

# **The Palestinian Recovery and Development Plan (PRDP)**

## **First Progress Report on the Reform Agenda**

### **I.1**

- a) attached is a table of PA employment
- b) there was no general wage increase
- c) A pension review has been initiated . A World Bank Mission is expected in May.

### **I.2 a**

- a) 2500 Prepaid meters have been installed since the beginning of the program.
- b) Certifications of payment were requested by municipalities when providing government services. However the courts have ruled against the P.A in April, but the case is now under appeal.

The P.A is requesting from municipalities evidence that certify payments have been made to IEC before providing the municipalities with their share of taxes collected by the PA.

### **I.2 b**

NEDCO was established on January 2008. They are building up their institution with the association of 10 municipalities. Twenty five additional municipalities initiated procedures to join NEDCO.

The PA is negotiating with Hebron municipality to allow for an independent status for HEPCO .

### **I.2 c**

There are 4500 households receiving social assistance through the new Social Safety Net program. MOSA has added 5000 households to their new targeting data base.

### **II.1+2**

Attached is the MDLF note on improvement in accountability.

Regarding the new Financial Management System , the Accountant General Department is working on the design paper and on amending existing financial regulations.

The General Accountant Department has been operational since March 2008.

### **II.3**

The PA Central Computer Department is building up its capacity to integrate the accounts of line ministries (Ministry of Education, Health, and Public Works).

This will make if possible to establish the zero balance objective for line ministries.

Improving the transparency of budget preparation as well as the integration of development and recurrent expenditures will be explicitly addressed in the budget preparation circular which will be issued in July.

### **II.4**

Training of civil servants working for the Internal Financial Control and Audit Departments is on-going with the assistance of the European Commission.

The Accountant General Department is working on the preparation of cash management plans with the assistance of the IMF consultants.

A new director has been appointed to head the Internal Audit Department. A plan is being prepared for selective audits. It will be issued after the approval of the Minister of Finance.