

ROAD AND TRANSPORTATION MASTERPLAN

PALESTINE

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VIII Institutional and Legal Framework of Transport Sector

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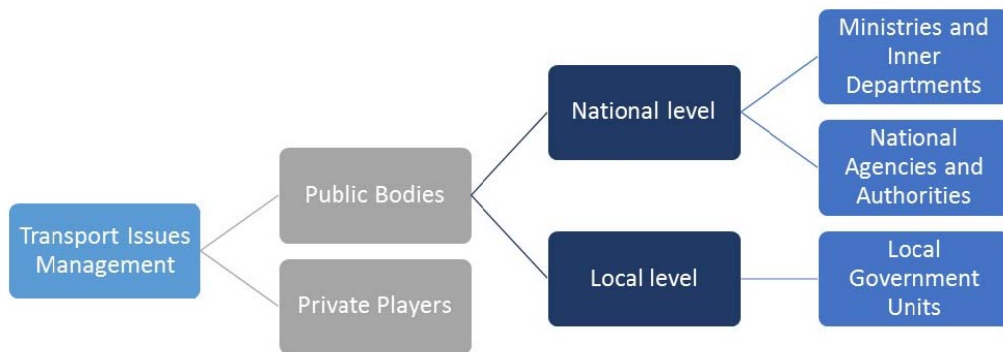
1 Institutional Strategic Framework Assessment

The development and improvement of the transport network is currently limited due to organizational issues concerning Public Authorities in charge. Efficient coordination of some roles and functions still have margin for improvement, while other important aspects of transport services are not under the direct control of Public Bodies. Existing Authorities' functions and responsibilities need to be improved and capacitated, while new Authorities can be instituted/re-organized for public, air and rail transport.

1.1 Existing Institutional Governance System

PNA has already Public Bodies that deal with transport issues, organized mainly into two different levels and cooperating with private stakeholders, as follows:

Figure 1. Public Bodies for Transport Management in Palestine



More in detail, the current situation is described in the following paragraphs.

1.1.1 Public Bodies at National Level

On a central/national level, all the transport-related issues are currently under the control of the **Ministry of Transport (MoT)**, with the cooperation of the Ministry of Public Work and Housing (MoPWH), the Ministry of National Economy (MoNE), the Ministry of Planning and Administrative Development (MoPAD), the Ministry of Finance (MoF) the Ministry of Local Government (MoLG) who participate in the Higher Council of Traffic.

Every Ministry is constituted of Inner Departments and supported by the work of National Authorities and Agencies.

The following tables present the three main Public Bodies, along with their corresponding organizational charts that are responsible for Transport sector in Palestine:

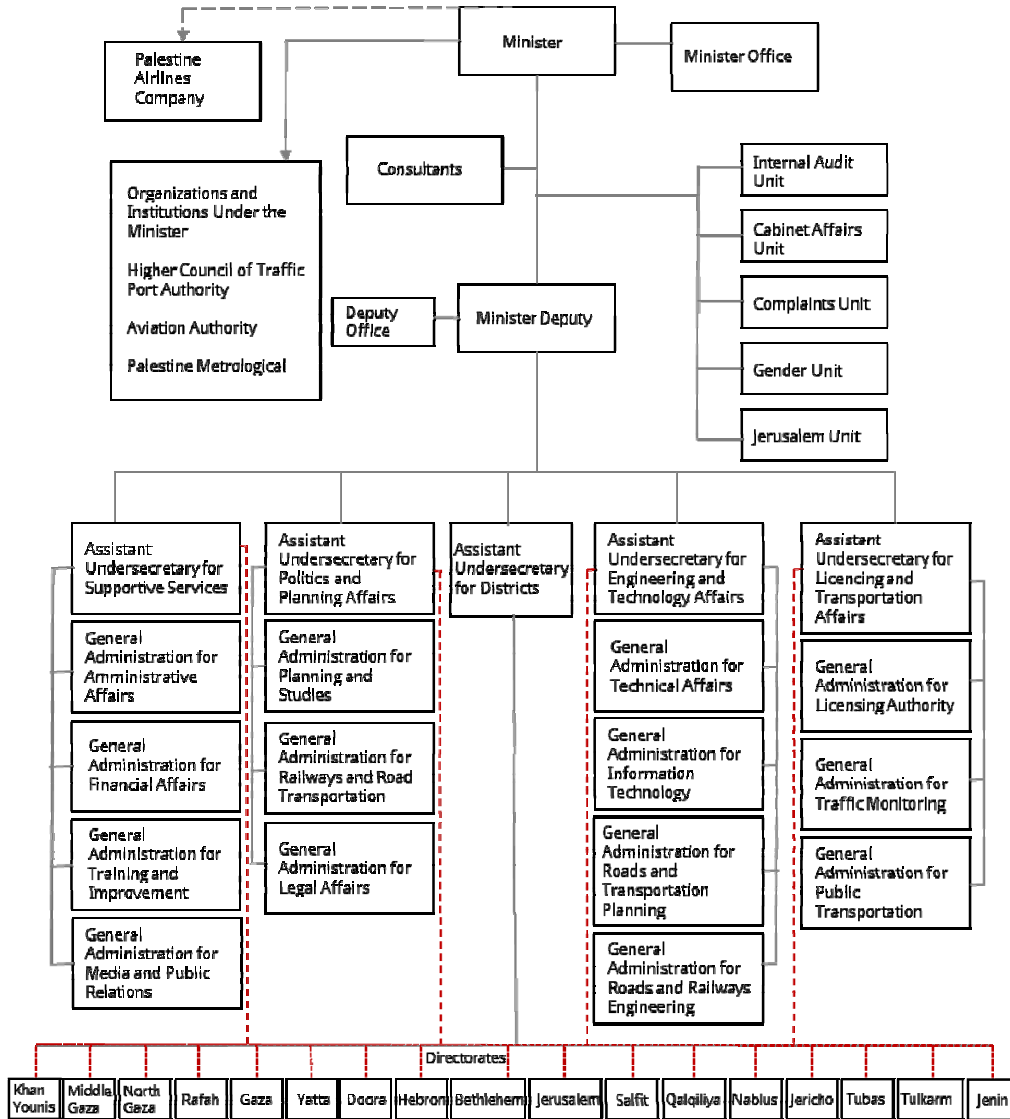
- MoT, Ministry of Transportation;
- MoPWH, Ministry of Public Works and Housing, and;
- MoLG, Ministry of Local Governments.



Tab 1. MoT Overall Presentation

<p>MoT – Overview</p> <p>The Ministry of Transportation (MoT) organizes the internal transport through the development of issuing licenses for vehicles, machines, garages, check centers, workshops, car shows, bus companies and driving teaching schools. It also issues the regulations that control traffic “policy formulation and development of laws” (MOT had prepared the Traffic Law No (5) for the year 2000). MOT promotes the level of safety on roads. It formed the Higher Council of Traffic that tackles traffic safety.</p> <p>The Higher Council of Traffic is formed from the MoT, MoE, the Police, MoLG, MPWH and the LGUs, and the head of this council is the MoT Minister. Workshops and training sessions are usually conducted by the council, to ensure raising the awareness of the citizens regarding the traffic safety issues. The Higher Council of Traffic in cooperation with the LGUs and the MoEHE is conducting educational sessions about public safety on the roads in each governorate. Another responsibility under the MOT is the department of transport on roads and Comptroller General of Traffic, the main task of this department is to determine the country’s need of transportation with its different modes.</p>
<p>MoT – Inner Departments</p> <p>These department work under MoT control, to govern specific modes of transports (rail, road, public, air); their work is aimed at improving efficiency and clarity of transport sector regulation. The departments are:</p> <ul style="list-style-type: none"> • <i>General Directorate of road transport and railway:</i> The main responsibility of the department is to follow up on Hijaz railway issues • <i>General Directorate of Engineering roads and railways:</i> It studies and develops proposals for railway network.
<p>MoT – National Agencies and Authorities</p> <p>Public Bodies under the management of the MoT and/or the MoPWH, operating on a central level, with a key role in controlling specific technical issues. These agencies are the following:</p> <ul style="list-style-type: none"> • <i>Palestine Standards Institution (PSI):</i> It Provides companies or Palestinian exporters, free advice and services regarding goods in compliance with the market entry requirements into the West Bank and Gaza Strip. • <i>General Administration of Crossings and Border (GACB):</i> It is responsible for managing the operations at border crossing points. <ul style="list-style-type: none"> • <i>Environment Quality Authority (EQA):</i> In coordination with other competent agencies, it sets the environmental impact standards that every public project (including transport) has to comply with. It also sets the rules and procedures of the environmental impact assessment and it determines the activities and projects that have to be environmentally approved before being implemented. • The <i>Palestinian Civil Aviation Authority (PCAA)</i> was created to administer and operate the airport with 362 employees. The CAA is part of the Ministry of Transport or, in other words, it is managed by the MOT. It has eight departments, including engineering and maintenance, air transport, and air safety. • The <i>Palestinian Seaport Authority</i>, within the MOT, was set up in 1999 to oversee construction and later to operate the port. To commence construction, an agreement was reached with the government of Israel covering operations and security referred to as the joint Sea Port Protocol. It also provides for the legal framework to be developed to provide a basis for the management and regulation of the seaport. Currently the Seaport Authority offices in Gaza are still functioning and the employees there are on duty as normal despite the fact that only the Fishing Port is currently operative. Moreover, the employees are in close connection with the MoT and they usually participate and attend workshops and trainings held abroad. The Palestinian Seaport Authority is also responsible for and mainly involved with the fishery port in Gaza, which in the past was used for commercial purposes.

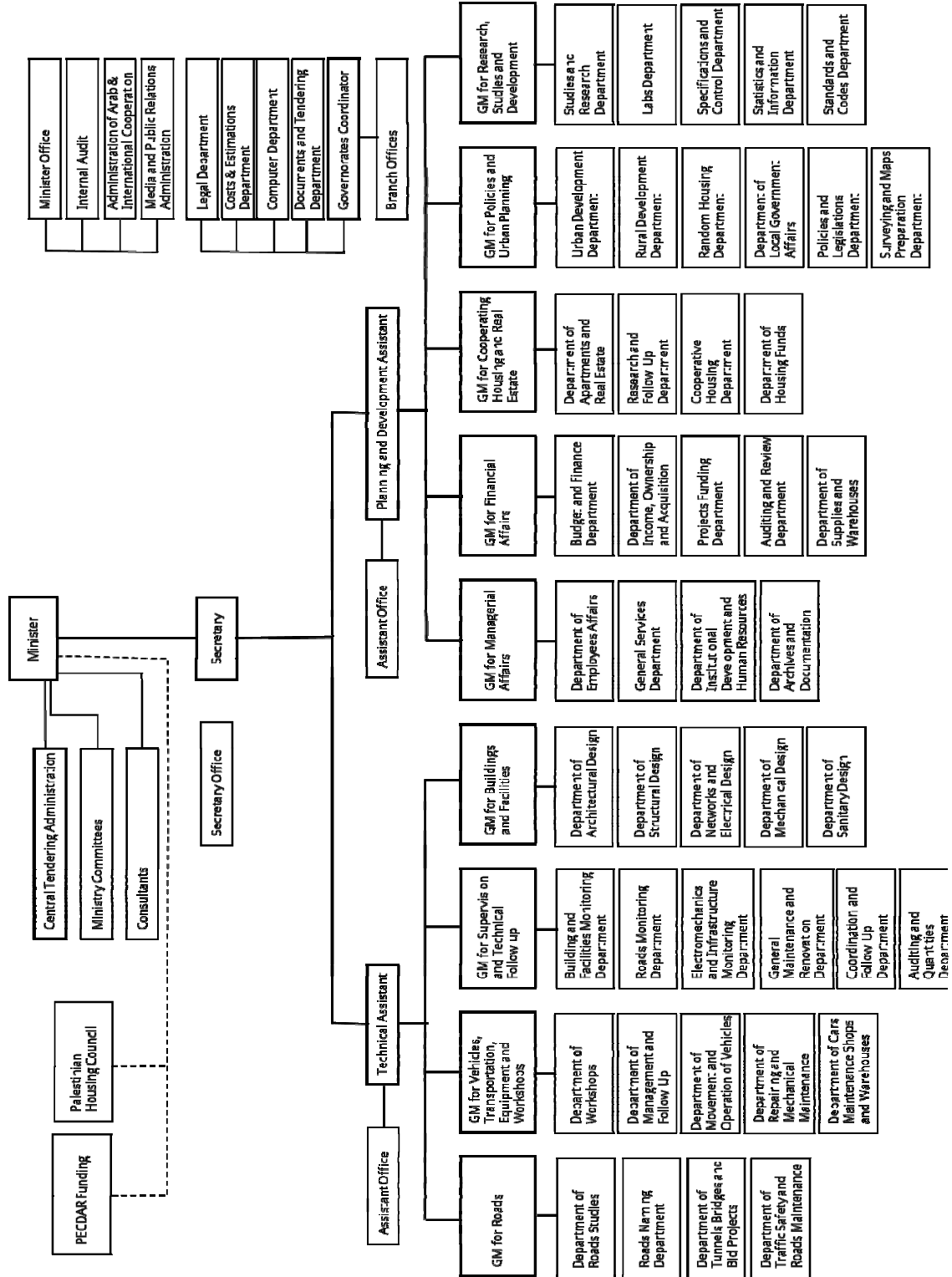
Figure 2. MoT Organizational Chart



Tab 2. MoPWH Overall Presentation

MoPWH - Overview
<p>The Ministry of Public Works & Housing (MoPWH) has a major role in the roads sector. As per Jordanian Law of traffic, which is still valid, transient roads and roads outside cities and villages boundaries “the regional roads” are under the full responsibility of MoPWH. This includes opening, reconstruction, rehabilitation, and maintenance of parts of the road network. The MoPWH also has a comprehensive database of the roads network condition based on GIS program. The Ministry had prepared road standards manuals (includes Geometric Design Manual, Road Construction Manual, Procurement Manual and Maintenance Guide). The Ministry developed the Roads Law, which has not been approved yet.</p> <p>The MoPWH has a key role in the roads sector, the ministry has a fleet of the machines and equipment that are used in all areas even under the other stakeholder’s responsibility, especially in emergency times.</p> <p>It is worth mentioning that currently the main and the regional roads in area C (according to Oslo agreement) are under the full control of the Israeli side.</p>

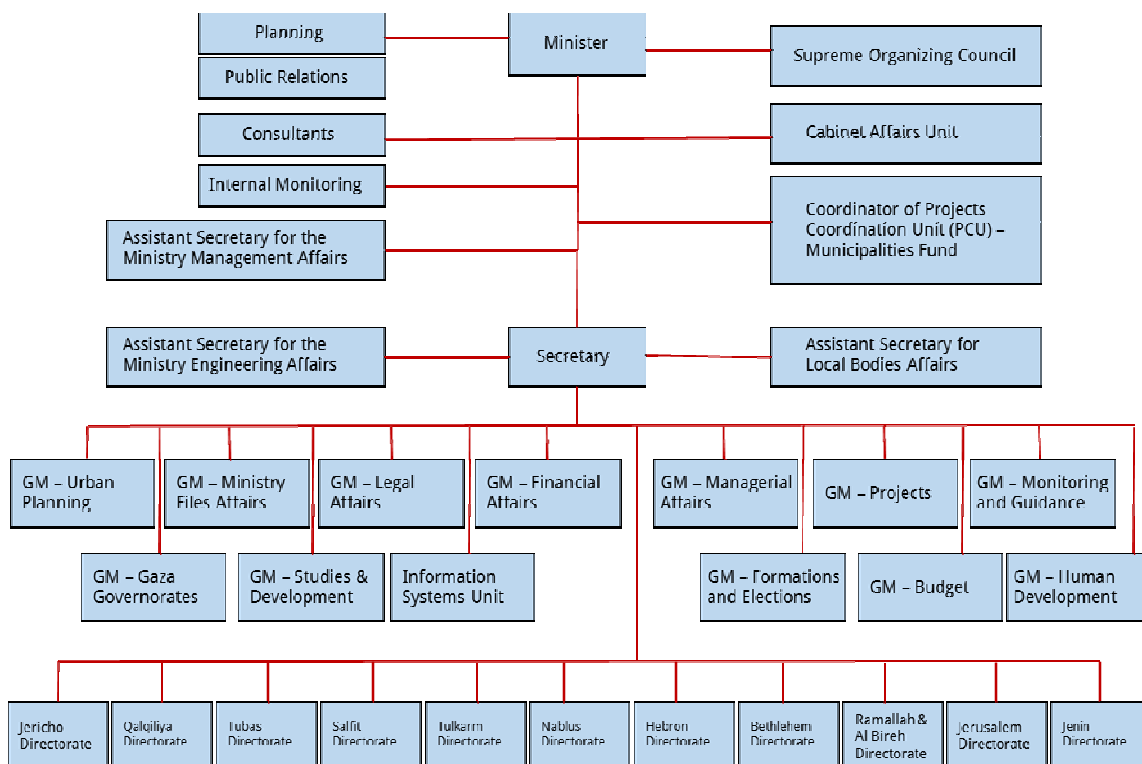
Figure 3. MoPWH Organizational Chart



Tab 3. MoLG Overall Presentation

MoLG - Overview
<p>The Ministry of Local Government (MoLG) is a key part in roads networks inside the cities and villages, and one of its major duties is master planning of Local Government Units (LGUs); the Regional Committee for Planning, organization and construction is responsible for approving and announcing the master plans for objection; this regional committee is formed in each governorate from members of MoLG, MOT, MOE, Civil Defense, LGU and MOTA.</p> <p>The MoLG has also another major role; it supports the LGUs in executing roads projects and this is done in two areas: (1) By supporting the LGUs technically through the MoLG staff. MoLG staff participates in all technical issues regarding roads and construction projects. (2) by nominating projects for the different LGUs through the MDLF and the other donors.</p> <p>The LGUs are fully responsible for reconstruction, rehabilitation, and maintenance of parts of the road network inside the cities, whereas inside the villages it is a joint responsibility between the village council and the MoLG.</p>

Figure 4. MoLG Organizational Chart



1.1.2 Public Bodies at Local Level

Local Government Units (LGUs)
As mentioned in Table 3 above.

1.1.3 Private Stakeholders

Private stakeholders have an important role regarding the existing transport services management. A strategic private subject is the *Federation of Bus Companies*, an association of bus companies performing public transport services supporting the interest of bus companies.



1.2 Proposed Institutional Governance Strategy for Transport

Soft restructuring measures are proposed by the NTMP in order to reinforce and improve the efficiency of Institutional Governance of transport sector in Palestine. Both Public Bodies, at national and local level, and Private Players are involved in the proposed restructuring measures. On this concern, more details follow in the next paragraphs.

1.2.1 Restructuring Measures for Public Bodies at Central Level

Ministries:

- *MoT – Ministry of Transportation*
- *MoPWH – Ministry of Public Works and Housing*
- *MoLG – Ministry of Local Governments*

Ministries have the main role of **dealing with all infrastructures and national public works** while overseeing the planning of national public contracts.

Said ministries shall also have the tasks of setting the transport development goals for West Bank and Gaza Strip.

Inner Departments:

- *Palestinian Civil Aviation Authority (PCAA)*
PCAA is part of the MoT; within the proposed renewal framework, it shall have the following tasks: aircraft engineering and maintenance; air transport and airport safety. It shall also be responsible for civil aviation issues, developing technical regulations, certifications, supervision and control through both central and peripheral structures. One of its main functions can be the issuance of an “airworthiness certificate”, a document necessary for the international navigation for every national and international aircraft landing or taking off to/from West Bank and Gaza Strip, attesting the actual suitability of the aircraft to the air navigation;
- *Palestinian Airlines*
To be established as an international air carrier inside the PNA, with the legal form of public company linked to the MoT and under its governance;
- *Safety Bodies*
Safety Bodies depend on MoT and are distinguished between Rail Safety Public Body and Road Safety Public Body. They shall be responsible for transport sector safety, having an important role in the issuance, modification or renovation of the safety certificate transport services companies and infrastructure managers shall necessarily hold, in order to operate in this field. Other functions of these Bodies can be the definition of a regulatory framework that sets safety standards; the achievement of several studies in the transport safety field; the notification of infrastructure managers and companies of any recommendations on safety matters.

National Agencies and Authorities:

The NTMP proposes to create an additional Authority, according to the most effective experiences in Europe. This Authority, *National Transport Authority (NTA)*, will play a crucial role and shall be created in an early phase of the master plan implementation, as an **independent administrative authority**, totally separated from the control of the executing power, having its main scope in regulating the Palestinian transport market. For more details, see ¶ 1.3 *Institutional Proposal: National Transport Authority*.



1.2.2 Restructuring Measures for Public Bodies at Local Level

- *Local Governments Units (LGUs)*
Local Government Units shall define the guidelines for the planning of local transport and, particularly, draw up and update regional and local transport plans.

1.2.3 Restructuring Measures for Private Stakeholders

Private Stakeholders shall play a key role in the transport field, helping Public Bodies in transport infrastructure development and management. Private operators shall necessarily get a license for performing the transport of goods or passengers, and/or certificates attesting the compliance with national and international standards regarding technical and operational requirements. The NTMP proposes the creation of a **Road Transport Independent Company**, as entirely publicly owned, but acting in fact as a private subject, operating under MoT supervision. Road Transport Independent Company shall be dealing with road transport related main tasks:

- building or causing to build new main roads, both directly and in concession;
- managing or causing to manage the roads and state-owned main roads, as well as providing for their ordinary and extraordinary maintenance;
- implementing the progressive improvement and adaptation of the road network;
- implementing laws and regulations for the protection of the road assets and for the protection of traffic and signage;
- providing the services of traveller information, assist studies, research and experiments in the field of road, traffic and circulation.

Even if some countries in Europe entrust the management of main roads to specific Departments or Offices, inside the related Ministry, other European experiences¹, as well as the most effective initiatives in emerging countries show that the creation and operation of a Road Independent Company, with public and private partners, could rationalize and liberalize the Road System and its maintenance and improvement.

1.3 Institutional Main Proposal: National Transport Authority

Transport sector is mostly under MoT and its internal units' control. As a result, the management is done on an institutional central level, under the direct control of the executing power. In line with the international experiences, in short-time vision, the reorganization of public institutions is suggested, with the aim of creating a National Transport Authority (herein after: NTA) dedicated to transport sector.

1.3.1 NTA Proposed Governance Strategy

As reported by the EU best practices², the National Transport Authority shall have the legal form of a public independent administrative authority, with the aim of regulating Palestinian transport sector and market. As independent administrative authority, it shall operate on a national level

¹ See the experience of Highways England (<https://www.gov.uk/government/organisations/highways-england/about>), the government company charged with operating, maintaining and improving England's motorways and major A roads. Another interesting experience is the Italian ANAS (<http://www.stradeanas.it>), the Italian government-owned company deputed to the construction and maintenance of Italian motorways and state highways under the control of Italian Ministry of Infrastructure and Transport.

² NTAs are already operational in many EU Countries; i.e. Italy, Belgium, Denmark, Sweden and Finland.

but independently from the executing power, in compliance with the subsidiarity principle and the powers of local authorities. Moreover, as an independent administrative authority, NTA shall be characterized by:

- Organizational freedom;
- Financial freedom;
- Administrative freedom, and;
- Power of issued regulations concerning its internal functioning.

Figure 5. NTA Main Characteristics



1.3.2 Proposed NTA Internal Organization

The Authority components shall be chosen in order to emphasize their independence and freedom from other powers, with respect to the following criteria:

- Respect of gender balance;
- Selection of human resources of unquestioned morality, independence, proven professionalism and competence in transport sector;
- Incompatibility of this role with any other professional activity or consultancy activity, with other public jobs, including elective offices or representation in political parties, with direct or indirect interests in private companies operating in transport sector, and;
- Appointment of members proposed by MoT and decision of the Council of Ministers (or the High Council of Traffic), with the approval of the relevant parliamentary committees (or the Parliament itself).

1.3.3 Proposed NTA Tasks

NTA tasks can be distinguished between national and international tasks. The list below presents the main NTA tasks both at national and international level.

The main NTA Tasks at national level are the following:

- Definition of general rules on public transport tenders and partnerships for the assignment of transport services and works;
- Ensuring transport management efficiency;
- Assuring containment of costs and equitable access for users;

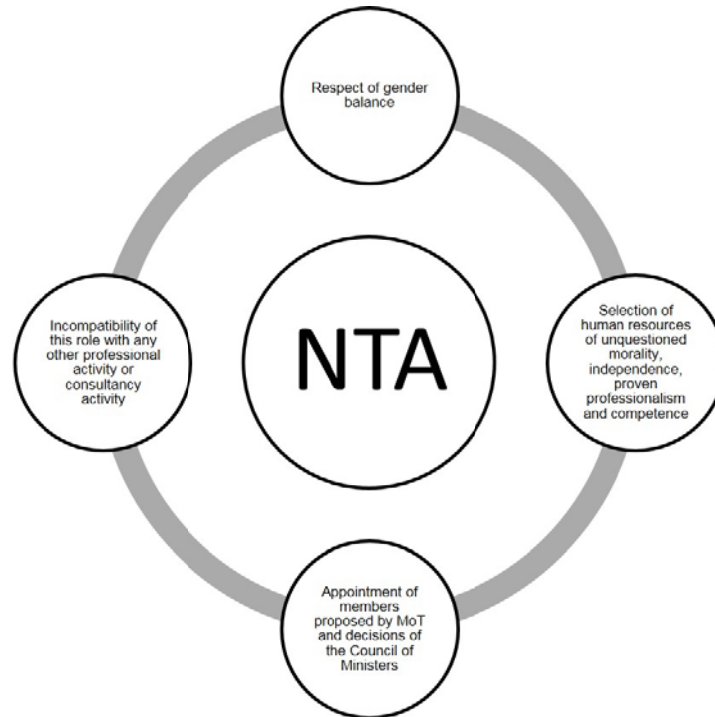


- Definition of the criteria necessary for relevant bodies to set transport fees and toll rates (if applicable), as well as verify their correct application;
- Regulation of the access to relevant transport infrastructure and transport services;
- Setting the minimum quality of transport service, both national and local;
- Definition of the standard quality levels of transport services;
- Definition of minimum rights contents of the transport users;
- Determination of the accounting criteria of the private companies which operate in transport sector;
- Sending yearly reports to MoT on transport problems and improvement proposals;
- Preparation of yearly reports to MoT on the state of liberalization rules and application of the competition law in transport sector.

The main NTA Tasks at international level are the following:

- Act as the national public body responsible for the implementation of international regulations related to transport and passenger rights;
- Apply sanctions to the private operators who do not respect international regulations.

Figure 6. NTA Main Tasks



For more information on National Transport Authority, refer to: "NTA European Best Practices" shown below, where some of European Best Practices are reported.



NTA EUROPEAN BEST PRACTICES

DENMARK

Traffic Authority is part of the Transport and Construction, which is part of the Transport and Construction Ministry. Traffic Authority regulates and supervises the field of road traffic.

Traffic Authority consists of approximately 70 employees, divided into three academic departments. Traffic Authority is responsible for regulation and supervision of road, including to contribute to the development of regulations and guides, the administration of road traffic regulations and treatment of general questions about the individual fields.

Agency works closely with the National Police, the police districts, the Danish Road Directorate and transport industry organizations.

BELGIUM

The **Federal Public Service (FPS)** Mobility and Transport has the task of preparing and implementing a concerted mobility and transport policy to serve the population, businesses and the Belgian economy. In carrying out this mission, the FPS deals with safety, the environment, competition, social requirements and the integration of the different modes of transport by land, sea and air.

In exercising this unique role, where supranational, regional and local authorities meet, the FPS can assert its competences at a European and international level, as well as its knowledge of the sector and expertise in safety, regulations and inspection.

Concerning mobility management, the activities of the Department for Sustainable Mobility and Railway Policy are important. This department is made up of three divisions.

The Mobility Division is responsible for the preparation and monitoring of the policy for sustainable mobility at a federal level. This is done by, amongst others:

- monitoring the development of traffic;
- organizing the 3-yearly survey of home-work traffic (employers with more than 100 employees);
- monitoring European dossiers such as the TEN-T network and developments in the field of ITS;
- monitoring and preparation of dossiers on electric vehicles and bio-fuels;
- preparation of the federal cycle policy and contact point for cyclists.

The Intermodality Division facilitates the transition between different modes of transport, for both passenger and freight transport, in order to reduce motorized road transport.

The Public Enterprises and Railway Policy Division is concerned with the preparation and monitoring of railway policy, in particular with the drawing up and monitoring of the management contracts between the government and the national railway company.

SWEDEN

The **Swedish Transport Agency** was established on the 1st of January 2009. It is working to achieve good accessibility, high quality, secure and environmentally aware rail, air, sea and road transport. It has the overall responsibility for drawing up regulations and ensuring that authorities, companies, organizations and citizens abide by them. The Civil Aviation and Maritime Department formulates regulations, examines and grants permits, as well as assessing civil aviation with particular regard to safety and security. It monitors developments in the aviation market. It also formulates regulations, examines and grants permits, as well as exercising supervision principally of Swedish and foreign vessels sailing in Swedish waters. It works to improve maritime safety and environmental influence for recreational boating, finally it analyzes accidents and near-misses.

The Driving License Department examines and authorizes the license area. We will answer questions from the public and dealing with matters of particular learner's permit, mentoring, higher ratings and exchange of foreign driving licenses.

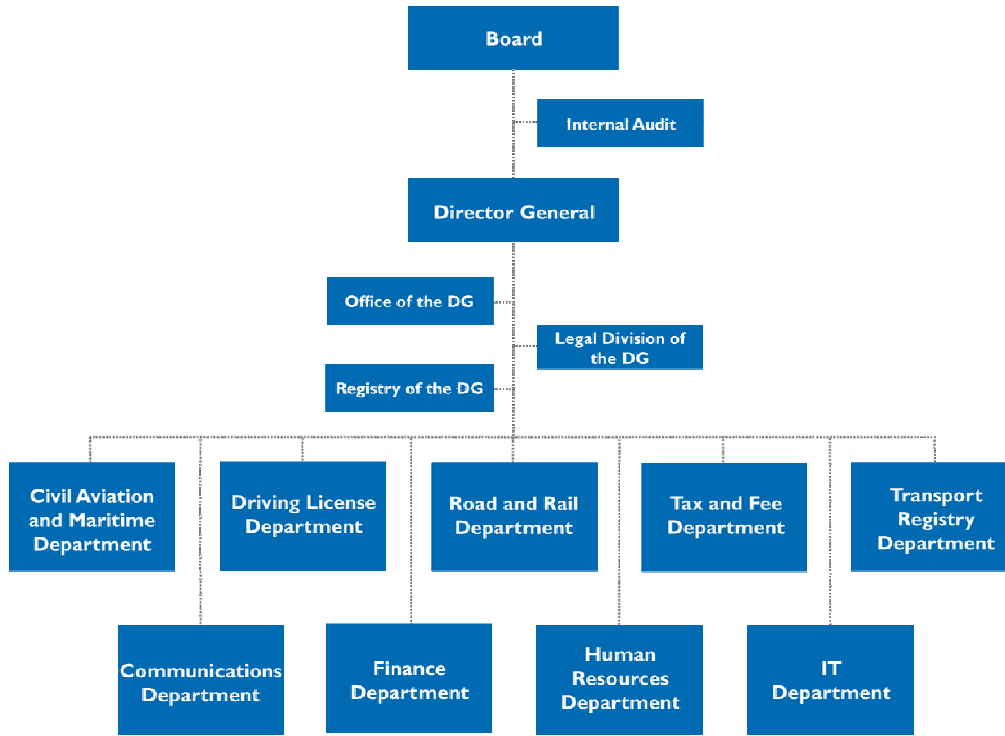
The Road and Rail Department formulates regulations, examines and grants permits, as well as exercising supervision within the field of road and rail transport over e.g. road traffic, vehicles, driving licenses, commercial transport, railway, light rail and underground systems. It also conducts analyses of road traffic and supply information about injuries and accidents within the road transport system. Its main goal is to achieve a high level of security and an efficient transport market characterized by healthy competition.

The Tax and Fee Department works to bring in taxes and fees, with the original vehicle control. It answers questions



from the public and responsible for handling including ownership, vehicle tax and congestion charges. The Vehicle Registration and Operational Support Department manages and develops records in transport. Moreover, it develops e-services and manufacturing various cards and certificates, such as a driving license, and deals with the filing and registry operations.

Swedish Transport Agency Organizational Chart



FINLAND

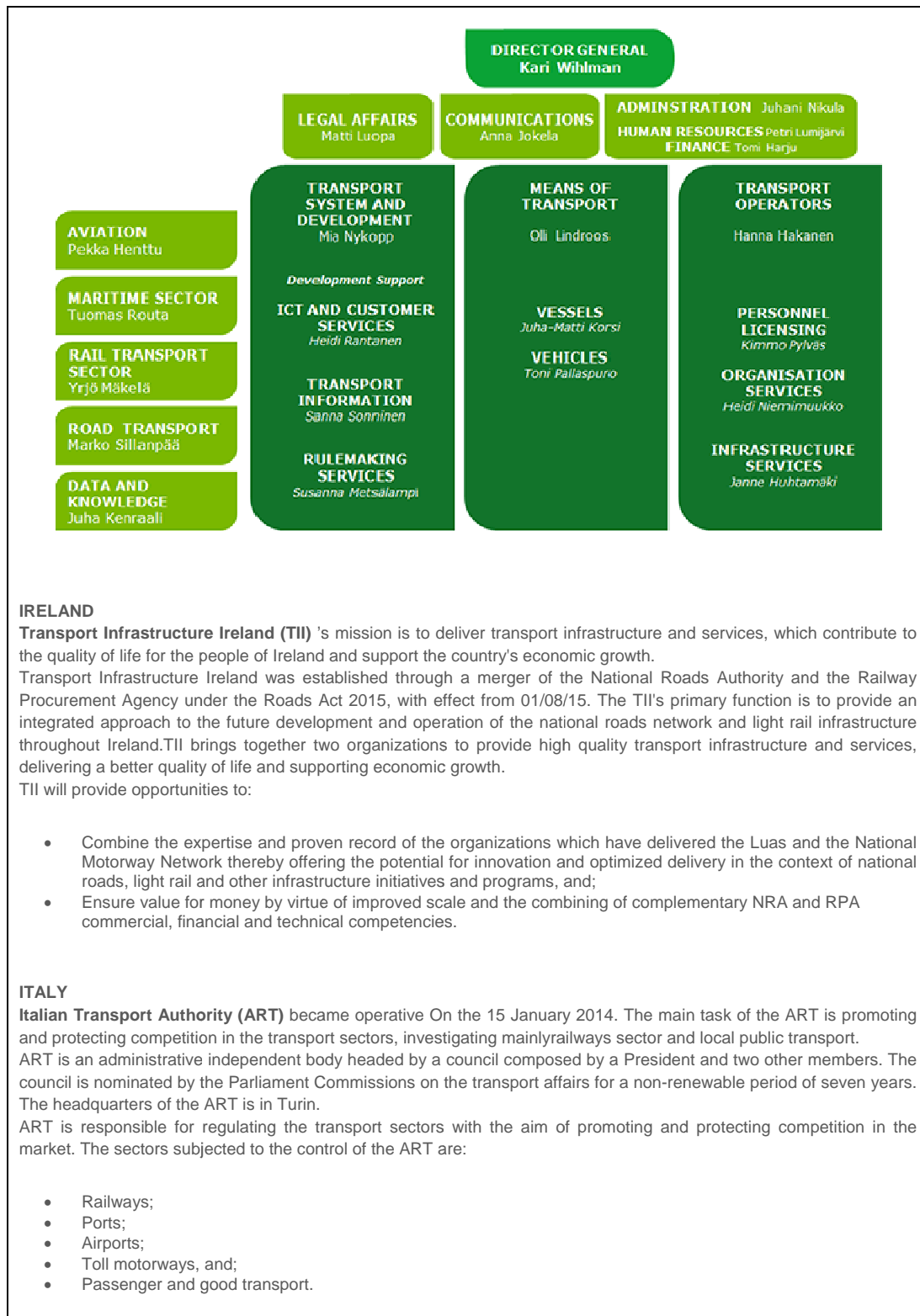
The **Finnish Transport Safety Agency (Trafí)** develops the safety of the transport system, promotes environmentally friendly transport solutions and is responsible for transport system regulatory duties.

Trafí's main tasks are reported in the following list:

- issuing permits, regulations, approvals and decisions and prepares legal rules regarding the transport sector;
- arranging examinations, handles transport sector taxation and registration, and provides reliable information services;
- overseeing the transport market as well as compliance with rules and regulations governing the transport system;
- participating in international co-operation;
- ensuring the functionality of the transport system even in emergency conditions and when normal operations are disrupted;
- creating opportunities for innovative development of intelligent transport; informs the public of transport-related choices.

With its work, Trafí enables the well-being and competitiveness from transport. Trafí shows the way and actively influences the drafting of transport policy and fulfilment of transport policy objectives. Additionally, it is a pioneer in customer-oriented public services.

Finnish Transport Safety Agency Organizational Chart



IRELAND

Transport Infrastructure Ireland (TII) 's mission is to deliver transport infrastructure and services, which contribute to the quality of life for the people of Ireland and support the country's economic growth.

Transport Infrastructure Ireland was established through a merger of the National Roads Authority and the Railway Procurement Agency under the Roads Act 2015, with effect from 01/08/15. The TII's primary function is to provide an integrated approach to the future development and operation of the national roads network and light rail infrastructure throughout Ireland. TII brings together two organizations to provide high quality transport infrastructure and services, delivering a better quality of life and supporting economic growth.

TII will provide opportunities to:

- Combine the expertise and proven record of the organizations which have delivered the Luas and the National Motorway Network thereby offering the potential for innovation and optimized delivery in the context of national roads, light rail and other infrastructure initiatives and programs, and;
- Ensure value for money by virtue of improved scale and the combining of complementary NRA and RPA commercial, financial and technical competencies.

ITALY

Italian Transport Authority (ART) became operative On the 15 January 2014. The main task of the ART is promoting and protecting competition in the transport sectors, investigating mainly railways sector and local public transport.

ART is an administrative independent body headed by a council composed by a President and two other members. The council is nominated by the Parliament Commissions on the transport affairs for a non-renewable period of seven years. The headquarters of the ART is in Turin.

ART is responsible for regulating the transport sectors with the aim of promoting and protecting competition in the market. The sectors subjected to the control of the ART are:

- Railways;
- Ports;
- Airports;
- Toll motorways, and;
- Passenger and good transport.



Among its main duties, the ART shall:

- Provide fair and no discriminatory conditions for the access to the railway, port and airport infrastructures, to toll motorways and to passenger and goods transport;
- Establish the criteria for the regulated operators to fix the fees, the rent and the tolls;
- Establish the minimum quality standards of the public transport services;
- Establish the main provisions for the public procurement concerning the exclusive rights to provide public transport services;
- Verify that the tenders for the regional railway transport are not discriminatory and do not prevent the participation of potential competitors;
- Define together with the Minister of Infrastructures and Transport, the Regions and local government agencies the scope of public service routes and their financing methods;
- Regulate and monitor the access to the railway infrastructures (fees, assignments of the routes, capacity);
- Establish price schemes for the new concessions of toll motorways that shall be based on the price-cap method and updated every five years;
- Establish the main provisions for the public procurement in the motorways sector and the geographical scope of their concessions;
- Authorize the fee schemes and the amounts of the airport charges, and;
- Monitor and check whether the level of the cab services (quality standards and rates) meets the needs of the local urban areas.

Every year ART shall report to the Parliament and Senate the status of its works and researches.

In order to carry out its duties the ART can:

- Impose special accounting obligation on the regulated undertakings in order to analyze their costs
- Ask the competent public authority to suspend or revoke the concessions or the public contracts with the contractor;
- Request anyone to provide information and disclose documents needed to carry out its duties. In case of non-compliance with the requests, ART may impose a fine of up to 1% of the turnover;
- Conduct inspections on the premises of the regulated undertakings. ART may demand access to all premises, land and vehicles of the party under inspection. In case of no collaboration during an investigation the ITA may impose a fine of up to 1% of the turnover;
- Order to cease the conducts in violation of the regulation adopted by the ART; ART can make binding the commitments offered by the undertakings to remove the infringements;
- Adopt interim measures where there is a risk of serious, irreparable damage to competition and/or to final consumers, and;
- Impose a fine of up to 10% of the turnover on the undertakings that do not respect the criteria established by the ART for fixing the fees, the rent and the tolls in the regulated sectors.

ART's main goal is promoting and protecting competition in the transport sectors. Therefore, there could be an overlap with the Italian Competition Authority that is responsible for the application of the Italian antitrust law in every sector, included transports.

However even if these two authorities have a common goal they have different tasks. While ART is mainly responsible for the regulation of the transport sector aimed to remove the entry barriers to the transport infrastructures, the Italian Competition Authority shall enforce the traditional antitrust rules to prosecute cartels and abuses of dominance.

Sources:

<https://www.trafikstyrelsen.dk/EN.aspx>

<http://mobilit.belgium.be/fr>

<https://transportstyrelsen.se/en>

<http://www.trafi.fi/en>

<http://www.tii.ie/>

<http://www.autorita-trasporti.it/>



2 Legal Strategic Framework Assessment

2.1 Existing Legal Framework for Transport Sector

PNA has collected several laws ruling transport sector. Nowadays, some of these laws appear to be too old to find the right application³. Nevertheless, these laws are still effective and valid, having an indirect negative impact on a cardinal principle of every legal order: the effectiveness of the laws and, therefore, their compliance with the legal certainty principle. On this concern, oldest laws need to be identified, and replaced/abrogated. Moreover, a general re-organization of transport-related laws is suggested, with the aim of improving the efficiency of legal framework of transport sector.

A specific topic seems very important for the Transport development: **Public Procurement** procedures. Procurement reforms are efforts to change current procurement practices. They have typically focused on changing the legal and institutional framework, as well as training and capacity building of public procurement officers. Reforms often aim to enhance efficiency, accountability and transparency to reduce the opportunities for corruption and mismanagement of funds.

In West Bank and Gaza, public procurement accounts for about 10% of GDP. A number of themes underpin much of the public procurement in West Bank and Gaza Strip. Top amongst these are public sector contracts, being an important source of business for many local suppliers, contracting firms and consultants who represent the future prospects for West Bank and Gaza Strip. Fair access to efficient public sector procurement is another important theme that would give a considerable impetus to their growth and would require a domestic marketplace which is healthy, open to free competition and seen as the cornerstone of the Palestinian economy. Public procurement reform is critical for Palestine, in view of the cross-cutting role that the procurement system plays in achieving good governance and sustainable development for PNA.

The World Bank Group has conducted two reviews of PNA procurement system. PNA and WBG conducted the first *Country Procurement Assessment Report* (CPAR) in 2004, with the aim of analyzing the public procurement system, including its policies, organization, procedures, and practices. A follow-up assessment – the *Country Procurement Issues Paper* (CPIP) - was made in June 2008 and focused on reviewing the CPAR findings. The assessments identified a number of problems faced by the procurement system, and highlighted principal shortcomings in its legal framework, institutional setup and procedural aspects as well as in the capacity of the civil service procurement workforce.

The CPAR provided recommendations to assist the PNA develop its capacity to:

- plan, manage and monitor public procurement effectively;
- improve accountability, integrity, and transparency; prevent corruption;
- harmonize the national procurement law and regulations with internationally accepted principles and practices, and;
- increase opportunities for local suppliers, contractors and consultants to grow and prosper.

In response to the CPAR recommendations, PNA launched, with WBG support, the reform of the public procurement system by drafting the new national procurement law and detailed implementing regulations in early 2006. However, the changes in the Government since 2006

³ Some laws date back to British Mandate Era (i.e. Air Navigation Law, 1936; Wreckage and Salvage Law, 1926), whereas some of them date back to Jordan Rule.



and the unstable political situation have delayed the ratification and enactment of the law and regulations and prevented successful completion of the other reform activities. In 2008, the PNA confirmed, within the general framework of the Palestinian Reform and Development Plan (2008-2010), its commitment to move forward with the recommended reform in order to make public procurement more efficient and transparent. Until recently, however, progress has been limited on addressing weaknesses in the procurement law and procedures. In early 2010, PNA made another effort to revise the procurement law and an inter-ministerial group of procurement experts representing major ministries of PNA was mobilized to revise the draft law taking into account with the set of comments provided by World Bank Group. The draft law is seen to reflect in large part the essence of internationally recognized good practice as embodied in particular in the UNCITRAL Model Law on Procurement and provides a good starting point and basis for such further work and improvement. The Bank continues its support to the inter-ministerial group to ensure that the best possible procurement law emerges from this process. Once enacted, the new law would form the basis for more effective and transparent public procurement procedures. However, enacting the law is only the first step of a major reform effort as other critical components of the procurement system need to be put into place. These include:

- enacting the implementation of regulations for the new law;
- establishing an independent Public Procurement Unit, which would assume an oversight role of all public procurement activity and ensure compliance with public procurement law and regulations. This unit would also be responsible for the development of procurement systems, procurement documentation, guidelines and manuals, training courses and public awareness campaigns;
- development of national Standard Bidding Documents (SBD), to ensure transparency and efficiency, the adoption and promotion of SBD for Goods and Works and a standard request for proposal for consultancy services is strongly recommended as a priority;
- development of procurement operations manual of procedures covering the entire procurement cycle, that would explain and bring necessary guidance in the procurement process, from planning to advertisement, bidding, evaluation, contract award, contract management, payments, inventory of delivered assets, etc. and introduce more modern and efficient procedures in contract administration with emphasis on timely resolution of contract implementation disputes and more balanced approaches to price revision issues;
- instituting a training program of the procurement workforce across the PNA, in addition to additional measures necessary to make the law effective.

The reforms represent a major institutional change, coordinated with Donors, supporting actively the enactment of new procurement law and regulations PNA. Public Auction Law was adopted in 2011, supported and assisted by the World Bank Group. MoF is responsible for the Palestinian Government procurement system. This system was centralized due to most donors complaints at the end of the nineties, in order to reinforce control over expenses as well as the transparency of public finances management. All purchases of goods or public services, regardless of the fact that the sources of funding are either the Palestinian Government regular budget or a specific contribution to be made by a donor, more than an amount to be agreed upon, should be directly managed by MoF's Central Tendering Department.

2.2 Proposed Legal Framework for Transport Sector

The main fields that need to be regulated by an improved legal framework are:

- Competition for the assignment of the accomplishment of new works;
- Selection procedure of the private contractor and public procurement;



- Cooperation between public and private sectors;
- Funding and Financing system;
- Project and Asset Management of the infrastructures;
- Performance of the transport services;
- Safety and Security;
- Consistent Training and Capacitation.

A set of main actions aimed at improving transport-related legal framework in West Bank and Gaza Strip, is defined and presented below. The proposed main actions are organized into two distinct groups:

- Proposed Legal Tool for Transport Infrastructure, and;
- Proposed Legal Tool for Transport Sector Management.

2.2.1 Proposed Legal Tool for Transport Infrastructure

Acquisition of Land

PNA already has a specific discipline, which is based on effective law provisions and on the basis of the provisions of Expropriation Law # 2 of 1953. This law determines that the Government takes the decision of expropriation, its publication in the Official Gazette, and the final approval is signed by the head of PNA. In addition, it provides the mandatory payment of a compensation to the owner of the expropriated land and it regulates the disputes arising from the quantification of the indemnification between the landowner and the expropriating Administration Body. This discipline does not seem to require many modifications, because it is quite complete and specific, however, the existing rules can be implemented in the short run as follows:

- Division of the procedure of compensation in two phases: Public Administration informs the owner of the amount it is going to offer and invite the latter to bring forward any required clarifications; then the acceptance or rejection of the economical proposal by the owner takes place, and a final decision by the Public Administration is taken;
- Expropriation compensation determined based on the characteristics of the land at the time of the agreement or at the time of the date of the decree of expropriation, evaluating the impact of eventual restrictions of any kind present on the land, with the scope of finding a balance between the value of the good and the public interest;
- The possibility to reach an agreement with the beneficiary of the expropriation act (voluntary transfer), with benefits from tax reliefs, is given to the owner;
- Creation by the Public Administration of program territory plans, with safeguard strips identified in strategic places.

Procedure for Selection of the Private Contractor

Public Administration (MoT or MoPWH) intending to assign/award public works to operators utilizes the tool of public call, which formulation shall include, as partially already occurs, the following information:

- Project Duration;
- Project Amount;
- Selection Criteria, and;
- Terms and Documents to be Submitted.

Once the public call is published, clauses and data cannot be modified.



The competition for the assignment of the completion of the work can be done through different methods:

Tab 4. Selection Procedures for Private Contractors, suppliers and operators

Procedure Name	Procedure Description
Open Procedure	All the interested companies can participate, provided that they have the requirements for the type of work. The Contracting Authority announces to economic operators to proceed to the award by publishing the notice and its attachments, containing all the information required for participation in the tender. Participants who meet the qualification requirements, may enter the competition by submitting their Proposal, as per the terms set out in the tender.
Restricted Procedure ⁴	This procedure can be frequent and shall be divided into two phases. 1) Contracting Authority makes economic operators aware of its will to offer a particular contract, and the requirements that an entity must meet in order to participate in the competition. 2) Contracting Authority sends an invitation letter containing all the necessary information to all those who have expressed interest in participating, so that they may submit bids. The economic operators interested in the participation in a restricted procedure, have to submit the application form together with the declaration proving that they meet the participation requirements. Once the Contracting Authority has checked their eligibility, they then should present the Proposal.
Negotiated Procedure	Contracting Authority selects and invites bidders directly to the tender. Then it negotiates with one or more economic operators the contractual clauses.
Competitive Dialogue	It is a procedure in which the Contracting Authority conducts a dialogue with the selected candidates admitted to the procedure, with the aim of developing one or more solutions in order to meet their needs. After that, only the selected candidates are invited to bid for the tender. The competitive dialogue is used only for specific cases, for instance the existence of a particularly technical contract that, if offered with an open or restricted procedure, would never be awarded.

All the procedures listed above shall ensure the maximum transparency in the field of tenders and public contracts.

Cooperation between Public and Private Sector

The focus will be on the partnership between private and public bodies to promote transport infrastructure funding and construction. On this concern, there are different forms of cooperation that allow the integration of public and private sector skills. The cooperation with private entities allows the public authorities, especially in the case of complex projects, to increase the resources available and to acquire innovative solutions.

Cooperation between the public and private sectors can take two different forms:

- **Institutionalized partnership:** Subject to the existence of a corporate structure held by both the public and private partner that aims to ensure work or services for the community;

⁴ Procedures to which any economic operator requesting to participate and wherein only the economic operators invited by the contracting Public Bodies could submit a tender.



- **Contractual partnership:** Based on contracts through which one or more tasks are assigned to a private operator.

Project Financing is the most internationally known method, among the contractual partnerships. It is used for financing long-term infrastructure⁵, industrial projects and public services, based upon a non-recourse or limited-recourse financial structure where project debt and equity used to finance the project are paid back from the revenues generated by the project itself. The projects can be distinguished as follows:

Tab 5. Project-Financing Types List

Project Type	Required Funding Methods	Project Description
Hot Projects	Project repays itself autonomously.	Projects with the ability to generate revenues through user fees, allowing an integral recovery of investment costs.
Cold Projects	Project repays itself through payments made by the Public Administration.	Public works that a private operator creates and manages directly providing services for the Public Administration, earning money exclusively (or mainly) by the latter.
Warm Projects	Project requires public contributions for its implementation.	User fees are not enough to fully repay the resources used for the project, which needs public contributions, but the initiative generates positive outcomes on a socio-economic level, which justify public contributions.

Through the system of project financing, two different results can be achieved:

- Public Administration can be relieved, in whole or in part, from the costs and investments related to the financing of an infrastructure project, so that the Public Bodies focus their activities on the regulatory aspects (quality of service, mode of delivery, and possibly tariff levels);
- Private sector is entrusted with the management of the work, guaranteeing a better level of efficiency and the full commercial use of the work.

2.2.2 Proposed Legal Tool for Transport Sector Management

A sound management of transport sector entails very often a close collaboration between Public Authorities and private stakeholders.

This collaboration can be regulated by:

- An act of State concession; issued by the MoT and stipulated for a fixed period of time;
- A program contract, regulating: the granting of new investments covers funding; the maintenance and renewal of transport infrastructures; the improvement of the quality of services; the infrastructure development, and; the respect of safety standards compatible with technological developments.

⁵ Project Financing presents some issues, as an inefficient allocation of risks can increase costs for the public sector; for this reason, it shall be adopted only for long-time projects.



Managers who intend to operate within transport sector shall hold a "safety authorization", issued by governmental authorities, responsible for transport sector' security.

Selection procedure of private contractor

Public Administration (in this case MoT) that intends to assign public works to private economic operators use this tool for public call.

In addition to the contracting, the Public Body verifies- in accordance with the international legislation – the eligibility of economic operators interested in the participation in the public call, based on two specific requirements:

- An operating license.
- A security certificate.

The Operating License is an authorization issued by a specific Public Body (MoT) to a company, which has its registered office in the territory. Through this license, the company can perform international carriage of goods or passengers. The issue of the license has to be subjected to certain requirements such as: "good reputation", financial standing and professional competence;

The Security Certificate attests the compliance with national and international standards regarding technical and operational requirements specific to transport services and safety standards.

In-house providing

Public Administration can choose to provide services itself, or attributing them to another public authority, through the system of direct assignment.

However, the system of "in-house providing" clashes with the international principles of the protection of competition and market that must ensure the maximum transparency in the field of tenders and public contracts.

For this reason, it is recommended that the in-house providing system is to be adopted in favor of a public legal body, related to the contracting Public Administration by functional, organizational and economic links.



3 Institutional, Legal and Regulatory Proposed Development Program

In order to improve existing legal and regulatory framework regarding the transport sector in the West Bank and Gaza Strip, a number of proposals are presented, addressing the most salient aspects in the transport sector.

This paragraph describes the legal and regulatory proposal included in the NTMP, grouping them as follows:

- Legal and Regulatory Proposal for Environmental Protection;
- Legal and Regulatory Proposal for Road Transport Sector;
- Legal and Regulatory Proposal for Rail Transport Sector;
- Legal and Regulatory Proposal for Air Transport Sector;
- Legal and Regulatory Proposal for Public Transport Sector;
- Legal and Regulatory Proposal for Logistics and BCPs.

3.1 Proposal for Environmental Protection

PNA already has a specific discipline, which is based on the Palestinian Environmental Law (PEL) No. 7 of 1999 and on the Palestinian Environmental Assessment Policy (PEAP). The Palestinian Environmental Law covers the main issues relevant to environmental protection, including:

- Management and protection of land environment, air environment, water resources and aquatic environment, natural, archeological, and historical heritage protection;
- Conservation of the ecologically sensitive areas, protection of biodiversity and rehabilitation of environmentally damaged areas;
- Formulation of inter-ministerial form of cooperation on environmental protection;
- Application of penalties in case of environmental rules violation;
- Incorporation of environmental resources protection in all social and economic development plans;
- Promotion of environmental sustainable development.

Palestinian Environmental Assessment Policy's (PEAP) main goals are the support of sustainable economic and social development of West Bank and Gaza Strip, capable to preserve the natural environment, and reduce eventual environmental risks.

The PEAP sets two types of Environmental Assessment (EA) focuses aimed at analyzing environmental issues related to the implementation of a public or private work. These two EA have different scopes: the first evaluation has the objective to search possible environmental problems related to the work; the second one tends to specify the environmental impact of the project:

- Initial Environmental Evaluation (IEE)
To be developed in the following two cases: 1) if environmental impact of the work is not known, and; 2) if specific environmental regulations are set and the project needs to be investigated to understand whether it complies with aforesaid regulations.
- Environmental Impact Assessment (EIA)
To be developed in case of very likely environmental problems related to the project. EIA shall quantify in monetary terms the cost of environmental impact mitigation and it shall be applied to transport development projects and plans that can have significant impacts on the environment and on cultural heritage, in line with the European best practice. EIA



shall be developed for projects related to: 1) Airports and landing strips; 2) Seaports, jetties and harbors; 3) Major roads, and; 4) Rail network.

3.2 Proposal for Safety

The transport of passengers and goods in West Bank and Gaza Strip shall occur in full compliance with specific guidelines that every public and private operator shall take into consideration, with the aim of avoiding transport risks.

In road transport and public transport sector, the following aspects need to be regulated:

- Handling of Loads;
- Environmental Sustainability of Transport Services;
- Air and Noise Pollution ;
- Working Hours and Work-related Stress for Drivers;
- Transport of Dangerous Goods;
- Fireproof Vehicles Equipment;
- Galleries Panels and Special Lighting;
- Road Maintenance;
- Radio and GPS Systems Communication;
- Bus Maintenance;
- Security Controls on Public Vehicles.

In Rail Transport Sector, the following aspects need to be regulated:

- Rail Rolling Stock Maintenance;
- Railway Network Maintenance;
- Good and Safe Circulation;
- Use of Signaling;
- Human Resources.

In Air Transport Sector, the following aspects need to be regulated:

- On-ground and on-board controls for air transport infrastructure and fleet;
- Airports compliance with Radio and Visual Aids Standards;
- Air Transport Crew Training;
- Technical and Operational Airports Requirements;
- Safety Law Infringements.

3.3 Proposals for Public Bodies Security

In line with international standards, the establishment of Rail Safety Public Body, Road Safety Public Body and CAA is recommended, to tackle, under the MoT supervision, all the transport-related safety and security issues.

Public Bodies shall set safety standards for transport infrastructure construction and consequent use, as well as for transport services performance. Public Bodies shall also act as supervisors for private stakeholders (investors and operators), setting standards they have to comply with, establishing safety levels to maintain in any case and indicating standards of financial liability for every operator.

In Road Transport Sector, the following security issues shall be set:

- Road Safety Policies;



- Roads Operators Liability;
- Accidents Prevention;
- Road Safety Innovation and Implementation;

In Rail Transport Sector, the following security issues shall be set:

- Safety Certificates Issuing, Modifying and Renewal;
- Safety Standards.

In Air Transport Sector, airport security services shall be provided necessarily by a Public Body with the following tasks:

- Setting, Coordination, Monitoring and Implementation of Safety Standards;
- Setting Technical Regulations and Regular Inspections of Airplanes;
- Sanctioning Rules Violations;
- Issuing Certificates and Authorizations to Flight;
- Keeping Airport Registers;
- Setting Airports Safety Investment Plans;
- Creating Relationships With National and International Organizations and Companies of Civil Aviation Sector for Establishing Common Safety Standards.

Airport Authority shall operate in all airports with the assistance of Police and/or other public security forces.

3.4 Proposals for Road Transport

Currently MoPWH, MoLG, and LGUs share the responsibilities over road infrastructure planning and construction. This fragmentary and overlapping of roles threatens the efficiency of transport-related legal framework, calling for a change in its structure. To this concern, the establishment of a new and independent Body⁶, entirely publicly owned and operating under the supervision of the MoT, is suggested, to deal with all the major aspects related to the road network; this Body should act only for roads at national and international level (not local) and assure more efficiency and effectiveness in operational phases.

- Building new main roads, both directly and in concession;
- Managing the roads and state-owned main roads, as well as providing for their ordinary and extraordinary maintenance;
- Implementing the progressive improvement and adaptation of the road network;
- Implementing laws and regulations on the protection of the road assets and on the protection of traffic and signage;
- Providing the services of traveler information, through signage devices;
- Attending to studies, research and experiments in the field of road, traffic and circulation.

The management of a main roads network implies also the performance of a series of subsidiary user services, functional to the transit of vehicles, like:

- Services offered in rest areas;

⁶see ¶ 1.2.3 Restructuring measures for Private stakeholders



- Catering services;
- (Eventual) Services of toll booth payment.

The services mentioned above can be: 1) managed directly by Public Authorities; 2) assigned to private operators; 3) Public Authorities may assign the services in analysis to companies which have as core business the management of main roads, and these latter have the possibility to make subcontracts with third operators. In any case, in order to be in accordance with the international standards, the principles of free competition and free access to the market shall be respected during the procedure of assignment of the works.

3.5 Proposals for Rail Transport

Rail transport infrastructure management service and the performance services shall be entrusted to two different economic operators: more precisely, it is recommended that these activities in the short term are separate both at the accounting and the management level. Specifically, the infrastructure network shall remain a public property, although rail transport service, by contrast, is opened to the market, to all those operators meeting the requirements, fixed by laws and regulations. Indeed, there is the need to ensure that Public Authority managing the infrastructure is reliable and independent and may achieve the set objectives to pursue on behalf of the State. In line with international standards, the establishment of a Public Independent Body (short-term measure) is suggested, for governing, under MoT supervision, rail transport safety and security issues.

3.6 Proposals for Air Transport

In short term, airports can be managed under the direct control of MoT, that would manage the whole airport, completion and preserving every goods and infrastructure inside it, keeping the profits and supporting the expenses.

In med term, also in a perspective of market competition, airport management can be entrusted to an economic operator, reliable and independent.

Airport managing operator shall manage and handle, with transparency and without discrimination, the airport infrastructures, while coordinating the other economical operators providing services inside the airport, under the control and the supervision of CAA.

Specifically, Airport managing operator shall also provide the handling of services inside the airport. These services are ancillary to plane landing, stopping and taking off, and they include:

- Administrative Procedures Supervision;
- Passengers Assistance;
- Luggage Assistance;
- Transit Goods Handling;
- Runway Operations Assistance;
- Terminal Cleanings;
- Fuel Assistance;
- Planes Maintenance Assistance;
- Crew Management Assistance;
- Catering.



Private air transport services shall be under the control of CAA, responsible for setting related rules. In a first stage, CCA releases the “Airworthiness Certificate”⁷; in a second stage, CAA is responsible for slots assignment.⁸

3.7 Proposals for Maritime Transport

The United Nations Conference on Trade and Development (UNCTAD) Handbook for Port Planners in Developing Countries lists the statutory powers of a national port authority as follows (on the assumption that operational decisions will be taken locally):

- investment: power to approve proposals for port investments in amounts above a certain figure. The criterion for approval would be that the proposal was broadly in accordance with a national plan, which the authority would maintain;
- financial policy: power to set common financial objectives for ports (for example, required return on investment defined on a common basis), with a common policy on what infrastructure will be funded centrally versus locally, and advising the government on loan applications;
- tariff policy: power to regulate rates and charges as required to protect the public interest;
- labor policy: power to set common recruitment standards, a common wage structure, and common qualifications for promotion, and the power to approve common labor union procedures;
- licensing: when appropriate, power to establish principles for licensing of port employees or agents;
- information and research: power to collect, collate, analyze, and disseminate statistical information on port activity for general use, and to sponsor research into port matters as required.
- legal: power to act as legal advisor to local port authorities.

Generally, the objective of a port authority is to efficiently and economically manage the port. In a public landlord port, its objectives should be aligned with the macroeconomic goals of the State and the needs of the Region, such as the creation of jobs, strengthening of the economic structure, and so forth.

Fundamental port functions that should be considered include:

- administration, management, and physical development of the port area;
- maintenance, rehabilitation, renovation, and construction of operational infrastructures (usually the construction of basic infrastructure is a responsibility of the state);
- establishment of contractual (concession or lease) and other conditions (public license) for private operators to provide port services;
- coordination of berthing and unberthing of vessels;
- ensuring public order in the port area;
- safeguarding the port environment;

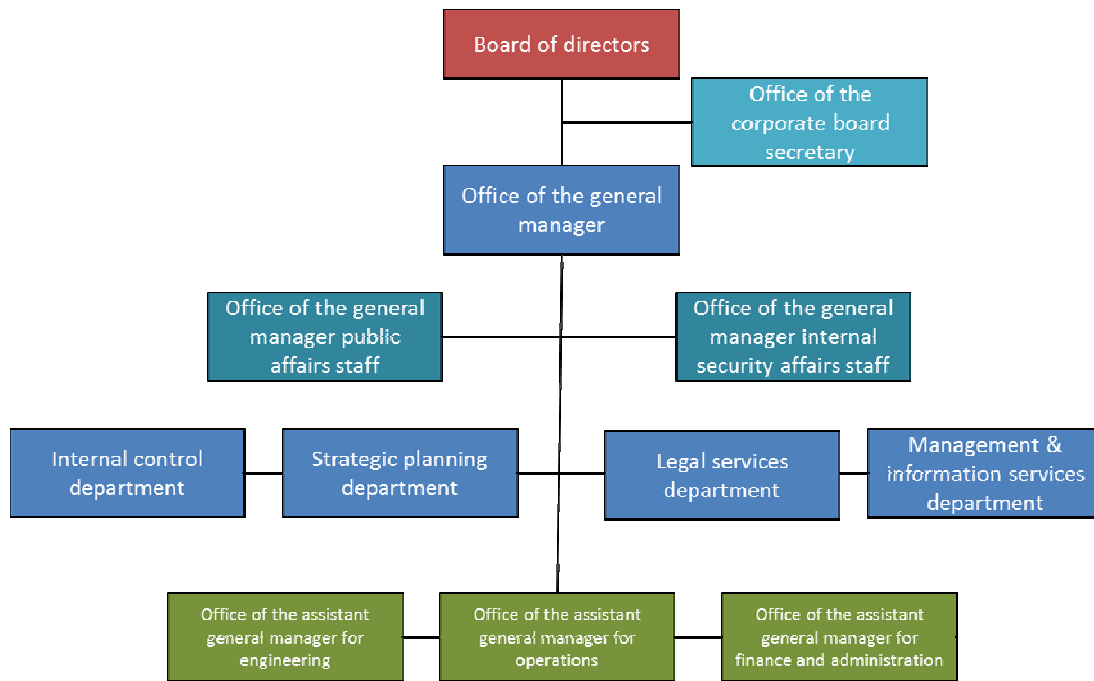
⁷ The certificate shall be released only to the companies interested in performing private air transport services and meeting the technical and economical requirements set in a special discipline. Companies gaining this certificate, sign a convention with CAA, regarding the service operating conditions, as well as their obligations.

⁸ CAA distributes slots, or permission to use airport infrastructures necessary to operate an air service on a certain date and at a certain time. In this way, the right of air carriers holding an Airworthiness certificate to access the market for aviation services is fixed by the limited availability of slots, but at the same time, the market remains equitable and competitive.

- port marketing;
- port security.

On the basis of the aforementioned port functions, the following figure presents a possible port authority organizational chart.

Figure 7. Possible Port Authority Organizational Chart



The main activities of the various components of the port authority are described below.
Board of directors:

- governing the organization by establishing broad policies and objectives;
- ensuring the availability of adequate financial resources;
- selecting, appointing, supporting and reviewing the performance of the general manager.

Office of the corporate board secretary:

- provides technical assistance to the Board on all Board-related matters;
- acts as the liaison office and provide the necessary linkage between the Board of Directors and Management;
- coordinates with Management in the finalization of the agenda for deliberation and decision of the Board.

Office of the general manager:

- exercises overall supervision and control of port authority activities.



- defines and promulgates the corporate objectives, targets and direction of the port authority.
- promulgates rules and regulations necessary to carry out the objectives, policies and functions of the port authority.

Office of the general manager public affairs staff:

- plans and executes an effective public relations and promotions program for port authority;
- establishes and maintains effective liaison with government and private agencies, the general public, international maritime organizations, etc. on matters pertaining to public information and relations;
- prepares/edits articles for media release by port authority.

Office of the general manager internal security affairs staff:

- conducts background investigation on the applicants of the PPA;
- conducts security checks on suspicious activities of port authority employees;
- coordinates with national intelligence agencies on matters that are of mutual concern.

Internal control department:

- reviews administrative, financial, operational and engineering transactions of all Responsibility Centers (RCs).
- evaluates extent of compliance of these RCs concerned with port authority and other government policies, laws, rules and regulations.
- appraises the quality of performance of RCs concerned to ascertain whether the organization's objectives and goals are met.

Strategic planning department:

- formulates, in coordination with the other (RCs), management's vision of the organization's future state which would give the over-all general policy direction to all RCs.
- sets management's organizational goals and objectives and their completion within specified time frames in order to attain the organization's planned future state.
- Collects, evaluates external and internal information relevant to the organization's present and future state.

Legal services department:

- provides legal assistance and/or advice and in general acts as the corporate legal counsel of the port authority.
- handles cases filed for or against the port authority including attendance in court hearings and the preparation and submission of various pleadings in courts or other tribunals.
- evaluates and monitors cases assigned to the field units concerned.

Management & information services department:

- formulates and updates the port authority's Information Systems Plan.
- establishes standards and specifications in the procurement of computer hardware and software for the use of the different RCs and ensure compliance thereof.
- undertakes investigation and studies on management information systems requirements of the different RCs.



Office of the assistant general manager for engineering:

- formulates and updates a comprehensive port development plan for the ports.
- prescribes procedures/guidelines governing the planning, design, construction, repair and maintenance of all port facilities as well as the maintenance of cargo handling and engineering equipment owned by the port authority.
- undertakes the preparation of port master plans and feasibility studies including environmental impact studies.

Office of the assistant general manager for operations:

- acts as the deputy or second-in-command in the Organization.
- supervises the operation and management of ports belonging to the port authority and the enforcement of port rules and regulations.
- prescribes, updates and recommends policies, systems and procedures in the operation of the ports and in the delivery of port services for ports belonging to the port authority, including those which pertain to port security.

Office of the assistant general manager for finance and administration:

- formulates, updates and prescribes policies and strategies of the port authority in the areas of human resource management/administration, manpower development, financial transactions, cash management, management and organizational studies and ensures the proper implementation of the same.
- provides the administrative requirements of the port authority in the areas of personnel, general services, procurement of office supplies and equipment, transportation and records and communications.
- ensures the attainment of human resources management, training and development, career planning, integrated health and physical fitness of port authority employees.

3.8 Proposals for Shared/Public Transport

The regulation of public transport sector is herein considered at two main levels:

- Shared Transport Regulation at National Level, and;
- Shared Transport Regulation at Local Level.

At national level, MoT shall be responsible to regulate policies and set overall objectives. Moreover, it shall plan and discipline shared transport supply and network, to be conceived with predetermined itineraries, fixed schedules, regular frequencies and fare structure. In particular, shared transport supply at national level shall be provided as follows:

- Air transport supply provided by Palestinian Airlines;
- Rail transport supply provided by private operators;
- Road transport supply provided by private bus companies.

In short time, Public Administration can also provide these services on its own, or assigning them to another public authority, through the system of direct assignment. Specifically, for what concerns the local road transport, the State could issue a call for tender to obtain buses in leasing. With the "bus leasing" contract, the buyer pays a certain amount of money immediately and get the availability of the good that he intends to buy. Then, the Public Administration pays periodically a leasing fee until the expiration of the contract, to which the buses ownership



transfer will follow. The purchase of leased buses represents a good opportunity for having buses, even with limited public funding for local transport.

At local level, LGUs shall define the guidelines for planning local and urban shared transport supply and network. In particular, LGUs shall draw and update local transport plans, in compliance with regional wider transport plans. Finally, LGUs shall guarantee a minimum transport standard service, in order to meet, qualitatively and quantitatively, existing travel demand at local scale.

The minimum services should provide:

- Transport Networks Integration, and;
- Commuter Services (for students and workers).

3.9 Proposals for Logistics

Inside a Logistic Centre, the most important infrastructures are the warehouses and the intermodal terminal. The warehouse is the infrastructure where the transport operator performs his business, and the intermodal terminal is a logistic facility specialized in transshipment of loading units (containers, swap bodies, semi-trailers).

The creation of a Logistics Center, involves huge infrastructures and needs a relevant economic investment, thus, it is highly recommended that it is done neither at a public level nor at the private level. The most efficient organizational structure seems a cooperation between public and private partners (PPP). On the long run, PNA shall entrust the management of the Logistics Centers infrastructures to a private operator, through the form of Public Private Partnership.

3.10 Proposals for BCPs

Border Crossing Points management shall be operated with the synergy of national and local Public Bodies, with the coordination of the General Administration of Crossings and Borders (GACB). Indeed, this task is so complex that none of the institutions involved in this sector is able to work on it alone. Eventually, on the long run, some specific and secondary services can be assigned with a public tender.

The objectives for BCPs management, in short term, are the following:

- Internal Security Improvement;
- Procedures Simplification and Harmonization;
- Resources Efficiency;
- Risk Analysis at National Level Improvement;
- Long-Term and Strategic Approach to BCPs-related issues.