Main features of territorial organisation. The Palestinian Authority was born from the Oslo Agreements. Palestine is divided into two main geographical units: the West Bank and the Gaza Strip. It is still an ongoing State construction. The official government of Cisjordania is governed by a President, while the Gaza area is governed by the Hamas. Up to now, most governmental functions are ensured by the State of Israel. In 1994, and upon the establishment of the Palestinian Ministry of Local Government (MoLG), 483 local government units were created, encompassing 103 municipalities and village councils and small clusters. Besides, 16 governorates are also established as deconcentrated level of government. Over the past years, reforms are tending to reduce the number of local governments units (municipalities and villages), with mitigated success. Finally, the governments is rather turning towards pooling municipalities together through intercommunal entities, called Joint Services Councils (JSC), that can have one specific or several functions (water, electricity, solid waste, planning). We can count around 100 JSCs but they are not all operating.

Main subnational governments responsibilities. The functions and responsibilities of the Palestinian Authority are not homogenous over the territory as a whole. The territory is split between areas A, B and C (Area C represents 60% of the Palestinian territory and is under the control of the Israeli authorities. In 1994, and upon the establishment of the Palestinian Ministry of Local Government (MoLG), 483 local government units were created, encompassing 103 municipalities and village councils and small clusters. Besides, 16 governorates are also established as deconcentrated level of government. Over the past years, reforms are tending to reduce the number of local governments units (municipalities and villages), with mitigated success. Finally, the governments is rather turning towards pooling municipalities together through intercommunal entities, called Joint Services Councils (JSC), that can have one specific or several functions (water, electricity, solid waste, planning). We can count around 100 JSCs but they are not all operating.

Subnational government finance. The increase of local government units and municipalities since 1994 has not been accompanied by a corresponding increase of municipal staff capacities needed to collect local resources, which is still reflected in the high share of spending dedicated to current expenditures and staff expenditures.
Despite the lack of data for 2013, we can note that from past years, Palestinian municipalities spend a larger share of their budget on public work, administrative, legal and financial affairs, and health.

The situation of local finances of Palestinian local governments, highly dependent upon the political instability of the country, makes them dependent on the provision of external resources and in particular of international aid, mostly for investment budgets of municipalities and village councils. Local governments can access these funding from the Palestinian Authority and from donors through the Palestine’s Municipal Development and Lending Fund, an independent public institution set up in 2005.


Outstanding debt

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<th>OUTSTANDING DEBT (2013)</th>
<th>% GDP</th>
<th>% GENERAL GOVERNMENT</th>
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