

Institutional design and process of the Palestinian water sector: Principal stakeholder, their roles, interests and conflicts

Simone Klawitter¹ and Ihab Barghout²

Abstract

Institutional development is an integral part of a development process, which is multidimensional and encompasses social, economic-financial, political, institutional, technological, cultural, and ecological aspects. Water institutions are both the result and the means of such political processes, which inform institutional change and development in relation to water. This is especially true for Palestine, a state under construction, and therewith, under an enormous pressure from many, often rival, political actors.

The paper presents a detailed analysis of the actual institutional setting of the Palestinian water sector based on a comprehensive stakeholder analysis. Drawing from this analysis it is evaluated which specific political processes underpin the existing institutional arrangements, and in particular, which are the specific political processes and actors, as well as their degree of legitimacy, that are crucial for understanding and explaining the identified poor water governance within the Palestinian water sector. Finally the paper draws lessons learned while discussing necessary political processes and conditions to contribute to or hinder a successful development of institutional arrangements.

Abbreviations

GDP	Gross Domestic Product
ICA	Israeli Civil Administration
IDF	Israeli Defence Force
JSC	Joint Service Councils
JSC(PD)	Joint Service Councils for Planning and Development
JSET	Joint Supervision and Enforcement Teams
JWC	Joint Water Committee
JWU	Jerusalem Water Undertaking
LAU	Local Authority Unit
LDF	Local Development Forum

Summary

Roles and responsibilities in the water sector in Palestine are still scattered fragmented and rather unclear what have led to often inefficient management and uncoordinated investments in new infrastructure and capacity building. Although national leadership was and still is demonstrating political will to make progress in developing the water infrastructure of a modern state the performance and capacity of the Palestinian government remains rather weak in terms of harmonised water policy development and

¹ Policy advisor, mail@kwitter-berlin.com, Pestalozzi Strasse 41, 13187 Berlin, Germany

² Economic advisor to the Palestinian Water Authority, Ramallah, pwaiib@palnet.com, PO Box 891, Ramallah, Palestine

implementation. Additionally, political nepotism and corruption are hindering a prospective development process of the water sector.

First attempts to reform the Palestinian water sector were done with the establishment of the Palestinian Water Authority in 1995. PWA, as regulatory body, is formally responsible for monitoring and controlling the managerial, technical and financial performance at the national, regional and local levels. In reality no clear separation between policy formulation, regulation and service delivery functions exists. In addition, coordination mechanisms and mechanisms to ensure proper administration of justice, law enforcement, and accountability are often missing, a situation which is fostered by a delayed state building itself.

There is almost no space given for legitimate opposition by NGOs and individuals to the official national water policy. Many NGOs act as implementation agencies while the relation between PWA and most NGOs must be characterised as rather competitive then cooperative.

Active and efficient donor coordination is of crucial importance since many donor organizations are active within the water sector but has made only little progress in recent years. Willingness and political leadership for donor coordination and related capacities need to be strengthened bolstered by conflict resolution mechanisms to ease conflicts between donor agencies and respective recipients.

The low performance of the Palestinian water sector is strongly influenced by the ongoing political conflict and extremely related to the decision making procedure within the Joint Water Committee which is guided by the unbalance decision power of the committee members, by meaning that any Palestinian development project is assessed, approved or disapproved on the basis of harming Israeli water sector interests.

Keywords

Water governance, institutional design, stakeholder analysis, donor coordination, Palestine

The current structure and main actors of the Palestinian water sector

The organization of the Palestinian water sector theoretically envisages a clear separation between policy formulation, regulation and service delivery functions. The National Water Council (NWC), established by By-Law No.2 (1996) is theoretically the policy making body while the Palestinian Water Authority (PWA) should only act as the regulator.

Municipalities, respectively Village Councils (VC) or Joint Service Councils for Planning and Development (JSCPD) are formally responsible for any service delivery inclusive supplying water to their people either receiving the water from the West Bank Water Department (WBWD) or from their own, private or PWA managed wells.

Some exemptions exist with municipal owned water utilities, such as the Jerusalem Water Undertaking (JWU) which supplies water to Ramallah and Al Bireh and neighbouring villages and the Water Supply and Sewage Authority (WSSA) which is responsible for water supply and sewage collection for Bethlehem, Beit Sahour, Beit Jala, and neighbouring villages.

Figure 1 summarizes the current structure of the water sector and the allocation of roles and responsibilities.

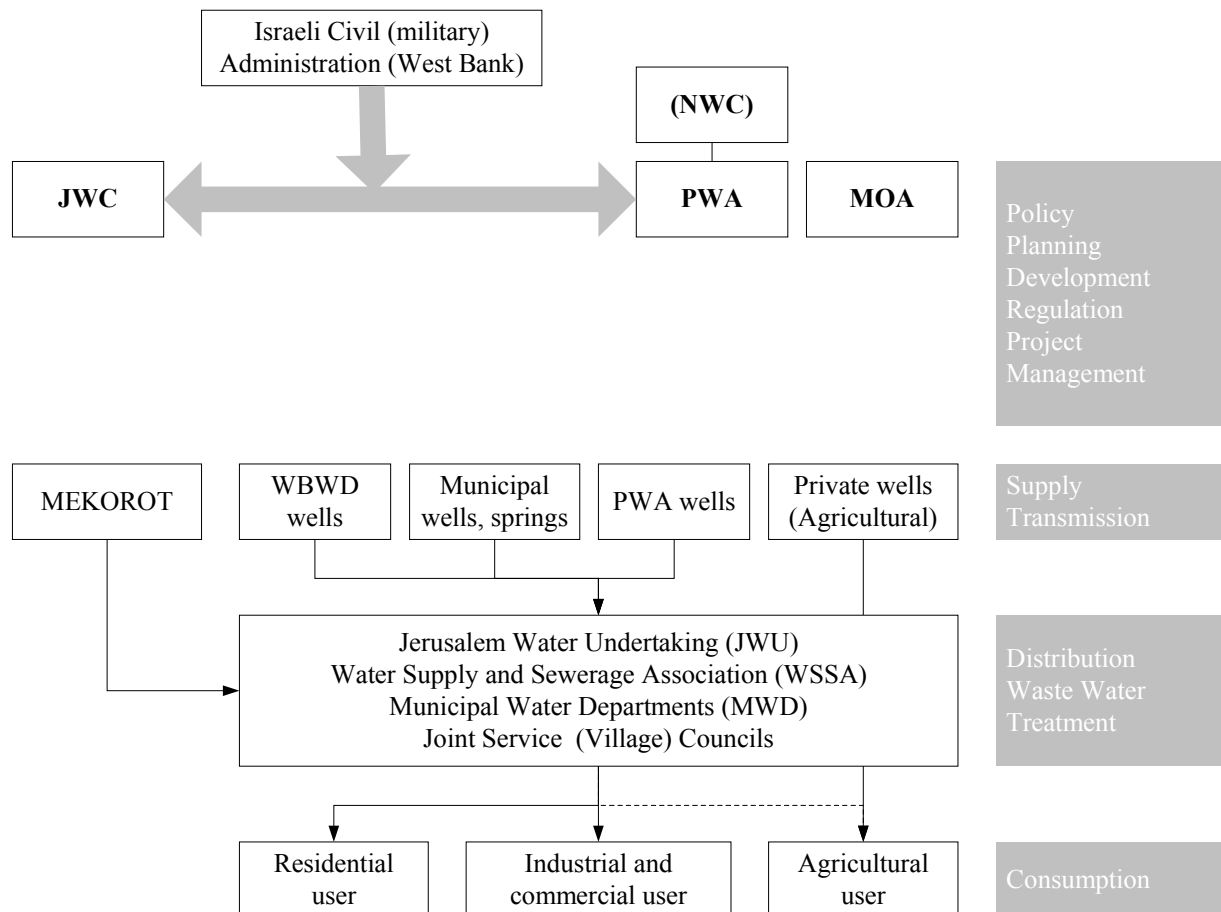
The Palestinian National Water Council

According to Article 14 of the Palestinian Water Law (Law No.3 of 2002) the NWC theoretically consists of 11 members, which are appointed by the PNA. The NWC is chaired by the President of the Palestinian National Authority (PNA) and consist of five ministers, six other members representing government and

non-government organizations and the head of the PWA as the secretary of the NWC. The head of PWA serves as liaison officer between PWA and NWC. (see Box 1)

The NWC has only been constituted in February 2006 after a long and controversial planning process finally forced by increasing pressure of the international donor community and is not functioning yet. All coordination mechanisms with governmental organizations, such as ministries, need to be defined and established. The absence of the NWC hindered and is hindering an effective institutional process. Until now the PWA is regulating and strategizing the Palestinian water sector as well as facilitating projects through its Project Management Unit (PMU). After Hamas came into governmental power the role and political motives of action of the now NWC members are rather unclear. Most of the appointed Hamas ministers, now automatically members of NWC, have only rare general governmental experience what limits their capacity to govern water related issues.

Figure 1: Institutional setting and process within the Palestinian water sector (West Bank)



Source: Authors compilation based on WB, 2004

Palestinian Water Authority (PWA)

The Palestinian Water Authority (PWA) is the central public authority in the water sector established under the Presidential Resolution No. 90 of 1995, acting under the direct responsibility of the President of

Box 1: Responsibilities of the Palestinian Water Council

Reviewing and approving the national water policy;

Reviewing and approving water quotas by means of development and utilization of water resources and their different uses;

Ratifying plans and aimed at organizing the usage of water, preventing wastage, and directing consumption;

Confirming the allocation of funds for investment in the water sector;

Ratifying water pricing and tariff policy;

Approving periodic reports concerning the activities of the PWA and its work;

Examining all central water projects and approving their implementation;

Approving PWA guidelines and confirming international regulations which govern administration and operation;

Confirming the appointment of Board of Directors of regional utilities;

Approving the annual budget of PWA and presenting it to the Council of Ministers to confirm;

Implementing financial regulations prevailing in the PWA;

Any other tasks which are delegate to the NWC according to the provision of the law

Source: PWA, 2005

the Palestinian National Authority (PNA)^{3,4}. PWA's responsibility is to act as the main regulatory body for water resources management and development and infrastructure planning in Palestine.⁵:

PWA has been through a difficult process of establishment and consolidation and at the same time has been and is still involved in needed infrastructure planning and implementation. In recent days the institutional framework is still suffering from significant overlaps in roles and responsibilities, the investment and regulatory frameworks are still works in progress.

Box 2: Objectives of the PWA

Execution of the national water policy as approved by the National Water Council;

Ensuring the most efficient management of available water resources in Palestine;

Ensuring reliable water supply through optimal planning and management of water resources and exploring further resources to ensure balanced management between supply and demand;

Setting of standards and establishment of technical specifications to assure quality control of water works.

Licensing the exploitation of water resources including the construction of water projects.

Consolidation of co-operation between PWA and other relevant parties, especially international donors and NGOs.

Source: WB, 2004, PWA, 2004

³ Presidential Resolution No. (90) of 1995 concerning the establishment of the Palestinian Water Authority (PWA)

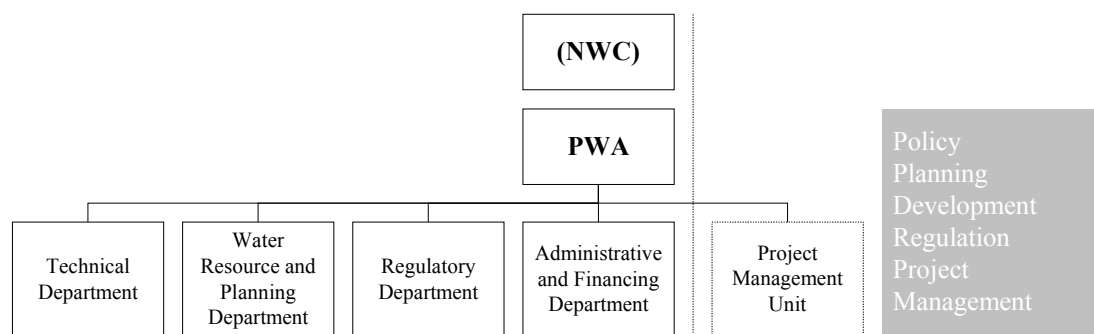
⁴ Resolution No. (66) of 1997 concerning the internal regulations of the Palestinian Water Authority (PWA)

⁵ Law No. 2 of 1996 Concerning the Establishment of the Palestinian Water Authority (PWA)

PWA comprises of four main departments according to Resolution No. 66, 1997 (see Figure 2).

Additionally the work of PWA is strongly influenced by the actual political power disbalance between the Israeli and Palestinian water sector. The Regulatory Department is not fully operational since the issue of licensing, permits and monitoring still lies within the responsibility of the Joint Water Committee (JWC) and needs its approval. Until now the PWA has only limited control over West Bank water resources, especially in Area B and C. In addition every activity regarding new infrastructure needs to be approved by the Civil Administration by judging security relevant measures.

Figure 2: Actual organizational structure of PWA



Source: Authors compilation

The formal institutional role of PWA is still heavily challenged by its informal institutional role; the later increasingly rival to the planned utility based approach. In addition, the enforcement of the formal decision making structure needs to be fostered. Actually many municipalities, esp. the economic wealthier and the municipalities with strong institutions, rarely coordinate their activities with the PWA arguing that they are much more efficient when they coordinate directly with the JWC and donor organizations.

Inter-ministerial coordination of the water sector

PWA is interacting with most of the Palestinian ministries. Figure 3 shows subjects to be coordinated by PWA and related ministries with the different ministries as agreed upon. (PNA, 2000)

Formal coordinating mechanisms among the ministries have not been fully established. Coordination takes place on add-hoc basis based on bilateral institutional relations or people to people basis. Willingness to coordinate is often very low due to a high interest in securing personal mandate and power; the same applies for the willingness to share information and formal results of development projects.

The ministerial work itself and the level of cooperation depend strongly on the actual political situation. The lack of progress in (failure of) the peace process contributes to the low level of governance within the ministries. Corruption and political nepotism are also key factors.

Personal professional capacity of employees is often limited, although the number of staff in most of the ministries is very high. Governance skills need to be further developed while fostering the concept of democracy and representational government.

Local Authority Units

The Ministry of Local Government (MOLG) was established in 1994 by a Presidential Decree with the aiming at developing the “local government systems in accordance with the political aspirations of the Palestinian people and enhancing the development, decentralization, accountability of local government entities, by establishing a system designed to suit the socio-economic and political situation of the Palestinian people”. The Local Authority Units (LAU) which are directly under the supervision of the MOLG are municipalities, Village Councils (VC), Project Committees (PC), Joint Service Committees (JSC), and Micro-Region Planning Committees (MRPC). In addition, following an ongoing reform process the Joint Service Councils for Planning and Development (JSCPD) have been founded. They are, at the local level, formally responsible for conducting all the planning and development of local water services and related financing as well as of meter reading, billing, determining water prices and fees collection.

However, the high level target has not yet been met, since most of the JSC were unable to develop strategic thinking for their members. Many communities were only seeking for service without contributing themselves to the joint institution. In addition JSC(PD) are not eligible to receive direct governmental funding and must cover their costs by charging for the service offered while ability and willingness to pay for water supply service is often very limited..

Water service delivery belongs to the most important tasks of JSC (PD), while the institutional vision of PWA to build up water utilities contradicts this objective.

Institutions related to the occupation status of the Palestinian Territories

West Bank Water Department (WBWD)

The West Bank Water Department is a governmental body which was transferred from the Israeli Civil Administration (ICA) to the PNA in application of Art. 40 of the Oslo II Agreement. It is responsible for operating and maintaining bulk water facilities. The operation of 13 wells, 6 booster stations and 12 reservoirs with a capacity of more than 500 CM are still strongly monitored by MEKOROT, an Israeli state owned water supply utility, which, in large extend is practically performing most operating procedures and maintenance activities that would correspond to WBWD. The general director of WBWD is nominated by PA but appointed by the Israeli Civil Authority.

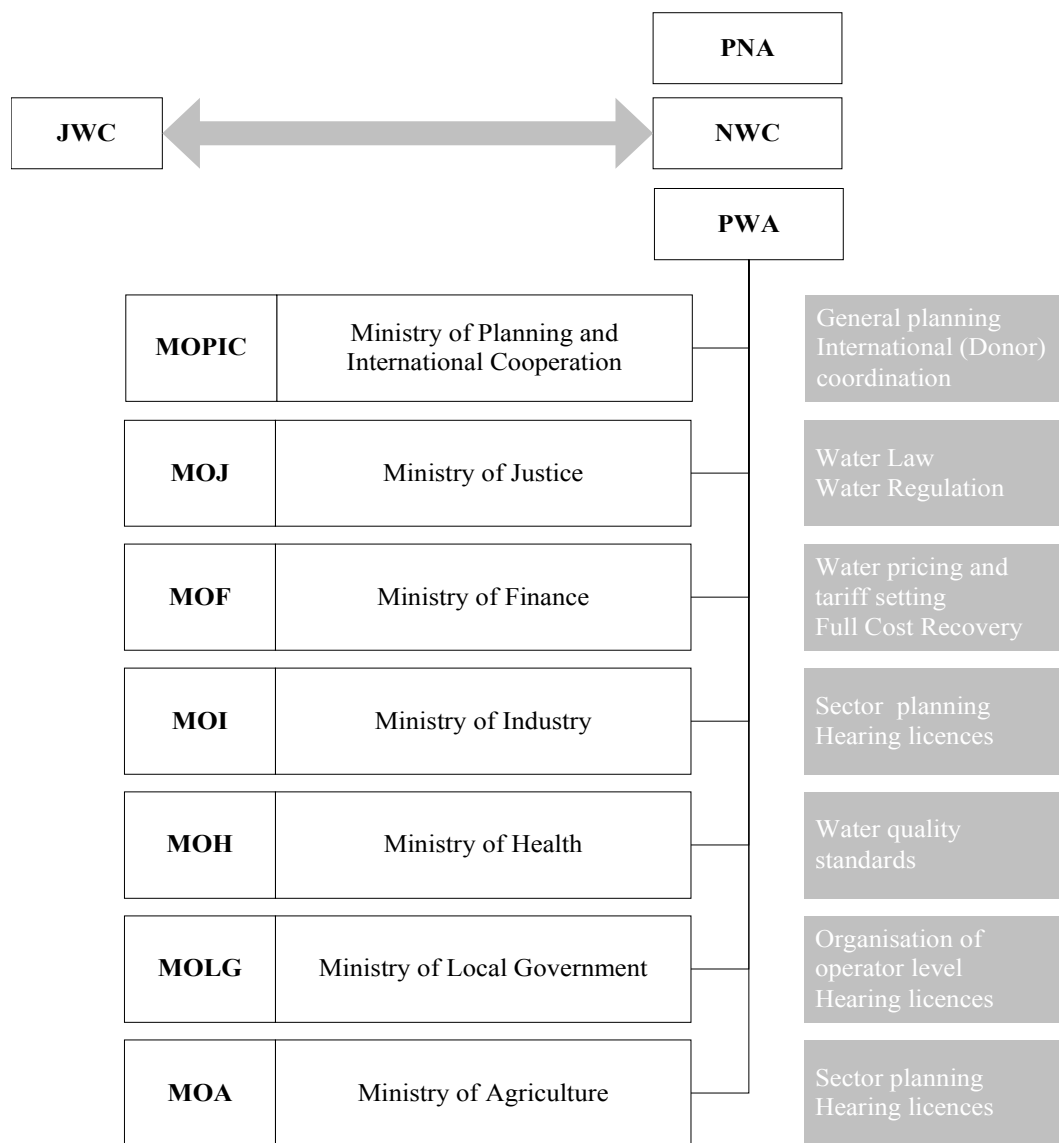
WBWD has no financial autonomy, since all O & M expenditures related to WBWD infrastructure, WBWD wells and payroll of personal hired before June 1996 are paid either by MEKOROT or the ICA, and are charged on a monthly basis from MEKOROT to WBWD. This bill and all other additional costs are paid by PWA on behalf of WBWD. Often the money is directly subtracted from the tax repayment of the Israeli government to the PNA.

The ownership of wells and related infrastructure, operated by WBWD are claimed to be returned to PA in application of the Oslo II accords.

Joint Water Committee

In the Oslo II Agreement Israel and the PLO have agreed on to cooperate in managing the water resources to be equally shared by both parties during the interim period. Following this agreement the Joint Water

Figure 3: Inter-ministerial coordination of the water sector



Source: Authors compilation

Committee (JWC), subcommittees and related Joint Supervision and Enforcement Teams (JSET) have been established⁶:

1. Joint Water Technical Subcommittee
2. Joint Sewage Committee
3. Joint Drilling Committee
4. Joint Price Committee
5. Joint Science Committee

⁶ Interim Agreement on the West Bank and Gaza Strip, Annex III, Appendix 1, Article 40, 28 September 1995, Declaration of Principles on interim Self-government Arrangements, 13 September 1993, 13 September 1993

The committees meet on an ad hoc basis to discuss projects of their field of responsibility and competence. Finally the project needs to be approved by the JWC. The JSETs were formally established to control all illegal activities and infringements made to the provision of Article 40. The JWC is responsible for the comprehensive custodianship of the West Bank's water resources and sanitation system, e.g. environmental protection of resources, developing of new and rehabilitating of existing infrastructure. Formally the JWC is to function as a coordinating body and comprises of an equal number of Israeli and Palestinian representatives. Decisions are to be made by consensus.

Box 3: Tasks of the WBWD

WBWD buys water from MEKOROT and other Israeli water suppliers for a water price set by the Joint Water Committee;

WBWD provides bulk water to Israeli settlements at JWC prices;

WBWD sells bulk water to Palestinian users, billing and collections refers to PWA tariff regulation;

WBWD produces water from PWA wells;

Execution of all related water projects, such as infrastructure extension, reservoirs maintenance, development of new wells;

MEKOROT provides all maintenance services for movable assets to WBWD, such as vehicles

WBWD is responsible for meter reading for Palestinian users, MEKOROT is reading Israeli users (settlements)

Source: PWA, 2002

In reality every decision to be taken by the JWC is guided by the unbalance decision power of the committee members, by meaning that any Palestinian development project is assessed, approved or disapproved on the basis of harming Israeli water sector interests. While with the JWC the Israeli government has direct influence on the use of the water resources of the Mountain Aquifer beneath the West Bank to be shared by Israelis and Palestinians, the Palestinian have no influence on the Israeli water use of the same resource outside of the West Bank.

Since the establishment of JSETs Israel is ensuring that those teams are controlling on a regular basis all activities taking place in areas under Palestinian jurisdiction. A control of activities within Israel and especially within the settlements of the West Bank has not taken place on the same frequency and diligence. Since 2002 JSET are not functioning anymore. Israel is enforcing its regulation policy without consulting by means of the Civil and Military Administration.

Israeli military government and its Civil Administration of Judea and Samaria

In many ways the Oslo II accords merely further institutionalized the regime of Israeli military governance which remained in place for most parts of the West Bank area. In the absence of clear territorial boundaries, the Oslo II accords attempted to make forms of legal status by distinguishing between the responsibilities of the Israeli state and the PNA. At a territorial level, the West Bank was divided into three areas, A, B and C. Most of the large Palestinian towns are located in Area A, most villages in Area B. All other areas, making up most of the West Bank, are being defined as Area C. In Area A the PNA is formally responsible for civil matters, enforcement and policing as well as security. In Area B the PNA was given civil control, while security responsibilities remain with the Israeli military government and therewith the Civil Administration for Judea and Samaria. In Area C, the Israeli military government maintained both security and civil jurisdiction.

Since the beginning of the Israel's military occupation of the West Bank in 1967, land adjoining the lower Jordan river has been declared a "closed military zone" and, thus, for Palestinians, access to the lower Jordan river has been consistently denied.

Although the Oslo accords have collapsed in the violence on the second Intifada, which started in late September 2000, they have left an important legacy in the shape of the institutions that are used to govern the West Bank. The military government enforces its power by Military Orders. The Military Orders that govern the proceedings of the Military Court are not defined as laws, though they function as such and are intended to give a legal veneer over the institutionalized system. The implementation itself depends often on the prevailing political environment.

As quoted in Wolf, 1995, one of the first Israeli Military Orders enacted after the 1967 war was IDF Military Order 92 (15/08/1967) which necessitates permission for any construction of water and waste water infrastructure by the Israeli Civil Administration. Several other IDF Military Orders tackling water issues have been issued: e.g. IDF Military Order 92 (15/08/1997) granting "full authority to the assigned water-resource officer to supervise all issues related to water", while IDF Military Order 58 (19/08/1967) states that "any new unauthorized water institution shall be prohibited to work, and the water-resource officer has the full right to reject granting any authorization without mentioning reasons."

Non-state actors within the Palestinian water sector

International governmental donor organizations

The percentage of expenditures on water and sanitation per person by governmental and non-governmental donor organizations in Palestine is among the highest in the world. Prospects are that Palestine will depend on foreign aid in many years to come: In 2003 the foreign aid paid to the Palestinian economy amounted for approx. 2 Billion US\$, while the total Palestinian GDP accounted for 1.8 Billion. (CIA, 2005). The water sector has been declared to be a priority sector with 10% of all aid paid to the Palestinians being dedicated to water and sanitation projects. (Brynen, 1996, Rouyer, 2000, OCHA, 2005).

Since many donor organisations are active within the Palestinian water sector donor coordination is a precondition for successful outcome. So far the PNA has not actively encouraged donor coordination. A first attempt was done by PWA by establishing a water and waste water project data base as a basic mechanisms and related future routines for donor coordination.

Coordination by the donors themselves is undergoing an indispensable reform process. A last attempt based on the OECD-DAC Paris Declaration on Aid Effectiveness (OECD, 2005) has been done in December 2005 approved by the Ad hoc Liaison Committee. On local level so called strategy groups will be responsible for the coordination of donor activities therewith summarizing the work of the Sector Working Groups and the Reform Support Groups of earlier attempts. Four strategy groups will be responsible for the different sectors. The strategy group for infrastructure development will accordingly co-chaired by USAid and the Ministry of Housing and Public Affairs. The process came on hold after the Hamas came into governmental power while the overall framework for donor engagement became more difficult. (Schlund, 2006)

After the 2006 election of the Palestinian Legislative Council which led to a Hamas guided government many international governmental donor organizations have restricted their funding to either only finalize ongoing infrastructure projects or have totally stopped their formally agreed upon financial contribution.

PWA complains that the low success of some projects is due to the direct cooperation of some donor organizations with municipalities with only limited coordination with the PWA. From PWA perspective municipalities have often only modest capacity to facilitate water infrastructure projects (Barghouti,

2006). In contrary municipalities claim that their activities are more efficient when they coordinate directly with the JWC with the help of the donor organization. (Gosh, 2006)

Box 4: Donor coordination in the West Bank and Gaza

The Local Development Forum (LDF) is open to all donor and aid agencies as well as to the representative of the international NGO network (AIDA). The Ministry of Planning co-chairs the LDF together with Norway, the World Bank and UNSCO. The work of the Sector Working Groups and the Reform Support Groups will be subsumed under four new Strategy Groups (SGs), which deal with the main clusters of economic policy, governance, infrastructure development, and social development & humanitarian issues. These groups are co-chaired as follows: The Governance Group will be co-chaired by the Prime Minister's Office and the EC; The Economic Policy Group would be co-chaired by the Ministry of Finance and the World Bank; The Social Development & Humanitarian Assistance Group would be co-chaired by the Ministry of Social Affairs and Labour and the UN. The Infrastructure Development Group will be co-chaired by the Ministry of Housing and Public Works with the USAID. The SGs focus on practical policy formulation and programmatic coordination, and will pursue greater integration of donor projects with PA priorities as well as a much higher degree of harmonization of donor procedures. Liaison with the Israeli military on issues of project implementation is continued to be handled by the Task Force on Project Implementation, which liaises with the LDF.

Source: AHLC, 2005

Local and international NGOS

Several non-governmental organizations are engaged in the water sector including UN agencies, international and local NGOs. Prior the establishment of the PA and due to the absence of central water organizations, NGOs had been playing a significant role in a multitude of areas in the water sector and gained remarkable influence and economic power.

Today, most of the local NGOs are engaged in the highly competitive field of infrastructure development and applied water research. No formal coordination mechanisms exist in order to avoid duplication and make better use of funds available to the sector. PWA is claiming with only limited success that any NGO activity needs its approval before starting, a claim that contradicts the definition and purpose of any NGO. Within the Palestinian water sector there is almost no room given for non-governmental opposition while the relationship between PWA and NGOs working in the water sector is often more competitive than cooperative. There is still a duplication of work and ongoing power struggle over political support and international funding. Nepotism and corruption on both sites hinder coordination and cooperation between governmental institutions and NGOs working in the water sector.

The reform process

Contemporary Palestine is in a difficult process of state building and continues to be affected by institutional fragility. After Hamas gained governmental power the overall fragility of the PNA resembles most a fragility scenario of (enduring) deterioration where formerly established basic state functions are slowly deteriorating. As it is typical for many developing countries in such situations relative authoritarian tendencies and high levels of corruption and political nepotisms occur. Although national leadership was and still is demonstrating political will to make progress in developing the water infrastructure the performance and capacity of the Palestinian government remain rather weak in terms of harmonised water policy development and implementation. Bearing in mind that a rather stable national government and related institutions are a precondition for good water governance, it must be stated that the overall framework conditions for positive change are rather difficult due to the ongoing Israeli-Palestinian conflict.

Within a comprehensive planning process the principles for the institutional reform within the water sector have been defined as follows (PWA, 2004):

- Regulation of the water sector by only one responsible body (PWA), with the separation of the institutional responsibility for policy and regulatory functions from those of service delivery;
- Establishment of three regional water utilities in the West Bank and one in Gaza
- Private sector participation in funding and implementation of water projects.

Programmed by PWA and subsidized by mainly a German donor organization four Regional Water Supply Utilities are planned to be created to deliver water to the different end users. The supply area is fractionized geographically;

- Northern Utility (Nablus, Jenin, Tulkarem, Qalqilia, Salfit and Tubas Governorates),
- Central Utility (Jerusalem, Ramallah and Al-Bireh and Jericho Governorates)
- Southern Utility (Hebron and Bethlehem Governorates)
- Coastal Utility (Gaza Strip Governorates)

Within the new institutional framework an autonomous Palestinian Bulk Water Supply Utility is planned to be set up which will be responsible for the management of all trans-regional bulk water supply systems and activities, such as:

- Operation and maintenance of all existing transmission lines, currently operated by WBWD, providing bulk water supply to Palestinian communities,
- Water project management and operation, currently developed by the Palestinian Water Authority;
- Development and management of alternative water resources, envisaged in the National Water Plan (NWP), such as
- Desalinated water, treated waste water with different quality levels, brackish water

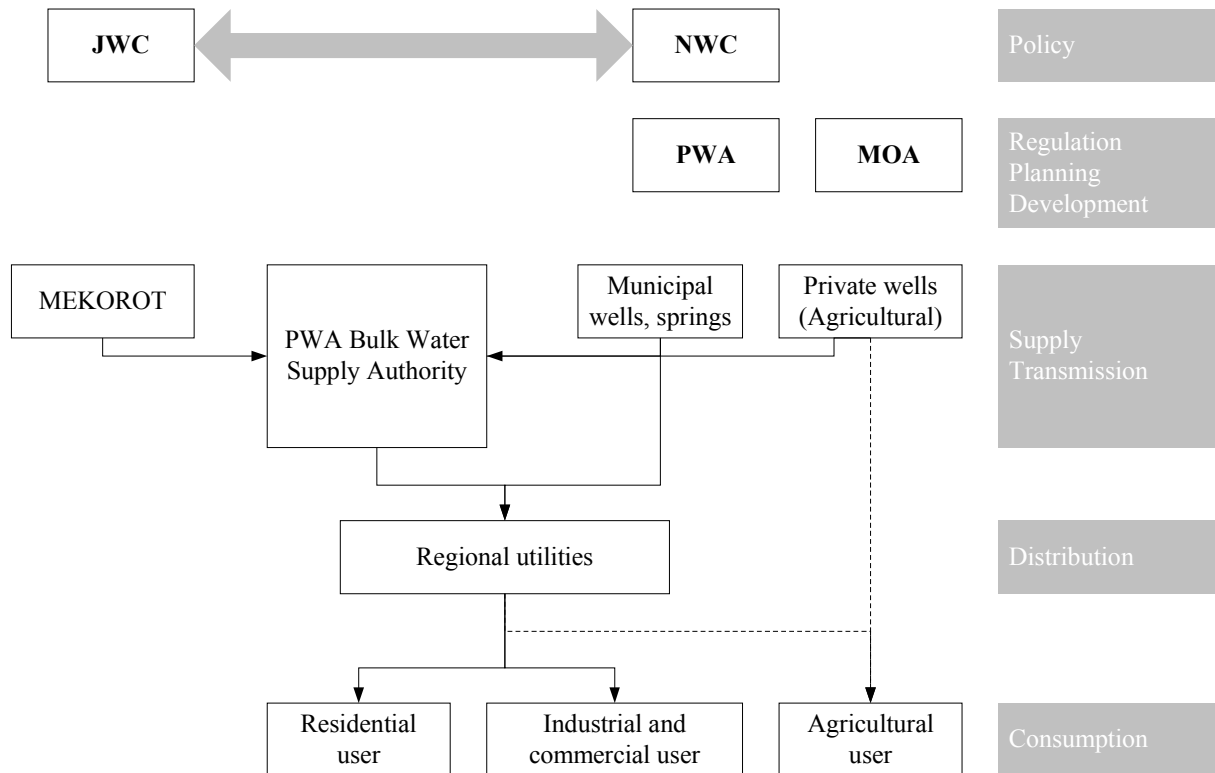
The Bulk Water Supply Utility would be licensed by PWA to operate water production facilities, purchase portable water from national and international suppliers, convey the water to local municipal and industrial water distribution systems; the operation, maintenance and management of those local water distribution facilities will be progressively taken over by the four planned Regional Water Supply Utilities as requested by the water law.

As an outcome of the Oslo II process a first attempt to reform the Palestinian water sector was done with the establishment of the PWA already in 1995 as a regulatory body which main responsibility is to monitor and control the managerial, technical and financial performance at the national, regional and local levels. In reality, as outlined above, the PWA is extremely involved in concrete infrastructure planning and implementation. Recently the institution has been restructured by creating separate management (Project Management Unit) and regulatory departments. Necessary institutional structures to completely separate both roles are still under construction. Since NWC, as main policy actor, and other actors to overtake the development function are not in place yet, further capacity building is needed in order not to create an institutional vacuum for those development functions.

Not only the daily work but also the envisioned reform process is strongly influenced by the actual political power disbalance between the Israeli and Palestinian in the JWC and the overall political development in the region. Any reform process with a view to long term sustainability requires political pressure from higher political level of the respective donor country. Donor organizations as well as other third parties can play a mutual role in facilitating communication and coordination of activities in conflicting situations, especially within a misbalanced power relation of the conflicting parties.

Since the outbreak of the Intifada in September 2000, the reform process has suffered a major setback due to the dramatic deterioration of the Palestinian governmental system and economic situation. The spiralling violence, destruction, restriction on movement and growing poverty have forced people focus their capacity on income securing; long term legal or institutional plans and reforms are often not in the focus (anymore).

Figure 4 shows the proposed future structure and regulation of the Palestinian water sector.



Source: Authors compilation based on WB, 2004

Lessons learned

The lessons learned while analysing the Palestinian water sector can be summarised as follows:

Strengthen the institutional reform process while establishing mechanisms to ensure proper administration of justice, law enforcement, and accountability

The NWC has only been constituted in February 2006 after a long and controversial planning process finally forced by increasing pressure of the international donor community and is not functioning yet. The delayed evolution of the NWC is one of the many examples of fragility of what is supposed to become a Palestinian state, a fragility which derives on one hand from decay in state structures with the beginning of the second Intifada but also from a historically caused delayed state building process deriving from the complexity of the Israeli-Palestinian conflict. All coordination mechanisms with governmental organizations, such as ministries, need to be defined and established. There is still a strong need for establishing mechanisms to ensure proper administration of justice, law enforcement, and accountability.

Strengthen good water governance while focusing on state building

Good water governance refers to a range of political, social, economic and administrative systems that must be in place to regulate the development and management of water resources and provision of water services at different levels of society. The process to build related institutional settings is strongly affected by the difficult process of state building within the Palestinian Territories and its institutional fragility which affects all state sectors not only the water sector. The ongoing occupation hinders the development of effective water institutions as one of the most important prerequisites to fulfil the basic water needs. In addition the deteriorating condition of the national governmental system contributes to poor water governance. A stable government is a precondition for good water governance. Water sector related basic state functions were built up carefully with the Oslo II process but are deteriorating again with the beginning of the second Intifada and its consequences.

In addition corruption and political nepotism are also key factors. National leadership demonstrating the political will to support the reform process of the water sector needs to be further developed and fostered. Precondition is a performance in state building and capacity development of the governmental system itself which still remains rather weak in terms of policy development, implementation, and law enforcement. Those changes must be initiated within the social adaptive capacity of the Palestinian society.

Build institutional and personnel capacity

Capacity building is needed to meet the challenges of the reform process. A very important factor which will need specific attention is the motivation and dedication of the staff or team acting with the common goal of enabling PWA to resolve important water resource challenges facing Palestine. The latter is highly dependent on the attitude and capability of the leaders and their ability to identify relevant tasks and appropriate training and career opportunities for PWA staff.

Personal professional capacity of employees is often limited, although the number of staff in most of the institutions is very high. Governance skills need to be further developed while fostering the concept of democracy and representational government.

Ensure ownership of resource use, infrastructure and decision making process

The ownership of the wells and related infrastructure recently operated by WBWD should immediately be returned to PA in application of the Oslo II accords and neatly separated from the Israeli water infrastructure system. Precondition must be an appropriate institutional setting, as legitimately claimed by Israeli governmental officials. PWA, even with its actual mixed institutional framework, must develop the needed capacity to overtake the tasks done by WBWD based on their recent experiences managing wells which formerly has been within the ownership of WBWD. In the future the Bulk Water Supply Utility, once set up, must be responsible for those wells and infrastructure.

Since every decision to be taken by the JWC is guided by the unbalanced decision power of the committee members methods and means needs to be defined to overcome this obstacle to joint decision making. In addition, the decision making power of the Israeli military government within the West Bank limits the governmental competence of the PWA. Full decision autonomy needs to be granted to all PNA related institutions including PNA itself.

Improve coordination of state- and locally acting non-state actors of the water sector and enable legitimate opposition by NGOs

Many local and international NGOs are active within the Palestinian water sector. Coordination of activities and open excess and exchange of information is often still reluctant. An obligatory reporting and coordination procedure still needs to be implemented

The relationship between PWA and NGO working in the water sector is often more competitive than cooperative. There is still a duplication of work and ongoing power struggle over political support and international funding. Nepotism and corruption on both sides hinder coordination and cooperation between governmental institutions and NGOs working in the water sector.

Most important, there is almost no space given for legitimate opposition by NGOs and individuals to the official national water policy.

Initiate and formalize participation of local communities and water users on large scale

Community based water user organizations have so far only a limited local presence within the Palestinian water sector. Efforts to create such organizations are rarely done yet and are hindered by the highly centralized water sector management approach on one hand and constraint by a lack of personal and financial capacity for initiating such a process at community level. Many donor organizations still focus their initiative on infrastructure investment and capacity development on national level rather than on community or local level albeit scattered attempts have been done by some donors to shift their activities from a project based approach to a program based approach while also analysing the needs of communities within a participative process.

Nonetheless, community based water user institutions on a wider geographically scale within Palestinian Territories can rarely be found and need yet to be installed. The same accounts for formalized stakeholder participation in decision making.

Improve donor coordination, willingness to exchange of information and donor policy caused discrimination

All international development agencies are hesitating to implement costly infrastructure projects due to the additional high implementation costs caused by the Israeli occupation but also by the low institutional commitment within the Palestinian water sector. There is a growing disillusionment from international development agencies regarding their work.

Active and efficient donor coordination is of crucial importance but has made only little progress in recent years. Alignment and harmonisation of aid in the water sector remains a difficult task. The envisaged Strategy Group for Infrastructure Development is not in place yet. All donors must become more accountable to aid recipients (even in deteriorating political situations) More leadership by recipients in the aid relationship itself could promote better country ownership and would therewith increase aid efficiency. The level of corruption needs to be decreased.

Willingness and political leadership for donor coordination and related capacities needs to be strengthened bolstered by conflict resolution mechanisms to ease conflicts between donor agencies and respective recipients.

Efficiency of aid with a view to long term sustainability of projects especially in the water sector require political pressure from higher political level of the respective donor country.

Donor agencies must develop methods and means to adapt to fragile governance structures at national and water sector related level as well as to aid delivery in situations of military presence within the Palestinian Territories. Short term aid service delivery in times of emergency is as equal important as longer term engagement aiming at implementing large infrastructure projects and sector programming. Trade-offs between both services needs to be avoided.

The national water institutions need to increase their support of generation and dissemination of information on aid and donor behaviour at country level, to allow for independent local monitoring of aid and its impact

References

- AHLC (2005), "Reforming Donor Coordination in the West Bank and Gaza", London, Ad hoc Liaison Committee.
- Barghouti, I. (2006), Interview by S. Klawitter, June 22, 2006: "Success and failure of donor activities within the water sector", Ramallah, Ihab Barghouti, PWA, PMU.
- Brynen, R. (1996), "International aid to the West Bank and Gaza - A primer", *Journal of Palestine Studies* 25(2).
- CIA (2005), *The world fact book*, Washington D.C., Central Intelligence Agency.
- Gosh, S. A. (2006), Interview July 19, 2006: "Coordination of Nablus Municipality with PWA" by S. Klawitter. Sanaa, Suleiman Abu Gosh, waste water manager Nablus municipality.
- OCHA (2005), *Occupied Palestinian Territory 2006: Consolidated Appeals Process*, Geneva, Office for the coordination of humanitarian affairs.
- OECD (2005), "Paris declaration on aid effectiveness: Ownership, harmonisation, alignment, results and mutual accountability", Paris, Organisation for Economic Co-operation and Development
- PNA (2000), *National Water Plan*, Ramallah, Palestinian National Authority, Palestinian Water Authority.
- PWA (2002), "Improvement of the Bulk Water Supply Management in the West Bank- Institutional Evolution and Action Plan Report", Ramallah, Palestine, Palestinian Water Authority, SOGREA Consultants.
- PWA (2004), "PWA Background information and water resource management strategy", Ramallah, Palestinian Water Authority.
- PWA (2005), "National Water Council (Executive Summary)", Ramallah, Palestinian Water Authority, National Water Council Affairs Unit.
- Rouyer, A. R. (2000), *Turning water into politics: The water issue in the Palestinian-Israeli conflict*, London, Palgrave Macmillan.
- Schlund, M. (2006), Interview February 21 and June 26, 2006: "Donor coordination within the West Bank" by S. Klawitter. Ramallah, Mathias Schlund, head of KfW office Ramallah.
- WB (2004), "West Bank and Gaza: Infrastructure assessment", Washington D.C., The World Bank, Finance, private sector and infrastructure group, Middle East & North Africa.
- Wolf, A. T. (1995), *Hydropolitics along the Jordan River: Scarce Water and its Impact on the Arab-Israeli Conflict*, Tokyo, New York, Paris, United Nations University Press.