



## **One-Year Reform Action Plan** **September 2004-September 2005**

This document “One-Year Action Plan of Reform” consists of seven main areas of reform. It has been approved by the Cabinet of ministers on its regular session number 43 on 27<sup>th</sup> September 2004.

### **I. Financial Accountability**

#### **1. Continue efforts to establish modern and well-functioning system of financial control in line with international best practices.**

- Strengthen internal audit function of the Ministry of Finance.
- Provide training in modern methods of financial control (internal and external audit.)
- Peruse and implement of the new Law on external audit to provide for a modern and efficient Supreme Audit Institution, headed by an independent Auditor General, empowered to audit the public sector on a regular basis and be accountable before the legislature.
- Submit annual audit reports to the Palestinian Legislative Council, in accordance with legal requirements.

#### **2. Continue with the efforts to improve transparency of the PNA finances and to take concerted action to tackle corruption within public institutions and to fight against fraud.**

- Provide training for public institutions on anti-corruption measures.
- Develop sufficient administrative capacity to prevent and fight against fraud and other irregularities in managing public funds, including the establishment of well-functioning co-operation structures involving all relevant national entities.

#### **3. Ensure transparency of public procurement operations.**

- Develop conditions for open, fair and competitive award of public contracts in accordance with international best practices.

#### **4. Put in place a modern and financially sustainable pension system.**

- Implement the new pension law once passed by PLC.

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**5. Develop the taxation law and start implementation of the amended Income Tax Law on the beginning of the year 2005.**

**6. Ratification of laws that support financial reform process:**

- External Audit law
- Pension law
- Amended Law for Civil Service
- Amended Law for Income Tax

## **II. Market Economy**

**1. Improve the conditions for the establishment and functioning of a market economy**

- Carry out necessary legislative reform and ensure adoption and implementation of a basic regulatory framework
  - Capital Market Authority Law
  - Companies Law
  - Competition Law
  - Chambers of Commerce Law
  - Leasing Law and Securities Law
  - Currency Law
  - Insurance Law
  - Consumers Law
  - Industry and Industrial Licensing Law
  - Industrial Equipments Registry Law
  - Unions Law
  - Amended Law for Social Insurance
- Strengthen the capacity of the private sector agencies.
- Implement the development plan and the approved structure of the Ministry of National Economy.
- Strengthen the capacity of the Land Authority

**2. Trade-related issues, market and regulatory reform**

**a. Revitalize the private sector**

- Provide support for exporting Palestinian products and conduct required agreements in this regard.
- Strengthen private sector institutions and their relation with the PNA and international counterparts.
- Simplify business administrative procedures.

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- Improve the legal conditions for the private sector access to financial resources.

## III. Judiciary and the Role of Law <sup>1</sup>

1. Amendment of the Judicial Authority Law No. (1) of 2002 in order solve and overcome the difficulties arising from the uncertainty of its provisions, particularly the definition of the relationship between the Supreme Judicial Council, the Attorney General and the Ministry of Justice and their powers.
2. Amendment of the Regular Courts Formation Law, where the tripartite bodies will be abolished, and there will be a return to the single judge system.
3. To speed up the process of issuing the Supreme Constitutional Court Law. The said law includes formation, competencies and procedures followed by such court, as well as the consequences of its judgments (Article 103 of the Basic Law.)
4. To speed up the process of issuing a law for the administrative courts. The said law includes formation, competencies and procedures followed by such court (Article 102 of the Basic Law).
5. Speed up the process of issuing a law for the military courts. (Article 101/ 2 of the Basic Law).
6. Regulate and specify the transfer, promotion and appointment standards of judges and prosecutors.
7. Expedite the establishment and activation of the Judicial Training Institute, to undertake the task of training and preparing new judges as well as retraining and improving their knowledge and skills.
8. Develop strategic plan for the Supreme Judicial Council, in cooperation with the Ministry of Justice and the civil society.
9. Appoint further judges in a manner responding to the number of filed legal cases, in order to expedite deciding in reviewed cases, and to nominate judges of summary matters and municipality judges.
10. Ensure the implementation of courts' rulings and judicial orders (Article 106 of the Basic Law).
11. Enable judges and prosecutors to search prisons and detention centers; in order to ensure that there is no violation of laws, and to take all necessary measures to protect the rights of prisoners and detainees.
12. Ensure the regular publication of all laws, decrees and by-laws in the Palestinian Gazette in a regular manner.
13. To provide the operational requirements, including equipments, furnishing and services, as well as infrastructure requirements such as construction of new courts or rental of courts premises.
14. Implement the development plan and structure of the Ministry of Justice.

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<sup>1</sup> Some of these tasks are to be implemented by the Ministry of Justice and the SJC individually or jointly in accordance with the Law.



Draft laws that require prioritization and follow up with the Palestinian Legislative Council, include:

1. Amended law for the Judicial Authority Law No. (1) for 2002.
2. Amended law for the Regular Courts Formation Law.
3. Supreme Constitutional Court Law.
4. Administrative Courts Law.
5. Military Courts Law.

#### **IV. Public Administration & Civil Service:**

##### **1. Structure of Central Government**

- A review of the size and number of ministries in Palestine including a benchmarking exercise to compare Palestine with other countries and more widely to identify areas where there is scope for simplification.
- A review of a sample of government agencies and the way in which they interact with government ministries. The COM started such exercise with number of governmental institutions which will be the starting focal point of this review.
- Develop recommendations for change on alternative structures.

##### **2. Size and Shape of the Civil Service**

- In conjunction with the Ministry of Finance and ministries, undertake detailed analysis of current size, shape and cost of PNA.
- Construct a detailed financial model to the size and cost of PNA with various scenarios.

##### **3. Civil Service Management**

- Establish an appropriate system of management of the civil service.
- Develop and implement a model HR Database (which would be a computerized combination of a Personnel and an Establishment register).
- Address the future role of General Personnel Council (GPC).

##### **4. Prime Minister's Office and Cabinet Secretariat**

- Develop a plan for the organizational development of the PMO.
- Design and develop the Cabinet Procedures.

##### **5. Priority reforms of ministries**

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- Implement restructuring programs with each individual ministry to rationalize structure and improve service delivery.
- Ministry of Awqaf Reform through the following:
  - Prepare a comprehensive study reflects situation at the Ministry of Awqaf/ mission, vision, responsibilities, objectives and the management and financial system.
  - A comprehensive review of the Ministry of Awqaf's assets and determine the best method and procedures of investing such assets.
  - Review of procedures of religious indoctrination in consistence with the Basic Law.
  - Prepare a strategic paper aims at regulating the framework of religious indoctrination in order to build capacities of Emams.
  - Oblige directorates of the Ministry of Awqaf to prepare plans and programs in all religious centers and mosques in accordance with of the Basic Law, international accords and signed agreements.
- A review of IT services in conjunction with MoCIT in a number of government ministries, the shortcomings in the systems as perceived by users and opportunities for improvement.
- Develop in conjunction with the Ministry of Finance capacity-building program where appropriate for managers and staff involved in financial and expenditure management issues.
- Establish the foundations of a longer-term and more effective system of expenditure management by means of capacity-building amongst relevant managers and staff, and system improvements where practicable.

## **6. Structure and Functions of Local Government (in full coordination with the Local Government Reform Programme)**

- A comprehensive solution/proposal for re-organizing decentralized local government (size, structure and functions) with detailed plans prepared and legislation drafted.
- Implement the new structure with ongoing capacity-building and/or training program thereafter (ongoing and long term).

## **V. Local Government**

### **1. Improve Level of Decentralization in the LG System**

- Increase options for local revenue generation to help Local Government Units (LGUs) attain sustainability

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- Re-assign more people-centered activities to LGUs to raise local expenditures to GDP rate to be comparable with international standards
- Re-design and implement less restrictive administrative controls of MoLG over LGUs' affairs:

## **2. Strengthen Institutional & Management Capacity of the LG system.**

- Institutional.
- Physical Planning.
- Strengthen Capacity of LGUs.
- Clarify and improve relationship between central/local government levels.
- Prepare town plans for selected municipalities.
- Strengthen capacity of Association of Palestinian Local Authorities (APLA.)

## **3. Increase Citizens' Participation in LGUs' activities, and enhance LGUs' Transparency and Accountability to Constituencies**

- Support organizing local elections.
- Promote constituency outreach and enhance citizen participation and communication.

## **4. Improve Efficiency and Viability of Utility Service Provision by LGUs**

- Improve costing and pricing practices.
- Standardize accounting, reporting and control procedures over utility activities.
- Convert utility services into specifically identified Investment Centers.
- On the long-run restructure utilities services either in the form of regionalization or incorporation.

## **VI. Security Reform**

- Speed up the process of developing the structure and development plan of the Ministry of Interior.
- Develop security forces structure
- Coordinate and unify efforts of all security forces which are accountable to the MOI and speed up the process of finalizing restructuring process.
- Support the Egyptian plan of assistance to develop the structure and rehabilitation of the security forces.

### **Develop and ratify relevant laws in the area of security:**

- Prepare a law regulating the work and functions of all security forces and ratify it through the PLC.



- Ratify the governors act by the PLC

## **VII. Local and National Elections**

1. Finalize the voters' registry by the end of the year 2004.
2. Determine and confirm a date of conducting the 2005 national elections.
3. Ratify required amendments for the Local and National Elections Laws before the end of the year 2004.
4. Initiate the process for candidacy.
5. Conduct local elections on the beginning of December 2004 on systematic basis in accordance with the set up plan by the High Elections Committee.
6. **Follow up the process of ratifying the following relevant laws:**
  - Political Parties Law
  - General Elections Law
  - Amended Law for the Local Authorities Councils Law No. 5 for 1996

## **VIII. Reform within the Education Sector**

1. Establish a ministerial committee tasked to study, evaluate, with the task of developing the Palestinian Education system and curriculum through:
  - Study the existing curriculums:
    - Review of relevant studies in this area
    - Prepare an individual evaluation of curriculum
    - Prepare strategic papers aim at developing curriculum which reflects the Palestinian vision in accordance with the Basic Law, international standards, and agreements taking into account the historical injustice over Palestinians.
  - Study of the statues of the employees of the education system.
    - Prepare a diagnostic study on the academic organizational and management structure clarifies work mechanisms and procedures.
    - Prepare a broad capacity-building program in consistence with the future vision and methodology.
    - Develop the pay system and employment scales.
    - Establish a suitable infrastructure for the educational sector.
2. Develop master plans aim at developing and re-designing education in Palestine.

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