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A PARTICIPATORY LOCAL ECONOMIC DEVELOPMENT APPROACH FOR LOCAL PALESTINIAN COMMUNITIES

مدخل تشاركي للتنمية الاقتصادية في المحليات الفلسطينية

BY

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بسم الله الرحمن الرحيم

قال الله تعالى على لسان نبيه شعيب عليه السلام:

﴿قَالَ يَا قَوْمِ أَرَأَيْتُمْ إِن كُنتُ عَلَىَ بَيِّنَةٍ مِّن رَّبِّي وَرَزَقَنِي مِنْهُ رِزْقًا حَسَنًا وَمَا أُرِيدُ أَنْ أُخَالِفَكُمْ إِلَى مَا أَنْهَاكُمْ عَنْهُ إِنْ أُرِيدُ إِلاَّ الإِصْلاَحَ مَا اسْتَطَعْتُ وَمَا تَوْفِيقِي إِلاَّ بِاللّهِ عَلَيْهِ تَوَكَّلْتُ وَإِلَيْهِ أُنِيبُ﴾

هود 88

﴿﴿قَالَتْ إِحْدَاهُمَا يَا أَبَتِ اسْتَأْجِرْهُ إِنَّ خَيْرَ مَنِ اسْتَأْجَرْتَ الْقَوِيُّ الْأَمِينُ﴾﴾

القصص 26

Dedication

To the precious spirit of my father,

My mother and to my family,

I dedicate this work

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Adel Harb Al Jazzar

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List of Abbreviations

ADP	Area Development Program
AHP	Analytic Hierarchy Process
ANP	Analytic Network Process
CBO	Community-Based Organizations
CHF	Community Humanitarian Fund
CIDA	Canadian International Development Agency
DANIDA	Danish International Development Agency
DSS	Decision Support System
EGAT	The Economic Growth, Agriculture, and Trade
FCM	Federation of Canadian Municipalities
GDP	Gross Domestic Product
GEF	Global Environmental Facility Program
HUD	Housing and Urban Development
IRD	Integrated Rural Development
KFW	Kreditanstalt fur Wiederaufbal
LED	Local Economic Development
LGU	Local Government Unit
LGC	Local Government Commission
LINDO	Linear Interactive Discrete Optimizer
LIPS	Local Initiatives Prioritization System
LISF	Local Initiative Support Fund
LRDP	Local Rural Development Program
MCDA	Multiple Criteria Decision Analysis
MCDM	Multiple Criteria Decision Management
MOI	Ministry of Interior
NGO	Non-Governmental Organization
NHC	Neighborhood Committee
OED	The Office of Economic Development
PAPP	Program of Assistance to Palestinian People
PCBS	Palestinian Central Bureau of Statistics
PCU	Palestinian Contractors Union
PMMP	Palestinian Municipal Management Project
PNA	Palestinian National Authority

SGP	Small Grants Program
SME	Small and Medium Sized Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
UNDP	United Nations Development Program
UNRWA	United Nations Relief and Works Agency for Palestine Refugees
WB	World Bank
WBG	West Bank & Gaza Strip

Abstract

Palestinian communities pass crucial conditions which increase the needs of organizing the efforts of the different stakeholders influencing the local economic development process, mainly proper projects prioritization to reduce the poverty. Local economic development (LED) offers local and national governments, the private sector, the not-for-profit sectors and the local community the opportunity to work together to improve their economy. It focuses on both enhancing competitiveness, and increasing growth mainly through job creation.

The idea of this thesis was evolved from the experience of the researcher in the trials of supporting the local economy in Rafah and Khan Younis through implementing local community- based projects, where long occupation and lack of resources make it vital. This research assesses the current local economy development process in local communities in Gaza Strip focusing on Rafah region. It involves the local community groups in the process and evaluates the level of their influence. The researcher collected the data to analyze the local economy strengths and weaknesses and explored the high support of the stakeholders of establishing a coordination unit to facilitate the process under the leadership of local authority and using a computerized model in initiatives prioritization. The unit will organize the efforts and facilitate agreement on the basis of the selection criteria to ensure an open process and fair projects distribution to meet the region needs.

Based on studying the currently ongoing donation programs in Gaza Strip, field survey and international similar experience, the researcher suggested a local initiatives prioritization system (LIPS). It assures the involvement of stakeholders, better benefitting from projects' ideas (initiatives) presented by locals, and optimizing the use of limited resources by selecting the most promising projects.

To assist the partners, a computer model was developed to let members of coordination unit feed their individual perspectives of projects compatibility with the selection criteria. Members will feed the model independently and participate in a collective computerized decision making process taking into consideration the uncertainties level reflecting the prevailing situation.

ملخص البحث

تمر المجتمعات الفلسطينية بظروف غاية في الصعوبة تجعل من الضروري تنظيم عمل المؤسسات التي تساهم في جهود تطوير الاقتصاد المحلي، وبشكل أساسي الاختيار الأمثل للمشاريع لمكافحة الفقر. إن تطوير الاقتصاد المحلي يساهم في توفير الفرصة لكل من السلطة المحلية والمركزية و القطاع الخاص والمنظمات غير الربحية و المجتمع المحلي للعمل معا لتطوير مجتمعهم.

تطورت فكرة البحث من تجربة الباحث في محاولات دعم الاقتصاد المحلي في رفح وخان يونس من خلال تنفيذ مشاريع محلية حيث الحاجة ماسة بسبب نقص الموارد بعد طول احتلال. يساهم البحث في تقويم العملية الجارية لتطوير الاقتصاد المحلي في قطاع غزة بالتركيز على منطقة رفح. وإشراك المؤسسات المحلية في العملية والتعرف على مدى تأثير كل منها. لقد قام الباحث بجمع المعلومات و تحليل نقاط القوة والضعف في الاقتصاد المحلي واكتشف دعم الشركاء القوي لانشاء وحدة تنسيق لتسهيل العملية تعمل بالتعاون الوثيق مع السلطة المحلية مستعملة برنامج حاسوب لتحديد أولويات المشاريع. وتنظم الوحدة الجهود وتسهل الاتفاق على تحديد معايير اختيار بما يضمن عملية اختيار نزيهة وعادلة لمشاريع تلبي احتياجات المنطقة.

وبناء على دراسة برامج الجهات المانحة العاملة في قطاع غزة، والمسح الميداني والخبرات العالمية المشابهة، اقترح الباحث نظاما لاختيار المبادرات وأفكار المشاريع المحلية. ويتيح هذا النظام مشاركة الأطراف ذوي العلاقة والاستفادة الفضلى من جميع الأفكار المقدمة من المجتمع المحلي لتحقيق الاستعمال الأمثل للموارد المحلية المحدودة باختيار المشاريع الواعدة.

ولمساعدة الشركاء، تم تطوير برنامج حاسوب ليمكن أعضاء لجنة التنسيق من إدخال كل لحكمه على مدى مطابقة المشاريع لمعايير الاختيار. يقوم الأعضاء بتزويد البرنامج بتلك الاحكام باستقلالية ومن ثم المشاركة في عملية اتخاذ قرار جماعي محوسب اخذين في الاعتبار مستوى احتمالية يعكس الحالة السائدة.

Chapter (1)
Introduction

1.1 General

Local Economic Development (LED) has become one of the key development interventions. LED focuses on the specific economic challenges which manifest themselves in unique localities. From the standpoint of LED, there is a strong reliance on local resources, leaders and institutions to respond to locally-based economic crises and opportunities. LED has been recognized as a critical approach to pursue, within the context of empowered local authorities and pro-active actions by local citizens.

Successful local economic development depends on the collective efforts of LED stakeholders. Formal and informal structures and processes should be established to ensure all stakeholders are involved and planning process is well managed. Stakeholders are individuals, firms and/or public organizations like municipalities, private and not-for-profit sectors that have an interest in and ability to contribute in developing and operating a strategy. Different stakeholders have important roles in the process and vary in the ability to participate.

Palestinian municipalities have always played a role in local economic development. Municipalities employ people from local area, purchase goods and services, develop infrastructure and regulate the development of land and donors' grants directed to local community. These activities have significant impact on the local economy.

1.2 The Problem Statement

The Palestinian society has its unique composition of refugees and citizens. They are fully integrated in the fabric of the community. Refugees' camps' committees, neighborhood committees and non-governmental organizations (NGOs) serve as the information and needs identification links with Local Government Units (LGU).

Years of neglect and deterioration in the Palestinian community left the society beset with many constraints and challenges. Lack of financial resources, high level of poverty, poor information network, lack of infrastructure, weak and unclear institutional structure, high degree of centralization are but some of the reasons to increase the importance of finding a

competitive and effective methodology of maximizing the benefit of limited resources and involve all partners in the process to develop the local economy which can be achieved by:

- creating a direct link between the community and municipal officials in an environment of trust and credibility;
- encouraging the development of broad perspectives in community planning and interaction among municipality and community;
- facilitating the selection of community projects that complement regional objectives and directions;
- maximizing the utilization of limited resources;
- establishing a coordination unit whereby common initiatives and projects can be encouraged, agreed, selected, and implemented jointly by various stakeholders;
- promoting understanding and knowledge exchange between the local stakeholders and
- promoting decision making based on collective benefits rather than individual interest.

1.3 Research aim and objectives

The main aim of this study is to assess the local economy and the methods of its development as practiced by local partners and to develop a strategy and a model for assisting the stakeholders in achieving a sustainable development.

This aim can be achieved through the following objectives:

1- Assessing the local economy and the basic roles of main stakeholders to provide the foundation for successful development of a LED strategy.
2- Establishing a participatory local unit to coordinate the efforts and implement the strategy.
3- Developing a local economic development system.
4- Developing a model/manual to be used as a tool by the coordination unit.
5- Model evaluation.

1.4 Research methodology

The objectives of the research have been achieved by conducting the following steps:

1.4.1 Literature review

Relevant documents, papers, reports, experiences and practices are reviewed in the fields of local economy development process and needs. Participating players, objectives, elements

and principles of LED were explored. In order to achieve LED through projects and programs, efforts need to be organized to overcome the process obstacles and apply efficient projects prioritization models.

1.4.2 Rafah Local economy development assessment

Information about the Palestinian economy which relates to the LED focusing on Gaza Strip is collected. LED information including the population, local groups, and institutions affecting the LED in Rafah were studied.

1.4.3 Consultation meetings, questionnaire design and data collection

A set of meetings and interviews with the active local groups representatives in the field of LED have been conducted. Data was collected through interviews and questionnaires which helped in determining the strengths and weaknesses of the current LED process, active players in LED process and the required elements and strategy for having a successful LED process.

1.4.4 Data analysis and findings

The collected data was analyzed which gave a clear picture of the importance of having a LED strategy in local communities in Palestine.

1.4.5 Model development and evaluation

Based on the data collected, observations and analysis, a local initiative prioritization system (LIPS) was suggested to organize the LED process utilizing a developed computerized model to facilitate the work of the coordination unit in projects' selection in easy and transparent way. The model was evaluated by presenting it to active and experienced members of local initiatives support fund (LISF) in Palestinian municipalities management project (PMMP) and projects selection in-charge persons in other institutions who provided valuable recommendations.

1.5 Thesis organization

This research consists of seven chapters as follows:

Chapter (1), Introduction; this chapter includes introductory to the research, problem statement, its main aim and objectives, the methodology applied for research and its organization.

Chapter (2), Participatory Approach for Local Economic Development (LED); it summarizes literature review about the LED process in developed and developing countries. It covers LED active players, strategies and steps, needs and tools that may facilitate the LED process.

Chapter (3), Methodology; this chapter describes the methodology adopted for the research data collection, variables, population and sample identification. It includes also questionnaire design, data analysis and development of the computer model as a tool to assist the proposed coordination unit in prioritizing projects.

Chapter (4), Local Economic Assessment in Rafah City; this chapter assess the local economy in Rafah region as a case study by collecting the economy situation relevant data in Palestine, Gaza strip and Rafah. It demonstrates the effective local groups, economy activities and projects allocation practice in Rafah region.

Chapter (5), Local Institutions Contribution in LED process; this chapter analyzes the data that was collected using the questionnaire and interviews. It shows the projects and jobs created by local institutions and their influence on LED. It analyses strengths and weaknesses of current situation with regard of LED. It assesses also the frequency of LED stakeholders' coordination, importance of organizing the efforts, selection criteria and weights, obstacles and challenges to successful LED.

Chapter (6), Local Initiatives Prioritization Software (LIPS); this chapter includes the description of the system, concept and model to be used by the members of the coordination unit. It allows them feeding their individual perspectives and convictions of the probability of particular project applicability to each criterion. Monte Carlo simulation technique is applied to simulate the real life. This leads to a fair prioritization of projects for an informed decision taken at specific uncertainty level reflecting the situation.

Chapter (7), Conclusions and recommendations; this chapter comes out with the observations, findings that are concluded from the research and the recommendations for relevant stakeholders and governmental sectors and recommendations for further research are also included.

Chapter (2)

A Participatory Approach for Local Economic Development (LED)

2.1 Introduction

Local governments all-over the world are concerned with the development of their local areas. The local economy is a critical concern because it affects the quality of life of all local residents (Mufamadi, 2003). LED is a process of strategic planning through partnerships among local government units (LGU), the local community and non-governmental organization (NGOs). Its objectives are to stimulate investments that will promote sustained high growth in a local community. LED focuses on the region's potential and identifies specifically what local stakeholders can and need to do to ensure their local community reaches its potential. In this context LED assesses a community's comparative advantage, identifies new or existing market opportunities for business, and reduces obstacles to business creation and expansion. LED activities should have an impact on the economic viability and entire city and surrounding region not just a particular sector of the local economy (Urban Institute, 2003).

2.2 Local Economic Development (LED) Scope

LED offers the local government, the private sector, the not-for-profit organizations and the local community the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, and thus increasing sustainable growth; and also on ensuring that the growth is inclusive. LED encompasses many local government and private sector functions including planning, infrastructure provision, real estate development and finance. The practice of local economic development can be undertaken at different geographic scales. A local government pursues LED strategies for the benefit of their jurisdiction. However, individual communities and thus individual areas within a local government's jurisdiction can also pursue LED strategies to uplift their own communities. These are most successful if pursued jointly with the local government strategies (Tribal College, 2000).

LED is a thus about communities continually upgrading their investment climates to improve their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways. There is a wide variety of LED initiatives including (Cornell and Joseph, 1990):

a) ensuring that the local investment climate is functional for local businesses,

b) supporting small and medium enterprises (SMEs),

c) encouraging new enterprises,

d) attracting investment from elsewhere (within the country and internationally),

e) investing in physical (hard) infrastructure,

f) investing in soft infrastructure (including human resource development, institutional support systems and regulatory issues),

g) supporting the growth of particular clusters of businesses,

h) targeting particular parts of the city for regeneration or growth (spatial targeting),

i) supporting survivalist (often informal) businesses, and

j) targeting certain disadvantaged groups

2.3 Contribution of Different Players in LED

Local government units, local community groups, private sector and national institutions contribute to the development of local communities in specific ways:

a- Direct spending and employment: players make various purchases that contribute to demand in the local economy in addition to creating many jobs (World Bank Group, 2006).

b- Workforce development: through the partners' instruction, they increase the skills of local workers, which in turn increase the employment and earning opportunities of these workers (Harris, 1997). Generally, community colleges tailor their programs to meet specific local needs, and their curricula tend to change continuously to reflect shifting needs (McNutt, 1995).

c- Business attraction: the development of local human capital leads to increases in local productivity (Nespoli, 1991).

d- Small business and entrepreneurship development: in many communities, local entrepreneurs wanting to start their own small business need help in understanding and surmounting the challenges they face (OERI, 1996).

e- Technology transfer: community groups also can contribute to the development of physical capital by applying their research expertise by demonstrating new technology, serving as information clearing houses on new technologies, or other innovation-related activities (OERI, 1996).

f- Leadership: community groups' leaders play a major role in making a public commitment to economic development, and in creating public awareness of the importance of programs and activities to future (Thomas, 1989).

g- Linkages: community groups act as leaders to open up the lines of communication between public and other groups and their citizens (Caven, 1995).

2.4 The Role of LED in Urbanization

By the year 2025 close to half the poor around the world will live in urban areas. Unprecedented urbanization in the third world requires a sustainable development strategy to improve the quality of urban management and foster an economically competitive environment. Without a city development strategy there will be a decrease in welfare and quality of life for urban inhabitants. However, the high concentration of persons in cities suggests that, with the proper approach to growth, the benefits of development can be more widely dispersed. The World Bank works with the public, private, and non-profit sector to build strong, competitive and dynamic cities (Yatta, 2003).

The LED approach acknowledges autonomy of the local government. Thus, the objective of LED initiatives is to encourage local participation and consensus building in determining economic and social welfare initiatives for the community. While focusing on the local economy and the importance of local ownership of the development process, the strategic LED approach concurrently views development within the context of the governance and civil society on all levels. The LED strategy reflects the view that urban areas can effectively

contribute to the national government through public policies coupled with community action, private sector commitment, accountable local government, and supportive national government. To achieve the goal and guiding vision of sustainable cities, it is to mobilize skills and resources across sectors, thematic groups, and professional clusters. The result is a balanced, integrated, and country-specific strategy for each of the process partners (World Bank Group, 2006).

2.5 A Brief History of LED

Since the 1960's, LED has passed through three broad stages of development. In the literature they are referred to as the three 'waves' of LED. In each of these waves, a better understanding of what works and what doesn't was developed. Today LED is in its 'third wave' as shown in Table 2.1 where it focuses on soft infrastructure investment and enhancement of partners' participation and networking to leverage investments attraction, more tools were utilized to achieve the development. Although LED has moved through each of these waves, elements of each wave are still practiced today.

2.6 Approaching LED from Different Backgrounds

Rarely some people have never done anything else than LED in their life. Local activities and experts are dealing with LED. There are only few places in the world where people can take a course in LED. Now, it is quite obvious that the way LED is approached depends on background and training in (Federal Ministry of Economic Cooperation and Development, 2004):

a) SME development

b) Micro-business development

c) Community development

d) Integrated rural development (IRD)

e) Urban/regional planning

f) Public administration/administrative decentralization

g) Skills development/vocational training

h) Employment promotion

Table 2.1: Waves of Local Economic Development (World Bank Group, 2006)

Three Waves of Local Economic Development		
Wave	**Focus**	**Tools**
First: **1960s to early 1980s**	During the first wave the focus was on the attraction of: • mobile manufacturing investment attracting outside investment, especially the attraction of foreign direct investment • making hard infrastructure investments	To achieve this cities used: • massive grants • subsidized loans usually aimed at inward investing manufacturers • tax breaks • subsidized hard infrastructure investment • expensive "low road" industrial recruitment techniques
Second: **1980s to mid 1990s**	During the second wave the focus moved towards: • the retention and growing of existing local businesses • still with an emphasis on inward investment attraction, but usually this was becoming more targeted to specific sectors or from certain geographic areas	To achieve this cities provided: • direct payments to individual businesses • business incubators/workspace • advice and training for small and medium sized firms • technical support • business start-up support • some hard and soft infrastructure investment
Third : **late 1990s onwards**	The focus then shifted from individual direct firm financial transfers to making the entire business environment more conducive to business. During this third (and current) wave of LED, more focus is placed on: • soft infrastructure investments • public/private partnerships • networking and the leveraging of private sector investments for the public good • highly targeted inward investment attraction to add to the competitive advantages of local areas	To achieve this cities are: • developing a holistic strategy aimed at growing local firms • providing a competitive local business environment • supporting and encouraging networking and collaboration • encouraging the development of business clusters • encouraging workforce development and education • closely targeting inward investment to support cluster growth • developing an attractive business environment • supporting quality of life improvements

2.7 The Concept of Local Economy Assessment

A local economy assessment study is not an end in itself. It is the first phase in a process aiming at decision-making. Its objective is to provide information that is of immediate use to local decision-makers. Acquiring data to understand the position of the local economy is, of course, essential; but even more important is discerning the mechanism and operational thinking behind that economy, and revealing how local economic life might be promoted or

invigorated. The study needs to provide evidence to answer questions such as: Upon what basis might or should municipal officials and local stakeholders negotiate a common strategy to revive the local economy? How and where can or should the local authority play a specific part in ensuring an environment that is favorable to local investors and attracts external ones? What is the most understood and agreed guidelines and criteria for projects selection that have more impact on developing the Local economy? (Bossard, 2001).

LED is a holistic discipline and will usually have close connections with almost all local authority strategies. Since it is a local economic developer's responsibility to enable a competitive business environment, the interactions with other local authority plans should be significant. There should be systems and procedures in place for LED input into all these plans and vice-versa. Importantly, investors should not have to deal with conflicting interests within the local authority.

Successful sustainable cities are able to balance the competing needs of all local strategies. It is important that professionals in local government balance the economic development needs of an area with its environmental and social needs.

Local government plans that should influence, and be influenced by, the local economic development agenda potentially include (World Bank group, 2006):

a- City strategic plan.

b- Planning, zoning, resource management and land use development strategies.

c- Transportation strategies.

d- Leisure and recreation strategies.

e- Housing strategies.

f- Anti-poverty strategies.

g- Education and training strategies.

h- Crime and public safety strategies.

i- Environmental strategies and agenda.

j- Waste disposal and pollution control strategies.

2.8 Principles for successful LED

Rural community empowerment program determined the following principals for successful LED (EZ/EC, www.ezec.gov, 2006):

a- Creation of jobs is the foundation for economic self-sufficiency by employment brokering which means connecting people who need jobs with available job opportunities.

b- Sustainable development can only be successful if job creation and other efforts are integrated into a comprehensive strategy that includes physical and human development.

c- All segments of the community must participate in development efforts and partnerships must be formed with and among the various levels of government.

d- A bold vision for change is necessary to create a strategic plan for revitalization.

e- Sectoral interventions aimed at identifying niches in the local economy that offer access to low and moderate-income people. In other words, it is a focus on supporting those industries and sectors which are most likely to provide job opportunities for poor people.

f- The identification of enterprise that can be established under community control.

Recognizing the importance of this issue, in 1997, the Local Government Commission (LGC) in Canada developed a set of principles specifically focused on economic development. These principles state that no longer financial, natural or human resources are afforded to be wasted. The following common principles should guide an integrated approach by all sectors to promoting economic vitality within their communities, and in partnership with their neighbors in the larger region (Local Government Commission, 2004):

i) Integrated approach: government, business, education, and the community should work together to create a vibrant local economy, through a long-term investment strategy that encourages local enterprises, serves the needs of local residents, workers, and businesses and promotes stable employment.

ii) Poverty reduction: economic development efforts should be targeted to reducing poverty, by promoting jobs that match the skills of existing residents, improving the skills of low-income individuals.

iii) Local Focus: community economic development should focus on promoting local entrepreneurship to build locally-based businesses.

iv) Human investment: human resources are so valuable in the information-nation age; communities should provide lifelong skills and learning opportunities.

v) Corporate responsibility: enterprises should work as civic partners, contributing to the communities and regions where they operate, protecting the natural environment, and providing workers with opportunities.

vi) Distinctive communities: community economic development efforts should help to create and preserve each community's sense of uniqueness, attractiveness, history, and cultural and social diversity, and include public gathering places and a strong local sense of place.

vii) Regional collaboration: communities and the private sector should cooperate to create regional structures.

2.9 LED Stakeholders

Successful private enterprises create wealth, jobs and improve living standards in local communities. Private enterprises however, depend on favorable local business conditions to achieve prosperity. Local governments have an essential role in creating favorable environments for business success and job creation. LED is thus a partnership between local government, business and community interests (World Bank, 2002). Table 2.2 shows the potential stakeholders in LED process. Public, private and community sectors are involved. Stakeholders are individuals, community groups, firms and/or organizations in the public, private and not-for-profit sectors that could be useful strategizing and carrying out LED. The stakeholder management process recognizes that all stakeholders are important and that some will require more attention than others. The benefits of involving stakeholders include (Organizing an LED strategy, 2003):

a- Stakeholders bring specialist knowledge and different perspectives making the planning process more robust.

b- They bring professional, financial and physical resources to the table.

c- They legitimize the process by being involved.

d- They forestall problems by being engaged in the process.

e- Business partners are likely to know much more than local government representatives about the true state of the competitive position of the community.

f- By involving higher tiers of government, strategies are likely to benefit from their support (including financial).

g- Local community representatives are likely to be well informed about local problems and opportunities that could be addressed by the LED strategy.

h- By involving communities, it is likely that a volunteer effort could be established to support LED implementation programs.

i- Jobs and economic growth are created in the private sector. Government is usually merely a facilitator in this process.

Table 2.2: Potential stakeholders in LED process (World Bank Group, 2006)

Public sector	Private sector	Community sector
• Local government • State government • Health Authority • Transportation Authority • Institutions of Higher Learning • Education Board/Authority • Utilities	• Chamber of Commerce • Board of Trade • Business Associations • Large Corporations • SME representatives • Private developers • News media • Professional associations • Higher learning establishments • Utilities • Town center improvement groups	• Individuals • Neighborhood groups • Church groups • Youth groups • Environmental groups • Voluntary service groups • Historic societies • Cultural and arts groups • Educational groups • Groups representing minorities

2.10 Coordination unit to facilitate LED

The Office of Economic Development (OED) – established in 2004, to facilitate economic development and employment opportunities in USA – is committed to building new public-private sector partnerships to address pressing economic development needs, by fostering increased collaboration between the private development sector, local and state governments and national and community-based not-for-profit organizations. OED works with the public and private sectors, as well as with not-for-profit organizations, to provide financial and technical assistance to local communities to develop and implement their own economic development and community revitalization strategies. In an effort to lend greater weight to local economic development priorities, the Office has adopted a streamlined process for the approval of requests for assistance, moving significant decision-making authority closer to communities in need. OED is dedicated to a fully transparent and competitive process in the award of economic development funds. It also closely monitors economic development projects receiving assistance and provides on-going technical assistance to recipients to ensure the integrity and success of the investment of federal economic development funds (U.S. Department of Housing and Urban Development, 2004).

Institutional arrangements for LED refer to the range of organizations, structures and networks through which LED can be coordinated, managed, implemented and monitored. The design of an institutional arrangement for LED also deals with the way that these institutions relates to each other, to the municipality, other spheres of government and to other stakeholders (Mufamadi, 2003). A coalition should be formed to guide the initiative. The group should include a mixture of key elected officials, senior management, program directors, line staff and outside stakeholders. The guiding coalition should be chosen based on its ability to provide leadership and credibility to the effort. It should be constructed with the knowledge that this group will be the key to providing the momentum needed to push through the inertia obstacles that certain to emerge (Local Government Sustainability template and appendices, 2001).

One of the most successful components of the Palestinian Municipal Management Project (PMMP) is the Local Initiative Support Fund (LISF), being implemented in the municipalities of Khan Younis and Rafah. LISF is designed to enhance linkages between

community groups and municipalities, as well as to assist local community groups in improving the quality of life in their constituencies. LISF operates on the principle of allowing community organizations to identify projects suitable for funding. A joint committee composed of members of the municipal council and local community representatives is responsible for managing fund operations, from selection of thematic areas, proposal solicitation and project selection, through to resource allocation and project oversight (PMMP, 2006).

PMMP decided to establish one committee with representation from the community at large as a subcommittee of the Rafah council. This structure facilitates achievement of several important objectives (Elleithy, 1999):

a) encourages the development of broad perspectives in community planning and interaction in both the part of the council representatives and the community,

b) facilitates the selection of community projects that complement municipal objectives and directions,

c) maximizes the use of limited resources,

d) provides a vehicle whereby common initiatives and projects can be selected and implemented jointly by various groups, and

e) promotes decision making based on collective benefits rather than individual interest.

2.11 Program and Project Options for Implementing LED

A community needs to decide what programs and projects it will adopt to achieve its LED vision, goals and objectives. The options are many and varied and may be as simple as providing a directory of services for local businesses or as complex as attracting foreign direct investment. The strategies selected will be influenced by many issues including (World Bank Group 2006):

i) Where do the urgent priorities lie?

ii) What resources can be made available to support the strategy?

iii) What options are relatively inexpensive to implement?

iv) What options offer immediate benefits?

v) What are the risks? Can the risks be minimized?

vi) Does the community have the capacity to implement the option?

2.12 Steps of LED Strategic Planning

Ideally, the development of a LED strategy should be an integral part of the broader strategic planning process for a region, city, town or rural area. Sound strategic planning ensures that priority issues are addressed and scarce resources are well targeted. The five step planning process detailed should be tailored to correspond with other local planning processes. The process is not prescriptive and should be adopted to meet the needs of each individual community as shown in Fig. 2.1 with steps (World Bank Group, 2006):

a) Organizing the efforts**:** Successful LED depends on the collaborative efforts of public (governmental), business (private) and non-governmental (NGOs, community-based organizations, trade unions, social, civic, religious sectors, etc.).

b) Conducting the LED assessment: A preliminary economic assessment will use available quantitative and qualitative knowledge of the source, structure and trends in production and employment, skills, and other resources to help identify the strategic directions for local economy. This information will also point towards projects and programs that will strengthen the economic base of the local area.

c) Developing the LED strategy**:** As in comprehensive city strategic plans, the intent of the LED strategy is to achieve an integrated approach to LED. Professionals in local government and principal stakeholders need to balance economic development with environmental and social priorities.

d) Implementing the LED strategy: Strategy implementation is never as clear-cut as the strategy development itself. It often takes longer than expected, and involves a consistency changing environment. Within each project and program that is being implemented, strategic thought will occur at every step of the way. This will often focus on how to best advance the project in an often rapidly changing environment.

e) Reviewing the LED strategy: Good monitoring and evaluation techniques help to quantify outcomes, justify expenditures, determine enhancements and adjustments and develop good practices (Fray, 2006).

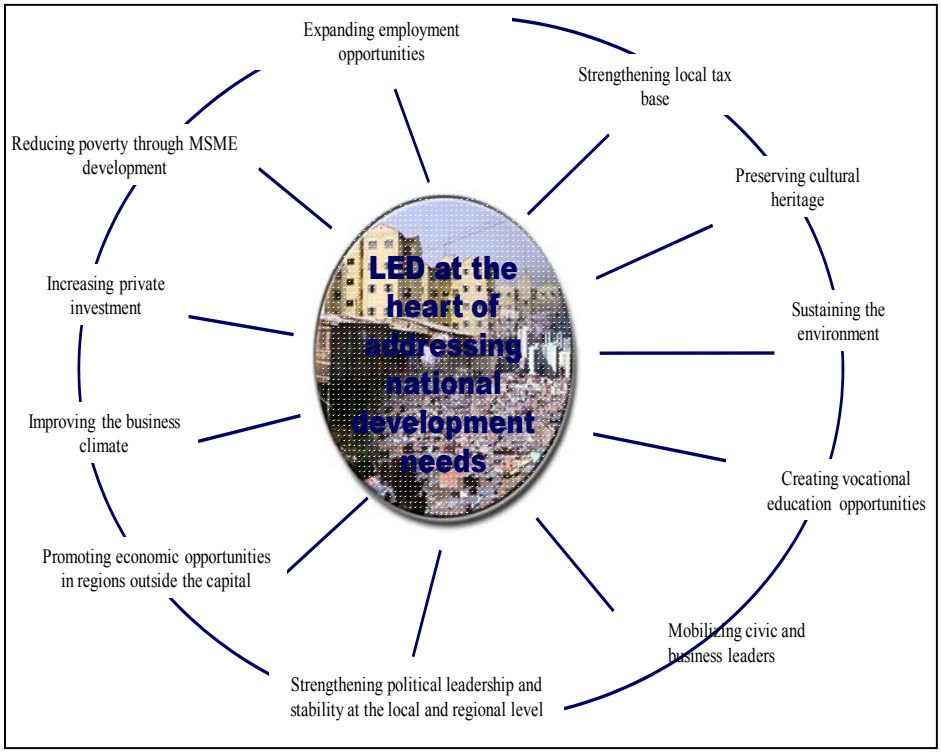


Figure 2.1: Illustrative components of an LED strategy (urban institute, 2003)

2.13 Obstacles to Economic Development

Unfortunately there are countless examples of failed LED strategies and projects. These include (World Bank Group, 2006):

a- Expensive untargeted foreign direct investment marketing campaigns.

b- Supply-led training programs.

c- Excessive reliance on grant-led investments.

d- Over-generous financial inducements for inward investors (not only can this be an inefficient use of taxpayers' money; it can breed considerable resentment amongst local businesses that may not be entitled to the same benefit).

e- Business retention subsidies (where firms are paid to stay in the area despite the fact that financial viability of the plant is at risk).

f- Reliance on "low-road" techniques, e.g., cheap labor and subsidized capital.

g- Government-conceived, -controlled, and –directed strategies.

2.14 Project Prioritization Models

2.14.1 Models sort by scores

Projects should be prioritized in a number of dimensions. As part of aligning to strategy they must first be scored for their ability to meet the objectives. Projects should be scored against criteria. Once these assumptions of team members are entered in the model and projects are listed for prioritization. The model automatically will sort by score. (Performance Capital Services, 2003).

All models work well on paper, no prioritization model is going to be completely accurate, and people will inevitably try to manipulate the results. To minimize the problems a number of basic steps are to be taken. First, develop criteria to define what constitutes a project and enforce these guidelines so that projects are compared on equal footing. Second, consider limiting the total number of projects within a given time interval and available resources (Sai Machavarapu 2006).

2.14.2 Models Categories

Decision models can be categorized in various ways; one taxonomy separates deterministic models from probabilistic models and static models from dynamic models. In a deterministic model, all relevant data are assumed to be known with certainty. Probabilistic models incorporate uncertainty via considering probabilistic values. Static models ignore time, while dynamic models represent time sequence with which changes occur.

Deterministic models can more easily handle situations where there are many decisions that must be made simultaneously and where there are many constraints on what options can be chosen.

An analytic model is a mathematical construct, typically implemented as a computer program that describes the behavior of some system of interest. In the case of a decision model, the system of interest includes the possibility of making one or more choices. The decision model provides predictions about how attractive or unattractive the various choices might be. The decision model is used to test and evaluate alternatives (Merkhofer, 2002).

2.14.3 Models Examples

There are several computer applications which were designed as decision support system (DSS) such as:

a) Linear Interactive Discrete Optimizer (LINDO) was developed by Linus Scharge in 1986. It is a user friendly computer package that can be used to solve LP problems (Winston, 1995).

b) Solver was developed by Frontline Systems for Microsoft. The standard Solver comes bundled with Microsoft Excel. It includes basic Solver engines for nonlinear optimization problems, linear programming problems and integer programming (Frontlines, 2003)

c) The Analytic Network Process (ANP) is the most comprehensive framework for the analysis of societal, governmental and corporate decisions that is available today to the decision-maker. It is a process that allows one to include all the factors and criteria, tangible and intangible that has bearing on making a best decision. The Analytic Network Process allows both interaction and feedback within clusters of elements (inner dependence) and between clusters (outer dependence). Such feedback best captures the complex effects of interplay in human society, especially when risk and uncertainty are involved.

   The ANP, developed by Thomas L. Saaty, provides a way to input judgments and measurements to derive ratio scale priorities for the distribution of influence among the factors and groups of factors in the decision. Because the process is based on deriving ratio scale measurements, it can be used to allocate resources according to their ratio-scale priorities. The well-known decision theory, the Analytic Hierarchy Process (AHP) is a special case of the ANP. Both the AHP and the ANP derive ratio scale priorities for elements and clusters of elements by making paired comparisons of elements on a common property or criterion. ANP models have two parts: the first is a control hierarchy or network of objectives and criteria that control the interactions in the system under study; the second is the many sub-networks of influences among the elements and clusters of the problem, one for each control criterion (Saaty, 2007).

d) The Super Decisions software is used for decision-making with dependence and feedback (it implements the Analytic Network Process, ANP, with many additions). Such problems often occur in real life. Super Decisions extends the Analytic Hierarchy Process (AHP) that uses the same fundamental prioritization process based

on deriving priorities through judgments on pairs of elements or from direct measurements. In the AHP the elements are arranged in a hierarchic decision structure while the ANP uses one or more flat networks of clusters that contain the elements. Most decision-making methods assume independence between the criteria of a decision and the alternatives of that decision, or simply among the criteria or among the alternatives themselves (Super decisions, 2007).

e) Grid Analysis (also known as Decision Matrix analysis, Pugh Matrix analysis or MAUT which stands for Multi-Attribute Utility Theory) is a useful technique to use for making a decision. Decision matrices are most effective where you have a number of good alternatives and many factors to take into account. Options are layed as rows and factors are set up in columns of a table. Weights are allocated to show the importance of each of these factors. Choices are scored for each factor using numbers from 0 (poor) to 3 (very good). Multiplying each score by the weight of the factor shows its contribution to the overall selection. Total scores are added for each option to select the highest scoring option.

   Grid Analysis is the simplest form of Multiple Criteria Decision Analysis (MCDA), also known as Multiple Criteria Decision Aid or Multiple Criteria Decision Management (MCDM). Sophisticated MCDA involves highly complex modeling of different potential scenarios and advanced mathematics (Mind Tools, 1995).

f) Monte Carlo methods are a widely used class of computational algorithms for simulating the behavior of various physical and mathematical systems, and for other computations. They are distinguished from other simulation methods by being stochastic usually by using random numbers. Because of the repetition of algorithms and large number of calculations involved, Monte Carlo is a method suited to calculate using a computer utilizing many techniques of computer simulation.

   Monte Carlo method is often used to find solutions to mathematical problems (which may have many variables) that can't easily be solved by integral calculus or other numerical methods.

   When Monte Carlo simulations are used in a most decision analysis settings, human experts are used to estimate the probabilities and ranges in the model. However,

decision psychology research in the field of calibrated probability assessments shows that humans - especially experts in various fields - tend to be statistically overconfident. That is, they put too high a probability that a forecasted outcome will occur and they tend to use ranges that are too narrow to reflect their uncertainty. Most users of Monte Carlo simulations rely entirely on the initial subjective estimates and almost never follow up with empirical observation. This may be due the overwhelming number of variables in many models and the inability of analysis to choose economically – justified variables to measure further.

2.15 Conclusion

From the previous review, it could be concluded that local economic development is based on the concept of developing community self-reliance by alleviating poverty and community continually upgrading investment climates. It improves competitiveness and retains jobs to improve incomes and offers the concerned stakeholders the opportunity to work together.

Individuals, local government, local community groups, private sectors, and national institutions are the potential stakeholders who contribute to LED.

LED assessment is needed to be conducted to study the main players influencing the LED process, assess the availability of local/regional strategic plans and its integrity with planned LED strategy and analyze the strengths and weaknesses of local economy assets.

The department of housing and urban development, USA had the experience of establishing the office of economic development (OED) to foster collaboration between different LED players. Rafah had a similar exercise through the PMMP funded by the Canadian government where LISF committee managed the local community oriented initiatives for fund. This leads to improve a system to manage the LED process in Palestinian communities ensuring efforts organization by involving all the LED stakeholders and establishing the focal point for local initiatives, forming a coordination unit to facilitate the work and evaluate the projects and initiatives for prioritization using a user friendly computer software.

Chapter (3)

Methodology

3.1 Introduction

This chapter includes the methodology used in this research and provides information about the research strategy, research design, population, sample size, various approaches for data collection and data analysis. It also identifies the questionnaire design, pilot study, validity content, and reliability.

3.2 Research strategy

Research strategy can be defined as the way in which the research objectives can be questioned (Naoum, 1998). The explanation of mass behavior often requires mass attitude data that can only be obtained by a survey (Weisberg and Bowen, 1977). There are two types of research strategies, namely, 'quantitative research' and 'qualitative research' (Naoum, 1998). Data may take the form of narrative information (qualitative data) or numerical values (quantitative data) (Polit and Hungler, 1999). Quantitative research is 'objective' in nature. It is defined as an inquiry into a social human problem, based on testing a hypothesis or a theory composed of variables, measured with numbers, and analysis with statistical procedures. It investigates facts and tries to establish relationships between these facts (Naoum, 1998).

Qualitative data consists of detailed descriptions of people, events, situations, or observed behavior (Polit and Hungler, 1999). Qualitative research is 'subjective' in nature. It emphasizes meanings, experiences (often verbally described), and description and so on. It is subjective assessment of a situation or problem, and takes the form of an opinion, view, perception or attitude towards objects. An object is referred to as an attribute, variable, factor or question. The information gathered in qualitative research can be classified under two categories of research, namely, exploratory and attitudinal (Naoum, 1998).

In this research, qualitative approach is selected to determine the importance of the factors which affect the LED assessment, stakeholders those may influence LED, their perceptions,

attitudes, and reactions towards the main objectives of the development process and investments handling and projects prioritization.

3.3 Research design

The research design is the overall plan for obtaining answers to the questions being studied and for handling some of the difficulties encountered during the research process. It normally specifies which of the various types of research approach will be adopted and how the researcher plans to implement scientific controls to enhance the interpretability of the results (Polit and Hungler, 1999).

Figure 3.1 summarizes the approach flow chart of the research where structured questionnaire, interviews and literature review related to the local economic development activities were used for data gathering, the established model will be evaluated for utilizing the feedback in upgrading the factors, questionnaire and model.

3.4 Research variables

One of the main parts of this study was the assessment of the current situation of local economy in local communities in Gaza Strip and its development methods practiced by local partners. This will assist in developing a strategy and a model for facilitating and organizing the efforts of the stakeholders in achieving a sustainable development, exploring the effective factors needed for a local economic strategy. The researcher used the closed ended questionnaire approach focusing on a case study of Rafah region.

The study has been conducted to show the degree of influence of eight categories of potential stakeholders. They are the central authority, local governments, neighborhood committees, non-governmental organizations, unions and associations, official international donor institutions, international NGOs and the private sector.

The study analysed strength and weakness factors of the current LED relevant situation, the range of cooperation between different stakeholders in various sectors, the importance degree of the criteria affecting the prioritization of projects subject to funding in Gaza Strip. These factors have been selected by a careful review of literature and previous researches in the field of LED, and from past experience of similar projects in the region.

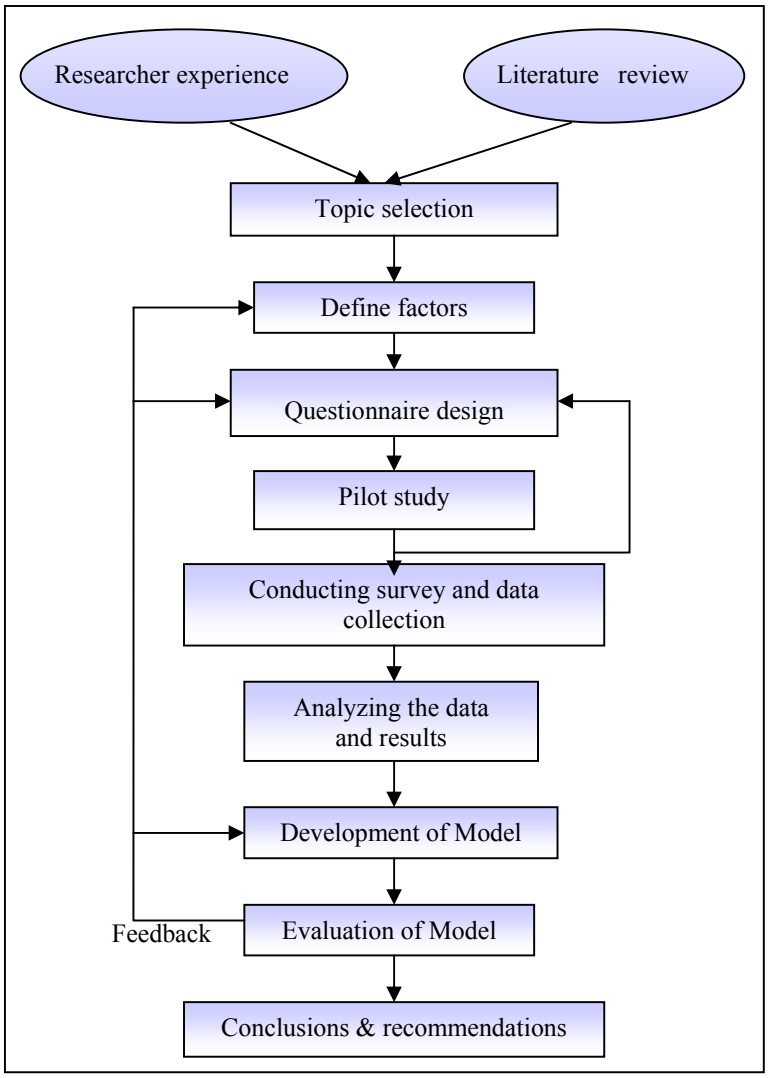


Figure 3.1: Methodology Flow Chart

A thorough local economic assessment provides the foundation for successful LED strategy development (World Bank, 2002). Demography, economy, investment climate and infrastructure, hard infrastructure and regional and national impact on LED were subject to the survey questions.

3.5 Research population

Population is expected to cover the stakeholders that could be useful in strategizing and carrying out LED. They are individuals, community groups, firms and/or organizations in the public, private and not-for-profit sectors (World Bank, 2002).

In this research, the population includes local governments, ministry of education, ministry of labor, ministry of industry, ministry of national economy, Palestinian Contractors Union

(PCU), SME representatives, private developers, professional associations, neighborhood groups, youth groups, and nongovernmental organizations.

The target population consists of hundred and sixteen institutions and was divided into three categories. The first category composed of nine public sector institutions including Ministry of Economy, Ministry of Industry, Ministry of Labor and Job Creation Program. The second category composed of twenty representatives of contractors, consulting firms, and donated programs. And the third category was the community sector which included eighty seven representatives of local government, unions and associations, nongovernmental organizations and neighborhood committees as recorded in Rafah municipality and Rafah office of ministry of interior.

The researcher succeeded to distribute ninety two questionnaires as nine institutions from first category, seventeen institutions from second category and sixty six institutions from third category. Sixty three respondents representing 68% were received and categorized as six institutions from first category, ten institutions from second category and forty seven institutions from third category.

3.6 Research location

The research was carried out in Gaza Strip focusing on Rafah and Khan Younis municipalities. But more data was requested from other institutions like ministries of central authority, other donated programs and unions and associations in Gaza city.

3.7 Data collection

In this research, data was collected via a questionnaire coupled with personal interviews.

3.7.1 Questionnaire design

The questionnaire design was undertaken as an output of the literature review of others' experience. Factors were defined to determine the opinion of different stakeholder regarding the assessment of current LED situation, roles and influence of LED players at various levels. The criteria were identified to be the basis of the projects and programs prioritization to ensure achieving the LED objectives in Gaza Strip. The questionnaire items were formulated in the closed form with an opportunity for adding new ideas and opinions.

A nine page questionnaire, accompanied by a covering letter was used for gathering data. The letter indicated the objectives of the research and explained to respondents that the results of the questionnaire would be used to assist Palestinian local communities to develop their economy using small projects funds.

The questionnaire was composed of five sections as follows:

a- Institution general information.

b- Players influencing LED and complying with sustainable development.

c- SWOT analysis of local economy at Rafah targeted region.

d- Stakeholders' contribution in LED.

e- Projects selection criteria and limitations.

Since most of target population are not familiar with the English language, the questionnaire was prepared in Arabic (Annex I), and an English version was prepared for thesis documentation (Annex III).

The questions of the draft questionnaire regarding SWOT analysis, level of stakeholders influence on LED and their complying with sustainable development, and the bundle of projects criteria were derived from the literature review that presented in chapter 2 and from Palestinian Municipalities Management Project (PMMP) documents (PMMP, 2006).

The draft questionnaire was discussed with a sample population consisting from municipalities' city managers and mayors, donated programs managers, ministries of industry and national economy, active NGO representatives, and chairman of Khan Younis local initiative support fund committee which was responsible to manage, select and grant small projects to local community groups within PMMP. Modifications, changes, annulments and additions were introduced to the questions and the final form of the questionnaire was ready for distribution (Annex II).

Seven experts in local community development and active parties like municipalities and NGOs and ministries participated in evaluating the content validity, check reliability, offensiveness of the language, add more information and/or delete unacceptable wording if needed. As a result, good comments were taken into consideration. Five sections were

formed with their sub questions and enquiries. One question was added to section five regarding expected trainings to build the capacity of local stakeholders to empower their role in the LED process. New stakeholders and criteria were also added. Ninety two copies of the questionnaire were distributed to stakeholders in Rafah, Khan Younis and Gaza.

3.7.2 Interviews

In this research, the structured interviews included close ended questions and were held with members of local governments, NGOs, neighborhoods, ministries, donated programs in the Gaza Strip. The researcher traveled to these locations for twenty two interviews. Each of these interviews lasted from half an hour to an hour, depending on the answers provided and the follow-up questions asked. Personal interviews and speaking to the respondents were the successful way to gain his or her trust in the interview, and have high response rate. Personal interviews could obtain large amount of information.

3.8 Pilot study

A pilot study for the questionnaire, of this study, was conducted before starting gathering information to test the wordings of the questions, making sure that the questions are not ambiguous, and there is no duplication in the questions and to check the length of the questionnaire.

Annex I presents the specimen of seven copies of the questionnaire that were distributed to Rafah and Khan Younis municipalities, two active NGOs representatives, ministry of industry and economy, chairman of LISF committee in Khan Younis, and two donors' program managers in Gaza Strip. This sample was invited to participate in the piloting process and provided with an explanation about the study and had been asked to complete the questionnaire. The researcher asked the chosen sample many questions about some terms and requested to modify some wordings of the questionnaire. After this process, some changes, annulments, additions and modifications were introduced to the questions and the final form of the questionnaire was ready for distribution.

3.9 Data coding and data entry

Before an analysis can begin, the researcher must develop what is known as a coding - scheme, which is a plan for organizing responses into a form amenable to analysis (Polit and Hungler, 1999). A recording scheme was prepared for transferring the data from

questionnaire' copies (after the data have been collected) into data summary sheet. The collected copies from local economy affecting groups were numerically coded before entering to the computer in order to make cross-checks to have accurate results.

3.10 Measurement scales

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. Ordinal scale is a ranking or a rating data that normally uses integers in ascending or descending order. The number assigned to the agreement or degrees of influence (1, 2, 3, 4, and 5) don't indicate that the intervals between scales are equal, nor do they indicate absolute quantities. They are merely numerical labels; ascending ordinal scale was used in this research as follows in the case of influence level: 1 is no influence, 2 is low influence, 3 is moderate influence, 4 is high influence, and 5 is very high influence. Other cases are dealt with the same ranking and numerical labels.

3.11 Data analysis

Statistical analysis covers broad range of techniques, including some very simple procedure as well as complex and sophisticated methods (Polit and Hungler, 1999). The analysis of data is done to determine the level of influence, effective stakeholders, strengths and weaknesses of local economy current situation, most sectors served in LED process, cooperation level between stakeholders and their contribution in LED, rank of importance of criteria of projects' selection and rank of needed training for local groups in Gaza Strip.

3.12 Establishment of computer model

Based on the data collected from literature review and survey, a computer model was designed as a user friendly tool to be available to the suggested coordination unit. The model will help the unit (committee) members to feed their perspectives of every specific criterion for each project and his or her estimation of the probability of its likelihood of occurrence.

Model will integrate the input of all members for available projects pool to accumulate and produce curves of projects for easy comparison at a specific level of uncertainty depending on the situation based on a decision taken collectively by all members.

3.13 Evaluation of computer model

Rafah and Khan Younis municipalities have a similar experience by having small committees that managed LISF of the PMMP. The committee was formed by the Canadian project in coordination with the individual municipalities.

Researcher met with some of the two committees' members who were involved in the survey phase to explain the model idea and objectives. They are asked to practise it with some examples using the projects' data available in their hands to evaluate the model. This process is discussed in chapter 6.

Chapter (4)

Local Economic Assessment in Rafah City

4.1 Introduction

This chapter contains information about the Palestinian economy which relates to the subject of this thesis. It demonstrates a brief study about Rafah LED information as a case study for economic development in Palestinian cities.

4.2 Palestinian population

According to Palestinian Central Bureau of Statistics (PCBS), the Palestinian population in West Bank and Gaza Strip (WBG) at the end of 2007 stood at 3,761,646 people. Of this total, 1,908,432 (50.73%) are males and 1,853,214 (49.27%) are females. An estimated 2.345 million (62.3%) Palestinians live in the West Bank, while 1.416 million (37.7%) live in the Gaza Strip. Table 4.1 shows the population in Palestinian Territories by governorate between 1997 and 2007 (PCBS, 2008).

Table 4.1: Population in Palestinian Territories by governorate (PCBS, 2008)

Governorate	Number of Population		
	1997	2007	Percentage of change
Palestinian Territories	**2,895,683**	**3,761,646**	**29.9**
West Bank	**1,873,476**	**2,345,107**	**25.2**
Jenin	203,026	256,212	26.2
Tubas	36,609	48,771	33.2
Tulkarm	134,110	158,213	18.0
Nabusl	261,340	321,493	23.0
Qalqilya	72,007	91,046	26.4
Salfit	48,538	59,464	22.5
Ramallah & Al-Bireh	213,582	278,018	30.2
Jericho & Al Aghwar	32,713	41,724	27.5
Jerusalem	328,601	362,521	10.3
Bethlehem	137,286	176,515	28.6
Hebron	405,664	551,129	35.9
Gaza Strip	**1,022,207**	**1,416,539**	**38.6**
North Gaza	183,373	270,245	47.4
Gaza	367,388	496,410	35.1
Dier Al-Balah	147,877	205,534	39.0
Khan Younis	200,704	270,979	35.0
Rafah	122,865	173,371	41.1

4.3 Palestinian economy

The Palestinian economy, unlike other economies, lacks national strategic control and self-monitoring system, because it has never been under full Palestinian jurisdiction despite the peace process which started in 1993. The repeated closures imposed by the Israeli Authorities on the movement of people and goods in the Palestinian territory have had very negative impacts on the economy. Economic growth potential in Palestine lies mainly with the Palestinian private sector. Small-scale, single owners and family enterprises dominate businesses. Relatively large enterprises are still very limited in number. The private sector industrialists have been accustomed to profiting under difficult circumstances during the occupation, using their size as a source of flexibility in unfavourable market conditions (PIEFZA, 2004).

From 1993 through September 2000, the Palestinian economy steadily improved. However, in September 2000, the area entered a new era of instability. Since then, Israel has been imposing an extensive closure on Palestinian areas, prohibiting movement of goods and people within the Palestinian territories, between these areas and Israel, and from the only Israeli border crossings to foreign countries.

The potential situation prevailing in WBG sets the Palestinian economy apart from those of other developing countries, given its dependence on policies implemented by Israel. The trade and labor markets are of critical importance to economic development because the Palestinian economy is small and domestic private market under present economic and political constraints and too weak to generate sufficient income for its residents. In addition to the economic restrictions placed upon WBG, Israeli's larger and wealthier economy also influence the price levels in WBG (WBG, 2001).

More than five years into the outbreak of the latest round of the Israeli-Palestinian conflict (the second "Intifada"), the West Bank and Gaza (WBG) economy is in deep crisis. The closure regime tightened by the Government of Israel during this round of conflict translated into a sharp reduction in economic activity, greater unemployment and increased poverty. Despite an economic recovery in 2004 and 2005, with growth rates of 6 percent per year, current real per-capita incomes remains about 30 percent below their pre-intifada level (WBG, 2006).

4.4 Gaza Strip economy

The Gaza Strip is located between Israel and Egypt on the Mediterranean coast. The area of Gaza Strip is 365 km2 (40km long and 6 to 12km wide). The Gaza Strip is bounded by the Green Line which is the border with Israel from the north and east. Egypt bounds the Strip from the south, and the Mediterranean Sea is the western border (http://www.geography.about.com, 2006).

The Gaza strip is one of the most density populated areas in the world estimated at 3,800 persons/Sq.Km. This has put a lot of pressure on the economy to sustain a certain level of living for Gaza residents. In addition, during the last intifada Gaza economy has been the target of many Israeli actions such as the bulldozing of land, commercial and industrial establishments. Also, border closures and internal closures were imposed. These measures together with the already weak economy and high level of poverty worsened the economic situation in Gaza to a point that it is no longer able to sustain the pre Intifada level of living. The economic indicators reflect the needs of Gaza economy to support a recovery that would alleviate some of the bad effects (MONE, 2005).

The unemployment rate is about 38%, while the people below the poverty line are approximately 80%. Furthermore, the per capita GDP dropped from approximately $1,200/capita in 2000 to about $600/capita in 2004. In 2005 the Ministry of National Economy has worked on the preparation of an economic plan for developing Gaza Strip over the coming three years and has done the SWOT analysis. At regional level Ministries of National Economy, Planning and Industry are considered the main players responsible for national economy development (MONE, 2005).

4.5 Needs of LED assessment

The following needs are basic positive needs necessary to have the prediction of a successful LED (Urban Institute, 2003):

1. A LED initiative requires that local leaders bring key public, private, NGO and education stakeholders together to develop and implement a LED strategy.
2. Staff capacity in local governments is often weak and certainly spread thin. Any elected leader will need the support of capable civil servants who understand the municipality's strategic vision and can contribute to sustaining public sector support

and motivating private sector leadership and participation and the community on a day-to-day basis.

3. Successful LED initiatives rarely exist in a vacuum. They work best when they work in tandem with a clearly articulated national economic development agenda. In addition to complementary efforts, having LED connected to a broader national agenda gives LED greater visibility and greater opportunity to rely on human.
4. Most developing countries have numerous business associations. These associations can facilitate the public-private partnerships needed to develop and implement a comprehensive LED strategy. The business community needs to be willing to work with various businesses within the local community as well as businesses throughout the region. In addition, the business community should be willing to work with their respective local governments.

4.6 Rafah LED assessment

Rafah is located at the south west part of Palestine with Mediterranean see at the west, Beer Saba'a province at the east, Khan Younis governorate at the north and Egypt at the south. For this location Rafah can be considered as the southern gate of Palestine to Africa which gave Rafah special importance through the history.

Researcher relied on the statistics of Palestinian central bureau of statistics (PCBS) in year 2000 which precede the second uprising where statistics could not indicate the realistic facts. Table 4.2 shows different activities that are practiced in Gaza Strip which form the local economy distributed to specific governorates and the number of labors working in these fields of activities which shows obviously the importance of small industries, trading, maintenance, construction and agricultural activities.

Table 4.2: Economy activities practiced in Gaza Strip (PCBS, 2000)

Economic Sectors	No. of Employees	Percent (%)	North (%)	Gaza (%)	Middle (%)	South (%)
Agriculture & Fishing	9,500.00	10.8	11	2.7	12.9	19.9
Mining & Quarrying	13,400.00	15.2	20.7	16.4	17.1	8.7
Construction	13,600.00	15.4	18	17.8	11.2	12.3
Trade - Restaurants - Hotels	16,400.00	18.6	16	21.6	1.8	20.3
Transport – Storage and	4,200,00	4.8	4.1	3.3	4.4	7.3
Services & Other Branches	30,900.00	35.2	30.1	38	43.7	31.5
Total	**88,000**	**100**	**100**	**100**	**100**	**100**

Based on field survey and data collection implemented by Rafah municipality, the future changes that expected to take place on the manpower distribution on different economic sectors are shown in Table 4.3.

Table 4.3: Expected changes on manpower size (Rafah municipality, 2002)

Economic Sectors	1996 (%)	2015 (%)
Agriculture and Fishing	10.8	5
Mining and Quarrying	15.2	19
Construction	15.4	18.0
Trade - Restaurants - Hotels	18.6	17.0
Transportation - Storage - Communication	4.8	5.0
Services and Other Branches	35.2	36

Table 4.4 shows the number of the establishments in Rafah that contribute in the education and training of human resources in Rafah city as foundations for LED.

Table 4.4: Education & Higher Education Establishments in Rafah (Rafah municipality, 2002)

Education type	No	Beneficiaries				Age (years)
		Male	Female	Co-Ed	Total Beneficiaries	
Kindergartens and nurseries	28	-	-	2900	2900	3-5
Preliminary	22	6239	1646	7136	15021	6-12
Preparatory	8	2730	2397	-	5127	12-15
Secondary	6	2011	1563	-	3574	15-17
Preliminary-preparatory	5	1540	-	1388	2928	6-15
Preparatory -secondary	2	-	-	-	NA	12-17
Preliminary-secondary	1	-	1213	-	1213	6-12, 15-17
Open Al-Quds University (Rafah branch)	1	-	-	-	NA	19-
Training centers	2	-	-	-	NA	16-

Many available institutions in Rafah play important role in managing daily life and assisting local people in LED by fund raising, implementing and managing projects that create jobs and improve the daily life of citizens.

Civil society institutions and groups in Rafah are divided by Rafah municipality into four categories. They are: category A (Rehabilitation and Vocational Centers) as shown in Table 5.5, category B (Non-governmental organizations NGOs) in Table 5.6, category C (Youth and sports clubs**)** shown in Table 5.7 and category D (Neighborhoods committees) shown in Table 4.8

Table 4.5: Category A-Rehabilitation and vocational centers (Rafah municipality, 2002)

No	Names	Supervised By	Beneficiaries	Activities
1	Keer center	Ministry of social affairs	Males & females (12-15)years	Rehabilitation of non school regular children
2	Professional training center	Ministry of work	Males over 16 years	Hand crafts training
3	Social service center	Ministry of youth	All categories	Cultural, social, health, and computer training
4	Municipality kindergarten	Health work committees union	Children and women	Cultural, social, Education
5	New women center	Social work committees union	Women	Sewing, make up, ceramic
6	Women activity	Agricultural relief committees union	Women and children	Women activities and kindergarten
7	Woman support and rehabilitation	UNRWA	Women and children	Woman training and rehabilitation, nursery
8	Woman department	Gaza program for psychological health	Women and children	Exercises, kindergarten, library, computer and art of beauty
9	Amal center	UNRWA & Rafah services club	Deaf and dumb	Rehabilitation of deaf and dumb, children club
10	Physically handicapped center	Ministry of social affairs	Physically handicapped	Rehabilitation of physically handicapped people
11	General union of associations	Ministry of social affairs	Rafah labors	Local labors training, education courses and seminars
12	Rafah medical center (health work committees union)	General union of Palestinian labors	All categories	Medical treatment
13	Arab society college	Private	Young males and females	Training and educations
14	Rafah zakat committee	Ministry of endowments	Orphans	Orphans support

Table 4.6: Category B - Non-governmental organizations NGOs in Rafah (Rafah municipality, 2002)

No	Name	Activities	Beneficiaries
1	Tarabeen association	Sports, kindergarten, women activities	All categories
2	Yibna people association	Courses, seminars	All categories
3	Benevolent solidarity association	Courses and seminars, health services	All categories
4	Man land association	Women education, women hard cases support	Women and children
5	Mother and childhood care association	Summer camps, women activities, women education seminars	Women and children
6	Salah Islamic association	Kindergarten, orphans support, and religious seminars	All categories
7	Muslim young women association	Tricot, kindergarten, ceramic	Women and children
8	Al-Beit Al-saeed association	Health care, seminars, mother and child aids	Women and children
9	Mother and child renaissance	Woman rehabilitation and kindergarten	Women and children

Table 4.6: Category B - Non-governmental organizations NGOs in Rafah (Rafah municipality, 2002) (cont.)

No	Name	Activities	Beneficiaries
10	Al Najda association for women works	Women activities and summer camps	Women and children
11	Woman rehabilitation and support project	Woman training and rehabilitation, nursery	Women and children
12	Woman and child development association	Woman training and rehabilitation, nursery	Women and children
13	New women center	Tricot, kindergarten, ceramic and art of beauty	Women
14	Prisoners and ex-prisoners association	ex-prisoners rehabilitation and support of their families	Prisoners and x-prisoners
15	Palestinian environmental friends association	Society projects and environmental awareness	All categories
16	Kanaan association	Health and social services, women support, culture	All categories
17	Palestinian accountants' ass.	Cultural and training courses	Accountants
18	Palestinian captive association	Captive rehabilitation	Captives
19	Refugees people committees ass.	Refugees support	refugees
20	Union of health care committees	Children health and psychology care	Children
21	Future builders association	Women and children activities	Women and children
22	Youth development association	Male and female youth	Youth
23	Al-wefaq benevolent association	Society support	All categories
24	Ahali Rafah Benevolent association	Farmers and their families support	Farmers families
25	Palestinian Return Benevolent association	Health and social Services, women support, culture	All Catagories
26	Ass. of united Drama for talents development	training and cultural activities	Male and female youth and children
27	Ass. of handicapped families care	Handicapped rehabilitation, families support	Handicapped and their families
28	Canada camp general services association	Training courses, cultural activities	All categories
29	Awedad association for society rehabilitation	Women activities, kindergarten	Women and children
30	Palestinian Woman General Union	Women rehabilitation, trainings on hand crafts and supports	Women
31	Compassionate mother association	Kindergarten and women activities	Women and children
32	Physically handicapped association	Handicapped rehabilitation and tools supply	Physically handicapped
33	Watan benevolent association	Males and females youth activities	Youth males and females
34	Benevolent wesam association for wounded handicapped care	Wounded handicapped rehabilitation and aids support	Handicapped
35	Benevolent yabous association	Women activities and kindergarten	Women and children
36	Sahem association for youth capacity development	Young males and females rehabilitation and social activities	Young males and females

Table 4.6: Category B - Non-governmental organizations NGOs in Rafah (Rafah municipality, 2002) (cont.)

No	Name	Activities	Beneficiaries
37	Ferdan martyrs benevolent association	Social activities	All categories
38	Benevolent ahliya association for hay assalam area	Social. women and health services and activities	All categories especially women and children
39	Benevolent works association	Social activities and supports	All categories
40	General services association for brazil area	Youth , women activities, has kindergarten	All categories
41	Benevolent Ihsan association	Social activities an supports and health services	All categories
42	Islamic association in Rafah	Social activities and supports and health services	All categories
43	University graduates association	Qualified people rehabilitation and supports and job creation	Young males and females
44	Palestinian press association	Press supports and rehabilitation	Press males and females
45	Public buses' drivers benevolent association	Bus drivers rehabilitation, supports and job creation	Bus drivers
46	Social works women committees union	Women activities, and rehabilitation	Women and children
47	Deaf care orient center	Deaf peoples rehabilitation and activities	Deaf children and youth
48	Association of the right in life	Women, youth rehabilitation and supports	Youth males and females and women
49	Rafah scouting commission	Youth and children activities and summer camps	Youth and children
50	Palestinian young parliament	Children activities an democracy support	Children
51	Al Salah association	Kindergarten, orphans aids, educational supports lessons	All categories

Table 4.7: Category C - Youth and sports clubs in Rafah (Rafah municipality, 2002)

No	Name	Level	Trainees no	Employees no
1	Rafah services club	Premium	310	47
2	Rafah youth club	Premium	147	18
3	Al Jamae'e Brazil club	Level 1	360	26
4	Canada club	--	185	8
5	Al Istiklal club	Level 2	NA	NA
6	Al Shuhada'a club	Level 2	NA	NA
7	Al Wihda club	Level 2	NA	NA

Table 4.8: Category D - Neighborhoods committees in Rafah (Rafah municipality, 2002)

No	Names	Location and served area
1	Kherbet Al Adas committee	Kherbet Al Adas neighborhood
2	Ezbet Al Bahar committee	Ezbet Al Bahar neighborhood
3	Shaboura committee	Shaboura camp
4	Yibna committee	Yibna camp
5	Juneinah committee	Juneinah neighborhood
6	Siyamat committee	Siyamat neighborhood
7	Hashash committee	Hashash neighborhood
8	Tannour committee	Tannour neighborhood
9	Western Rafah committee	Western Rafah area
10	Canada committee	Canada neighborhood
11	Brazil committee	Brazil neighborhood
12	Hay Assalam committee	Hay Assalam neighborhood
13	Shuhada'a Juneina "A" committee	Juneinah "A" neighborhood
14	Ja'afar Attayyar committee	Ja'afar Attayyar neighborhood
15	Musabbeh committee (woman department)	Musabbeh neighborhood
16	Ghusn Azzaytoon Committee	Al Nasr neighborhood
17	Musabbeh committee	Musabbeh neighborhood
18	Tal Zourub committee	Western Rafah area
19	Imam Ali committee	Imam Ali neighborhood

4.7 Current projects' funding approach in Rafah

4.7.1 Donations

Rafah individual local community institutions work separately and independently to submit their applications to donors to raise funds as much as they can. They work closely with donors' agencies to implement the projects selected by them, especially when the institution representative is a politically influential person or has his channel to grants and donors.

Many local institutions suffered from the scarcity of fund from donors due to lack of ability in fund raising, non-adequacy of the proposed sector served by the grant, and difficulties in meeting the criteria announced by the program.

Some of local community groups worked closely to Rafah municipality where they were assisted in raising fund by identifying the needs, priorities and meeting

the criteria of the grant program. Figure 4.2 shows the three levels of getting grants by local institutions varying from easy getting grants to failure in getting grants.

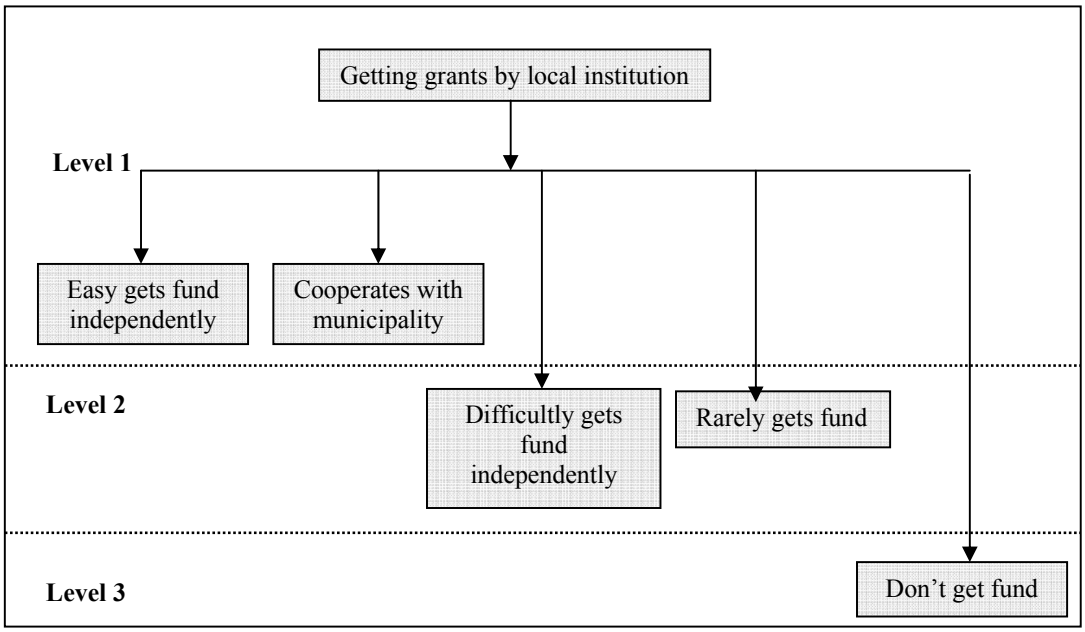


Figure 4.1: Grants getting levels in Rafah

4.7.2 Canadian project experience in Rafah

The Canadian International Development Agency (CIDA) has funded the Palestine Municipal Management Project (PMMP) since 1998. This innovative capacity building initiative is managed and delivered by the Federation of Canadian Municipalities (FCM). One of the most successful components of the PMMP is the Local Initiatives Support Fund (LISF), being implemented in the municipalities of Khan Younis and Rafah, both in southern Gaza Strip. The LISF is designed to enhance linkages between community groups and municipalities, as well as to assist local community groups in improving the quality of life in their constituencies by strengthening local economy.

The LISF operates on the principle of allowing community organizations to identify projects suitable for funding. A joint committee composed of members of the municipal council and local community representatives was responsible for managing fund operations, from selection of thematic areas, proposal solicitation and project selection, through to resource allocation and project oversight.

Proposals are evaluated on the degree to which they meet specific criteria related to community needs, including their importance to the community, sustainability, community support, and gender and environmental considerations.

The participatory approach pervaded all aspects of the LISF. The municipal sub-committee that supervised the LISF was composed of members of the Rafah or Khan Younis municipal council, as well as representatives of the local community.

4.7.3 Norwegian project experience in Rafah

It is a labor intensive program in three phases for job creation to contribute in reducing the economic and social crises. It achieved the implementing of more than 60 micro and medium projects for local region including municipality and community organizations.

The Norwegian project methodology was designed by a way based on the capacity built in the municipality and local community by PMMP I and II and other programs. The implementation of the whole program is left to Rafah municipality. Coordination between Rafah municipality and local community groups with a considerable level of consultation was the approach to decide the projects for fund which causes a lot of complaints and protest by community for poor selection and low economy impact.

4.7.4 Community Humanitarian Fund (CHF)

CHF worked with four neighborhood committees (Tel sultan, Al Brazil, Hay Assalam, Al Juneinah) in Rafah and through the municipality in 2003. The program was implemented in the four neighborhoods with cooperation of Municipality of Rafah on community based program.

4.7.5 UNDP/PAPP

Local Rural Development Program (LRDP) has been implemented in Rafah at three neighborhoods (Kherbet AlAdas, Mosabah, and Mashrou Amer). It aimed at improving basic infrastructure and services in under-privileged rural areas and generate employments to promote local economy.

4.7.6 World Vision

World Vision used to implement Area Development Program (ADP) in order to improve living conditions and alleviating the suffering of the people living in rural areas and refugees' camps of Rafah city. It provided them with essential services at the highly congested and poor area of "Shaboura" in the Rafah refugee camp and the underserved eastern Bedouin communities "Shouka".

4.8 Conclusions

From the previous review and assessment, it can be concluded that the Palestinian national economy, unlike other economies, lacks national strategic control and self monitoring system and relies on local macro economy. Little number of local institutions was able to get grants while others were idle due to the concentration of projects on specific areas. Local authority can facilitate the process and ensure the proper projects selection to comply with the regional plan.

Chapter (5)

Local Institutions contribution in LED process

5.1 Introduction

This chapter analyzes the data and feedback collected by the field survey conducted mainly in Rafah region targeting the effective stakeholders in LED process. The purpose of this research analysis is to guide the researcher for establishing an LED system and developing a computerized model to help in the project prioritization process.

5.2 Years of contribution in LED

For the last five years of the second uprising the local community groups played a vital role in the daily life of the local people due to the disability of the central authority and the extra burden added to the local authorities. The local groups assisted in raising the funds for different projects to create jobs and provide humanitarian aids to citizens. Table 5.1 shows the time range of institutions involvement in LED. It is noticed that in terms of years being in service, number of institutions (local community groups) is almost uniformly distributed along the time scale.

Table 5.1: Years of local institutions contribution in LED

Years of institution services	≤5	6-10	11-15	16-20	>20	N/A	Total
Number of institutions	15	17	16	4	9	2	63
Percentage (%)	**24**	**27**	**25**	**6**	**14**	**3**	**100**

The establishment of institutions and their involvement in the LED process participated to a certain extent in creating number of permanent and temporary job opportunities in these institutions. Table 5.2 shows the number of institutions and the corresponding temporary and permanent employees working in these institutions. It is noticed that almost half of these institutions create 5 permanent jobs or less in each of these institutions. Also more than half of these institutions created 10 temporary jobs or less. The high number of jobs was created by nine respondents which are the representatives of six local authorities and three donation programs.

Table 5.2: Employees at local institutions

Number of Employees		≤5	6-10	11-20	21-50	>50
Number of institutions having	permanent employees	23	4	9	2	9
	Percentage	**49**	**9**	**19**	**4**	**19**
	Temporary employees	16	14	9	9	4
	Percentage	**31**	**27**	**17**	**17**	**8**

5.3 Projects implemented by institutions

During the last five years the respondent institutions succeeded to implement many projects. Table 5.3 shows that 36 institutions (58%) were able to implement ten projects or less while 21 of them (33%) succeeded to implement more than twenty projects.

Since six respondents of local authorities and three respondents of donations programs were part of the institutions that succeeded to implement high number of projects, we consider 12 as the true number of institutions that implemented more than 20 projects since other 9 represents local authorities and donation programs.

Table 5.3: Number of projects implemented by institutions in the last five years

Number of projects	≤ 5	6-10	11-15	16-20	> 20	Total
Number of institution	18	18	5	1	21(12)	63
Percentage (%)	**29**	**29**	**8**	**2**	**33**	**100**

At the local level, small projects may have important role in LED. Out of 63 respondents 28 institutions (44%) worked for small projects with total budget up to 0.5 million dollar as shown in Table 5.4. Support is needed for institutions that work at small projects as potential LED player. This leads to create jobs and contributes in alleviating poverty in local community.

Table 5.4: Value of projects implemented by institutions in the last five years

Value of projects (Millions US$)	≤ 0.5	0.6-1.0	1.1-2.0	2.1-3.0	>3.0	Total
Number of institutions	28	6	7	3	19	63
Percentage (%)	**44**	**10**	**11**	**5**	**30**	**100**

5.4 Jobs created by local institutions

Table 5.5 shows the number of temporary jobs created by institutions during the last five years. Out of the 63 respondents, 30 institutions (48%) succeeded to create up to hundred jobs, and 14 of them (22 %) created from 101 to 500 jobs. The high number of jobs was created by eight institutions (13%) knowing they are municipalities and donation programs. The higher number of institutions needs to be given more opportunities to create jobs.

Table 5.5: Number of jobs and number of institutions in the last five years

Number of jobs	≤ 100	101-500	501-1000	1001-1500	>1500	Total
Number of institutions	30	14	7	4	8	63
Percentage (%)	**48**	**22**	**11**	**6**	**13**	**100**

5.5 Impact of local institutions on LED

5.5.1 Institutions response to sustainable development

The institutions were asked about the level of their response to the requirement of sustainable development for local economy. Table 5.6 shows that more than half of institutions (59%) showed very high or high interest in the sustainable development while only two of them (3%) were frustrated because of the situation and 17 institutions (27%) gave no answer. This is an indicator of respondents' readiness and willing to positively respond to the sustainable development.

Table 5.6: Institutions' response to sustainable development

Level or response	v. high	high	medium	low	v. low	no answer
Number of institutions	10	27	7	2	0	17
Percentage (%)	**16**	**43**	**11**	**3**	**0**	**27**

5.5.2 Influence of different stakeholders on LED

The responding institutions expressed their views about the level of impact of each type of institutions on the LED process. Respondents viewed that higher influence is made by the official international donors (weighted mean 0.89) and international NGOs (weighted mean 0.80) as Palestinian local economies rely on the grants funded by them. Central and local authorities have equal influences (weighted mean 0.79) because they play important role in facilitating and organizing the grants and efforts. Table 5.7 shows the level of influence of each stakeholder type on LED.

Table 5.7: Level of influence of stakeholders on LED

s/n	Institution	Level of Influence						weighted mean	Rank
		v. high	high	medium	low	no impact	N/A		
1	Central authority	24	19	13	5	1	1	**0.79**	**III**
2	Local authority	15	29	8	4	1	6	**0.79**	**III**
3	Neighborhood committees	3	12	28	15	2	3	**0.60**	**VII**
4	Local NGOs	15	19	16	10	2	1	**0.71**	**V**
5	Unions and Associations	8	15	24	10	3	3	**0.65**	**VI**
6	Official international donors	35	13	9	0	0	6	**0.89**	**I**
7	International Donations NGOs	18	32	7	2	2	2	**0.80**	**II**
8	Private sector	13	19	19	8	0	4	**0.73**	**IV**
	Average mean							**74.5%**	

5.5.3 Adequacy of current situation to sustainable development

Respondents were asked about their convictions about the extent of adequacy of current situation to sustainable development. Table 5.8 shows that most respondents (62%) representing local community groups considered the current situation as weak or very weak. Only 4 private sector respondents (7%) agreed that the current situation is strong or very strong. This shows the serious frustration that institutions live with under the unstable current situation.

Table 5.8: Adequacy of current situation to sustainable development

Level or adequacy	v. strong	strong	medium	weak	v. weak	N/A	Total
Number of institutions	1	3	19	22	17	1	63
Percentage (%)	**2**	**5**	**30**	**35**	**27**	**2**	**100**

5.5.4 LED Starting point

Table 5.9 shows that 78% of the respondents agreed that LED needs to proceed at both local and national levels in parallel. This shows the importance of cooperation between local and national levels to achieve the LED.

Table 5.9: LED process starting point (national & local)

Starting point	national	local	both	Total
Number of respondents	5	9	49	63
Percentage (%)	**8**	**14**	**78**	**100**

5.6 Current situation strengths and weaknesses

Internal factors (strengths and weaknesses) analysis is a tool for auditing a region and its environment and helping planners to focus on key issues. Table 5.10 shows the strength and weakness indices of the internal factors of current situation where respondents agreed on the following:

A) Strength issues

1- Labor skills and availability of labors are considered by most respondents as strength factors with strength index of 0.97. This can be a key issue and vital resource for any potential developments. Respondents supported the idea that Gaza strip is an educated/trained community. Availability of colleges (index 0.81).

2- Vocational skills training (index 0.83), higher technical training (index 0.71), availability of research/development facilities (index 0.59) and industry or trade

associations (index 0.59) are considered relatively strong factors to be focused on to achieve the LED.

3- The availability of telecommunications (index 0.83), infrastructure, utility and structures availability (index 0.65), region location and resources diversity and availability of an action plan (index 0.71, and 0.66 respectively) are strong factors that may be considered as the basis for LED.

4- Availability of financial capitals from private sector (index 0.65), public sector (index 0.58), and external grants (index 0.71) shows the availability of main financial resource for implementing projects. However, there is a need for more capital support from public sector by enhancing the contribution of central authority in the LED process.

5- LED process may be built upon the potential strength of having local authority role in process facilitation (index 0.65) and cooperation/assistance with private sector (index 0.58).

B) Weakness issues

1- Wage rates (index 0.30) and productivity (index 0.41) are so low that they may hamper the LED process which urge the officials to improve the environment for better productivity and labor wage rates.

2- Despite the availability of different capital resources, the willing of respondents to investment is small (index 0.53). This shows the reluctance of investors due to the unstable situation and increases the need for awareness campaign and improving the investment environment to encourage the local investment.

3- Applicability of relevant laws and regulation (index 0.48) weakens the process. A strong authority need to update the laws and regulations and put them on place.

4- Having low index for regional product rate (index 0.46), municipality revenue from services (index 0.40), exports produced in the area (index 0.52) and region contribution in national economy sectors (index 0.39) point to the high need to enhance the contribution of the region in the national economy.

5- Serious actions are needed to improve the government responsiveness (index 0.49), taxing system (index 0.23) and regulations and controls (index 0.33).

6- Gaza Strip citizens suffer from the relatively high cost of daily life. This was observed from the survey results as related factors have low strength index such as cost of living (index 0.34), attractiveness of the city (0.37), natural resources (0.50) and public services (index 0.49). This should urge the officials to work hard and focus on improving the citizens' daily life conditions.

5.7 Institutions contribution in LED

5.7.1 Fields of local institutions activities

The local community institutions work in different fields at variant levels depending on the specialty of the institution itself and availability of grants. Institutions can contribute in all different society daily life fields and efforts are needed to establish the proper tool to distribute the grants and capitals on effective fields relevant to the institutions. Table 5.11 shows the number of institutions participating in different fields of LED where the highest number of institutions (36 respondents represents 58%) contributed in job creation, 32 respondents (52%) participated in developing the capacity of local people by providing trainings on different issues related to management and personal skills enhancing. 30 respondents (48%) targeted women while 26 respondents (42%) targeted infrastructure, youth and awareness campaigns. Other contribution varied in the fields of education by 21 respondents (34%), children by 20 respondents (32%) and other fields with less contribution as shown in the table. We may conclude that institutions used to design their initiatives like training, awareness and development just to comply with the donors' plans and priorities regardless the regional locally oriented master plan and actual needs.

Table 5.10: Strengths and weaknesses of current situation of the region

Factor	Strength responses	Weakness responses	Strength	
			Index	Bars
3.1 Labor market:				
1- skills	61	2	0.97	
2- wage rates	19	44	0.30	
3- productivity	26	37	0.41	
4- availability	60	2	0.97	
3.2 Financial Capital				
1- private capital	40	22	0.65	
2- public capital	36	26	0.58	
3- investment capital	33	29	0.53	
4- development capital	39	22	0.64	
5- external grants capital	45	18	0.71	
3.3 Sites and facilities				
1- number of sites and size	43	20	0.68	
2- infrastructure and utility availability	41	22	0.65	
3- telecommunications	52	10	0.83	
4- number of available/existing structures and suitability	40	22	0.65	
5- region location and resources diversity	45	17	0.71	
6- relevant laws and regulations adopted	30	32	0.48	
7- economy strategy availability	38	24	0.61	
8- action plan availability	41	21	0.66	
9- coalition availability	38	25	0.60	

Table 5.10: Strengths and weaknesses of current situation of the region (cont.)

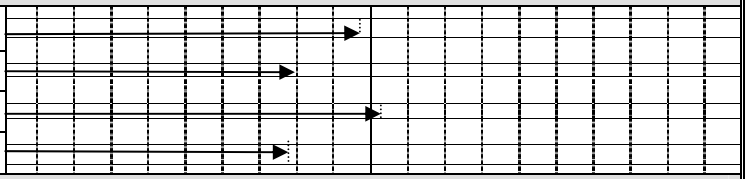
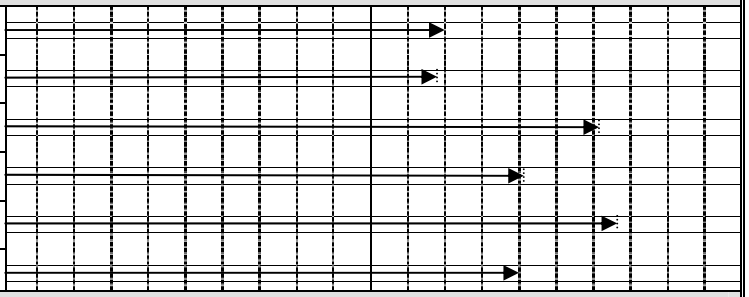
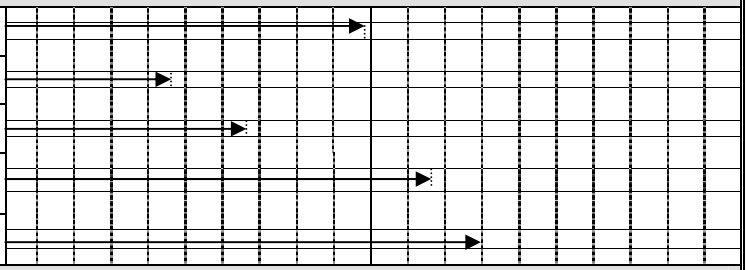
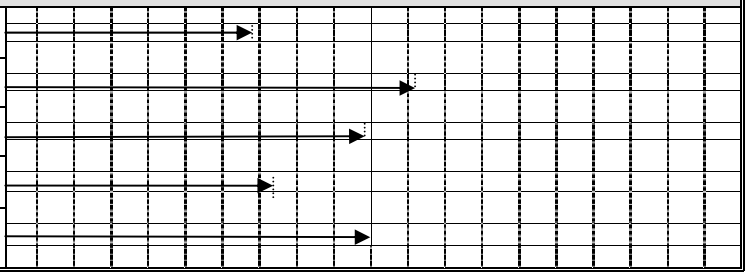
3.4 Regional and national economy				
1- regional product rate	30	32	0.48	
2- municipality revenue from services	25	38	0.40	
3- exports produced in the area	33	30	0.52	
4- region contribution in national	24	28	0.39	
3.5 Knowledge and education				
1- research/development facilities	38	25	0.60	
2- industry or trade association	37	26	0.59	
3- colleges or universities	51	12	0.81	
4- higher technical training	45	18	0.71	
5- vocational skills training	52	11	0.83	
6- business services and technical	44	19	0.70	
3.6 Business Climate				
1- Government responsiveness	31	32	0.49	
2- taxes	14	48	0.23	
3- regulations and controls	20	40	0.33	
4- cooperation/assistance with private sector	36	24	0.58	
5- local government role in facilitation	40	22	0.65	
3.7 Quality of life				
1- cost of living	21	41	0.34	
2- culture and recreation	35	28	0.56	
3- public services	30	31	0.49	
4- attractiveness of the city	23	40	0.37	
5- natural resources	31	31	0.50	

Table 5.11: Institutions' participation in fields of LED

No.	LED fields	Participants institutions	Percentage (%)
1	Infrastructure	26	42
2	Job creation	36	58
3	Environment	16	26
4	Training	32	52
5	Construction	19	31
6	Development	17	27
7	Awareness	25	40
8	Education	21	34
9	Health	14	23
10	Youth	26	42
11	Women	30	48
12	Child	20	32
13	Handicapped people	10	16
14	Elderly people	1	2
15	Agriculture	14	23

5.7.2 Frequency of coordination among LED stakeholders

Table 5.12 shows that high frequency of coordination took place among LED stakeholders as 18 respondents (29%) always cooperate and 24 respondents (38%) often cooperate. Only 9 respondents (14%) stated that they sometimes cooperate and 2 of them (3%) rarely do while 10 respondents could not answer. Despite the researcher did not experience the high coordination among LED stakeholders, the response (67% always and often coordination) is strong indicator and expression of the readiness of stakeholders for coordination in the LED process which gives an opportunity to build on a local coordination system and utilize this experience.

Table 5.12: Frequency of coordination among LED stakeholders

Level of frequent coordination	always	often	sometimes	rarely	never	N/A	total
Number of respondents	18	24	9	2	0	10	63
Percentage (%)	29	38	14	3	0	16	100

5.7.3 Frequency of coordination between an institution and other institutions:

Institutions used to coordinate with each others on projects identifications and implementation. Table 5.13 shows the frequency of coordination between an institution and other institutions. It indicates the readiness of the institutions to positively contribute in organizing the efforts of the LED. Stakeholders showed frequent coordination average mean of 0.70 varied from neighborhood committees with cooperation frequency weighted mean of 0.63 to local authority with high frequently cooperation weighted mean of 0.75. This shows that there is enough room to enhance cooperation among LED stakeholders by establishing

an entity to take care of organizing cooperation efforts under the local authority which comes as first rank of frequent coordination.

Table 5.13: Frequency of institutions' coordination

No	Institution	Frequency						Weighted mean	Rank
		always	often	Some-times	rarely	never	N/A		
1	Central authority	16	19	12	10	4	2	0.71	III
2	Local government	20	18	14	6	3	2	0.75	I
3	Neighborhood committee	9	16	17	12	6	3	0.63	VI
4	Non-governmental organization	18	17	15	8	4	1	0.72	II
5	Unions and associations	9	12	26	8	4	4	0.65	V
6	Official international donors	17	14	21	5	3	3	0.72	II
7	International NGOs	12	19	21	5	4	2	0.70	IV
	Average mean							**70%**	

5.7.4 Fields of frequent cooperation among institutions

Table 5.14 shows the cooperation frequency between institutions in different LED sectors. High weighted mean of cooperation in the fields of training (0.79) which was directed by the source of funds (donors) as Palestinian local economies still relies on donations, job creation and awareness (0.75), woman and child (0.72) and development (0.71). Less cooperation may have taken place at other fields like environment, handicapped and elderly people, health, agriculture and education due to the need for specialized institutions. Despite the cooperation is responded as satisfactorily practiced among LED stakeholders it really needs more efforts and to direct the cooperation on the fields that harmonize with the real local priorities.

Table 5.14: Frequency of institution cooperation with others in specific sectors

No.	Field	Frequency						Weighted mean	Rank
		always	often	sometimes	rarely	never	N/A		
1	Infrastructure	11	24	10	9	8	1	0.67	VII
2	Job creation	16	21	19	3	2	2	0.75	II
3	Environment	12	17	20	6	4	4	0.69	VI
4	Training	20	21	16	3	0	3	0.79	I
5	Construction	9	15	12	12	8	7	0.62	VIII
6	Development	12	20	13	10	2	6	0.71	V
7	Awareness	18	20	16	4	3	2	0.75	II
8	Education	16	11	13	10	7	6	0.67	VII
9	Health	12	12	15	9	9	6	0.63	IX
10	Youth	22	6	17	6	8	4	0.69	VI
11	Women	23	8	14	4	8	6	0.72	IV
12	Child	20	11	13	5	8	6	0.72	III
13	Handicapped people	7	11	10	18	12	5	0.71	V
14	Elderly people	2	5	8	22	18	8	054	X
15	Agriculture	3	6	16	10	19	9	0.42	XI

5.7.5 Necessity of coordination

Table 5.15 shows that almost all respondents (95%) support the importance of the coordination among LED stakeholders. Only two private institutions (3%) were satisfied with a medium coordination, no respondents denied the importance of the coordination. This encourages the assumption of establishing a unit to ensure the full functional coordination among LED stakeholders.

Table 5.15: Necessity of coordination among LED stakeholders

Necessity level	v. important	important	medium	Not important	never	N/A	total
Number of respondents	54	6	2	0	0	1	63
Percentage (%)	86	9	3	0	0	2	100

5.7.6 Political situation impact on LED

Chapter (4) referred to the overview of current economic conditions in Palestine for the period between 1999 and 2002. It showed that the GDP was rising till year 2000 when it began to decrease due to the political situation. This was totally supported by the responses of the survey where the question was about the atmosphere adequacy of economy development and investment during the time interval before, during and after the second (Al Aqsa) uprising. Table 5.16 shows that the environment before the uprising was so adequate for LED that was expressed by the respondents' experience with a weighted mean of 0.94 of level of adequacy. During the uprising the LED environment changed and became with only 0.55 weighted mean of level of adequacy. Due to the closures imposed on Gaza Strip after January, 2006 election the LED efforts were hampered due to the inadequate environment as expressed by respondent of weighted mean 0.36 of level of adequacy.

Table 5.16: LED environments' adequacy at different time intervals

No	Time intervals	level of adequacy						weighted mean
		v. high	high	middle	low	v. low	N/A	
1	Prior to 2nd uprising (before Oct. 2000)	49	9	3	1	0	1	0.94
2	During 2nd uprising (2000-2005)	2	10	24	16	6	5	0.55
3	After 2nd legislative election (Jan.2006)	1	4	8	17	33	0	0.36

5.8 Projects' selection practices

5.8.1 Projects' selection based on specific criteria

Table 5.17 shows the frequency of using criteria in projects' selection. 28 respondents (44%) experienced the selection of projects by always using specific criteria, and other 23

respondents (37%) stated that criteria are often used for selection while only 6 respondents (9.5%) stated that they are sometimes used. This shows that LED stakeholders are generally familiar with using the criteria in selecting the projects especially no respondent stated that any of projects were selected without criteria prioritizing. It encourages adopting establishing criteria identification method and utilizing them for the selection tool.

Table 5.17: Frequency of projects' selection based on criteria

Frequency of using criteria	always	often	sometimes	rarely	never	N/A	total
Number of respondents	28	23	6	0	0	6	63
Percentage (%)	44	37	9.5	0	0	9.5	100

5.8.2 LED stakeholders influence on selection criteria identification:

Projects are usually selected based on specific criteria. The process of projects' identification and selection are determined by several partners. Table 5.18 shows that the high influence on criteria identification is led by the institution itself and donor/investor as main partners with more than 0.90 weighted mean. The respondents showed that local authorities, central authority and local community have less influence on the identification of selection criteria with weighted means of 0.76, 0.67 and 0.62 respectively. This shows that the institutions and investors/donors work closely without sufficient involvement of other stakeholders. Institutions design their initiatives to comply with the donors criteria regardless of the compliance with the regional plan and actual local community needs.

Table 5.18: Influence of LED stakeholders in selection criteria identification

s/n	Institution	Level of influence					Weighted mean
		V. high	High	Medium	Low	No influence	
1	Institution itself	43	6	8	1	6	0.91
2	Central authority	7	27	12	8	6	0.67
3	Local authority	17	21	15	5	1	0.76
4	Local community	10	13	16	12	7	0.62
5	Donor	36	16	5	1	0	0.90

5.8.3 Cooperation on criteria identification:

Table 5.19 shows that respondents used to cooperate in projects' selection criteria among themselves especially with donors and investors with a weighted mean of 0.82 which supports the above analysis. Local authority is an important player in the LED process since institutions cooperation with it is of weighted mean 0.75. Contribution with other institutions needs to be enhanced to ensure the involvement of all stakeholders in the process.

Table 5.19: Frequency of institutions' cooperation in criteria identification

No	Institution	Frequency					weighted mean
		always	often	some-times	rarely	never	
1	Central authority	6	11	16	12	12	0.55
2	Local government	17	21	10	6	4	0.75
3	Neighborhood committee	8	15	17	13	5	0.64
4	Donors/investors	26	19	7	3	1	0.82
5	Non-governmental organization	11	15	19	9	4	0.68
6	Unions and associations	5	9	19	16	7	0.55
7	Private sector	7	10	9	12	12	0.48
	Total mean						0.64

5.8.4 Organizing efforts of LED

Table 5.20 shows the high support of LED stakeholders (weighted mean 0.83) to local authority facilitation of the LED process. It shows also high willing of institutions (weighted mean 0.89) of having a computerized model for projects prioritization available for a suggested coordination unit which was also strongly supported by respondents (weighted mean 0.91). The respondents don't agree and strongly don't agree represents private institutions while the consensus was obtained by other LED stakeholders.

This shows the need of organizing the LED efforts by having local authority involved and establishing a coordination unit to facilitate the process in an open and transparent way utilizing a user friendly computerized model.

Table 5.20: Support of LED stakeholders for local authority role, model and coordination unit

Level of acceptance	Strongly agree	Agree	Don't know	Don't agree	Strongly don't agree	Weighted mean
1- Local authority facilitation of LED process						
Number of institutions	23	29	3	1	3	**0.83**
Percentage (%)	39	55	6	2	6	
2-Having computerized model						
Number of institutions	33	26	0	2	0	**0.89**
Percentage (%)	54	43	0	3	0	
3- Establishment of coordination unit						
Number of institutions	37	21	1	0	1	**0.91**
Percentage (%)	62	35	2	0	2	

5.8.5 Importance of coordination unit

Table 5.21 shows the level of importance of institutions' participation in establishing the coordination unit that facilitates the LED process. As, currently in Gaza Strip, LED depends

mainly on the grants provided by the donors, respondents were influenced by the major role of the donor in managing its fund. Respondents showed the high level of its involvement in the coordination unit with a weighted mean of 0.89. Local and central authorities were identified by respondents as second rank of importance with weighted means of 0.87 and 0.86 respectively for their role in facilitating and organizing the efforts. Local community is considered also a major player to be represented in the coordination unit with a high weighted mean of 0.83. Generally it shows the importance of all LED stakeholders' involvement in the coordination unit with a minimum weighted mean of 0.68.

Table 5.21: Importance level of institutions' participation in coordination unit

s/n	Institution	Level of importance					Wt. mean	Rank
		High	Normal	Medium	Low	No		
1	Central authority	24	21	7	1	0	0.86	III
2	Local authority	30	23	6	1	0	0.87	II
3	Local community	21	26	11	1	0	0.83	IV
4	Donor	35	15	6	2	0	0.89	I
5	NGOs	12	30	13	4	0	0.77	V
6	Unions and associations	11	26	16	4	2	0.74	VI
7	Private sector	13	25	11	6	4	0.73	VII
8	Neighborhood committees	11	19	16	9	4	0.68	VIII

5.8.6 Weights of selection criteria

In order to have a transparent process, LED stakeholders were involved in weighing the suggested twenty five criteria to be applied by the coordination unit as basis in projects selection. Table 5.22 shows the weighted index of importance level of each criterion as a result of LED stakeholders' consultation. These criteria may be considered as a pilot package. They can be reduced/increased upon a field survey that may be conducted by the coordination unit prior to any prioritization process. It shows the logic ranking of the criteria that may be used for a transparent and fair prioritization process. Almost all respondents agreed that the community need for the project comes on the top of criteria with weighted mean of (0.99). Similarity of institution's experience to the type of the project is the second criterion with weighted mean of (0.92). Number of beneficiaries, fund resource and institution enhancement are of equal importance as criteria factors with weighted mean of (0.91). Number of expected jobs that will be created, sustainability of the project, required budget and project's contribution in building the capacity of local human resources are next with weighted mean of (0.90). Lowest weighted mean of (0.69) was for two criteria of

repetition of similar project in the area and using exported materials in project implementation. Having criteria weighted means ranging from 0.99 to 0.69 shows the importance of considering the factor/criteria affecting the decision for projects prioritization.

Table 5.22: Points and weights of proposed criteria

No.	Criteria	Level of Importance					Weighted mean
		5	4	3	2	1	
1	Community need for the project	59	4	0	0	0	0.99
2	Number of jobs created	34	27	2	0	0	0.90
3	Number of beneficiaries	36	24	2	0	0	0.91
4	Type of beneficiaries	26	26	7	4	0	0.83
5	Availability of sustainability factors	33	28	1	0	0	0.90
6	Environmental consideration	17	17	13	0	0	0.82
7	Required budget	38	18	6	0	0	0.90
8	Total project budget	35	17	8	1	0	0.88
9	Institution contribution	11	25	20	3	1	0.74
10	Projects life span	27	28	7	0	0	0.86
11	Project implementation duration	24	23	10	5	0	0.81
12	Region consensus on project	27	21	11	1	2	0.83
13	Other institution involvement	15	25	17	5	0	0.76
14	Project will use local materials	20	22	11	3	1	0.80
15	Fund resource	39	20	2	1	0	0.91
16	Repetition of similar projects in the area	10	21	20	9	2	0.69
17	Institution similar experience	40	20	1	1	0	0.92
18	Institution team reputation	30	18	9	5	0	0.84
19	Woman involvement in project identifying	19	18	21	3	0	0.77
20	Woman involvement in maintaining project	19	16	18	9	0	0.75
21	Project will use exported materials	8	22	20	8	2	0.69
22	Project contributes in capacity building of local human resources	34	35	4	0	0	0.90
23	Project contributes in NDG for self sufficiency	31	28	2	1	0	0.89
24	Project strengthen the relations between local stakeholders	29	20	9	0	0	0.87
25	Institution enhancement	35	19	4	0	0	0.91

5.9 Challenges to LED process

Seven proposed challenges were the subject of the question of their impact on the LED process. Table 5.23 shows the severe impact of unstable political situation with weighted mean of 0.96 which caused reluctance of investments and closures imposed by Israelis. Following constraint is the absence of the coordination unit (weighted mean 0.93) as efforts were not organized and fair projects distribution was not secured. Absence of an open and transparent process with clear criteria for projects' prioritization was pointed as effective

constraint with weighted mean of 0.91 which made local partners doubt the entire process and fail in getting equal opportunities of grants. Other constraints like centralization, absence of common channel for capitals orientation, absence of infrastructures and need to build the capacity of local institutions are some but not all the challenges facing the LED process and need to be handled.

Table 5.23: Level of impact of challenges to LED

S/N	Challenge	Level of impact					Wt. means
		v. high	high	medium	low	no impact	
1	Absence of coordination unit	42	18	2	0	0	0.93
2	Absence of clear criteria for projects prioritization	37	22	3	0	0	0.91
3	common channel for capitals	33	26	4	0	0	0.89
4	Centralization	16	34	8	2	0	0.81
5	Need to build the capacity of	30	25	6	1	0	0.87
6	Absence of infrastructure	28	21	9	4	0	0.84
7	Unstable political situation	53	6	3	0	0	0.96

5.10 Training and education needs to enhance institutions' role in LED

An open question was the last one of the questionnaire to give the opportunity to respondents to add their ideas of training needs. A total of thirty three types of trainings were recommended by the respondents to the question of their needs of trainings to enhance their impact on LED process. The following training types are the most frequent responses to this question:

1- Enhance institutions capacity in creating the adequate environment.

2- Train institutions' staff to work together and organize efforts to strengthen the linkages among stakeholders.

3- Enhance the capacity of community committees, non-governmental organizations, unions and associations, private sector and local authority.

4- Giving training sessions in strategic planning to have own strategic vision as part of the regional plan.

5- Giving training sessions in projects management including needs identifying, writing the proposals, fund raising, project implementation and monitoring.

5.11 Conclusions

From the field survey conducted using questionnaire, personal interviews and the data collected as observed in the previous review and assessment, it can be concluded that the Palestinian society is an active one with many community groups. They contribute in creating jobs. Due to the recent establishment of the Palestinian Authority the influence on the LED comes from international donors' community.

Many strength factors exist that may be the basis for a successful LED while other weaknesses may be treated and recovered to strengthen the process.

Coordination was practiced among local institutions that supported the idea of strengthening the role of local authority, establishing a coordination unit for organizing the efforts and having a user friendly computerized model as a tool for projects evaluation and prioritization. The research gave the opportunity to assess the integrated efforts of all stakeholders to identify a pilot package of criteria for projects prioritization.

Chapter (6)

Local Initiatives Prioritization System (LIPS)

6.1 Introduction

A committee in charge of selecting projects faces high challenges. It is common that each committee member has a different perspective on the level of projects compatibility with selection criteria. This raises the need to create a methodology to give committee members opportunities to express their individual perspectives independently, openly and share inputs without being influenced by others.

6.2 LIPS Background

In addition to the researcher experience in managing funds for projects in Rafah and Khan Younis where many challenges were faced by the committee in charge of the selection process, the following resources were the basis for developing LIPS:

i) PMMP,

ii) Other locally implemented programs such as: DANIDA, UNDP/KFW, GEF and Canada Fund.

iii) International experience and

iv) Results evolved from the field survey

6.2.1 PMMP approach

The researcher, during his work with PMMP, managed five rounds of LISF component to fund 45 small local community projects aiming at LED. The approach used is illustrated in the flow chart shown in Figure 6.1 as the following:

a) PMMP steering committee decides to allocate part of the project's budget to fund small community projects under LISF program.

b) A comprehensive advertisement with program introduction is published in the local newspapers to invite local community groups to submit 2-3 page projects' ideas.

c) Project's stakeholders agree to form a committee of about nine members of municipality and local community to be in charge of rounds management.
d) Committee members study the projects' ideas and screen those comply with the program criteria and reject the others.
e) The projects' applicants of the screened ideas are called to receive training on proposal writing and business planning by qualified trainers to enhance their capacity to submit the final proposal to the committee for evaluation.
f) Trained applicants submit proposals.
g) Committee members collectively during a series of meetings select the best proposals for fund within the available budget while others are neglected.

Weaknesses of the approach:

a) Usually out of a hundred projects only 8-10 projects are funded while remaining initiatives are neglected.
b) No initiatives of new projects are required from community groups till the next round is advertised.
c) Donors' programs criteria are the core of the selection process regardless of the regional master plan priorities. Criteria were not evolved by local community consultation.
d) The selection process takes long time due to the absence of the clear tools for selection.
e) Committee members used to study the proposals during their meetings so members are influenced by the others. Outspoken members get the lead in the process.
f) Committee members are not given the opportunity to express and feed their own perspectives on the projects.
g) The committee was formed by the program in cooperation with municipality without consulting the local community.
h) No computer tool was used in the selection process to facilitate the process and ensure the transparency.
i) Each round process was discrete having link to neither other rounds nor other programs. No focal point was available for LED activities.

j) Local community does not benefit from the local needs based initiatives if they are not selected for fund.

k) Uncertainty level is not reflected on the decision made by the committee while comparing between projects.

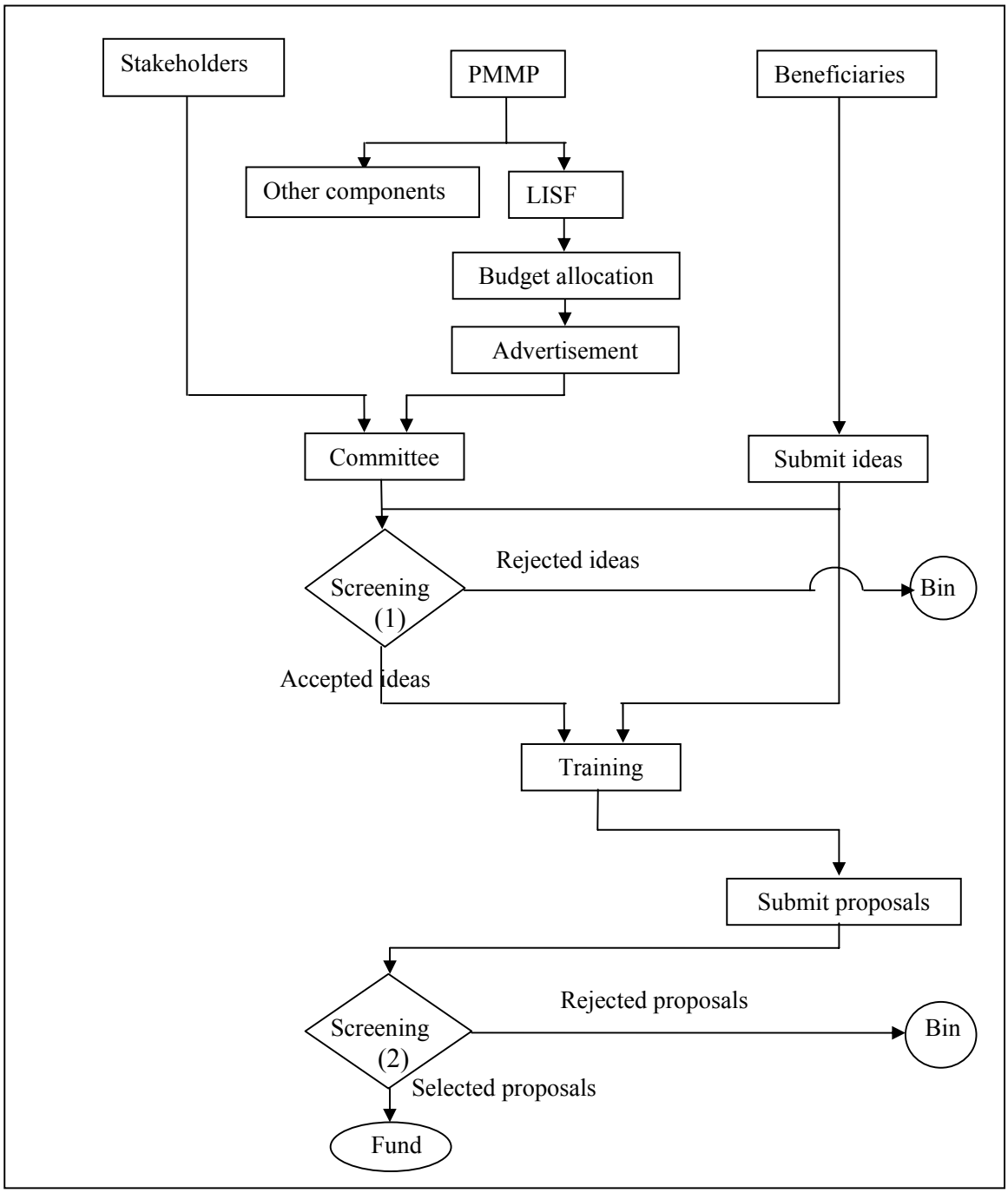


Figure 6.1: PMMP projects selection process

6.2.2 Other locally implemented programs practices:

Other locally implemented programs such as DANIDA, UNDP/KFW, GEF and Canada Fund work in Gaza Strip at different sectors to fund small community projects. Their approach can be summarized in the following steps as shown in Figure 6.2:

a) Program's budget allocation for projects round.

b) Advertisement by the program for projects' proposals submission.

c) Some programs invite for proposals on specific fields and others' invitation is open for all fields

d) Internal donor program committee studies the proposals and select projects.

e) Sometimes selection criteria are open to applicants and some other times they are not.

Weaknesses of the approach:

In addition to the above weaknesses in PMMP, the following weaknesses are observed in the locally implemented donors' programs:

a) Local authority is neither involved in the process of selection nor in criteria designing.

b) Local community is not involved in the committee work.

c) Proposals are invited for evaluation without any technical assistance to local community groups which makes significant differentiation between groups' ability and skills in proposal writing.

d) Internal committee members used to study the proposals during their meetings so members are influenced by the others.

e) Committee was formed by the program without consulting municipality or local community.

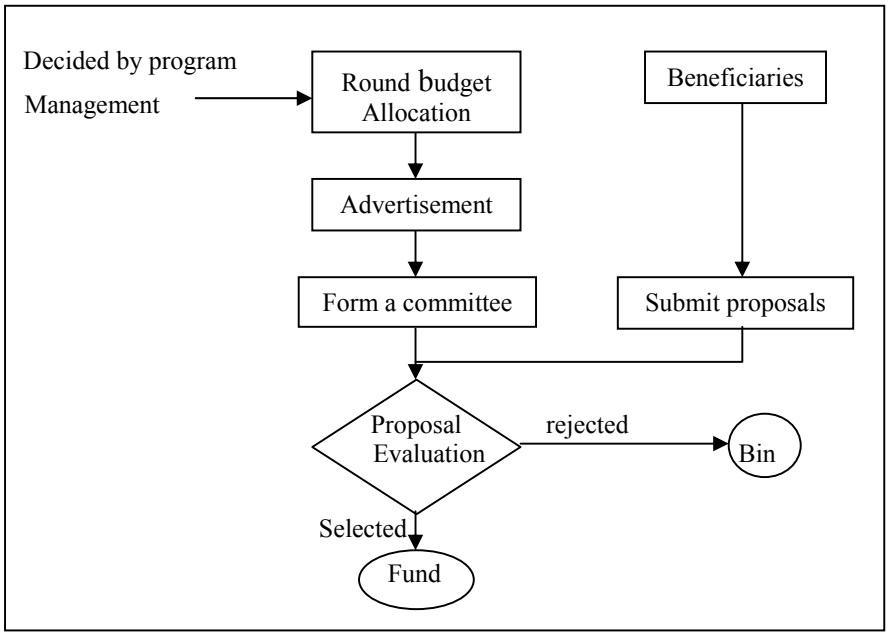


Figure 6.2: Other donors' programs projects selection process

6.2.3 International experience:

i) In USA the Office of Economic Development (OED) was established in 2004 to facilitate economic development and employment opportunities. It is committed to building new public-private sector partnerships to address pressing economic development needs, by fostering increased collaboration between the private development sector, local and central authorities and community groups. OED works with LED stakeholders to provide financial and technical assistance to local community to develop and implement its own economic development. The office adopts a streamlined process for the approval of requests for projects, moving significant decision-making authority closer to community in need. OED aims at ensuring the proper and prudent investment of economic development resources in a fully transparent process in the award of funds. It seeks to encourage and support comprehensive approaches to community and economic development that emphasize local initiatives harmonizing with the region plans.

ii) The urban development unit in World Bank (World Bank Group 2006), in collaboration with partners including the United Kingdom Department for International Development and the Bertelsmann Foundation and Soros Foundation, advises the following stages to be followed for LED practices in developing countries as shown in Figure 6.3:

***Stage I: organizing the efforts**:*

This can be done through identifying the LED trained team under delegating of municipal government. LED team forms a stakeholder partnership group that takes care of the process from strategy formulation, to program and project implementation, to monitoring and evaluation to increase credibility, equity and transparency by opening the planning process to the public and effectiveness and efficiency.

Stage II: Local economy assessment:

Knowing and understanding the characteristics of the local economy is crucial to help the stakeholders strategize for future, and make the best possible program and project choices.

Stage III: Strategy making:

Community will have its vision with key priorities areas and particular LED objectives. This will help in selecting projects to implement specific LED components. Projects are proposed and selected on the basis of clear criteria. Each potential LED project should be assessed to determine whether it meets the broader LED goals, objectives and priorities that were discussed and agreed by the stakeholders. Followings are examples of selection criteria:

a) Cost-benefit analysis is an important tool for prioritiazation. As there might be several competing project options, comparing the costs and expected impact of each project should provide quantitative data to help prioritize projects.

b) LED is often interested in comparing the benefits of a project proposal in terms of generating new jobs and improving income.

c) The timing of achieving these impacts is a critical issue in the prioritizing of projects. Including "early-win" projects that can quickly achieve visible and tangible impacts in the short-term will be fundamental to the overall LED startegy making process in ensuring the continued support of the different stakeholders.

Stage IV: Strategy implementation and review:

Projects are selected and implemented to achieve the LED objectives. Reviewing the strategy will enable the in charge committee to determine how its LED strategy is progressing and provide the feedback for monitoring the earlier process stages.

Figure 6.3: Urban development unit in World Bank LED process flow chart

Urban development unit in World Bank suggests a systematic approach. It assumes stable developing countries where central governments have their national effective inputs to LED. Resources are considerably secured by their own budget and private sector to develop projects to achieve LED strategy objectives. In Palestine and particularly Gaza Strip, resources are very limited and unstable situation weakened the input of central government. The above approach is modified to suit the Gaza Strip situation where LED relies mainly on local initiatives funded by donors program which raised the need of developing a transparent approach and computerized tools. The researcher integrated the international experience in the suggested LIPS.

6.2.4 Survey results:

Based on the knowledge gained by being working with PMMP, in touch with other similar programs and literature review of other countries experience, a survey was conducted to explore the remedy to gaps and weaknesses of the existing approaches. Out of the survey results illustrated in chapter 4 the following are the relevant observations:

***a) Efforts organization and needs assessment**:*

LED stakeholders play important roles in developing Palestinian communities. They contributed in implementing many projects to create jobs. Almost half of small projects were initiated by local community groups. The high frequent cooperation (average weighted mean 0.70) among different stakeholders shows that LED is a collective effort in a participatory process.

***b) Establishment of coordination unit**:*

Most LED stakeholders supported local authority facilitation and having a coordination unit to ensure the involvement of stakeholders in the process (weighted mean 0.83 and 0.91 respectively). It facilitates conducting a continuous and informed local economy assessment to update the relevant information and prioritization criteria and provide the necessary technical assistance to local groups. The active involvement of local authority in the coordination unit will guide the projects to comply with the regional master plan based on an informed uncertainty level. The unit will provide the technical assistance as pointed out by most LED stakeholders.

c) Need for selection criteria:

Most respondents (weighted mean 0.91) expressed the high need for a clear set of criteria reflecting the actual local need for projects prioritization.

***d) Projects' prioritization using a computerized model**:*

Most respondents (weighted mean 0.89) supported the idea of having a computerized model to enable the coordination unit members to work closely but independently. Members will feed their perspectives of the most likely occurrence of criteria on each project. Input of all members is compiled by the model to compare and prioritize the projects.

***e) Projects selected for implementation**:*

There is almost a consensus among respondents (weighted mean 0.96) that the level of the impact of unstable situation on LED process increases the necessity of having a model that enables the committee to compare between the projects based on the consulted and decided uncertainty level relevant to the situation.

***f) Projects Implementation monitoring**:*

Most respondents with a weighted mean of 0.87 supported the involvement of coordination unit and local authority in implementation follow up and monitoring the local economy improvement.

6.3 LIPS Description

To improve and fill the gaps observed in the existing practices LIPS is developed consisting of the follwing stages as shown in Figure 6.4:

Stage I: Organization of LED efforts:

Based on the survey results and the respondents support to organize the efforts and coordination, the new approach establishes the project pool where all stakeholders can deposit the community oriented initiatives. The project pool is intended to be the focal point that contains the new and non-funded initiatives and proposals. A collective effort of actual needs assessment is ensured by the involvement of all local partners with the local authority facilitation.

This will remedy the weakness of other systems of having discrete round since the project pool will receive the local initiatives all over the year. The involvement of the local authority will ensure the compliance with regional master plan.

***Stage II: Establishment of coordination unit*:**

LED stakeholders will cooperate and have the interrelated consultation guided by the result of the survey of the importance level of institutions' participation into coordination unit. The unit is established to provide the technical advice to local groups, involve them in identifying and updating the projects' prioritization criteria and judge, in consultation with local partners, the uncertainty level relevant to the political and economical situations.

The LED stakeholders are involved in the unit and led by the local authority to overcome the weaknesses of other systems where the selection committee does not involve the local community. Sometimes, the committee is formed internally and it is not aware of the actual local needs that comply with the regional master plan. A responsibility matrix of unit members will be prepared based on the survay results and the importance level of their involvement.

Stage III: Projects' prioritization utilizing a user friendly computer model:

A clear need for a computer model was noticed from the researcher experience and supported by the respondents' responses in the field survey. The model is designed to be a participatory decision making tool to help the coordination unit members. It will ensure a transparent and prudent investment of limited resources by involving the unit members in the decision making process. It enables the committee comparing between the projects based on a consulted and informed uncertainty level.

Stage IV: Projects selection for implementation:

Based on the above procedure, unit will be more successful to decide and select the best projects that fulfill the criteria considering uncertainties. The non selected projects will be returned to the projects pool to be processed and improved for reevaluation.

Stage V: Projects implementation:

The selected projects are implemented under the follow up of coordination unit to ensure the achievement of aim and objectives.

Stage VI: Projects monitoring:

Having a permanent coordination unit will facilitate the monitoring possibility of funded projects to ensure the sustainable LED through the proper implementation and job creation.

The LIPS will improve the existing approaches in the following aspects:

a) Enhance the interelation cooperation, efforts organization and involvement of the LED stakeholders.
b) Establishment of a project pool ready to receive the community-needs oriented initiatives.
c) Establishment of coordination unit which will work closely to the LED stakeholders to facilitate LED activities by conducting a continuous economic assessment, refreshing the selection criteria, consult and decide the uncertainties affected the political and economic situation and support the local groups as needed.
d) The computerized model will ensure fair opportunities of each member in the evaluation process and its tranceperency.
e) The non-selected initiatives will be considered for next evaluation.

f) The involvement of local community including municipality will ensure the compliance of all selected projects with the region plan.

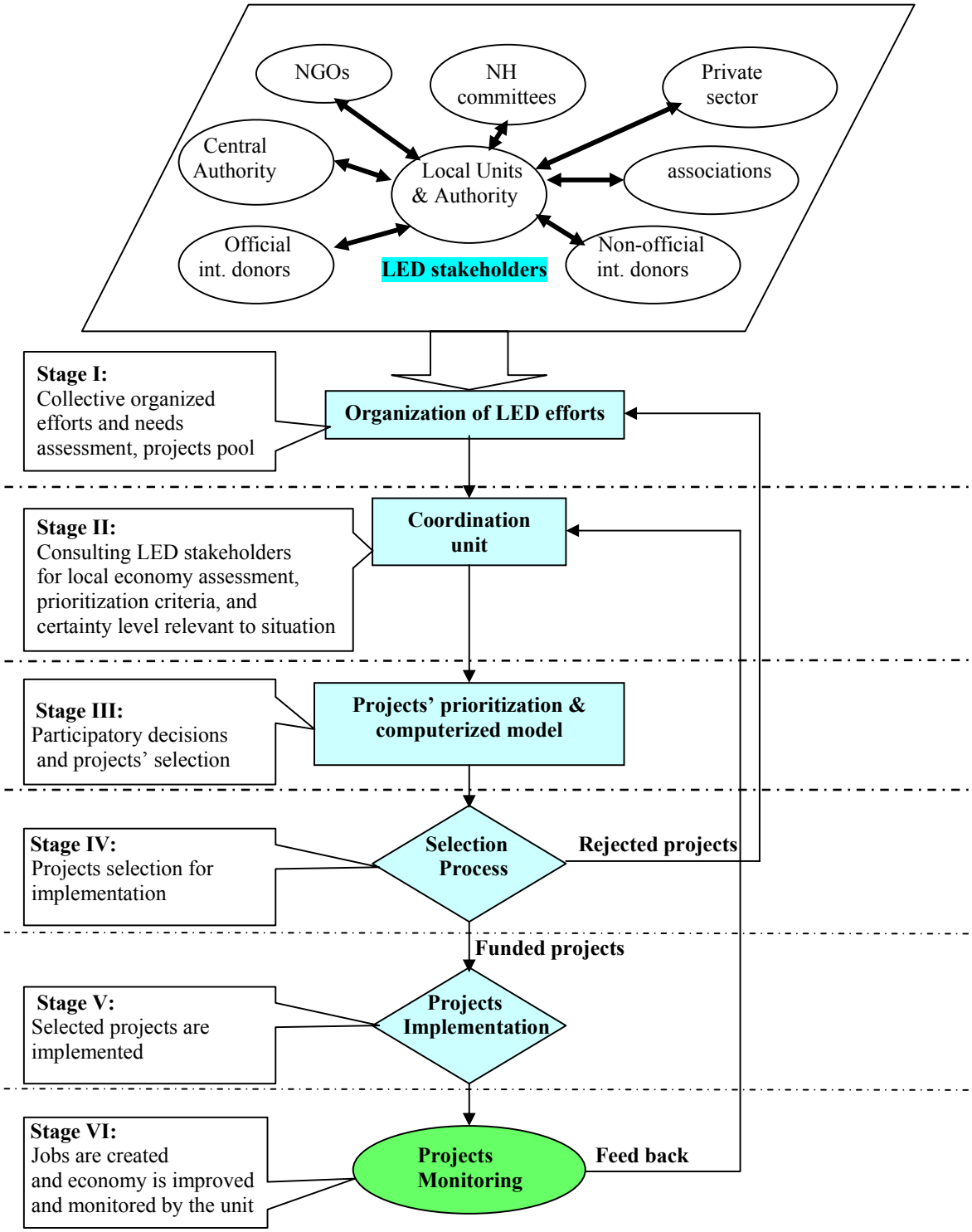


Figure 6.4: LIPS flow chart

6.4 Computerized model

6.4.1 Model's concept

The model consists of a set of steps to ensure the successful LED considering the facilitation and organization of local LED stakeholders' efforts. It can be summarized in three phases as shown in Figure 6.5:

1- **Input phase**: where local projects and initiatives are submitted by local stakeholders forming a permanent projects pool

2- **Process phase**: it is the decision analysis phase where prioritizing criteria are decided, categorized and weighed, uncertainty level is agreed and evaluators input is fed to the computerized model.

3- **Output phase**: where projects are compared and selected to approve some and send back the unselected projects to the projects pool.

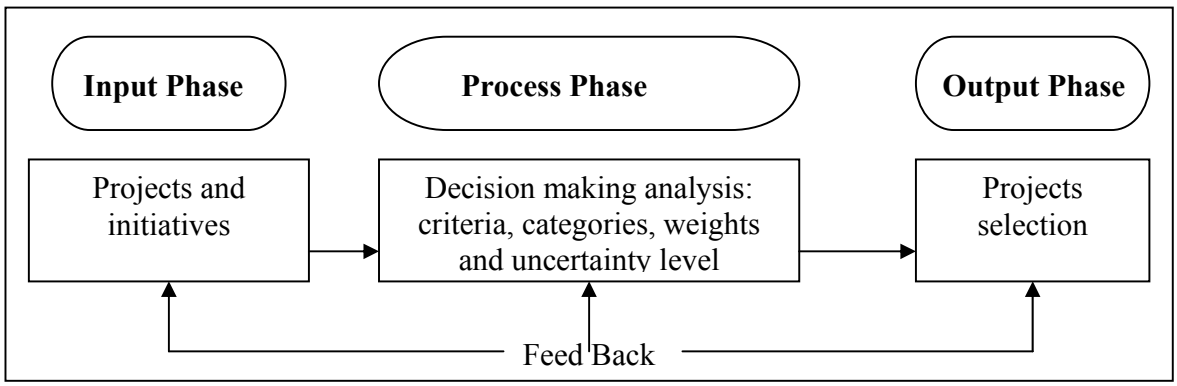


Figure 6.5: Phases of the model

Based on the consensus of respondents to facilitate the work of the committee and ensure the transparency of the selection process, a user friendly software was developed. Since no project can absolutely meet a criterion, the model's idea relies on evaluating the probability of project's compliance with criteria categories. It enables each of the committee members feeding independently his/her perspectives of the probability of project's compatibility with the criteria. A member will study the project profile as submitted by the applicant and then enter his/her conviction of compliance probabilities of all project's criteria categories in input form. Members' inputs of each criterion weights will cumulate to lead to a cumulative weight

of all criteria of each project. Uncertainty-projects' weights curves will be produced for easy comparison and decision making at a prior agreed uncertainty level.

6.4.2 Model's description

The model form consists of two parts (see Figure 6.6). The first one contains the project's profile information as submitted by the applicant where its data is transferred from project's proposal as assumed by the applicant. The model operator selects one of the choices as pointed out in the proposal for each of the factors subject to evaluation like community need level that may be stated by applicant as high. It is shown in the first part of the form expressing the perspective of the applicant.

The second part contains each of the factors (criteria) categorized into 4-5 categories where an evaluator can reflect his/her convictions of the probability of project's compatibility with each criterion categories. Level of community need for the project is categorized into 5 categories: very high, high, middle, weak and very weak with different agreed weights as shown in Figure 6.7. A committee member may have different perspectives than the applicant. He/she will reflect them in the form by feeding the cumulative probability distribution of each criterion categories like exceeding very high level need may be achieved by 10%, exceeding high need level by 30%, exceeding middle level by 55%, exceeding weak level 85% and exceeding very weak level of community need by 100%. The member will have the opportunity to work independently to feed his/her perspectives of the level of the compliance of the project with each criterion categories. The member repeats his/her feeding the cumulative probability distribution of criteria of the individual project and for other projects. Other members will do the same for all projects criteria. A Monte Carlo simulation is applied for say 500 times where random numbers are generated and equivalent values of weights are produced. Interpolation is used to handle the in between values. Figure 6.8 shows the sequence of members' input and cumulating weights.

Member 1 feeds the cumulative probability distribution of project 1 compatibility with each criterion (C1, C2, and C3). Member 1 repeats the process for all projects and their relevant cumulative probability distribution of compatibility with criteria. Other members apply the same steps. Cumulative probability distributions of criterion C1 of project1 of all members

are added together. Other cumulative probability distributions of criteria C2 and C3 for the same project 1 are added respectively.

Relevant values of the probability distributions of all criteria are added resulting a cumulative probability distribution for project 1 evaluation input of all members. Same steps are repeated by all members for other projects' criteria resulting cumulative probability distributions for all projects evaluation input of all members. All projects are presented by individual probability distribution as an easy tool for projects comparison at different levels of uncertainty.

Project profile from proposal documents

Project name	stomach inspector supply		
Project code	10206		
Project summary description	supply of stomach inspector to Nida'a Al Hayat benevolent association		
Location	Rafah camp		
Sector	medical		
Type of project	Improvement of existing project		
Beneficiaries	**Type**		society
	Number	**Direct**	750
		Indirect	10,000
No of Jobs created	**Permanent**		8
	Temporary		20
Community	**need level**		high
	consensus		middle
	other institutions involvement		weak
	repetition of similar projects		high
	enhancement of relations between local stakeholders		weak

Evaluator fed perspectives

Type	**1 sector**	**2 sectors**	**3 sectors**	**society**	
Discrete Probability					
Number	**1500**	**1000**	**750**	**500**	**200**
Cumulative Probability					
Number	**20000**	**15000**	**10000**	**4000**	**2000**
Cumulative Probability					
Number	**15**	**10**	**7**	**5**	**2**
Cumulative Probability					
Number	**150**	**100**	**50**	**20**	**10**
Cumulative Probability					
Level	**V. high**	**High**	**Middle**	**Weak**	**V. weak**
Cumulative Probability					
Level	**V. high**	**High**	**Middle**	**Weak**	**V. weak**
Cumulative Probability					
Level	**V. high**	**High**	**Middle**	**Weak**	**V. weak**
Cumulative Probability					
Level	**V. high**	**High**	**Middle**	**Weak**	**V. weak**
Cumulative Probability					
Level	**V. high**	**High**	**Middle**	**Weak**	**V. weak**
Cumulative Probability					

Figure 6.6: Project profile and evaluation sheet

Project profile from proposal documents

Sustainability	Availability of sustainability factors	Very high
Environmental consideration		Middle
Budget	Required ($)	19,000.00
	Total ($)	23,000.00
Project duration	implementation (months)	6
	life span (years)	10
Implementation institution	Team reputation	high
	similar experience	middle
	project contributes in capacity building	high
	project contributes in self sufficiency	Very high
Women involvement	project identifying	weak
	project maintaining	weak
Material used		Imported

Evaluator fed perspectives

Level	V. high	High	Middle	Weak	V. weak
Cumulative Probability					
Level	V. high	High	Middle	Weak	V. weak
Cumulative Probability					
Req. budget	50000	30000	20000	15000	10000
Cumulative Probability					

Duration/M	12	8	6	4	2
Cumulative Probability					
Life span/Y	20	15	10	5	2
Cumulative Probability					
Level	V. high	High	Middle	Weak	V. weak
Cumulative Probability					
Level	V. high	High	Middle	Weak	V. weak
Cumulative Probability					
Level	V. high	High	Middle	Weak	V. weak
Cumulative Probability					
Level	V. high	High	Middle	Weak	V. weak
Cumulative Probability					
Level	V. high	High	Middle	Weak	V. weak
Cumulative Probability					
Level	V. high	High	Middle	Weak	V. weak
Cumulative Probability					
Type	Local	Mainly Local	Mixed	Mainly imported	Imported
Discrete Probability					

Figure 6.6: Project profile and evaluation sheet (cont.)

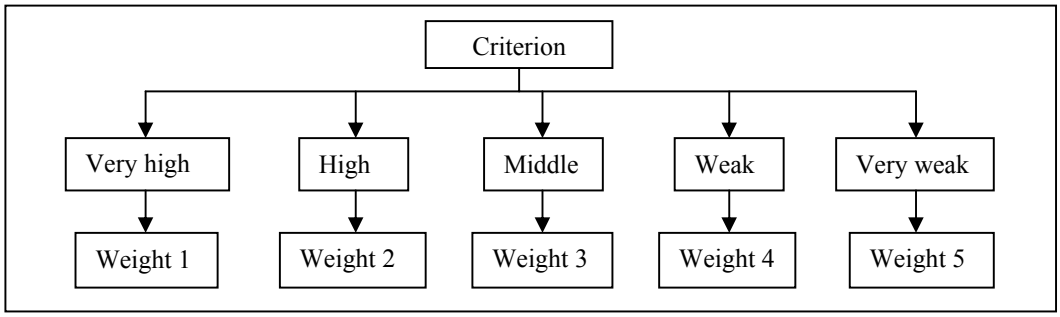


Figure 6.7: Criterion categorization and weighing

6.4.3 Decision basics

The coordination unit will work closely with the LED stakeholders on updating the selection criteria, their categories, weights and uncertainty level for decision making. The model presents an example of five criteria to show the idea of the model application. They may be increased to cover the number of criteria agreed by the committee and LED stakeholders.

6.4.4 Model users

The model is designed for four members as an example. It may be modified to let a larger number of members participate in the model operation.

6.4.5 Model operation and steps

Step 1: Project data and evaluation sheets are filled by members

The project profile is filled by the operator while committee members fill evaluation part of the sheet by their perspectives of different criteria and their cumulative probability of occurrences as shown in Figure 6.6.

Step 2: Evaluation data transferred from step 1

Each criterion has been divided into specific number of categories and each case is given specific weight, for example; number of beneficiaries will be divided into five categories: first category is the case of number of beneficiaries up to two hundred for a weight of five points, second category is up to five hundred beneficiaries for weight of ten points, third category is up to seven hundred and fifty for weight of fifteen points, fourth category is up to thousand for weight of twenty points and fifth category of number of beneficiaries up to thousand five hundred (or more) for maximum weight (twenty five points).

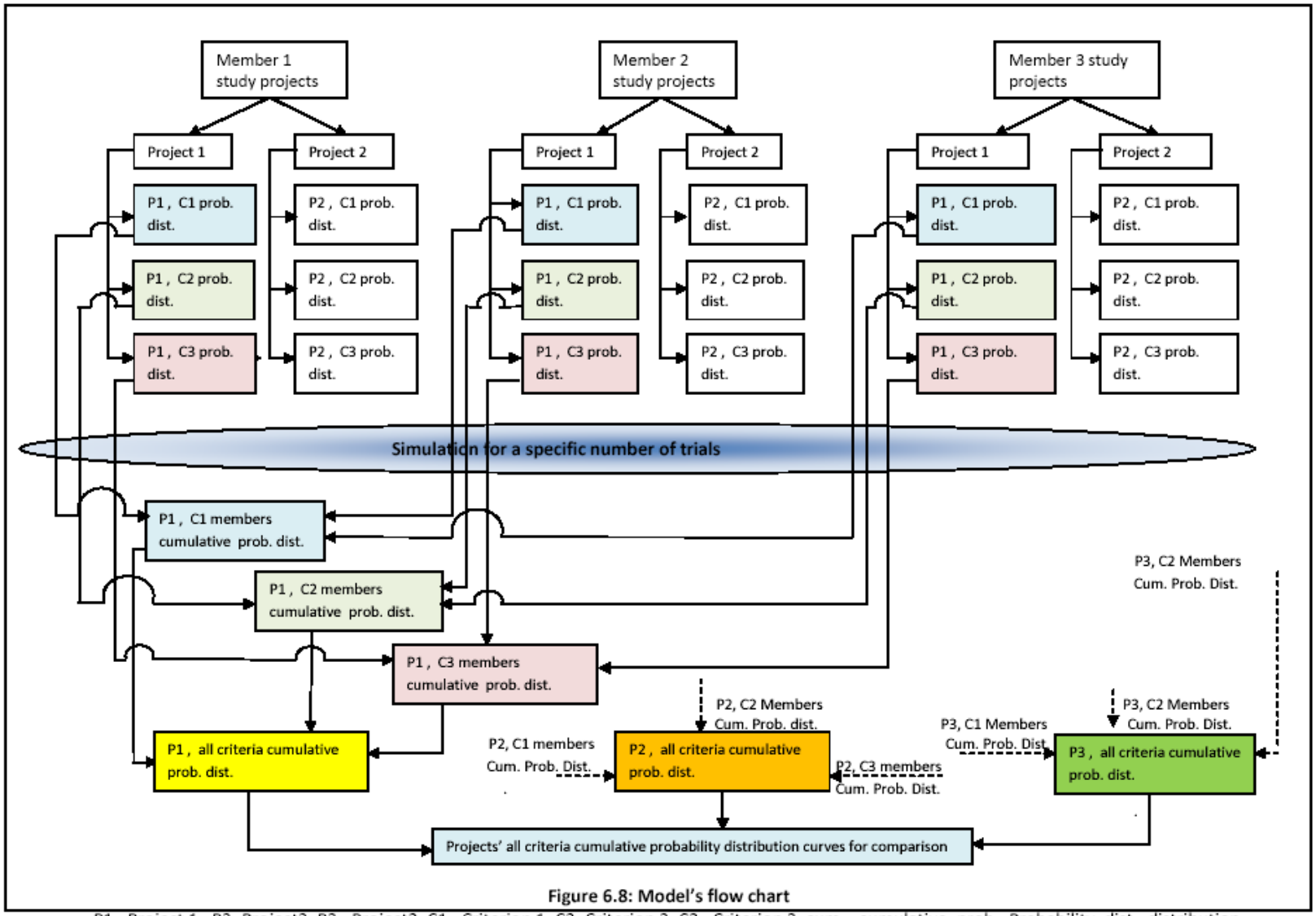


Figure 6.8: Model's flow chart

P1= Project 1, P2=Project2, P3= Project3, C1= Criterion 1, C2=Criterion 2, C3= Criterion 3, cum.= cumulative, prob.=Probability, dist.=distribution

Perspective of each member of the probability of achieving the projects' criteria, based on mentioned information in projects' documents as filled in the evaluation sheet, will be transferred to template shown in Table 6.1.

Table 6.1: Criteria categories and members evaluations

Project 1						
Criteria	Criteria Categories and weights		Member1 cum. Prob.	Member2 Cum. Prob.	Member3 Cum. Prob.	Member4 Cum. Prob.
	Categories	weights				
Number of beneficiaries C1	1500	25	10	12	10	15
	1000	20	20	25	40	30
	750	15	40	45	60	50
	500	10	90	90	80	70
	200	5	100	100	100	100
Temporary jobs C2	150	27	15	10	13	10
	100	20	30	35	25	20
	50	15	55	50	60	55
	20	10	90	85	80	75
	10	5	100	100	100	100
Required budget C3	10000	20	5	10	12	6
	15000	15	15	25	33	18
	20000	10	30	40	45	37
	30000	7	95	95	90	88
	50000	3	100	100	100	100
Implementation duration C4	12	2	8	10	5	10
	8	5	20	25	20	30
	6	7	40	45	50	45
	4	8	80	85	95	80
	2	10	100	100	100	100

Step 3: Simulation of members' assumptions

Mont Carlo simulation is applied to generate say 500 random numbers and produce relevant probabilities' values. Figure 6.9 shows the relation between cumulative probabilities and the criterion categories. The equivalent values of weights versus probabilities are calculated using an interpolation as shown in Figures 6.10.

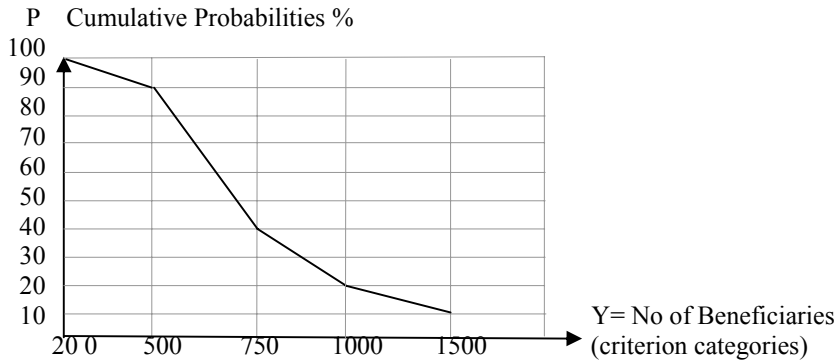


Figure 6.9: Relations between criterion categories and member assumptions

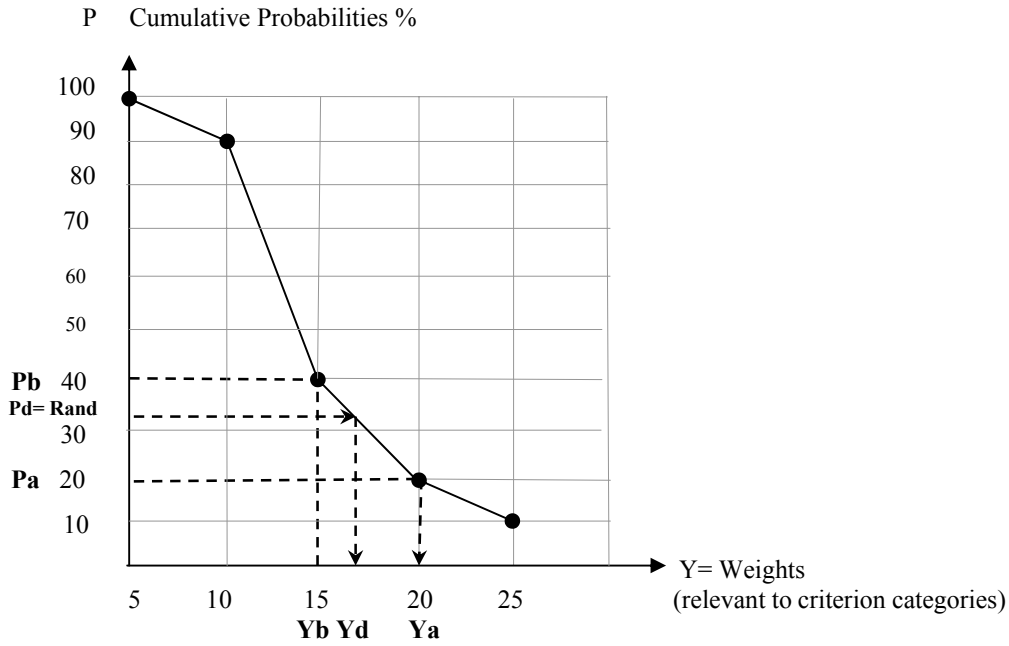


Figure 6.10: Relations between relevant weights of categories of criterion1 and member assumptions

The following equations (1) and (2) are evolved by applying geometry and algebra principles:

$$\frac{Ya - Yd}{Ya - Yb} = \frac{Pd - Pa}{Pb - Pa} \quad \text{..... (1)}$$

Where:

Pd = Random number which is repeated specific number of trials (in our case 500 trials)

Pa = The lower Probability interval limit in which Pd occurs

Ya = Corresponding weight for Pa

Pb = The upper Probability interval limit in which Pd occurs

Yb = Corresponding weight for Pa

Yd = corresponding weight for Pd

So,

$$Yd = Ya - \left(\frac{Pd - Pa}{Pb - Pa}\right) \times (Ya - Yb) \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots(2)$$

Values of weight relevant to each random number are estimated for criteria of project1 by member 1 as shown in Table 6.2 for criterion 1, Table 6.3 for criterion 2, Table 6.4 for criterion 3 and Table 6.5 for criterion 4.

Four criteria were considered as an example for model application; more number of criteria can be added to the list with the same application.

Table 6.2: Criterion 1 weight values relevant to a random number

Number of beneficiaries C1, Member 1					
A	index of A	0	1500	0	25
750	3	50	1000	50	20
		70	750	70	15
B	index of B	80	500	80	10
500	4	100	200	100	5
Beni.	1500	ya	750	ya	15
Rand.	74.77786565	yb	500	yb	10
y	750	pa	70	pa	70
yd	630.5533588	pb	80	pb	80
wt	15				
wtd	12.61106718				

Table 6.3: Criterion 2 weight values relevant to a random number

Number of temporary jobs C2, Member 1					
A	index of A	0	150	0	27
50	3	30	100	30	20
		55	50	55	15
B	index of B	70	20	70	10
20	4	100	10	100	5
Jobs	150	ya	50	ya	15
Rand.	68.57652422	yb	20	yb	10
y	50	pa	55	pa	55
yd	22.84695156	pb	70	pb	70
wt	15				
wtd	10.47449193				

Table 6.4: Criterion 3 weight values relevant to a random number

Required budget C3, Member 1						
A	index of A	0	50000		0	3
15000	4	70	30000		70	7
		80	20000		80	10
B	index of B	90	15000		90	15
10000	5	100	10000		100	20
Budget	50000	ya	15000		ya	15
Rand.	92.16812603	yb	10000		yb	20
y	15000	pa	90		pa	90
yd	13915.93699	pb	100		pb	100
wt	15					
wtd	16.08406301					

Table 6.5: Criterion 4 weight values relevant to a random number

Implementation duration (months) C4, Member 1						
A	index of A	0	12		0	2
4	4	50	8		50	5
		70	6		40	7
B	index of B	80	5		80	8
2	5	100	2		100	10
months	12	ya	4		ya	8
Rand.	90.07994147	yb	2		yb	10
y	4	pa	80		pa	80
yd	2.992005853	pb	100		pb	100
wt	8					
wtd	9.007994147					

Table 6.6 shows a sample of the trials of random numbers for a criterion of project 1 as assumed by different evaluators.

Table 6.6: Sample of the 500 trials of random numbers for a criterion weights for project 1

N0	C1, Member 1	N0	C1, Member 2	N0	C1, Member 3	N0	C1, Member 4
1	7.85077	1	16.2609829	1	24.423189	1	12.39991747
2	16.52735	2	23.44742	2	5.3465771	2	18.59647341
3	14.25637	3	20.0747063	3	23.50361	3	6.747492294
4	23.44017	4	17.1372764	4	22.028948	4	8.40679265
5	15.81918	5	18.101613	5	21.457145	5	18.79215538
6	22.4473	6	22.3305863	6	8.0266965	6	15.33085083
7	23.83105	7	24.2181013	7	10.400866	7	2.124335535
8	13.31779	8	22.0308125	8	5.7850218	8	11.4923884
9	5.289615	9	15.3051558	9	11.295081	9	23.32707116
10	23.03568	10	19.7150217	10	22.975509	10	22.26638276
11	21.82783	11	21.2889283	11	20.514921	11	16.82779543
12	24.99968	12	15.266753	12	19.186224	12	20.8880359
13	14.24393	13	18.5767975	13	11.167972	13	4.422623836
14	13.37609	14	24.4597938	14	23.950395	14	12.70103197
15	10.3408	15	19.8327553	15	22.656092	15	11.85070734
16	6.087507	16	19.932493	16	10.461018	16	17.93292431
17	20.29734	17	16.8613892	17	12.316869	17	7.66124179
18	23.19553	18	21.91895	18	13.620338	18	19.78683775

N0	C1, Member 1	N0	C1, Member 2	N0	C1, Member 3	N0	C1, Member 4
19	18.6723	19	24.028018	19	21.303548	19	20.78181671
20	21.34196	20	17.2672216	20	14.372257	20	17.42435634
21	24.22407	21	12.9922212	21	11.578232	21	12.61672828
22	21.66301	22	24.1491095	22	9.5421091	22	6.36455189
23	23.47478	23	20.9011371	23	19.901602	23	20.29763332
24	20.72889	24	16.7571484	24	21.048735	24	1.04787706
25	15.03355	25	6.62635602	25	0.8374155	25	14.66108563
26	1.632403	26	15.5982084	26	12.921429	26	0.780512732
27	23.81819	27	22.1159661	27	24.339755	27	15.77921081
28	19.76854	28	17.4240319	28	14.643985	28	2.775872798
29	24.63333	29	9.92697317	29	13.382669	29	4.413047644
30	23.90347	30	22.6691796	30	20.115425	30	4.09127034
31	23.87411	31	11.2825961	31	24.947161	31	3.925982941
32	19.71019	32	17.1098979	32	11.282642	32	9.801508691
33	22.99701	33	19.4452735	33	21.981928	33	22.60603651
34	12.10273	34	22.8560785	34	17.430583	34	12.47009904
35	17.70965	35	16.3425639	35	22.290659	35	9.619448872
36	24.19816	36	15.3497908	36	22.144748	36	7.643499915
37	24.44097	37	3.88445199	37	20.534626	37	10.06943035
38	6.445954	38	11.2007401	38	18.14388	38	19.35799772
39	20.94316	39	19.1348827	39	9.7578064	39	23.48556584
40	12.68176	40	17.7252622	40	4.4542119	40	22.29791162

Interpolation verification:

Trail 1: To have a better feeling of random numbers, the researcher chose to multiply the random numbers by 100. From Table 6.2 random number is 74.77786565 which will be used in applying the interpolation equation (2). In corporation with the diagram shown in Figure 6.11 of member's assumption related to a criterion, the correspondent weight (Yd) for the in between random number (Pd) is calculated by substituting the probabilities values and the corresponding weights as following:

$$Yd = 15 - \left(\frac{74.77786565 - 70}{80 - 70} \right) \times (15 - 10)$$

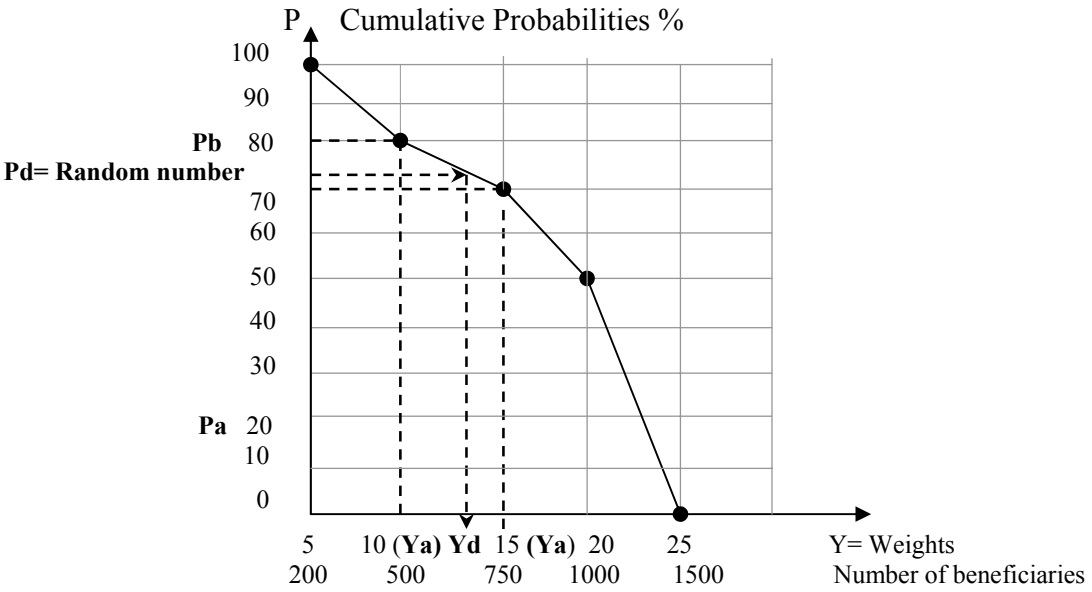


Figure 6.11: Interpolations curve based on member 1 assumptions and relevant categories of criterion1

We find out that the corresponding weight (Yd) = 12.61106718 which is corresponding for random number (Pd) of 74.77786565 and meets number of beneficiaries of 630.5533588.

Step 4: Cumulative probabilities of individual criterion and member input

The results of each member's frequencies of assumptions and their relevant weights are presented as shown in Table 6.7. For example, the values between 25 and 20 are repeated 52 times which represent 10.4%. Values between 20 and 15 are repeated 53 times which represent 10.6% and cumulate the probability 21%. Values between 15 and 10 frequented 357 times which represent 71.4% to result a cumulated probability of 92.4%. Values between 10 and 5 frequented 16 times which represent 3.2% and result the cumulative probability of 95.6%. The values between 5 and 0 frequented 22 times (the rest of 500 trials) which represent 4.4% to complete the 100 cumulative probabilities.

Table 6.7: Frequencies and cumulative probabilities of member's assumptions for a project's criteria

C1, Member 1				
Weights intervals		Frequency	Probability	Cumulative Probability
From	To			
20	25	52	10.4	10.4
15	20	53	10.6	21.0
10	15	357	71.4	92.4
5	10	16	3.2	95.6
0	5	22	4.4	100
sum		500	100	
C2, Member 1				
From	To	Frequency	Probability	Cumulative Probability
21.6	27	31	6.2	6.2
16.2	21.6	68	13.6	19.8
10.8	16.2	303	60.6	80.4
5.4	10.8	76	15.2	95.6
0	5.4	22	4.4	100
sum		500	100	
C3, Member 1				
From	To	Frequency	Probability	Cumulative Probability
16	20	18	3.6	3.6
12	16	202	40.4	44.0
8	12	177	35.4	79.4
4	8	85	17	96.4
0	4	18	3.6	100
sum		500	100	
C4, Member 1				
From	To	Frequency	Probability	Cumulative Probability
8	10	91	18.2	18.2
6	8	280	56	74.2
4	6	95	19	93.2
2	4	34	6.8	100
0	2	0	0	100
sum		500	100	

Step 5: Cumulative probabilities of all members for individual criterion

The model gives the opportunity to members of the evaluation committee to feed their individual assumptions for the different projects and criteria. The steps from 1 to 5 will be repeated by the same member for other projects and other members as well for all projects.

Step 6: Total points for each project

The weights of each criterion as assumed by all members at different levels of uncertainty are determined. The levels of uncertainties and corresponding weights of criteria for project 1 are shown Table 6.8.

Table 6.8: Total points of project's criteria at different uncertainty levels

Uncertainty level	Selection criteria				Weights for Project 1
	C1	C2	C3	C4	
100.00%	11.84	9.86	4.38	3.64	**29.72**
75.00%	18.18	16.03	6.14	5.56	**45.90**
50.00%	21.98	20.92	7.89	7.55	**58.34**
25.00%	24.88	26.75	18.86	9.90	**80.38**
0%	25	27	20	10	**82**

Step 7: Comparison of all projects

From the tables of individual projects, at different levels of uncertainties for all projects cumulative probabilities of points (weights) are developed in one table as shown in Table 6.9 and collective probability distribution diagrams for all projects are obtained as shown in Figure 6.12.

Table 6.9: Collective points for all projects at different uncertainties

Uncertainty level	Total weight points for all projects				
	Project 1	Project 2	Project 3	Project 4	Project 5
100%	**29.72**	33.06	34.28	34.57	33.91
75%	**45.90**	47.14	49.88	50.04	48.24
50%	**58.34**	62.21	63.75	64.18	62.12
25%	**80.38**	80.69	81.17	81.09	80.83
0%	**82**	82	82	82	82

From these curves an informed decision can be taken based on the overall situation and the project/projects to be funded can be selected considering the realistic and relevant uncertainty level to the situation which is supposed to be identified at the beginning of the process.

6.5 Model's assumptions

The following principles are to be considered prior to any prioritization process to ensure the transparent and proper outputs:

1- Coordination committee members are to evaluate and prioritize the projects independently.
2- Field survey conducted by the researcher will guide the committee for identifying the criteria and weights based on weighted mean for each criterion. Coordination unit will revise these criteria in consultation with local stakeholders and add or omit criteria to reflect the current situation.
3- Criteria will be categorized and their relevant weights will be agreed upon by the committee prior to any selection process.
4- Based on the current situation (economically and politically) the uncertainty level will be decided at the beginning of the selection process to avoid any misguidance at the time of decision.

6.6 Model strengths

a) Project's prioritization depends on the possibility of its occurrence at different environment and circumstances which can be interpreted as uncertainty level.
b) The model is based on a prior agreement on the current situation projects prioritization criteria that can be applied in a transparent and open way by committee members independently to feed their perspectives of the probability of each criterion categories' occurrences. The model will calculate the relevant weights.
c) More than a project may gain equal weights but due to the level of uncertainty of a specific situation the model is built to differentiate between those projects at different intervals and different levels of uncertainty. Accepted level of uncertainties can be increased whenever situation is improved which results a change in the decision and priorities of projects.

6.7 Model evaluation and validation

It was planned to use the PMMP and its repeated LISF rounds to apply the model by the in charge committees in Rafah and Khan Younis, but the sanction applied on Gaza Strip caused the project termination. LISF committee members stopped meeting and no more local initiatives presented due to PMMP suspension. It was difficult to bring committee members from Rafah and/or Khan Younis to meet and evaluate old initiatives while no fund is available.

Therefore separate meetings were held with Rafah municipality city manager, Khan Younis LISF committee chairman, and two members of local initiative support fund (LISF) committees in Khan Younis and Rafah municipalities and assistant director general of projects and public buildings in ministry of education and higher education. They are selected from those who were involved in the questionnaire stage.

Additional efforts were needed to explain the model to each of them. The model was tested by letting the participants feed the model with their estimation and evaluation of example projects, and get the following results:

a- Members fed the evaluation sheets with their individual perspectives as cumulative probabilities of projects compatibility with categories of selection criteria.

b- The fed assumptions of each expert are transferred to the template shown in table 6.10.

Table 6.10: Project 1 criteria categories and experts perspectives

Project 1						
Criteria	Criteria Categories and weights		Expert 1 cum. Prob.	Expert 2 Cum. Prob.	Expert 3 Cum. Prob.	Expert 4 Cum. Prob.
	Categories	weights				
Number of beneficiaries C1	1500	25	15	10	12	15
	1000	20	18	20	30	35
	750	15	50	45	50	55
	500	10	85	90	90	80
	200	5	100	100	100	100
Community need C2	v. high	27	10	15	10	15
	high	20	40	35	35	30
	middle	15	65	60	60	55
	weak	10	95	90	85	85
	v. weak	5	100	100	100	100
Required budget C3	10000	20	15	10	10	12
	15000	15	25	30	35	25
	20000	10	50	60	55	47
	30000	7	90	95	90	85
	50000	3	100	100	100	100
Implementation duration C4	12	2	15	10	10	12
	8	5	30	35	30	35
	6	7	50	65	60	65
	4	8	90	85	95	95
	2	10	100	100	100	100

c- Mont Carlo simulation is applied to generate 500 random numbers and produced relevant probabilities' values.

d- Cumulative probabilities of each project's individual criterion weights intervals as assumed by each expert are obtained.

e- At specific uncertainty level intervals, all experts average of obtained project's individual criterion weights are determined to produce the total weight of the project as shown in table 6.11.

Table 6.11: Total points of project 1 criteria at uncertainty levels intervals

Uncertainty level	Selection criteria				Weights for Project 1
	C1	C2	C3	C4	
100.00%	11.54	10.06	4.76	3.98	**30.34**
75.00%	19.02	16.42	5.94	6.02	**47.40**
50.00%	22.18	21.36	8.07	7.77	**59.38**
25.00%	25.11	26.49	19.14	9.87	**80.61**
0%	25	27	20	10	**82**

f- At the same uncertainty level intervals, all projects total weights are obtained as assumed by all experts as shown in table 6.12.

Table 6.12: Collective weights for all projects at uncertainties intervals

Uncertainty level	Total weight points for all projects				
	Project 1	Project 2	Project 3	Project 4	Project 5
100%	**30.34**	32.17	33.96	34.87	34.35
75%	**47.40**	46.88	50.18	50.32	48.34
50%	**59.38**	62.33	64.15	64.35	61.96
25%	**80.61**	80.75	81.37	80.89	80.73
0%	**82**	82	82	82	82

g- Figure 6.12 shows the comparison between the projects 1, 2, 3, 4 and 5 where the descending ranking under uncertainty level below 30% was 3, 4, 2, 5 and 1, under uncertainty level between 30% and 50% the same descending ranking stayed but with clearer differentiation, under uncertainty between 50% and 70% changed to 4, 3, 5, 1 and 2, under uncertainty level between 70% and 90% the descending ranking changed to 4, 5, 3, 1 and 2 and under higher uncertainty than 90% the descending ranking became 4, 5, 3, 2 and 1. This gives the coordination committee the opportunity to take the informed decision based on the situation assessment.

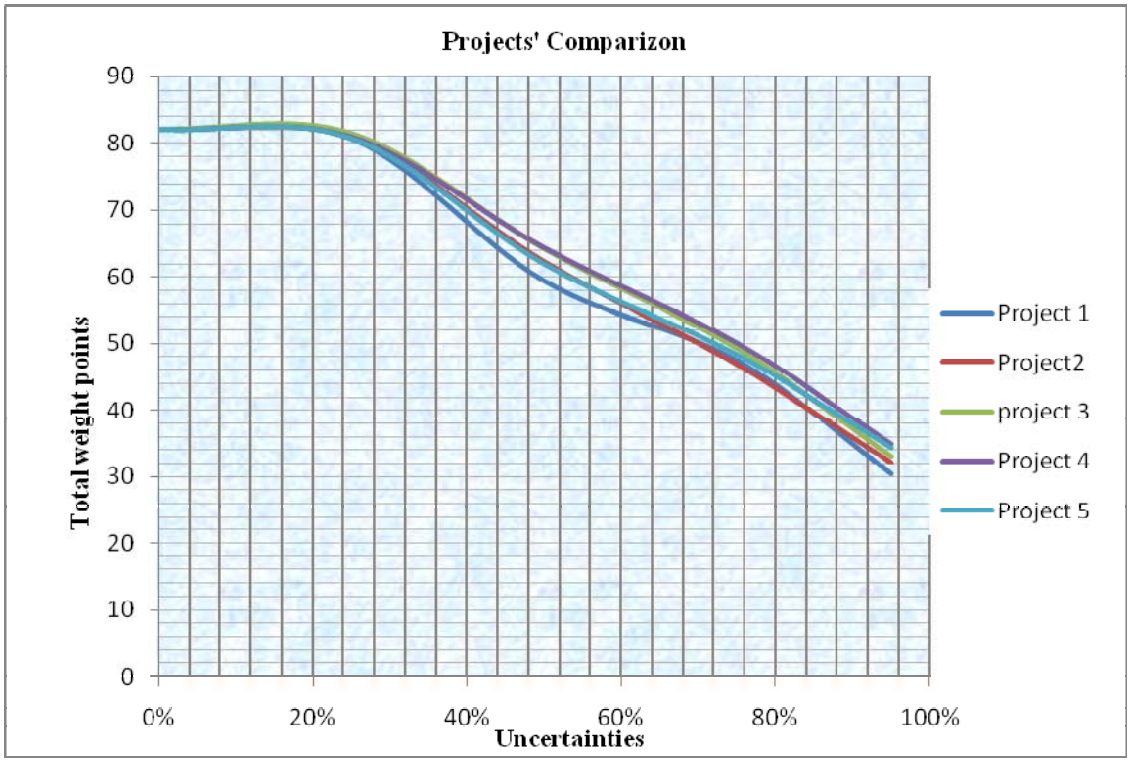


Figure 6.12: Comparison curves for all projects

We had their valuable feedback and experienced comments as following:

1- Selection criteria list should be expandable to accommodate new criteria or omit others depending on field survey and public consultation.

2- Model orientation is needed to the coordination committee to facilitate the work of the un-experienced members.

3- Model is a good tool to ensure the transparency and independency of the evaluation work of the committee members since the decision is based on the different members input. The assumptions of individual members will not be influenced by outspoken members.

Chapter (7)

Conclusions and Recommendations

7.1 Introduction

Every community has unique conditions that either help or hinder its economic development. These conditions form the basis for designing and implementing a local economic development strategy. Palestinian practice shows that international donors' community supported the Palestinian Authority at levels of local community, local government and central government with different financial and technical supports. Transparent and accountable collaborative organization of these supports is vital to ensure the optimum use of the limited resources. This may be achieved through a coordination unit using a suitable computer model for applying the selection criteria of projects prioritizing.

7.2 Conclusions

Local economic development is the process that offers the concerned stakeholders in a local community the opportunity to work together. It retains jobs to develop community self reliance that alleviates poverty for a sustainable livelihood.

Individuals, local governments, local community groups like NGOs, NHC, private sectors, national institutions and donors' community (official and non-governmental institutions) are the stakeholders who contribute in the process efforts and interventions to the local economy.

The Palestinian national economy, unlike other economies, lacks national financial resources and relies on local economy. This raises the need for a successful and transparent locally oriented LED process based on community priorities to optimize the limited resources.

Local authority may lead the process in collaboration with other stakeholders through a coordination unit. There is a high need for an LED strategy that ensures the involvement of local stakeholders in the process including needs assessment and projects prioritizing based on a clear set of criteria and an uncertainty level relevant to the unstable situation.

Local stakeholders strongly supported using a user friendly computer model in projects prioritization to ensure the selection of the most promising projects.

Palestinian local economy has potential strength factors like availability of skilled labors, capitals, researches facilities, education colleges and vocational training centers.

Some other weaknesses need to be tackled like less revenue is being collected by local authority, taxes and regulations adapted in the area, poor city attractiveness and high cost of living.

7.3 Recommendations

7.3.1 Recommendations for central level and donors

a- Palestinian National Authority is recommended to pay more attention to local economies through facilitating their process by building infrastructures and easing the laws and regulations and by influencing the donors following the local economies' strategies when funding grants.

b- It is recommended to have the central government involved in the LED process by having an official member in the coordination unit.

c- It is recommended to the donors to cooperate with local stakeholders through the local coordination units.

7.3.2 Recommendations for local level

a- It is recommended to establish the LED strategy and involve the local stakeholders to ensure harmony with the regional master plan objectives and priorities.

b- It is recommended to establish the coordination unit with consultation of the local stakeholders which will be the implementing agent of the LED strategy.

c- It is recommended that all local projects and/or projects ideas are submitted to the coordination unit for non-stop prioritization process based on situation uncertainty assessment and available financial resources.

7.3.3 Recommendations for coordination unit

a- It is recommended for the unit members to have a transparent and open process for local community.

b- It is recommended to use a computer model to ensure the fairness, abstraction of real-world situation basic elements and relationships. It utilizes probabilistic and dynamic characteristics to describe the behavior of the whole without losing important effects.

c- It is recommended to provide computers with a network to allow members feed the model with their inputs directly without relying on model operator.

7.3.4 Recommendations for further researches

a- The computer model has been fully developed on the basis of criteria in indiscrete categories. In real life some of the categories are discrete like the type of beneficiaries who may be women, youth, or children aimed by some specific projects. As the assumptions of cumulative probabilities are not appropriate for discrete categories. The researcher has avoided complicating model by assuming all categories as indiscrete factors. It is recommended to consider enabling the model to deal with discrete categories of criteria and their relevant cumulative probabilities.

b- The number of committee members is a key issue. The model is designed for specific number of members (4) and selection criteria (4) as an example. Since the number of members and criteria are assumed variable, researcher has thought that, at every case, after confirming the number of members and criteria the model could be developed accordingly. Further efforts are needed to modify the model to be extendable for changeable number of members and criteria.

c- Running simulation is fixed by a specific number of trials (500). The researcher realizes that more number of trials leads to more real life simulation by the model and also more sensitivity is achieved. An example of 500 trials was taken to show the idea of the model. It is recommended to modify the model by providing it with the possibility of choices of trials numbers for more reality simulation.

d- The model has been developed to be operated by an operator. Members will feed their perspectives in projects' data sheets and operator will feed these data to the computer where data incorporation and simulation will take place. Additional

work is recommended to enhance the model to work from several computers linked by a network to let members operate the model simultaneously.

e- As the model was developed to be operated by an operator, it was built to run by pressing the functioning key F9 at any moment. It is recommended to modify the model to start only when all required data are fed by different users and specific instructions are followed.

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Annexes

Annex – I : Questionnaire; first draft version.

Annex – II : Questionnaire; modified version after involving pilot sample

Annex – III: Questionnaire; English version.

Annex – I: Questionnaire; first draft version.

الأخ الكريم

السلام عليكم ورحمة الله وبركاته

الموضوع: استبيان بخصوص المشاركة في الاختيار الأمثل للمشاريع التي تساهم في تحسين الاقتصاد المحلي في المحليات الفلسطينية

تعلمون الحاجة الملحة في منطقتنا لخلق البيئة المناسبة لجعل الأطراف المعنية والمؤثرة في الاقتصاد المحلي يعملون سويا لتطوير اقتصادهم وزيادة تنافسهم في خدمة مجتمعهم من خلال التنفيذ الأمثل للمشاريع ذات الأولوية التي تحقق التنمية المستدامة بخلق فرص عمل تقهر فقر المجتمع .

ويلعب الأدوار المهمة ذات التأثير المتفاوت في هذه المهمة أطراف على مستويات متنوعة كالسلطة المركزية والمحلية، و الجهات المهتمة بالصحة والنقل والتعليم والمرافق العامة، والاتحادات والنقابات وكذلك القطاع الخاص ،كما أن للمستفيد وهو المواطن بصفته الفردية دور لا يقل أهمية وما يمثله من لجان أحياء وجمعيات أهلية.

ونظرا للأهمية المتنامية لعمل هذه الأطراف مجتمعة وبشكل تناسقي متكامل لوضع خطة والاتفاق على معايير موحدة ترشد الى أولويات المشاريع من خلال جهة تمثلهم وتنسق الجهود بآلية تسهل العمل وتوجه رؤوس الأموال المحلية والخارجية الاستثمارية والممنوحة مما يعود بالفائدة الجمة على اقتصاد المجتمع، نضع بين أيديكم هذا الاستبيان الذي ستستخدم نتائجه في وضع سياسة واضحة ومعايير تساعد لجنة تنسيق جهود المؤثرين في تطوير الاقتصاد المحلي وآلية اختيار وترتيب أولويات مشاريعهم وذلك باستعمال برنامج حاسوب سهل ومقارنتها بتجارب الدول الاخرى في هذا المضمار. هذا ويساعد البحث موضوع الاستبيان في خلق البيئة المناسبة بين جميع الأطراف.

والاستبيان يدرس حالة خاصة لمدينة رفح للتحليل ووضع الاستيراتيجيات ومن ثم تطبيق ما يتم التوصل اليه من توصيات وبرامج للتحقق.

سيتم استخدام نتائج هذا الاستبيان لأغراض البحث العلمي كجزء من دراسة بعنوان " مدخل تشاركي للتنمية الاقتصادية في المحليات الفلسطينية" لاستكمال متطلبات الدراسة لنيل درجة الماجستير في ادارة المشاريع من كلية الهندسة – الجامعة الاسلامية – غزة

ان مشاركتكم معنا في هذا العمل هو اثراء له

ونشكركم جزيل الشكر على هذه المشاركة القيمة

للاستفسار يرجى الاتصال على

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Introduction

Palestinian communities pass crucial conditions which increases the needs of organizing the efforts of the different stakeholders influencing the local economic development process, mainly to properly prioritize the project to reduce the poverty.

Local economic development (LED) research offers local & national government, the private sector, the not- for-profit sectors and the local community the opportunity to work together to improve their economy. It often focuses on both enhancing competitiveness, and thus increasing growth; and also on redistributing that growth through the creation of SME's, and through focusing on job creation.

LED is about communities continually upgrading their business environments to improve their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways.

This survey is part of a Master Degree research study aiming to assess the economy at the local Palestinian communities to establish a strategy and action plan and model to assist in developing it consolidating a case study of an area.

The survey is designed for players in Rafah city as a case study having roles affecting local economic and divided into five sections and may take about 30 minutes to complete. The first section collects general information about the institution, the second section aims to identify the effective stakeholders of local economy, the third section about the local economy assessment and SWOT analysis, the fourth one about the contribution of the institution in the process, section five assess the need to have a coalition, criteria and electronic model to facilitate the selection process

Your contribution towards this study is greatly appreciated, as it will add significantly to the value of the research.

Your responses will be kept securely and will remain confidential.

For any further information kindly contact me at adhajazzar@hotmail.com

Or 0599-815391

القسم الأول : معلومات عامة

1.1 اسم المؤسسة : .....

2.1 موقعك في مؤسستك : .....

3.1 كيف لك أن تصنف مؤسستك ضمن التالي :

- ☐ سلطة مركزية
- ☐ سلطة محلية
- ☐ لجنة حي
- ☐ جمعيات أهلية غير ربحية
- ☐ نقابات واتحادات
- ☐ قطاع خاص / استثمار
- ☐ أخرى (الرجاء التوضيح)

3.1 سنوات عمل المؤسسة في مجال دعم الاقتصاد المحلي ☐ سنة

4.1 عدد العاملين بالمؤسسة حاليا :

أ) موظف متفرغ دائم ☐ شخص

ب) موظف مؤقت ☐ شخص

ج) متطوع ☐ شخص

5.1 عدد المشاريع التي قامت بها المؤسسة خلال الخمس سنوات الأخيرة

☐ 5 أو أقل ☐ 6 - 10 ☐ 11 - 15 ☐ 16 – 20 ☐ أكثر من 20

6.1 تكلفة المشاريع التي قامت بها المؤسسة خلال الخمس سنوات السابقة (مليون دولار)

☐ 0.5 أو أقل ☐ 0.6 - 1.0 ☐ 1.1 -2.0 ☐ 2.1 -3.0 ☐ أكثر من 3.0

7.1عدد فرص العمل التي استحدثت عن طريق المؤسسة خلال الخمس سنوات الأخيرة

☐ 100 أو أقل ☐ 101 - 500 ☐ 501 – 1000 ☐ 1001 – 1500 ☐ أكثر من 1500

القسم الثاني : المؤثرون في عملية تطوير الاقتصاد المحلي

1.2 تتجاوب مؤسستك مع متطلبات التنمية المستدامة للاقتصاد المحلي:

☐ درجة عاليةجدا ☐ بدرجة عالية ☐ بدرجة متوسطة ☐ بدرجة ضعيفة ☐ بدرجة ضعيفة جدا

2.2 كيف يمكن تقييم مدى تأثير الأطراف التالية في عملية تطوير الاقتصاد المحلي ؟

الرقم	نوع المؤسسة	درجة التأثير				
		مؤثر جدا	مؤثر	متوسط	غير مؤثر	ليس له دور
1	سلطات مركزية					
2	سلطات محلية					
3	لجان أحياء					
4	جمعيات أهلية غير ربحية					
5	نقابات واتحادات					
6	مؤسسات دولية رسمية					
7	مؤسسات دولية اهلية					
8	أخرى (الرجاء التوضيح)					

3.2 باعتقادك يحقق وضعنا الحالي التنمية المستدامة بدرجة:

☐كبيرة جدا ☐كبيرة ☐متوسطة ☐ضعيفة ☐ضعيفة جدا

4.2 باعتقادك هل تبدأ عملية تطوير الاقتصاد المحلي من:

☐المستوى الوطني ☐المستوى المحلي ☐بالتوازي

القسم الثالث: تحليل مصادر القوة والضعف في الوضع الحالي للاقتصاد المحلي

3- أي من العناصر الاتية تعتبر حالتها مصدر قوة وأيها مصدر ضعف:

العنصر	قوة	ضعف
1.3 العمالة المحلية		
1- المهارات المتوفرة لدى الأفراد المحليين		
2- معدلات الأجرة اليومية المعمول بها		
3- معدل الإنتاجية		
4 - توفر العمالة المحلية		
2.3 مصادر الأموال المتوفرة		
1 - رؤوس أموال خاصة		
2 - رؤوس أموال عامة		
3 - رؤوس أموال استثمارية		
4 - رؤوس أموال تطويرية		
5 - رؤوس أموال منح خارجية		
3.3 التسهيلات والتخطيط		
1 - اتساع المنطقة وتنوعها		
2 - توفر المرافق و البنية التحتية		
3 - وسائل الاتصالات/المواصلات		
4 - توفر المنشآت وملاءمتها		
5 - موقع المدينة وتنوع مواردها		
6 - القوانين واللوائح ذات العلاقة المعمول بها		
7 - توفر إستراتيجية تطوير الاقتصاد		
8 - خطة عمل للتنفيذ		
9 - وجود ائتلاف محلي لتسهيل العملية		
4.3 الاقتصاد المحلي وعلاقته بالاقتصاد الوطني		
1 - الناتج المحلي الإجمالي للمنطقة		
2 - الدخل العائد على البلدية مقابل الخدمات		
3 - صادرات تنتج في المنطقة		
4 - مساهمة المنطقة في القطاعات المؤثرة في الاقتصاد الوطني		
5.3 البحث و المعرفة في المجتمع المحلي		
1 - مرافق البحث والتطوير		
2 - جمعيات تجارة وصناعة		
3 - كليات وجامعات		
4 - تدريب فني متقدم		
5 - تدريب مهارات تخصصية		
6 - خدمات تجارية ودعم فني		

العنصر	قوة	ضعف
6.3 مناخ العمل في المنطقة		
1 - تجاوب السلطة المركزية		
2 - نظام الضرائب المعمول به		
3 - القوانين واللوائح		
4 - التعاون مع القطاع الخاص		
5 - دور السلطة المحلية في تنسيق الجهود		
7.3 تفاصيل الحياة اليومية		
1 - تكلفة الحياة اليومية		
2 - الثقافة والترفيه		
3 - الخدمات العامة		
4 - جاذبية المنطقة والاستقرار الأمني		
5 - توفر موارد طبيعية		

القسم الرابع: اسهام المؤسسة في الاقتصاد المحلي

1.4 نوع الخدمة المقدمة من المؤسسة وذات أثر على الاقتصاد المحلي(خدمة أو أكثر):

☐ بنية تحتية ☐ استحداث فرص عمل ☐ البيئة ☐ التدريب ☐ انشاءات
☐ تنمية ☐ ذوي الاحتياجات الخاصة ☐ التعليم ☐ الصحة ☐ الشباب
☐ المرأة ☐ الطفل ☐ المسنين ☐ توعية ☐ الزراعة
☐ أخرى (الرجاء التوضيح)

2.4 هل سبق للمؤسسة التنسيق مع مؤسسات أخرى للتعاون لتحديد مشاريع و/أو لتنفيذها؟

☐ دائما ☐ غالبا ☐ أحيانا ☐ نادرا ☐ مطلقا

3.4 مدى تكرار التعاون بين مؤسستك والمؤسسات الأخرى:

الرقم	نوع الموسسة	دائما	غالبا	أحيانا	نادرا	مطلقا
1	سلطات مركزية					
2	سلطات محلية					
3	لجان أحياء					
4	جمعيات أهلية غير ربحية					
5	نقابات واتحادات					
6	مؤسسات دولية رسمية					
7	مؤسسات دولية اهلية					
8	أخرى (الرجاء التوضيح)					

4.4 مدى تكرار التعاون بين مؤسستك ومؤسسات المجتمع المحلي في المجالات المختلفة:

الرقم	مجال التعاون	دائما	غالبا	أحيانا	نادرا	مطلقا
1	البنية التحتية					
2	خلق فرص عمل					
3	البيئة					
4	التدريب					
5	انشاءات					
6	تنمية					
7	توعية					
8	التعليم					
9	الصحة					
10	الشباب					
11	المرأة					
12	الطفل					
13	ذوي الاحتياجات الخاصة					
14	المسنين					
15	الزراعة					
16	أخرى (الرجاء التوضيح)					

5.4 من واقع تجربة المؤسسة ماهي ضرورة التنسيق مع المؤسسات الأخرى في تحديد أولويات المشاريع وتنفيذها لتحسين الاقتصاد المحلي؟

☐مهم جدا ☐مهم ☐متوسط ☐غير مهم ☐مطلقا

6.4 ما مدى مناسبة فرص الاستثمار وتطوير الاقتصاد المحلي في المنطقة في الفترات التالية؟

الرقم	الفترة	مناسب بدرجة				
		كبيرة	عادية	متوسطة	ضعيفة	ضعيفة جدا
1	قبل انتفاضة الأقصى (قبل أكتوبر 2000)					
2	أثناء انتفاضة الأقصى (2000 - 2005)					
3	بعد الانتخابات التشريعية الثانية (يناير2006)					

القسم الخامس: معايير والية اختيار أولويات المشاريع

1.5 من خبرة المؤسسة، يتم تحديد المشاريع بناء على معايير محددة:

☐دائما ☐غالبا ☐أحيانا ☐نادرا ☐مطلقا

2.5 مدى تأثير كل من الأطراف التالية في تحديد معايير اختيار المشاريع

الرقم	الموسسة	مؤثر جدا	مؤثر	متوسط التأثير	ضعيف التأثير	عديم التأثير
1	المؤسسة نفسها					
2	السلطة المركزية					
3	السلطة المحلية (البلدية)					
4	المجتمع المحلي (لجان أحياء)					
5	الجهة الممولة					
6	جهة أخرى (الرجاء التوضيح)					

3.5 هل سبق للمؤسسة الاتفاق مع طرف أو أكثر على معايير ما

الرقم	الموسسة	دائما	غالبا	أحيانا	نادرا	مطلقا
1	السلطة المركزية					
2	السلطة المحلية (البلدية)					
3	المجتمع المحلي (لجان أحياء)					
4	الجهة الممولة					
5	جمعيات أهلية					
6	نقابات واتحادات					
7	قطاع خاص					

4.5 هل توافق على رعاية البلدية (السلطة المحلية) تسهيل تنسيق واختيار المشاريع

☐أوافق بقوة ☐أوافق ☐لا أدري ☐أعترض ☐أعترض بقوة

5.5 هل تفضل الاستعانة ببرنامج حاسوب للمساعدة في تحديد أولويات المشاريع

☐أوافق بقوة ☐أوافق ☐لا أدري ☐أعترض ☐أعترض بقوة

6.5 هل تفضل تشكيل لجنة تنسيق ترعى تنسيق جهود المؤسسات العاملة على تنشيط الاقتصاد المحلي

☐أوافق بقوة ☐أوافق ☐لا أدري ☐أعترض ☐أعترض بقوة

7.5 بين مدى أهمية الأطراف التالية في تشكيل وحدة تنسيق الجهود وتسهيل عمل المؤسسات العاملة في مجال انعاش الاقتصاد المحلي :

الرقم	الموسسة	مهم جدا	مهم	متوسط الأهمية	ضعيف مهم	عديم الأهمية
1	السلطة المركزية					
2	السلطة المحلية (البلدية)					
3	المجتمع المحلي					
4	الجهة الممولة					
5	جمعيات أهلية					
6	نقابات واتحادات					
7	قطاع خاص					
8	لجان أحياء					

8.5 بين درجة أهمية كل من المعايير التالية التي يمكن اعتمادها لاختيار اولويات المشاريع بمشاركة جميع الأطراف

الرقم	المعايير	مهم جدا	مهم	متوسط الأهمية	ضعيف الأهمية	عديم الأهمية
1	حاجة المجتمع للمشروع					
2	عدد فرص العمل المستحدثة					
3	عدد المستهدفين					
4	نوعية الفئة المستهدفة					
5	توفر عناصر الاستمرارية					
6	الاعتبارات البيئية					
7	حجم الميزانية المطلوبة					
8	ميزانية المشروع الاجمالية					
9	مساهمة المؤسسة في ميزانية المشروع					

الرقم	المعايير	مهم جدا	مهم	متوسط الأهمية	ضعيف الأهمية	عديم الأهمية
10	العمر الافتراضي للمشروع					
11	مدة تنفيذ المشروع					
12	اجماع غالبية أهل المنطقة على المشروع					
13	مشاركة أكثر من مؤسسة في المشروع (اختيار و/او تنفيذ)					
14	الاعتماد في المشروع على مواد محلية					
15	مصدر التمويل وسهولة المنحة					
16	تكرار مشاريع مشابهة في المنطقة					
17	خبرة المؤسسة في مجال المشروع					
18	السيرة الذاتية للقائمين على المؤسسة					
19	مشاركة المرأة في تنفيذ المشروع					
20	مشاركة المرأة في الاستمرار في ادارة المشروع					
21	مدى اعتماد المشروع على مواد خام مستوردة					
22	مساعدة المشروع في تأهيل وزيادة قدرات الكوادر المحلية فنيا ومهنيا وعلميا واداريا					
23	مساهمة المشروع في زيادة الناتج الوطني لما يقود الى الاكتفاء الذاتي					
24	معايير أخرى (الرجاء التوضيح)					
25						
26						
27						

9.5 بين مدى تأثير المعوقات التالية في عملية تطوير الاقتصاد المحلي

الرقم	المعوقات	مؤثر جدا	مؤثر	متوسط التأثير	ضعيف التأثير	عديم التأثير
1	عدم وجود جهة تنسق مجهود المؤسسات					
2	عدم وجود معايير واضحة لوضع الأولويات					
3	عدم وجود قناة مشتركة لتوجيه رؤوس الأموال					
4	المركزية في العلاقة بين المستوى المحلي والمركزي					
5	الحاجة لبناء قدرات المؤسسات في المجتمع المحلي					
6	عدم وجود البنية التحتية اللازمة					
7	عدم الاستقرار السياسي في المنطقة					
8	معوقات أخرى (الرجاء التوضيح)					
9						
10						

Annex – II: Questionnaire; modified version after involving pilot sample

القسم الأول : معلومات عامة

1.1 اسم المؤسسة : .....

2.1 موقعك في مؤسستك : .....

3.1 كيف لك أن تصنف مؤسستك ضمن التالي :

- ☐ سلطة مركزية
- ☐ سلطة محلية
- ☐ لجنة حي
- ☐ جمعيات أهلية غير ربحية
- ☐ نقابات واتحادات
- ☐ قطاع خاص / استثمار
- ☐ أخرى (الرجاء التوضيح)

3.1 سنوات عمل المؤسسة في مجال دعم الاقتصاد المحلي ☐ سنة

4.1 عدد العاملين بالمؤسسة حاليا :

أ) موظف متفرغ دائم ☐ شخص

ب) موظف مؤقت ☐ شخص

ج) متطوع ☐ شخص

5.1 عدد المشاريع التي قامت بها المؤسسة خلال الخمس سنوات الأخيرة

☐ 5 أو أقل ☐ 6 - 10 ☐ 11 - 15 ☐ 16 – 20 ☐ أكثر من 20

6.1 تكلفة المشاريع التي قامت بها المؤسسة خلال الخمس سنوات السابقة (مليون دولار)

☐ 0.5 أو أقل ☐ 0.6 - 1.0 ☐ 1.1 -2.0 ☐ 2.1 -3.0 ☐ أكثر من 3.0

7.1عدد فرص العمل التي استحدثت عن طريق المؤسسة خلال الخمس سنوات الأخيرة

☐ 100 أو أقل ☐ 101 - 500 ☐ 501 – 1000 ☐ 1001 – 1500 ☐ أكثر من 1500

القسم الثاني : المؤثرون في عملية تطوير الاقتصاد المحلي

1.2 تتجاوب مؤسستك مع متطلبات التنمية المستدامة للاقتصاد المحلي:

☐درجة عاليةجدا ☐ بدرجة عالية ☐ بدرجة متوسطة ☐ بدرجة ضعيفة ☐ بدرجة ضعيفة جدا

2.2 كيف يمكن تقييم مدى تأثير الأطراف التالية في عملية تطوير الاقتصاد المحلي ؟

الرقم	نوع المؤسسة	درجة التأثير				
		مؤثر جدا	مؤثر	متوسط	غير مؤثر	ليس له دور
1	سلطات مركزية					
2	سلطات محلية					
3	لجان أحياء					
4	جمعيات أهلية غير ربحية					
5	نقابات واتحادات					
6	مؤسسات دولية رسمية					
7	مؤسسات دولية اهلية					
8	القطاع الخاص					
9	أخرى (الرجاء التوضيح)					

3.2 باعتقادك يحقق وضعنا الحالي التنمية المستدامة بدرجة:

☐كبيرة جدا ☐كبيرة ☐متوسطة ☐ضعيفة ☐ضعيفة جدا

4.2 باعتقادك هل تبدأ عملية تطوير الاقتصاد المحلي من:

☐المستوى الوطني ☐المستوى المحلي ☐بالتوازي

القسم الثالث: تحليل مصادر القوة والضعف في الوضع الحالي للاقتصاد المحلي

4- أي من العناصر الاتية تعتبر حالتها مصدر قوة وأيها مصدر ضعف:

العنصر	قوة	ضعف
1.3 العمالة المحلية		
1- المهارات المتوفرة لدى الأفراد المحليين		
2- معدلات الأجرة اليومية المعمول بها		
3- معدل الإنتاجية		
4 – توفر العمالة المحلية		
2.3 مصادر الأموال المتوفرة		
1 – رؤوس أموال خاصة		
2 – رؤوس أموال عامة		
3 – رؤوس أموال استثمارية		
4 – رؤوس أموال تطويرية		
5 – رؤوس أموال منح خارجية		
3.3 التسهيلات والتخطيط		
1 – اتساع المنطقة وتنوعها		
2 – توفر المرافق و البنية التحتية		
3 - وسائل الاتصالات/المواصلات		
4 – توفر المنشآت وملاءمتها		
5 - موقع المدينة وتنوع مواردها		
6 – القوانين واللوائح ذات العلاقة المعمول بها		
7 – توفر إستراتيجية تطوير الاقتصاد		
8 – خطة عمل للتنفيذ		
9 – وجود ائتلاف محلي لتسهيل العملية		
4.3 الاقتصاد المحلي وعلاقته بالاقتصاد الوطني		
1 – الناتج المحلي الإجمالي للمنطقة		
2 - الدخل العائد على البلدية مقابل الخدمات		
3 - صادرات تنتج في المنطقة		
4 - مساهمة المنطقة في القطاعات المؤثرة في الاقتصاد الوطني		
5.3 البحث و المعرفة في المجتمع المحلي		
1 – مرافق البحث والتطوير		
2 – جمعيات تجارة وصناعة		
3 – كليات وجامعات		
4 – تدريب فني متقدم		
5 – تدريب مهارات تخصصية		
6 – خدمات تجارية ودعم فني		

العنصر	قوة	ضعف
6.3 مناخ العمل في المنطقة		
1 – تجاوب السلطة المركزية		
2 – نظام الضرائب المعمول به		
3 – القوانين واللوائح		
4 – التعاون مع القطاع الخاص		
5 – دور السلطة المحلية في تنسيق الجهود		
7.3 تفاصيل الحياة اليومية		
1 – تكلفة الحياة اليومية		
2 – الثقافة والترفيه		
3 – الخدمات العامة		
4 – جاذبية المنطقة والاستقرار الأمني		
5 – توفر موارد طبيعية		

القسم الرابع: اسهام المؤسسة في الاقتصاد المحلي

1.4 نوع الخدمة المقدمة من المؤسسة وذات أثر على الاقتصاد المحلي(خدمة أو أكثر):

☐ بنية تحتية ☐ استحداث فرص عمل ☐ البيئة ☐ التدريب ☐ انشاءات
☐ تنمية ☐ ذوي الاحتياجات الخاصة ☐ التعليم ☐ الصحة ☐ الشباب
☐ المرأة ☐ الطفل ☐ المسنين ☐ توعية ☐ الزراعة
☐ أخرى (الرجاء التوضيح)

2.4 هل سبق للمؤسسة التنسيق مع مؤسسات أخرى للتعاون لتحديد مشاريع و/أو لتنفيذها؟

☐ دائما ☐ غالبا ☐ أحيانا ☐ نادرا ☐ مطلقا

3.4 مدى تكرار التعاون بين مؤسستك والمؤسسات الأخرى:

الرقم	نوع الموسسة	دائما	غالبا	أحيانا	نادرا	مطلقا
1	سلطات مركزية					
2	سلطات محلية					
3	لجان أحياء					
4	جمعيات أهلية غير ربحية					
5	نقابات واتحادات					
6	مؤسسات دولية رسمية					
7	مؤسسات دولية اهلية					
8	أخرى (الرجاء التوضيح)					

4.4 مدى تكرار التعاون بين مؤسستك ومؤسسات المجتمع المحلي في المجالات المختلفة:

الرقم	مجال التعاون	دائما	غالبا	أحيانا	نادرا	مطلقا
1	البنية التحتية					
2	خلق فرص عمل					
3	البيئة					
4	التدريب					
5	انشاءات					
6	تنمية					
7	توعية					
8	التعليم					
9	الصحة					
10	الشباب					
11	المرأة					
12	الطفل					
13	ذوي الاحتياجات الخاصة					
14	المسنين					
15	الزراعة					
16	أخرى (الرجاء التوضيح)					

5.4 من واقع تجربة المؤسسة ماهي ضرورة التنسيق مع المؤسسات الأخرى في تحديد أولويات المشاريع وتنفيذها لتحسين الاقتصاد المحلي؟

☐مهم جدا ☐مهم ☐متوسط ☐غير مهم ☐مطلقا

6.4 ما مدى مناسبة فرص الاستثمار وتطوير الاقتصاد المحلي في المنطقة في الفترات التالية؟

الرقم	الفترة	مناسب بدرجة				
		كبيرة	عادية	متوسطة	ضعيفة	ضعيفة جدا
1	قبل انتفاضة الأقصى (قبل أكتوبر 2000)					
2	أثناء انتفاضة الأقصى (2000 - 2005)					
3	بعد الانتخابات التشريعية الثانية (يناير2006)					

القسم الخامس: معايير والية اختيار أولويات المشاريع

1.5 من خبرة المؤسسة، يتم تحديد المشاريع بناء على معايير محددة:

☐دائما ☐غالبا ☐أحيانا ☐نادرا ☐مطلقا

2.5 مدى تأثير كل من الأطراف التالية في تحديد معايير اختيار المشاريع

الرقم	الموسسة	مؤثر جدا	مؤثر	متوسط التأثير	ضعيف التأثير	عديم التأثير
1	المؤسسة نفسها					
2	السلطة المركزية					
3	السلطة المحلية (البلدية)					
4	المجتمع المحلي (لجان أحياء)					
5	الجهة الممولة					
6	جهة أخرى (الرجاء التوضيح)					

3.5 هل سبق للمؤسسة الاتفاق مع طرف أو أكثر على معايير ما

الرقم	الموسسة	دائما	غالبا	أحيانا	نادرا	مطلقا
1	السلطة المركزية					
2	السلطة المحلية (البلدية)					
3	المجتمع المحلي (لجان أحياء)					
4	الجهة الممولة					
5	جمعيات أهلية					
6	نقابات واتحادات					
7	قطاع خاص					

4.5 هل توافق على رعاية البلدية (السلطة المحلية) تسهيل تنسيق واختيار المشاريع

☐أوافق بقوة ☐أوافق ☐لا أدري ☐أعترض ☐أعترض بقوة

5.5 هل تفضل الاستعانة ببرنامج حاسوب للمساعدة في تحديد أولويات المشاريع

☐أوافق بقوة ☐أوافق ☐لا أدري ☐أعترض ☐أعترض بقوة

6.5 هل تفضل تشكيل لجنة تنسيق ترعى تنسيق جهود المؤسسات العاملة على تنشيط الاقتصاد المحلي

☐أوافق بقوة ☐أوافق ☐لا أدري ☐أعترض ☐أعترض بقوة

7.5 بين مدى أهمية الأطراف التالية في تشكيل وحدة تنسيق الجهود وتسهيل عمل المؤسسات العاملة في مجال انعاش الاقتصاد المحلي :

الرقم	الموسسة	مهم جدا	مهم	متوسط الأهمية	ضعيف مهم	عديم الأهمية
1	السلطة المركزية					
2	السلطة المحلية (البلدية)					
3	المجتمع المحلي					
4	الجهة الممولة					
5	جمعيات أهلية					
6	نقابات واتحادات					
7	قطاع خاص					
8	لجان أحياء					

8.5 بين درجة أهمية كل من المعايير التالية التي يمكن اعتمادها لاختيار اولويات المشاريع بمشاركة جميع الأطراف

الرقم	المعايير	مهم جدا	مهم	متوسط الأهمية	ضعيف الأهمية	عديم الأهمية
1	حاجة المجتمع للمشروع					
2	عدد فرص العمل المستحدثة					
3	عدد المستهدفين					
4	نوعية الفئة المستهدفة					
5	توفر عناصر الاستمرارية					
6	الاعتبارات البيئية					
7	حجم الميزانية المطلوبة					
8	ميزانية المشروع الاجمالية					
9	مساهمة المؤسسة في ميزانية المشروع					

الرقم	المعايير	مهم جدا	مهم	متوسط الأهمية	ضعيف الأهمية	عديم الأهمية
10	العمر الافتراضي للمشروع					
11	مدة تنفيذ المشروع					
12	اجماع غالبية أهل المنطقة على المشروع					
13	مشاركة أكثر من مؤسسة في المشروع (اختيار و/او تنفيذ)					
14	الاعتماد في المشروع على مواد محلية					
15	مصدر التمويل وسهولة المنحة					
16	تكرار مشاريع مشابهة في المنطقة					
17	خبرة المؤسسة في مجال المشروع					
18	السيرة الذاتية للقائمين على المؤسسة					
19	مشاركة المرأة في تنفيذ المشروع					
20	مشاركة المرأة في الاستمرار في ادارة المشروع					
21	مدى اعتماد المشروع على مواد خام مستوردة					
22	مساعدة المشروع في تأهيل وزيادة قدرات الكوادر المحلية فنيا ومهنيا وعلميا واداريا					
23	مساهمة المشروع في زيادة الناتج الوطني لما يقود الى الاكتفاء الذاتي					
24	تحسين العلاقة بين السلطة المحلية والمؤسسة					
25	رفع كفاءة المؤسسة وتحسين أداء العاملين بها					
26	معايير أخرى (الرجاء التوضيح)					

9.5 بين مدى تأثير المعوقات التالية في عملية تطوير الاقتصاد المحلي

الرقم	المعوقات	مؤثر جدا	مؤثر	متوسط التأثير	ضعيف التأثير	عديم التأثير
1	عدم وجود جهة تنسق مجهود المؤسسات					
2	عدم وجود معايير واضحة لوضع الأولويات					
3	عدم وجود قناة مشتركة لتوجيه رؤوس الأموال					
4	المركزية في العلاقة بين المستوى المحلي والمركزي					
5	الحاجة لبناء قدرات المؤسسات في المجتمع المحلي					
6	عدم وجود البنية التحتية اللازمة					
7	عدم الاستقرار السياسي في المنطقة					
8	معوقات أخرى (الرجاء التوضيح)					

10.5 ما هي توصياتك بنوعية التدريبات التي تحتاجها المؤسسات للمساعدة في تطوير أدائها لتقوية دورها في تطوير الاقتصاد المحلي؟

أ- .....

ب- .....

ج- .....

Annex – III: Questionnaire; English version.

Section 1: General Information

1.1 **Institution name:** ..... .

1.2 **Your position:** .....

1.3 How can you categorize your institution within following:

- ☐ Central authority
- ☐ Local government
- ☐ Neighborhood committee
- ☐ Non-governmental organization
- ☐ Unions and associations
- ☐ Private sector and investors
- ☐ Others (please clarify)

1.4 Your institution supported local economy for: ☐ years

1.5 Number of workers at your institution:

A) Permanent ☐ person

B) Temporary ☐ person

C) Volunteer ☐ person

1.6 Number of projects implemented by your institution in last five years

☐ <5 ☐ 6-10 ☐ 11-15 ☐ 16-20 ☐ >20

1.6 Value of projects implemented by your institutions in last five years ($ Million)

☐ <0.5 ☐ 0.6-1.0 ☐ 1.1-2.0 ☐ 2.1-3.0 ☐ >3.0

1.7 Number of jobs created by your institutions in last five years

☐ <100 ☐ 101-500 ☐ 501-1000 ☐ 1001-1500 ☐ >1500

Section 2: Players influence local economic development process

2.1 How does your institution respond to sustainable development of local economy?

☐ very high ☐ high ☐ middle ☐ weak ☐ very weak

2.2 How do you evaluate the influence level of following players on local economy development process?

S/N	Institution type	Level of influence				
		v. high	high	middle	weak	v. weak
1	Central authority					
2	Local government					
3	Neighborhood committee					
4	Non-governmental organization					
5	Unions and associations					
6	Official international donor institutions					
7	International NGOs					
8	Private sector					
9	Others (please clarify)					

2.3 To what level do you think that our current situation reflects to sustainable development?

☐ very high ☐ high ☐ middle ☐ weak ☐ very weak

2.4 Do you think that local economy development process starts from:

☐ national level ☐ local level ☐ parallel

Section 3: SWOT analysis of current local economy

3. How do you consider following factors of current situation (strengths or weaknesses)

Factor	strengths	weaknesses
3.1 Labor market:		
1- skills		
2- wage rates		
3- productivity		
4- availability		
3.2 Financial Capital		
1- private capital		
2- public capital		
3- investment capital		
4- development capital		
5- external grants capital		
3.3 Sites and facilities		
1- number of site and size		
2- infrastructure and utility availability		
3- telecommunications		
4- number of available/existing structures and suitability		
5- region location and resources diversity		
6- relevant laws and regulations adopted		
7- economy strategy availability		
8- action plan availability		
9- coalition availability		
3.4 Regional and national economy		
1- regional product rate		
2- municipality revenue from services		
3- exports produced in the area		
4- region contribution in national economy sectors		
3.5 Knowledge and education		
1- research/development facilities		
2- industry or trade association		
3- colleges or universities		

4- higher technical training		
5- vocational skills training		
6- business services and technical support		
3.6 Business Climate		
1- Government responsiveness		
2- taxes		
3- regulations and controls		
4- cooperation/assistance with private sector		
5- local government role in facilitation		
3.7 Quality of life		
1- cost of living		
2- culture and recreation		
3- public services		
4- attractiveness of the city		
5- natural resources		

Section 4 : Institution contribution in local economy

4.1 Type of service/s provided by your institution and influences the local economy:

☐ infrastructure	☐ Job creation	☐ environment	☐ training	☐ construction
☐ development	☐ handicapped	☐ education	☐ health	☐ youth
☐ women	☐ children	☐ elderly people	☐ awareness	☐ agriculture
☐ others	☐ high	☐ middle	☐ weak	☐ very weak

4.2 Has your institution ever coordinated with others in identifying/implementing projects?

☐ very often ☐ often ☐ sometimes ☐ rarely ☐ never

4.3 Frequency of your institution cooperation with others:

S/N	Institution	Frequency				
		v. often	often	sometimes	rarely	never
1	Central authority					
2	Local government					
3	Neighborhood committee					
4	Non-governmental organization					
5	Unions and associations					
6	Official international institutions					
7	International NGOs					
9	Others (please clarify)					

4.4 Frequency of your institution cooperation with others in following fields:

S/N	field	Frequency				
		v. often	often	sometimes	rarely	never
1	Infrastructure					
2	Job creation					
3	Environment					
4	Training					
5	Construction					
6	Development					
7	Awareness					
8	Education					
9	Health					
10	Youth					
11	Women					
12	Child					
13	Handicapped people					
14	Elderly people					
15	Agriculture					
16	Others (please clarify)					

4.5 From your institution experience, what is the importance of coordinating with other institutions to prioritize and implement economic projects?

☐ very important ☐ important ☐ middle ☐ not important ☐ not at all

4.5 What is the investment and economy development adequacy at following intervals?

S/N	Interval	Level of adequacy				
		v. high	high	medium	weak	v. weak
1	Before Aqsa uprising (before October 2000)					
2	During Aqsa uprising (2000-2005)					
3	After second legislative election (January 2006)					

Section 5: Criteria and methodology of projects prioritization:

5.1 From your institution's experience, are projects being identified based on criteria?

☐ very often ☐ often ☐ sometimes ☐ rarely ☐ never

5.2 What is the level of following institution influence in identifying projects' selection criteria?

S/N	Institution	Level of influence				
		v. high	high	middle	weak	nil
1	Institution itself					
2	Central authority					
3	Local government					
4	Local community					
5	Donor					
6	Other (clarify)					

5.3 Has your institution ever agreed with other party on criteria?

S/N	Institution	Level of influence				
		v. high	high	middle	weak	Nil
1	Central authority					
2	Local government					
3	Local community					
4	Donor					
5	NGOs					
6	Unions and associations					
7	Other (clarify)					

5.4 Do you encourage the role of local government of projects selection and facilitation?

☐ strongly agree ☐ agree ☐ don't know ☐ don't agree ☐ Strongly don't agree

5.5 Do you prefer using a computerized model to prioritize projects?

☐ strongly agree ☐ agree ☐ don't know ☐ don't agree ☐ Strongly don't agree

5.6 Do prefer establishment of facilitator unit to coordinate efforts towards economy empowerment?

☐ strongly agree ☐ agree ☐ don't know ☐ don't agree ☐ Strongly don't agree

5.7 What is the importance level of following institutions participation in the coordination unit for LED?

S/N	Institution	Level of importance				
		v. high	high	middle	weak	nil
1	Central authority					
2	Local government					
3	Local community					
4	Donor					
5	NGOs					
6	Unions and associations					
7	Private sector					
8	Neighborhood committees					
9	Other (clarify)					

5.8 Show the level of importance of each of the following criteria in projects prioritization.

S/N	Criteria	Level of importance				
		v. high	high	middle	weak	nil
1	Community need for the project					
2	Number of jobs created					
3	Number of target group					
4	Type of target group					
5	Availability of sustainable factors					
6	Environmental consideration					
7	Required budget					
8	Total project budget					

9	Institution contribution					
10	Projects life span					
11	Project implementation duration					
12	Region consensus on project					
13	Other institution involvement in project (selection and/or implementation)					
14	Project will use local materials					
15	Fund resource					
16	Repetition of similar projects in the area					
17	Institution similar experience					
18	Institution administration team repetition					
19	Woman involvement in project identifying					
20	Woman involvement in maintaining project					
21	Project will use exported materials					
22	Project contributes in capacity building of local human resources					
23	Project contributes in NDG for self sufficiency					
24	Project strengthen the relations between local stakeholders					
25	Institution enhancement					
26	Others (clarify please)					
27						

5.9 Show the level of following constraints on Local Economic Development

S/N	Constraint	Level of impact				
		v. high	high	middle	weak	nil
1	Absence of coordination unit					
2	Absence of clear criteria for projects prioritization					
3	Absence of focal point to organize capitals directing					
4	Centralization					
5	Need to build the capacity of local institutions					
6	Absence of infrastructure					
7	Unstable political situation					
9	Other (clarify)					

5.10 Your recommendations on trainings needed to empower skills of Local Economic Development.

a) ……

b) ……