stopping any loans to the PNA because of external pressure.
3. Israeli government withholding of transferring custom and clearance revenues it collects on behalf of the PNA to the PNA.
4. Freezing the trust fund, which the World Bank runs and covers large part of operating expenses and civil servants salaries.

These difficulties have profoundly affected the financial performance of the PNA and limited its ability to fulfill its commitments to the public including paying salaries and paying to the suppliers and secure necessary health and social services.

Therefore, it seems that the 10th government did not have a plan to deal with such predicament especially during the early days of taking office when it underestimated the financial aid the donor countries give to the PNA and claimed that there were alternative sources of funding such as grassroots support from countries other than the traditional donor countries. The statements of the government about salaries and causes of delays in paying them reflected a state of blunder of the government and its Ministry of Finance. However, understanding the reality helped reduce severe criticism to the treasury and understanding of the actual financial position of the PNA.

The most important components of the PNA financial position during the first 100 days of the new government in office can be summarized as follows:



Revenues and expenditures

The current revenues of the PNA come only from direct taxes including income tax and VAT and the revenues of the Ministry of Transport. This covers no more than 15% of the PNA expenses. The Minister of Finance submitted a report to the PLC on May 31, 2006 explaining the priority of the Ministry of Finance in increasing taxes by intensifying registration and developing assessment, control, and monitoring of trade operations with Israel. However, the cabinet and the PLC have not yet adopted any decision in this regard. It is worth noting that despite the many attempts of the government to solve its suffocating financial crisis, the PNA revenues have dropped since the new government took office due to halting clearance revenues and costume duties of the PNA, which are estimated at 50-60 million dollars a month by Israel since February 2006; in addition to freezing the trust fund the World Bank runs since early 2005.

The government also failed to cover operational expenses due to scarce revenues. The steps in this respect are limited to ministerial decisions to cover accumulating debts when the financial position improves; and rescheduling liabilities to suppliers until the current financial crisis ends. Salaries rank first in government expenses at approximately 60-70% of the current expenditure of the government. Civil servants received down payments of NIS 1,500 or approximately US \$ 300 on three stages covering June 3, 2006 and July 8, 2006.

Previous financial reforms status

Ministry of Finance data on the internet: The Ministry of Finance has recently posted its monthly reports on the World Wide Web; however, the reports are limited to January to March 2006. The Ministry responded negatively to inquiry about additional reports covering the period up to June 2006. We could not carry out professional and objective assessment of the government financial performance because of the missing reports. The webpage of the Ministry of Finance is not regularly updated as used to be the case with the 9th government.

Submitting and approving the budget: The 2006 budget has not yet been submitted. It was replaced a draft law submission to the PLC on March 29, 2006 giving the government 2 months to submit the 2006 budget and allowing it to continue spending in accordance with the 2005 budget allocations until June 30, 2006. The draft law received the President's blessing on March 29, 2006.

Upon expiry of the deadline, the PLC gave it an extension up to September 1, 2006. The PLC decision was issued on May 31, 2006 and approved the spending in accordance with the 2005 budget allocations up to December 31, 2006. It is worth noting that the President has not yet approved this decision. This will cause problems to preparation of the 2007 budget due to time shortages for the PLC and the Ministry of Finance to review the 2006 budget.

Banking and the unified PNA account: Banks are still refraining from dealing with the Palestinian government due to fear of being sued by certain Western governments. Most banks froze dealing with the Ministry of Finance, which forced the government to deal with post office branches in the West Bank and Gaza Strip to carry out some financial procedures and make down payments. This procedure brought the unified bank account, the most important achievements of financial reform, to a standstill. The banks refusal to accept financial transfers to the PNA led to return to using methods used before financial reform such as bringing cash across the border crossings and making down payments to public servants outside the limits of the local banks.

Linking budgeting with planning

Despite the importance of integrating planning and budgeting and the cabinet decision of November 2005 to integrate budgeting and planning; in addition to the request of the Minister of Planning from relevant ministries to prepare mid-term plans, the decision has not been brought into action yet. The most important reasons for this failure could be the incapacity to predict financial resources under current circumstances and failure to build on the financial reforms, which constitute the most important requirements of integrating planning and budgeting.

In light of the above and despite the fact that it is still too early to assess the financial performance of the PNA under the 10th government because it is still in the early days in office and because of political pressure it is subjected to, which hinders its performance of duties, there are procedures taken by the 10th government during its first 100 days in office that did not protect the achievements of previous financial reform such as:

1. Referring 30 employees to the President for appointment in senior positions. This will increase the financial burdens of the PNA especially that most of these positions are already occupied.
2. Increase security personnel: The decision by the Minister of Interior, which received the President's consent, to include approximately 3,000 security officers will increase the salary bill, which is in contradiction with administrative reform.
3. Establishing new branch offices and directorates for a number of ministries.

In any case, the difficult circumstances the government faces and the interweaving of internal and external factors must not stop dealing with financial reform as an important issue that needs to be followed up since it constitutes a key component in state building based on transparency, accountability, and the rule of law.

Security performance

Security is one of the key issues of concern of Palestinian citizens. This perhaps has been among the factors that contributed to electing an opposition government to put an end to a loose security situation. Reviewing the performance of internal public security and law enforcement institutions does not reflect any significant progress whether in coordination among security apparatuses or in control of the loose security situation and the cases of breaking the law and order.

Conflicts and lack of coordination increased leading to confrontations. The decision to establish new security force led to an argument about the use of such force to deal with the loose security situation. Moreover, the incapacity and distancing of the National Security Council added insult to injury.

Palestinian citizens have not noticed any efforts to achieve coordination and integration among security apparatuses or organizing of their work and defining of their tasks. Palestinian citizens have not witnessed any progress made; on the contrary, the security situation deteriorated even further.

To measure the extent of change in the loose security situation we prepared the table below. It monitors the loose security situation and how the perpetrators got away with their violations.



Monitoring the loose security phenomenon during March to June 2006

Type of perpetration	Total people killed	Total people injured	Location	Total events
Kidnapping and attacks on citizens and security personnel and faction activists	0	2	Gaza Strip, Bethlehem	3
Robbery and armed robbery	0	0	Gaza Strip, Nablus	30
Armed confrontations between security personnel and executive force people	19	100	Jenin refugee camp, Ramallah, Rafah, Khan Yunis	11
Attacks on ministers, people in charge, parliamentarians, assassination attempts, shooting, murder threats, burning cars and offices of parliamentarians	0	0	Bethlehem, Gaza, Ramallah, Jenin, Beit Hanon, Beit Lahia, Nablus, Dahyit Al Bareed	12
Attacks on public institutions including arson at the cabinet and the PLC, attacks on hospitals, ministries, and governmental institutions and attacks on media associations	0	0	Ramallah, Gaza/ Nablus	12

Source: local newspapers

Analysis of the opinion poll

The results of the opinion poll on the performance of the 10th government help us conclude that the Palestinian public who elected this government still believe that it is the most capable of running internal affairs despite the fact that no significant change with respect to key issues has occurred. Such public feeling is perhaps because the government has not had the opportunity yet due to external pressure from Israel and donors and its short period in office.

After one-hundred days in office the majority of Palestinian people expect the 10th Palestinian government to succeed in realizing the promises of reform it made during elections. On the practical level, Palestinian people have different estimations of the government performance.

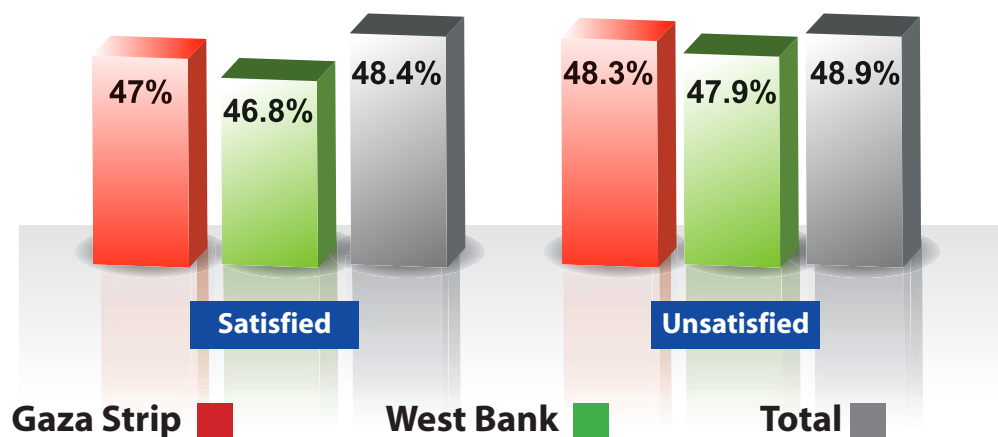
According to results, 36.6% of the respondents stated that the performance of the government was characterized by transparency compared to 25.6% who stated otherwise. Moreover, 41% of the respondents said corruption rate dropped when the new government took office; 25.6% of respondents had opposite opinion.

On the other hand, 47.8% of the respondents stated that the government had failed to solve the loose security problem while 18.7% stated otherwise. It is worthwhile mentioning that election campaigns focused on loose security, reform, and the economic situation mainly unemployment.

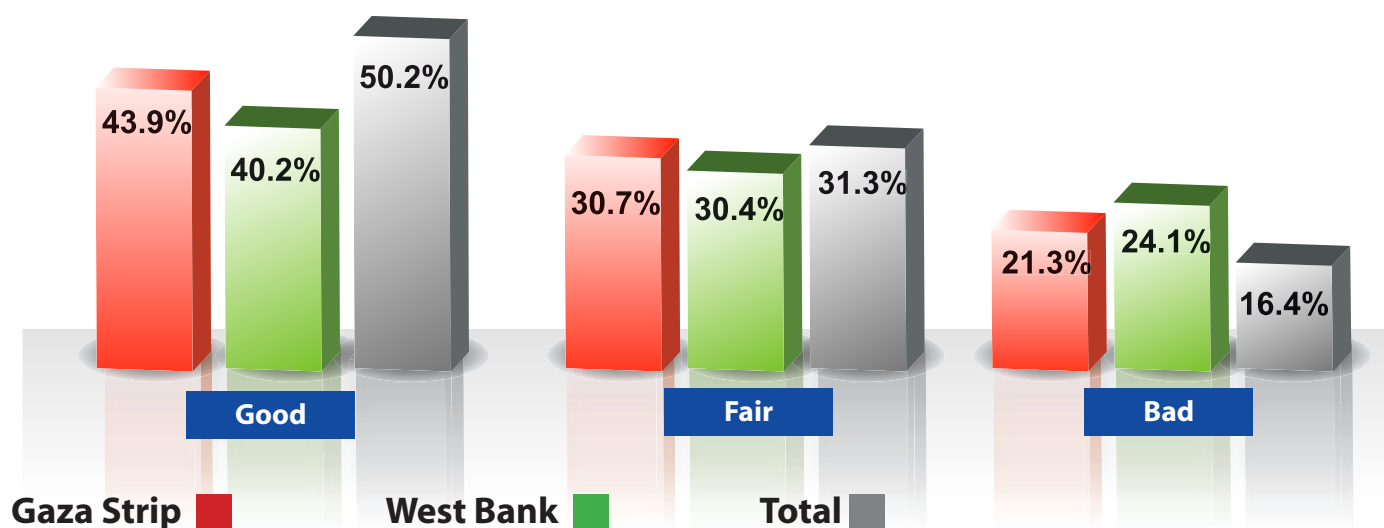
The positive public opinion towards transparency could only be a reaction because when specific questions were asked about tangible issues the results were different. For instance, most respondents said the government circulated its decisions on the public at a very tiny percentage; whereas, small percentage stated otherwise. Public opinion was divided over the issue of government control over institutions performance. When respondents were asked about having access to public budget 21.7% responded positively. Most importantly, the majority of respondents said the government did not collect taxes fairly and squarely.

The following diagrams show the results of the opinion poll JMCC conducted last June; the questions in this Issue only cover the performance of the current Palestinian government.

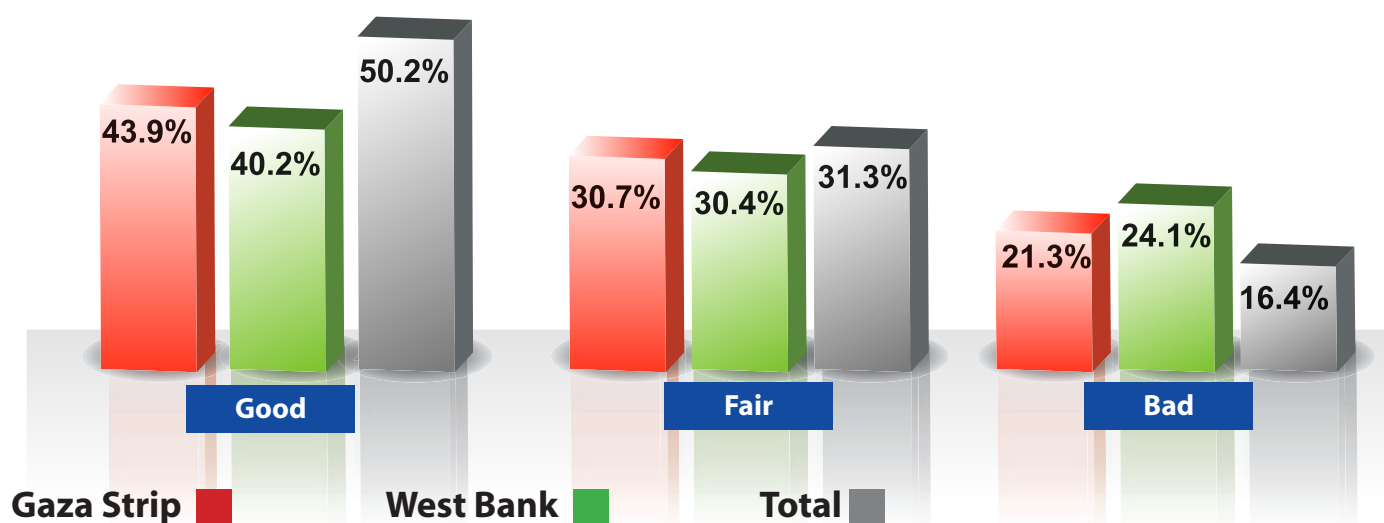
Satisfaction of the way Mahmoud Abbas acts as the President of the PNA



Assessing the performance of the PNA apparatuses after 100 days of new government PM Ismail Haniyi

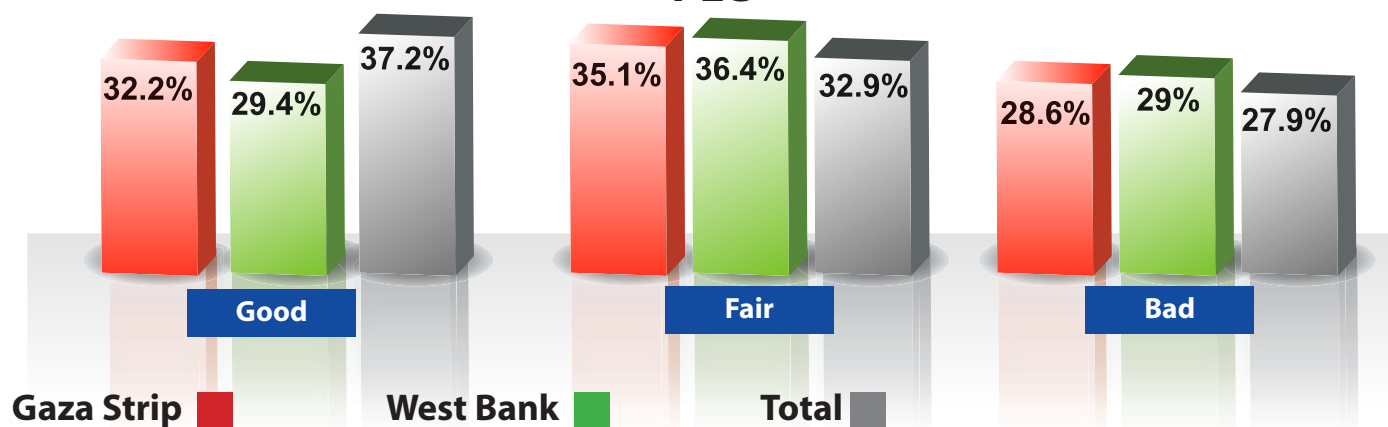


Assessing the performance of the PNA apparatuses after 100 days of new government Security apparatuses



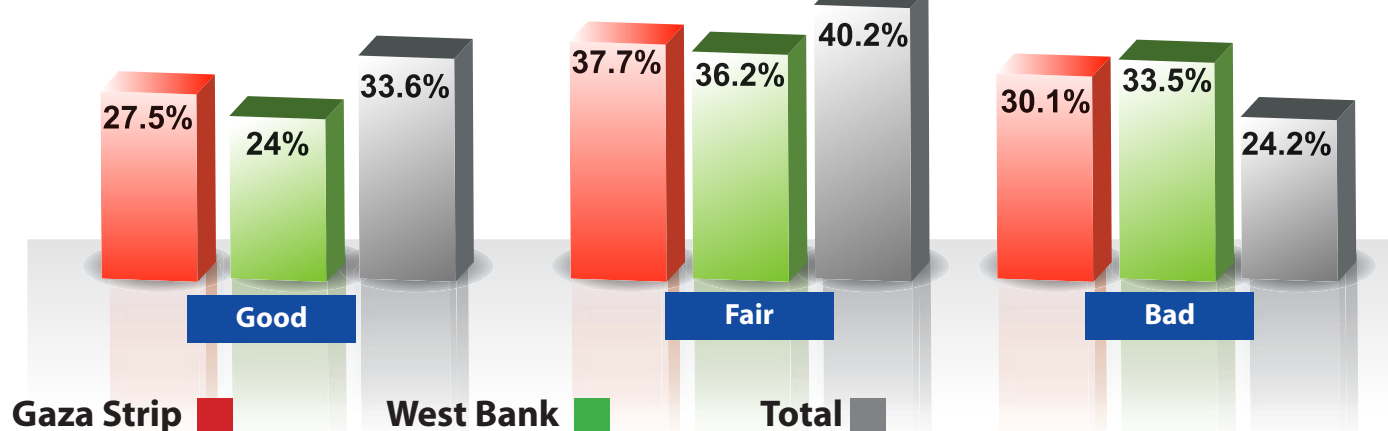
Assessing the performance of the PNA apparatuses after 100 days of new government

PLC



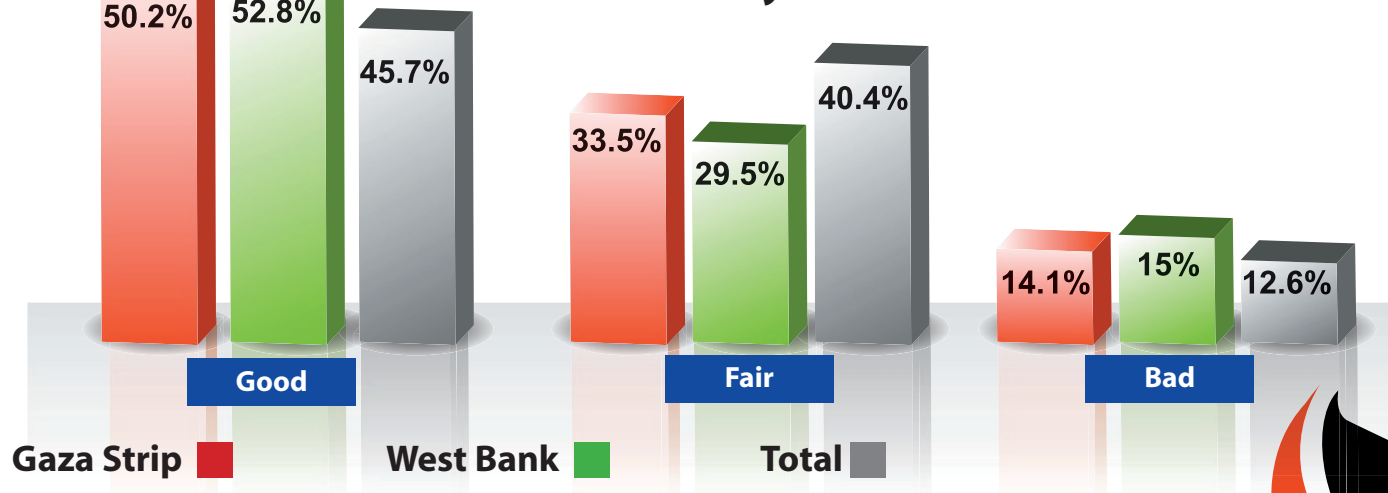
Assessing the performance of the PNA apparatuses after 100 days of new government

Cabinet



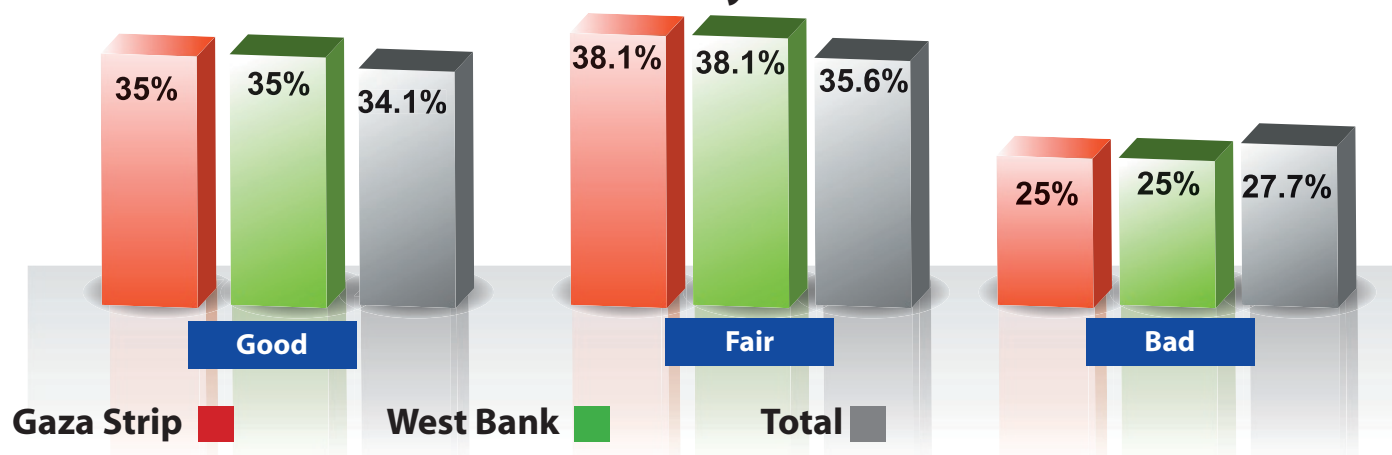
Assessing the performance of the PNA apparatuses after 100 days of new government

Education system



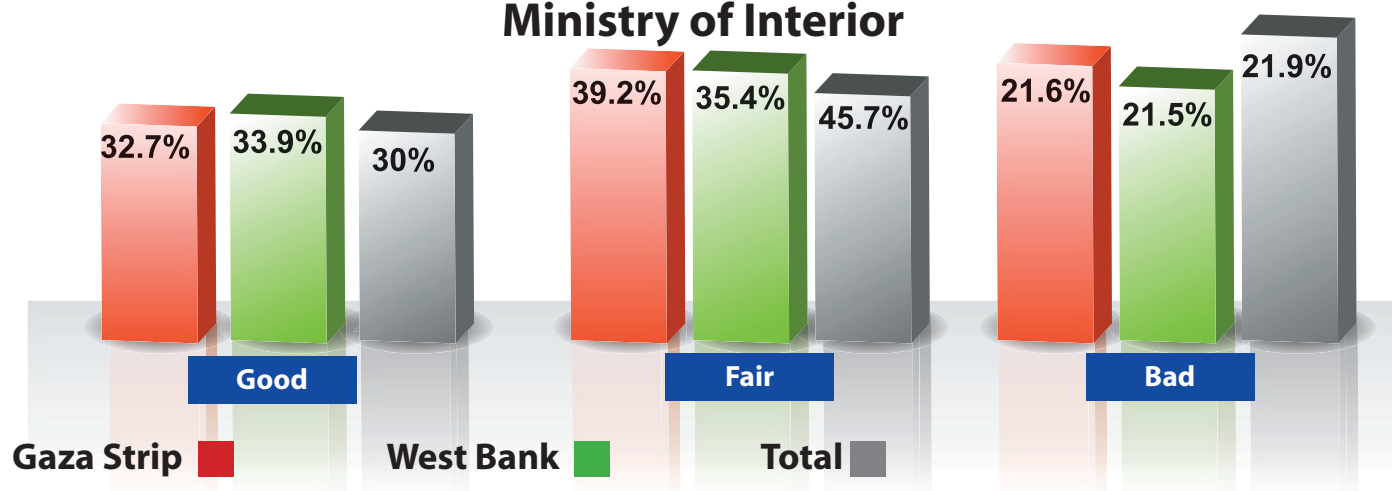
Assessing the performance of the PNA apparatuses after 100 days of new government

Health system



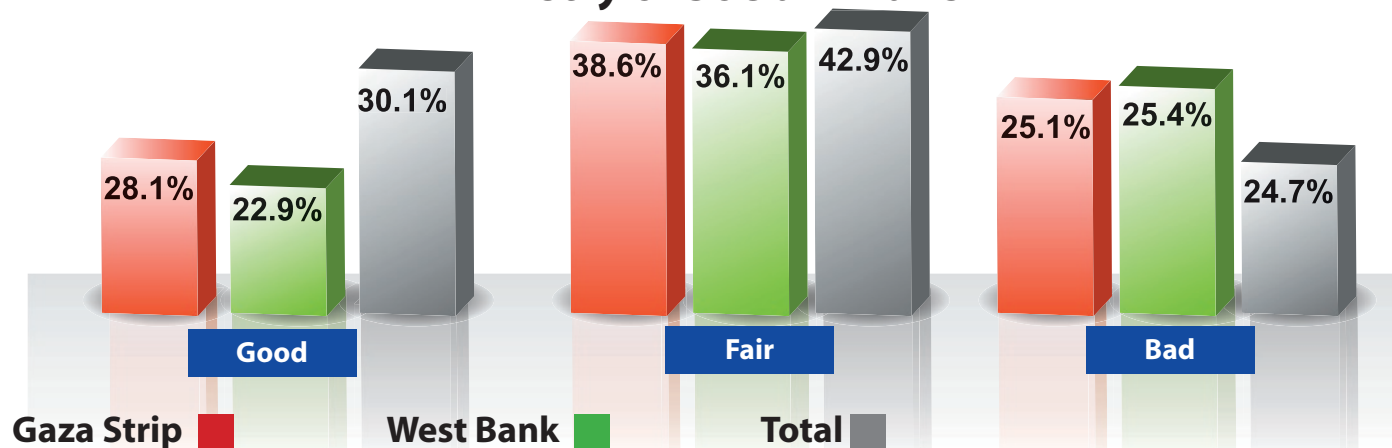
Assessing the performance of the PNA apparatuses after 100 days of new government

Ministry of Interior

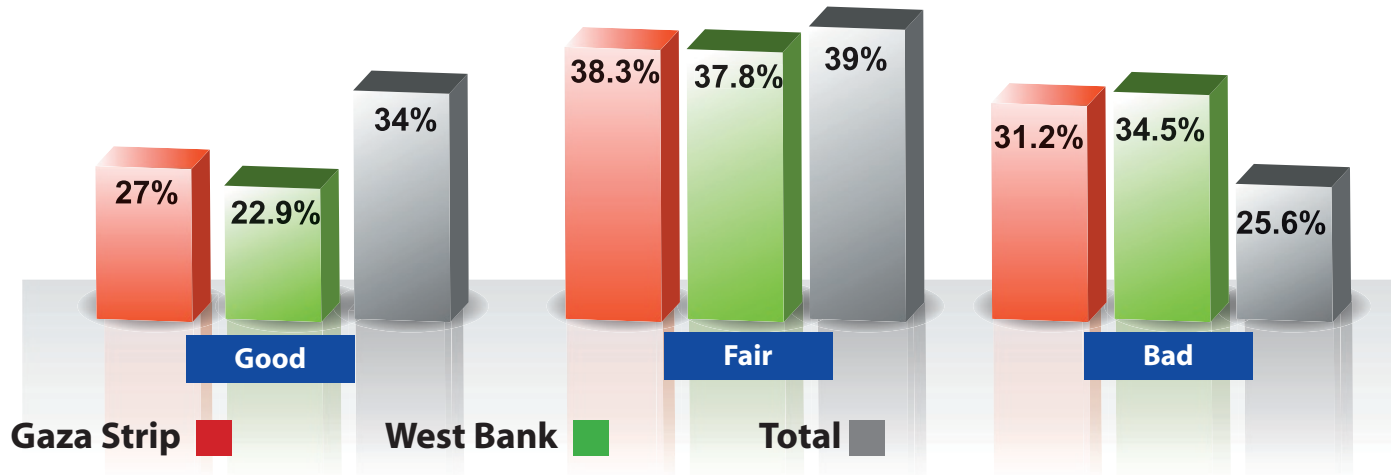


Assessing the performance of the PNA apparatuses after 100 days of new government

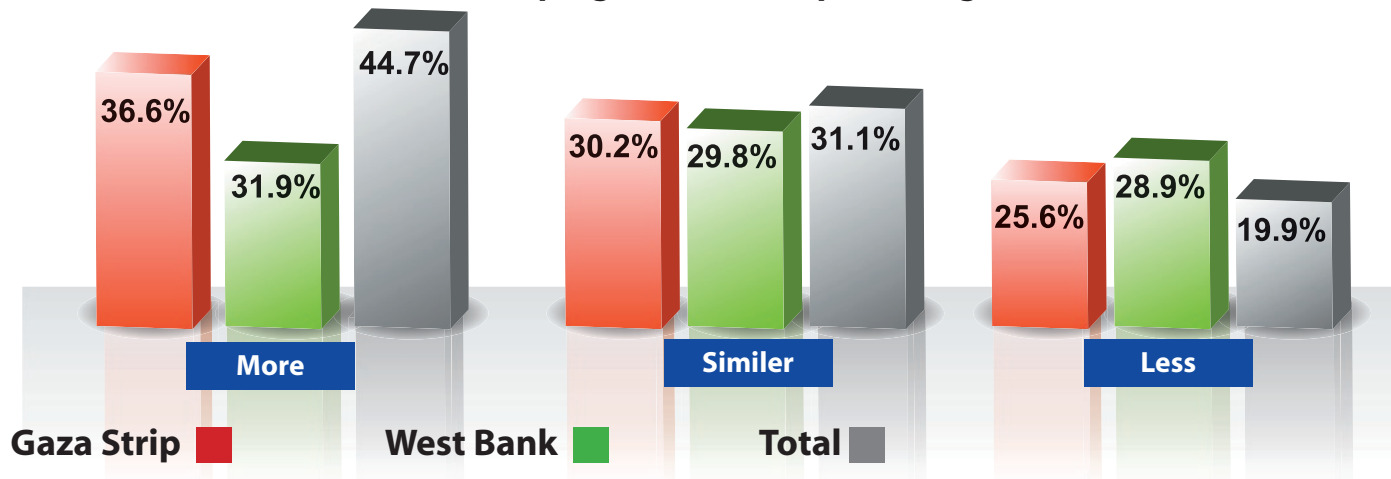
Ministry of Social Affairs



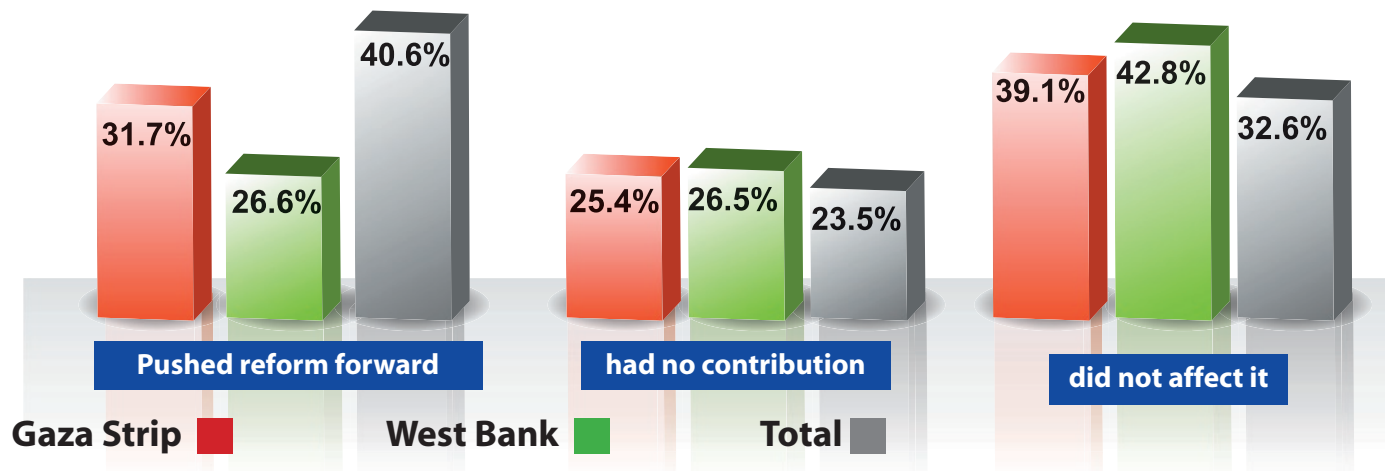
When current government performance is compared to old, do you sense any improvement, any change, or deterioration?



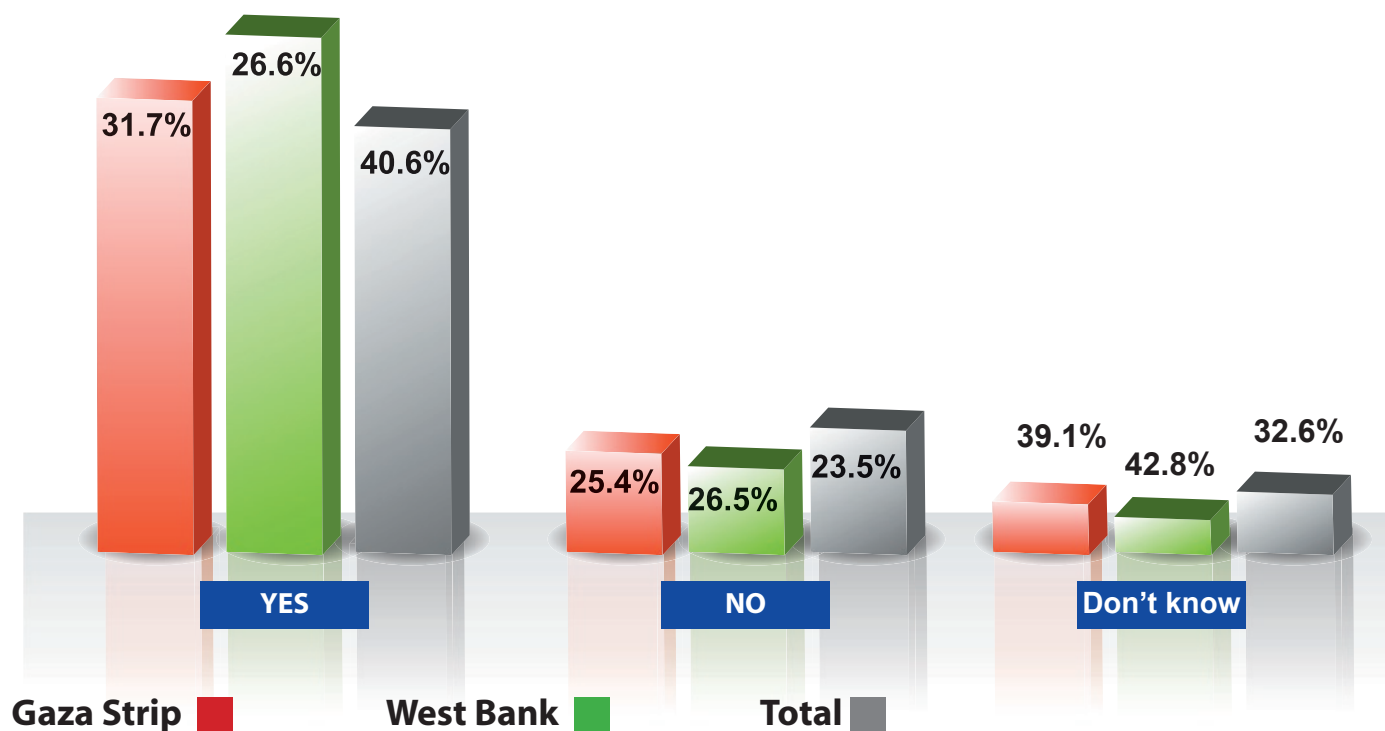
Does Haniyi government provide the public with more information, or less information, about its work and program than the previous government?



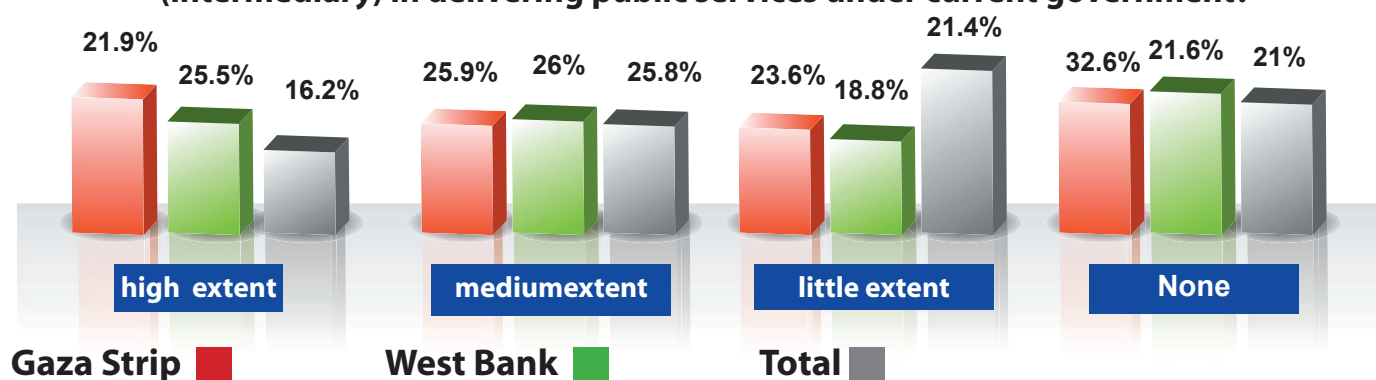
Did the new government formation push the ongoing reform process of the PNA forward, had no contribution, or did not affect it?



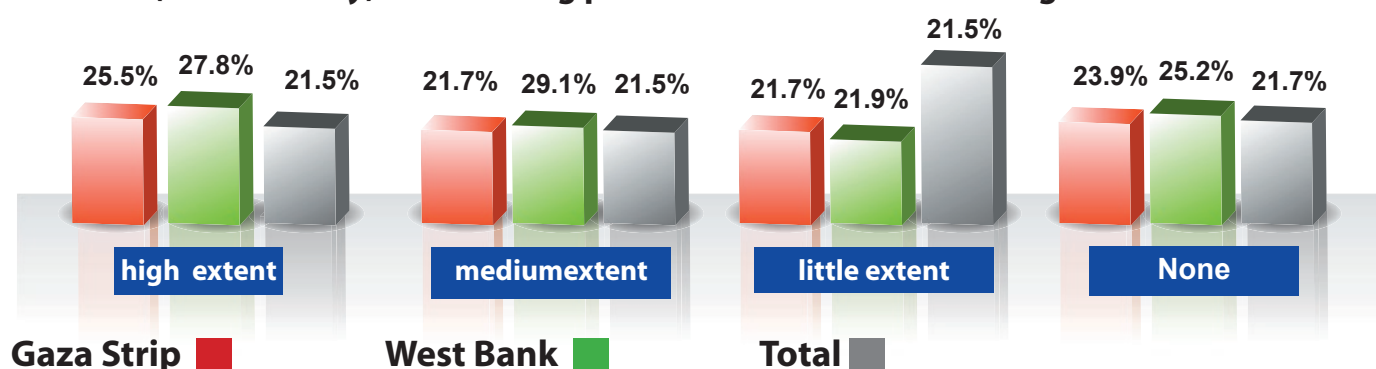
Do you believe the PNA is corrupt?



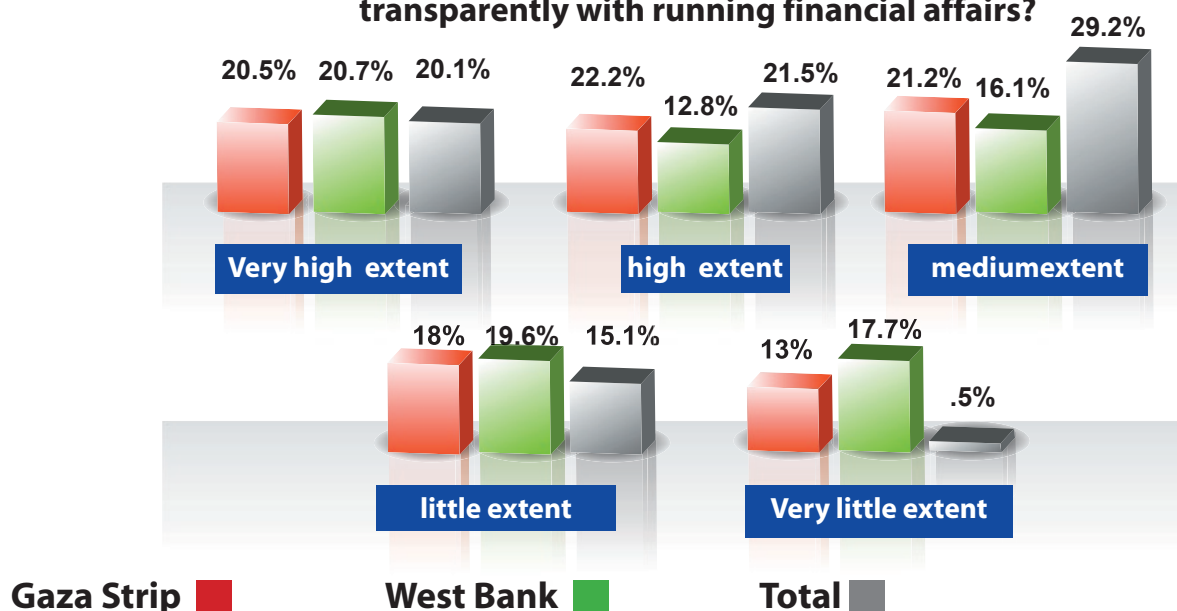
To what extent do you feel there is favoritism or waste (intermediary) in delivering public services under current government?



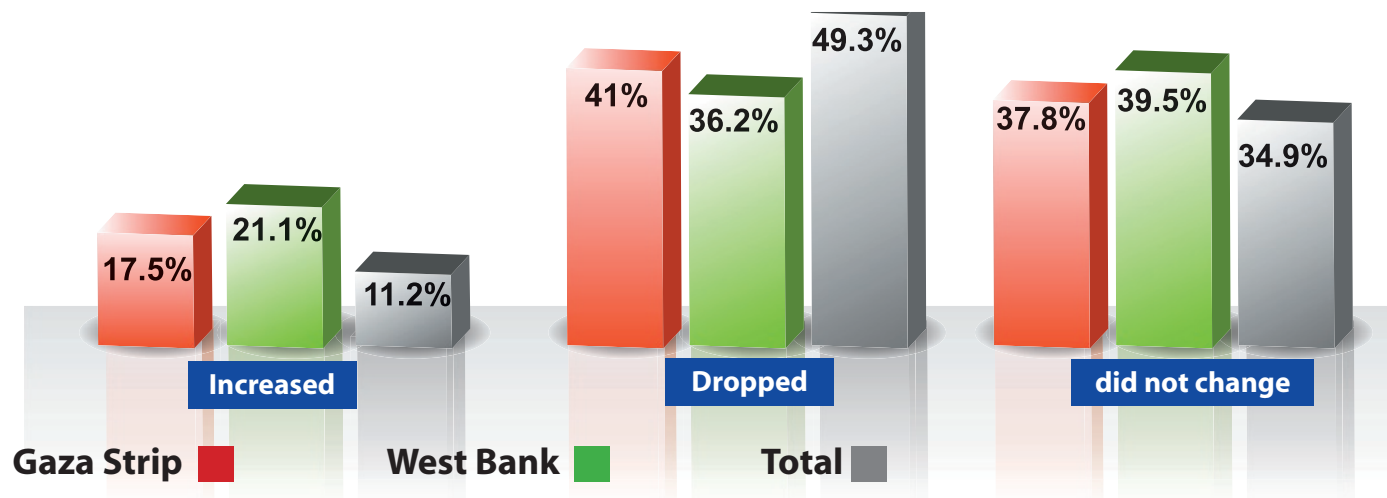
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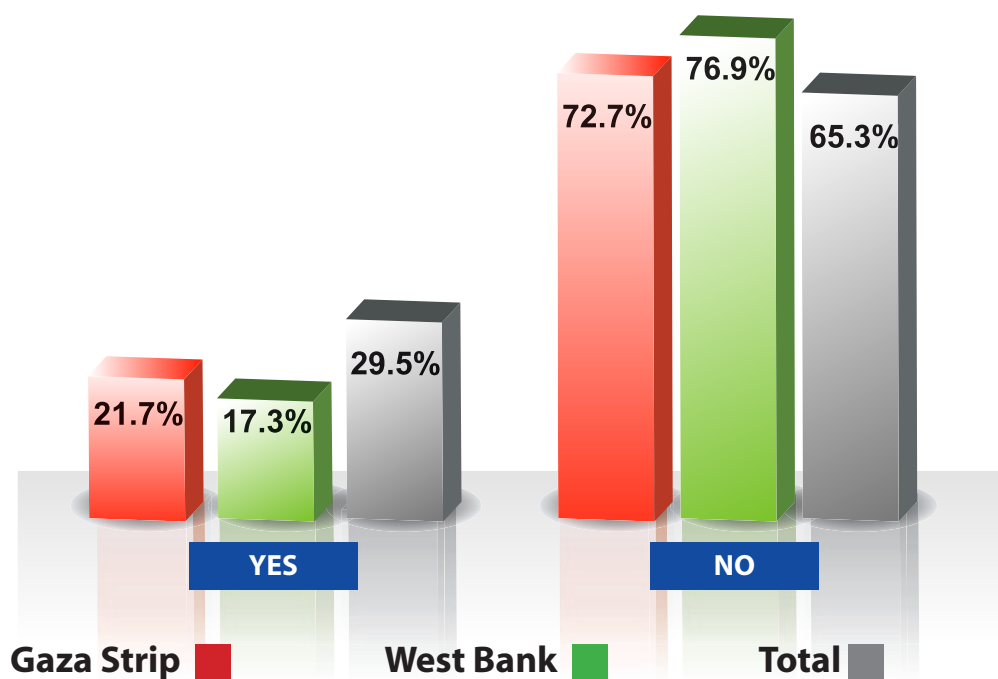
To what extent does the current government deal transparently with running financial affairs?



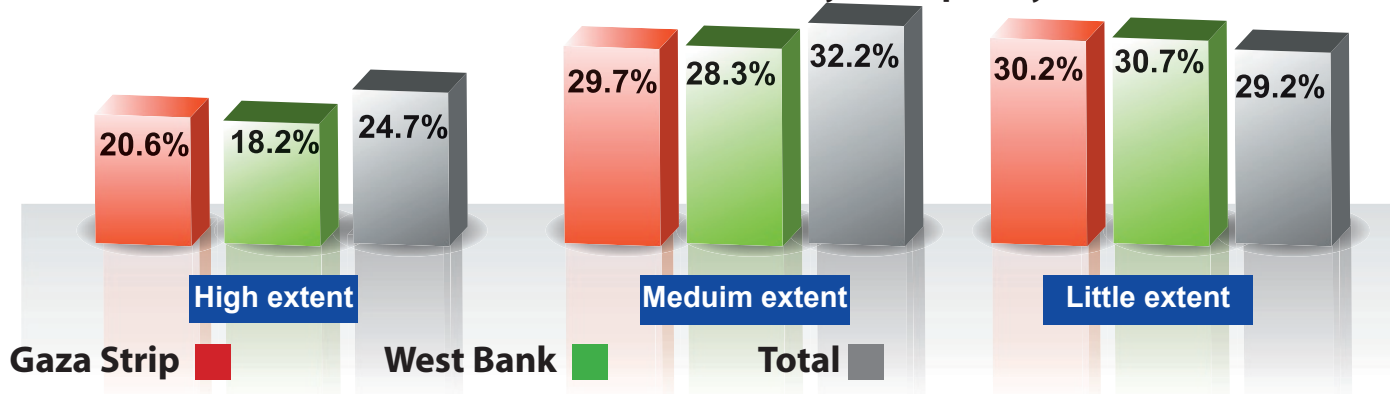
Do you think corruption increased, dropped, or did not change in comparison with previous government?



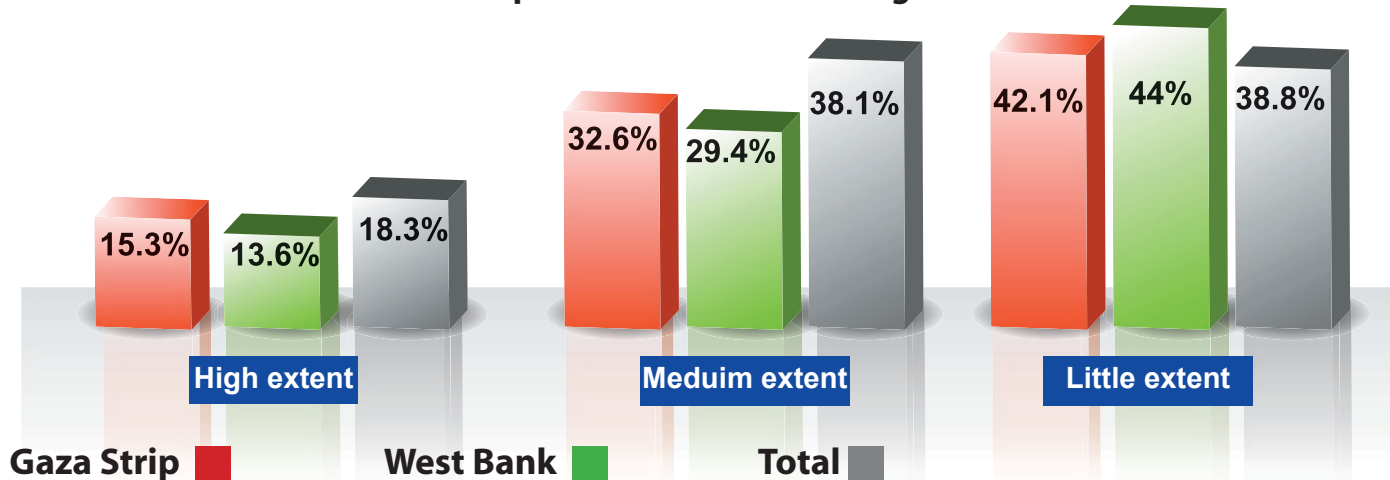
Do you generally feel that you are aware of the government budget?



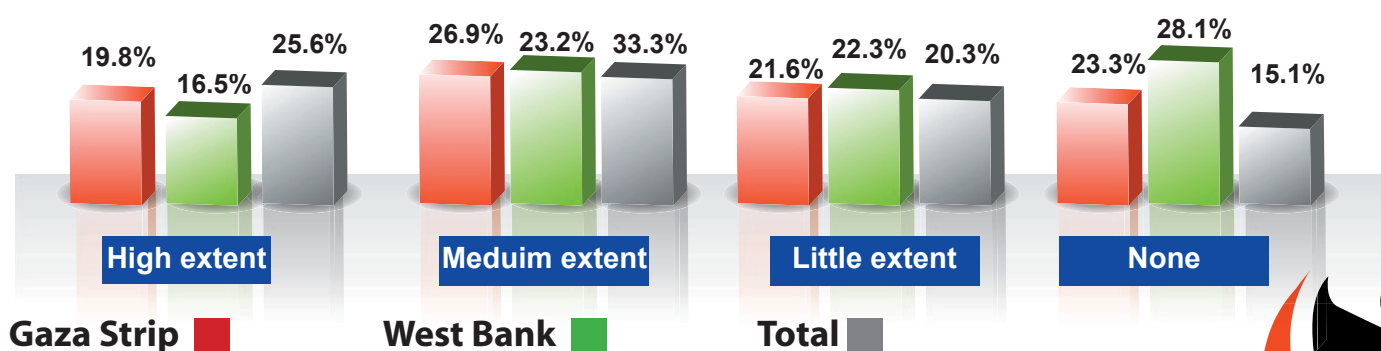
To what extent do you think the government collects taxes and fees from all fairly and squarely?



To what extent do you think the new government circulates its decisions and policies, which enables the public to know what the government does?



To what extent do you think the government monitors the performance of its different institutions?



The referential advisory commission

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 Dr. Iyad Al Bargouthi
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General objective: Contribute to strengthening and supporting good governance in Palestine

Establish supporting environment of incentives for constructive contribution

Areas of function
 Sub-objectives

Areas of function
 Sub-objectives

Contribute debates about good governance and raise awareness about public administration and good governance

Find a state of permanent monitoring of the government performance

Working papers, essays, periodicals, discussions, workshops, electronic bulletins, press releases

Organized monitoring and follow up of:
 - Performance measuring indicators
 - Measuring indicators of good governance

Periodic report

