

**Ministry of Finance and Planning
General Directorate Property Tax
Palestine**

**PROJECT FOR IMPROVEMENT OF
LOCAL FINANCE SYSTEM
IN PALESTINE**

PROJECT COMPLETION REPORT

OCTOBER 2016

JAPAN INTERNATIONAL COOPERATION AGENCY

**KRI INTERNATIONAL CORP.
KOKUSAI KOGYO CO., LTD.**

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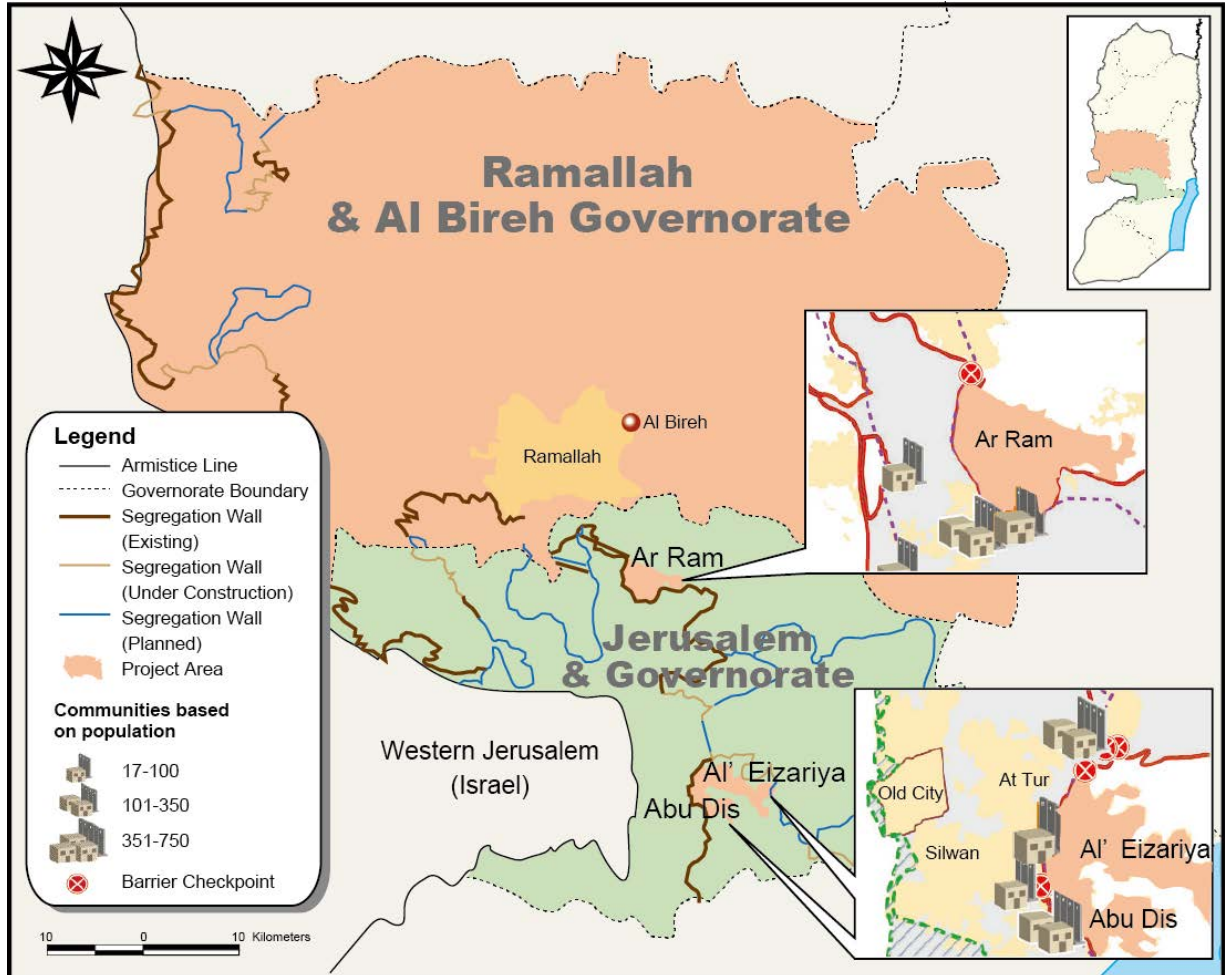
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JICA Exchange Rates (October 2016)	USD/JPY 100.606
	NIS/JPY 26.8239

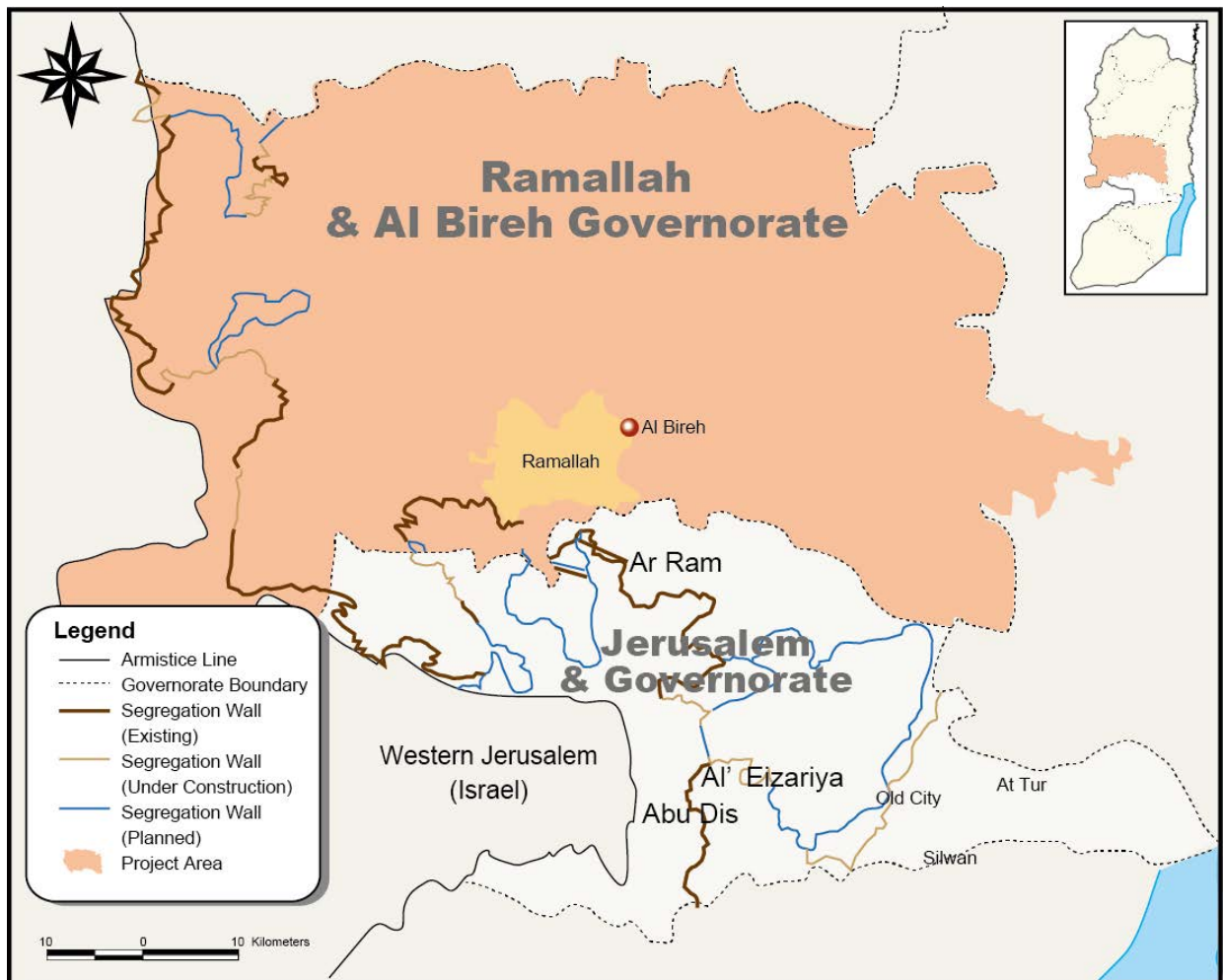
Project Area (jurisdiction area of the Pilot Branch)*

Before Alteration (Feb. 2013 to Feb. 2015)



Source: Applied Research Institute - Jerusalem (ARIJ), *A Geopolitical Atlas of the Occupied Palestinian Territory* (2009, p.42, 44), United Nations, *West Bank Communities on the 'Jerusalem' side of the Barrier*

After Alteration (Feb. 2015 to Sept. 2016)



Source: Applied Research Institute – Jerusalem (ARIJ) 『A Geopolitical Atlas of the Occupied Palestinian Territory』 (2009, p.42, 44), United Nations 『West Bank Communities on the ‘Jerusalem’ side of the Barrier』

- * While the property tax valuation standards formulated through the Project is planned to be applied in all the area of the West Bank in the future, the Project activities are implemented within the jurisdiction area of the pilot branch of GDPT.
- * As a result of the discussion between JICA and the C/P at the Mid-term Review conducted in October 2014, it was decided that only Ramallah branch will be the pilot branch of the Project.

Photographs of Project Activities



201305 Launching Ceremony



201307 Field Survey



201309 Jericho Workshop



201402 Field Survey Result Workshop



201406 Third Countries Training



201509 VS Workshop



201604 VS Workshop



201605 Training in Japan



201607 GDPT Seminar



201605 GIS Training



201607 VS Training: P-TAX



201608 VS Training: Field Trial Application

The Project for Improvement of Local Finance System in Palestine

Project Completion Report

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Abbreviations and Acronyms

CAD	Computer-Aided Design
C/P	Counterpart
DANIDA	Danish International Development Agency
DG	Director General
F/S	Feasibility Study
GDPT	General Directorate of Property Tax
GIS	Geographical Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICT	Information and Communication Technology
IPTI	International Property Tax Institute
IT	Information Technology
IVS	International Valuation Standards
JCC	Joint Coordination Committee
JICA	Japan International Cooperation Agency
JPT	JICA Project Team
J-PVP	JICA-Palestine Valuation Project
MoF	Ministry of Finance
MoLG	Ministry of Local Government
MoM	Minutes of Meeting
MP	Master Plan
MTIT	Ministry of Telecommunication and Information Technology
NVS	New Valuation Standards
PAC	Public Awareness Campaign
PCMA	Palestinian Capital Market Authority
PDA	Personal Digital Assistant
PDM	Project Design Matrix
PLA	Palestinian Land Authority
PNA	Palestinian National Authority
PO	Plan of Operation
PPFI	Palestinian Public Finance Institute
R/D	Record of Discussions
TDMU	Training, Development and Media Unit
TDMMU	Training, Development, Media and Management Unit
TOR	Terms of Reference
UNDP	United Nations Development Program
VAM	Value Adjustment Matrix
VS	(Property Tax) Valuation Standards
VSWG	Valuation Standards Working Group

Chapter 1. Overview of the Project

1.1 Background

After the establishment of the Interim Self Government in 1994, Palestine has strived for its independence as a nation and also for the autonomous operation of governance and financial systems. Through the enactment of the Local Government Act (1997) and the gradual implementation of elections at local government level (2004), the Palestinian National Authority (PNA) has been setting up systems for local governance and has also been promoting devolution. However, due to the lack of both financial and human resources, most of the approx. 480 municipalities are facing difficulty in providing public services to its citizens. Thus, securing a stable financial source has been one of the most pressing issues for PNA.

Municipalities in Palestine depend on fees from utility services such as electricity and water as their main sources of revenues. There is no system in which tax revenue is the main pillar of local finance. Currently there are two types of taxes which can potentially be used as sources of revenue specifically for municipalities: property tax and education tax. Among all the tax revenue in Palestine, consumption tax plays the main role and taxes on income and property play only the minor role. As of May 2012, only 62 out of 109 municipalities were charging property taxes¹; the degree to which property tax is being charged varies among regions. In the West Bank, the basis of property tax is a Jordanian "Act regarding Building and Land in the Region of Municipalities and Local Government" of 1954, which is out of step with the current situation in Palestine. Also, because there are no valuation standards by which a real property can be objectively assessed, much time and effort are spent on assessing individual assets, resulting in the fact that tax is not levied on every taxable property or is levied in an arbitrary fashion.

Of those municipalities that are levying property tax, the percentage ratio of income from property tax ranges between 30 to 49%. However, according to a survey conducted in 2008, of the 94 municipalities in both Gaza and the West Bank, the percentage ratio of income from property tax was, in total, 6%.²

General Directorate of Property Tax (GDPT) of Ministry of Finance (MOF) of PNA is well aware of the facts and problems so far mentioned. Under the 3-year strategy (2012-2014) and the annual plan they are aiming to achieve the following objectives with the support of foreign donors: 1) Enhancing the area in which property tax is levied; 2) Revising the Act on property tax; 3) Drafting new property tax valuation standards; 4) Upgrading the ability of tax collection techniques; and 5) Introducing a comprehensive work system by utilizing information and communication technologies (ICT).

In order to maintain and improve various public services offered to the general public, it is important to appropriately levy tax on real properties. And for this to happen, it is necessary to assess the tax amount by

¹ As of August 2016, the total municipality number became 111 and among them, 67 are subject for property taxation.

² JICA Industrial Development and Public Policy Department, *Report by the Advisor on Palestinian Local Government (draft)*, Sep. 2011, pp. 13-14. The original figures are taken from The World Bank, *Sustainable Development Department Middle East and North Africa, WEST BANK and GAZA MUNICIPAL AND SERVICE PROVISION* at 72, 2010.

using reliable property tax valuation standards and then to actually levy the amount; also necessary is finding an appropriate way in which tax is collected and paid. By enhancing the ability of GDPT, it is expected to renovate the work currently being conducted. It is against this backdrop that the request for assistance was made to the Government of Japan.

Upon receiving the above request, JICA conducted a survey to draft a detailed support plan in May 2012, and in August in the same year JICA and PNA signed and exchanged R/D (Record of Discussion). After these steps, in February 2013, the “Project for Improvement of Local Finance System in Palestine³ (hereinafter referred to as “the Project”)” was launched.

1.2 Objectives and Scope of the Project

1.2.1 Objectives and Impact of the Project

The ultimate goal of the project is to improve the amount of property tax that will be collected in Palestine. Practically, through the pilot activities to be conducted at pilot branch office of the GDPT, the project aims to improve the status of various related works, such as valuation and collection of property tax among others. More specifically, the project is expected to: 1) Bolster the ability of Training, Development, Media and Management Unit (TDMMU) in their effort to formulate an operation plan by analyzing data and problems; 2) Strengthen the valuation standards working group's ability to formulate, revise and operate the property tax standards; and 3) Extract, locate and cope with various problems facing the pilot branches such as valuation, collection and payment of property tax.

The Narrative Summary section of the Project Design Matrix (PDM)⁴ (attached as **Appendix 1**) for the Project is shown in Table 1-1.

Table 1-1 Framework of the Project

Overall Goal	The revenue from property tax is improved in Palestine
Project Purpose	Operations on property valuation and property tax collection have been improved, particularly at the GDPT branch office where pilot activities have been implemented under the Project ('pilot GDPT branch office')
Outputs	<ol style="list-style-type: none"> 1. The Training, Development, Media and Management Unit (TDMMU) at GDPT, develops its capacity to formulate operation plans (i.e. Master Plan* and Annual Plan, including a Capacity Development Plan) based on the results of problem analysis and other relevant data. 2. The Valuation Standard Committee for Property Taxation strengthens its capacity to develop and operationalize the property tax valuation standards. 3. The operational issues on property valuation and property tax collection at pilot GDPT branch offices are identified and improved.

* The Three Year Master Plan

Source: Minutes of Meeting signed on the 4th JCC (February 16, 2015)

³ The Project has also been nicknamed as “J-PVP” which is the abbreviation of Japan-Palestine Valuation Project.

⁴ The Project Design Matrix of the Project has been reviewed right after the Mid-term Review of the project conducted in October 2014 and revised officially in the JCC held at February 2015. However, the revision was quite minor and the Narrative Summary section remained almost unchanged.

1.2.2 Counterpart in PNA (C/P)

- 1) General Directorate of Property Tax, Ministry of Finance and Planning⁵
- 2) General Directorate of Property Tax, Ministry of Finance and Planning, Ramallah Office

※ The project first targeted three branches as its pilot branches, namely Ramallah Office, Al Ram Office and Abu Dees Office. However, after the Mid-term Review and following discussion, the agreement is made, as it is written on Minutes of Meeting signed on February 2015, that the target branch is narrowed down to Ramallah office only, due to the fact that Al Ram Office has just begun its operation and Abu Dees Office has no valuator as permanent employee.

1.2.3 Direct Beneficiaries

- 1) Staff at the General Directorate of Property Tax, Ministry of Finance and Planning
- 2) Staff at the General Directorate of Property Tax, Ministry of Finance and Planning, Ramallah Office

※ Whereas the target office has been narrowed down to Ramallah office as a result of the Mid-term Review and following discussion between JICA and the C/P, it was agreed that valuers from other branches will also be the beneficiaries of training activities of property tax valuation standards.

1.3 Project Area

As to the research and future application of Valuation Standards, the project covers the entire West Bank. For the pilot activities, the project covers the GDPT headquarters which is located in Ramallah, de facto administrative capital of PNA, as well as Ramallah and Al Bireh area which are under administration of GDPT Ramallah office.

1.4 Project Period

The Project was implemented from February 2013 to September 2016, and was divided into four Phases as shown below.

Phase 1: February to April 2013 (3 months)

Phase 2: June 2013 to June 2014 (13 months)

Phase 3: October 2014⁶ to July 2015 (10 months)

Phase 4: August 2015 to September 2016 (14 months)

1.5 Organizational Arrangements

1.5.1 Project Implementation Structure

The project implementation structure of the Project, which once agreed upon and put into operation at the initial stage of Phase 2, has once officially been adjusted during the project period. The reasons for the

⁵ In November 2015, Ministry of Finance became Ministry of Finance and Planning.

⁶ The gap between the end of Phase 2 and the beginning of Phase 3 is caused by the outbreak of warfare in Gaza.

changes are mainly: i) deficiency in coordination between JICA Project Team (hereinafter referred to as the JPT) and the C/P, especially with regard to the activity coverage of the Project in relation with Training, Development, Media and Management Unit (TDMMU)⁷ and command lines to the national staff employed by the JPT including the TDMMU Coordinator, and ii) the complexity of the structure caused by the ad hoc additions of the small committees, each linked with TDMMU, charged with specific theme and composed of frequently changing members.

The project implementation structure at the initial stage of the Phase 2 is shown in **Appendix 2**, while the revised implementation structure agreed after the Mid-term Review and in the 4th JCC is shown in **Appendix 3**.

1.5.2 JICA Project Team (JPT)

In order to support GDPT in the implementation of the project, JICA assigned a team of experts. A total of 11 Japanese experts were assigned for total 130.41 person-months during the project period, with total 12 Palestinian experts and 4 clerical staff in supporting roles during the project period, some of them for the full period and others for a limited time period. The actual assignment schedules of the Japanese experts from Phase 1 to Phase 4 are shown in **Appendix 4**.

In addition to the above, JICA assigned a long-term expert for project coordination who has been assigned continuously from February 2013 until January 2015. Moreover, in order to provide the technical advice for the Project, an Advisory Committee which consists of the experts from various fields of property tax system was established in Japan.

1.5.3 Joint Coordination Committee (JCC)

The activities of the entire project were supervised and guided by the Joint Coordination Committee (JCC) comprising the C/P, JICA Palestine Office and JPT. Participation in JCC meetings by other organizations and individuals were arranged as appropriate. JCC was held total 5 times during the project period. The details of JCC meetings are reported in Section 2.1.1 below.

1.6 Reports Prepared and Submitted to C/P and JICA

During the course of the Project, the JPT prepared and submitted a series of reports in the form of periodic reports and technical outputs to GDPT and JICA, as listed below.

⁷ Training, Development and Media Unit (TDMU) was renamed as TDMMU by adding the word “management” at the end of the Phase 2. Although at the formulation stage of the Project, TDMU was regarded as the unit exclusively set up for the implementation of this project by GDPT, after the launching of this project it was found that the C/P is regarding TDMU as a special vehicle of the entire GDPT reformation. This difference of understanding has also added some complexity in project management and after the Mid-term Review conducted at the beginning of the Phase 3, both parties agreed that TDMMU will be managed solely by GDPT and the JPT will limit its involvement in monitoring of the implementation of the 3 years Master Plan Matrix (2014-2016) of GDPT. In this report, the name of both TDMU and TDMMU will be used according to the periods the unit was called.

Table 1-2 Reports Prepared by JPT

Reports	Date of Submission
1) Inception Report	April 2013*
2) Completion Report (Phase 1)	April 2013
3) Work Plan (Phase 2)	June 2013
4) Progress Report (Phase 2)	February 2014
5) Completion Report (Phase 2)	June 2014
6) Work Plan (Phase 3)	May 2014**
7) Progress Report (Phase 3)	May 2015
8) Completion Report (Phase 3)	July 2015
9) Work Plan (Phase 4)	September 2015
10) Progress Report (Phase 4)	April 2016
11) Project Completion Report (this report)	September 2016

* Draft was provided in February 2013.

** Delayed due to the discrepancy of opinion over several issues between C/P and JICA.

Table 1-3 Main Technical Reports Prepared by JPT

Reports	Attached to	Date of Submission
1) Research Plan for Formulation of Property Tax Standards	- Initial version included in the Completion Report (Phase 1)	April 2013
	- Revised version attached to Completion Report (Phase 2)	June 2014
2) Summary of Trial Survey – Data collected and used for designing Valuation Standards	- Summary of Trial Survey attached to Completion Report (Phase 2)	June 2014
3) New Valuation Standards	- Initial draft attached to Completion Report (Phase 3)	July 2015
	- Final draft attached to Progress Report (Phase 4)	April 2016
4) Manual for New Valuation Standards and Field Handbook	- Initial draft attached to Completion Report (Phase 3)	July 2015
	- Final draft attached to Progress Report (Phase 4)	April 2016
5) Training Report for the Application of New Valuation Standards (as Training Completion Report)	Project Completion Report (this report)	September 2016
6) Dissemination Strategy of the New Valuation Standards (as Advisory Note)	Project Completion Report (this report)	September 2016

1.7 General Workflow and Chronology of Activities

A major revision of the general workflow and operation plan for the Project took place after the Mid-term Review. The initial version of workflow and operation plan prepared at the beginning of the project is attached as **Appendix 5** and **Appendix 6**, and the revised version of operation plan agreed at 4th JCC held at February 2015 is attached as **Appendix 7**. The reason for this drastic revision will be touched upon in the section describing the Mid-term Review in Chapter 4.

Figure 1-1 below shows the gist of overall project workflow with main tasks performed by the Project.

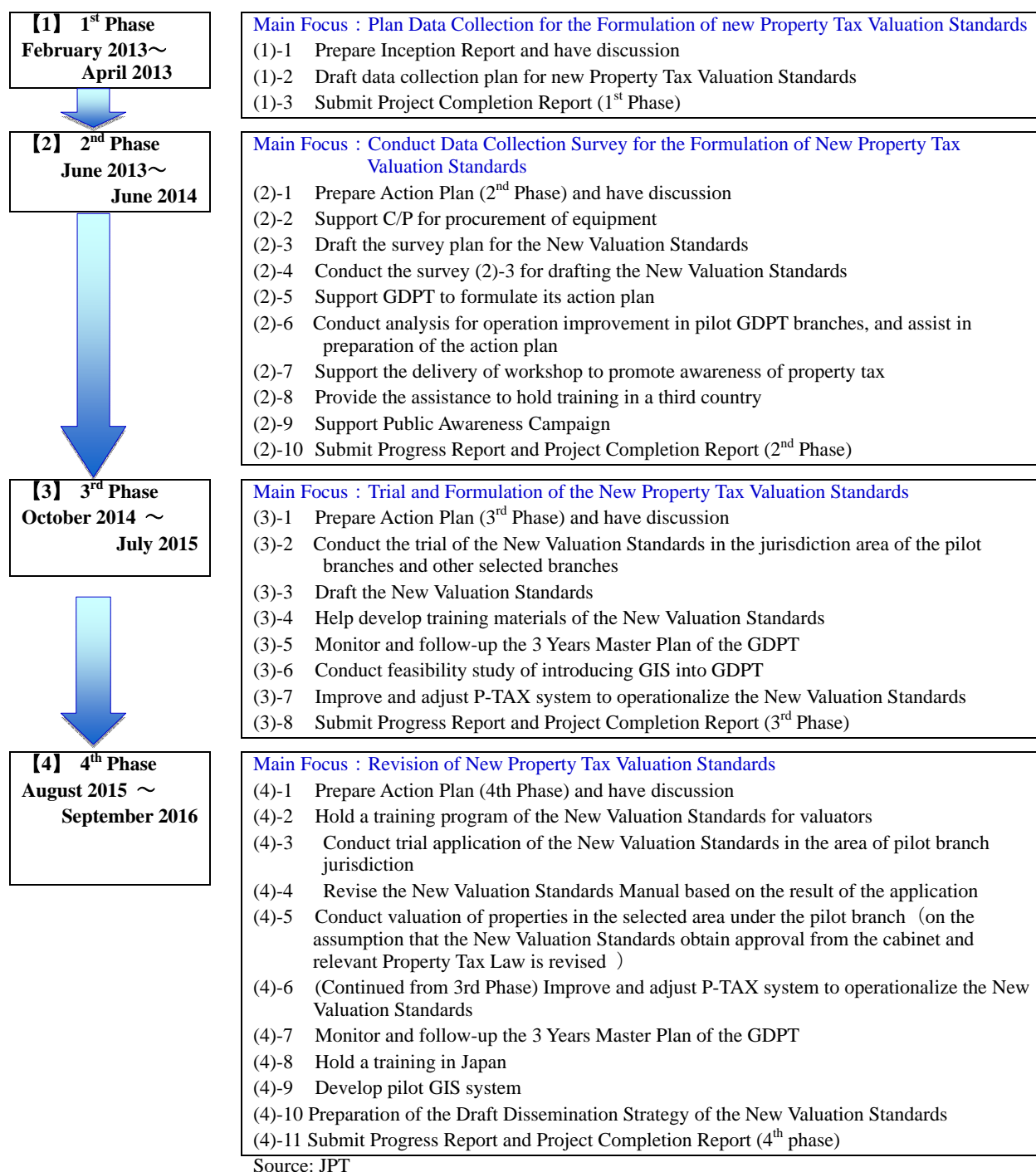


Figure 1-1 Gist of Overall Project Workflow with Main Tasks

A more detailed chronological table of the all activities conducted is attached as **Appendix 8**.

Chapter 2. Activities and Achievements

2.1 General Administration and Works Cutting Across all Outputs

2.1.1 Joint Coordination Committee Meetings (JCC Meetings)

As mentioned previously, the activities of the entire project were supervised and guided by the Joint Coordination Committee (JCC) comprising C/P, JICA Palestine Office and JPT, and the participation by other organizations and individuals in these meetings were arranged as appropriate. JCC was held in total 5 times during the project period as listed below.

Table 2-1 JCC Meetings held during the Project Period

JCC Meetings	Date
1 st JCC	March 20 th 2013
2 nd JCC	September 24 th 2013
3 rd JCC	March 26 th 2014
4 th JCC	February 16 th 2015
5 th JCC	September 20 th 2015

The outlines of 1st to 5th JCC meetings are described in Table 2-2 in the following and the Minutes of Meetings are attached as **Appendix 9**.

Table 2-2 Outlines of the JCC Meetings held during the Project Period

Outline of 1 st Joint Coordination Committee	
Objectives	<ul style="list-style-type: none"> Share the framework and the entire picture of the project with counterpart Exchange views on the Draft Inception Report Discuss any other issues related to the project Signing Minutes of Meeting
Date and Time	March 20 th 2013 10:30 – 12:30
Venue	GDPT Meeting Room (3 rd Floor)
Participants	<ul style="list-style-type: none"> GDPT staff: Mr. Nofal (Director General), Mr. Samer (Head of Evaluation Department), Mr. Ayman (Head of IT Department) and others Representative Office of Japan to Palestine: Mr. Honda (Deputy Representative of Japan), Ms. Honda (First Secretary) JICA Palestine Office: Mr. Tanaka (Chief Representative), Mr. Mukai (Senior Representative) and others JICA Headquarter: Mr. Oshikiri (Director), Ms. Santo (Staff) and others Mission Members: Prof. Iwasaki, Associate Prof. Shiba JICA Project Team
Outline of the 2 nd Joint Coordination Committee Conference	
Objectives	<ul style="list-style-type: none"> Review overall progress of the Project. Exchange opinions on major issues that arose during the implementation of the project
Date and Time	September 24, 2013 12:00 – 14:00
Venue	GDPT meeting room (3 rd floor)
Participants	<ul style="list-style-type: none"> GDPT staff: Mr. Nofal (Director General), Mr. Samer (Director of Valuation Department), Mr. Ali (Director of Ramallah Branch Offices), Mr. Ayman (Director of IT Department) and others

	<ul style="list-style-type: none"> • Representative Office of Japan to Palestine: Mr. Honda (Deputy Representative of Japan), Ms. Honda (First Secretary) • JICA Palestine Office: Mr. Tanaka (Chief Representative), Mr. Raslan Yaseen (Chief Program Officer) • JICA Project Team (including national staff)
Outline of the 3rd Joint Coordination Committee Conference	
Objectives	<ul style="list-style-type: none"> • Review overall progress of the Project. • Exchange opinions on major issues that arose during the implementation of the Project
Date and Time	March 26, 2014 10:00 – 12:30
Venue	GDPT meeting room (3 rd floor)
Participants	<ul style="list-style-type: none"> • GDPT staff: Mr. Nofal (Director General), Mr. Mohamad Yousef (Director of Inspection and Verification Department), Mr. Ayman (Director of IT Department), Ms. Fatima (Director of Accounting Department), Mr. Samir (Director of Office Affairs Department), and others • Representative Office of Japan to Palestine: Ms. Honda (First Secretary) (partial attendance) • Project Advisory Mission from Japan: Mr. Kawakita (Mission Leader), Professor Iwasaki (Advisory Committee Member), Dr. Shiba (ditto), Ms. Sugiura (ditto), Mr. Takase (interpreter) • JICA Palestine Office: Mr. Tanaka (Chief Representative), Ms. Matsuda (Project Formulation Advisor) • JICA Project Team (including national staff)
Outline of 4th Joint Coordination Committee (JCC)	
Objectives	<ul style="list-style-type: none"> • Share the main results of the Mid-Term Review • Share the Plan of Operations for the second half of the project life • Open Discussion • Signing of the Minutes of Meeting
Date and Time	16 February, 2015 11:00-13:30
Venue	GDPT Meeting Room (3 rd Floor), Ministry of Finance
Participants	<ul style="list-style-type: none"> • GDPT staff: Mr. Nofal (Director General), Mr. Samer (Director of Valuation Department), Mr. Ali (Director of Ramallah Branch Offices), Mr. Ayman (Director of IT Department) and others • JICA Palestine Office: Mr. Tanaka (Then Chief Representative), Ms. Mitsui (Now Chief Representative) and Mr. Raslan Yaseen (Chief Program Officer) • JICA Project Team (including national Staff)
Outline of 5th Joint Coordination Committee (JCC)	
Objectives	<ul style="list-style-type: none"> • To present and share progress and achievements • To share the plan of operation of Phase 4 • Open Discussion
Date and Time	20 September, 2015 10:00-12:00
Venue	GDPT Meeting Room (3 rd Floor), Ministry of Finance
Participants	<ul style="list-style-type: none"> • GDPT staff: Mr. Nofal (Director General), Mr. Muhamad Yusef (Director of Valuation Department), Mr. Ali (Director of Ramallah Branch Offices), Mr. Ayman (Director of IT Department) and others • JICA Palestine Office: Ms. Mitsui (Chief Representative), Ms. Santo and Mr. Raslan Yaseen (Chief Program Officer) • JICA Project Team (including national Staff)

Source: JPT

2.1.2 Procurement of Equipment

The Project procured various types of equipment during the course of the project, mainly for supporting the operation improvements of pilot branches (Abu Dees and Al Ram pilot branches) during Phase 2 as well as to expedite the pilot activity for initializing GIS for GDPT (GIS Pilot Activity) during Phase 4.

The list of the equipment procured by the Project and handed over to the C/P is attached as **Appendix 10**.

2.1.3 Trainings held in Japan and in a Third Country

During the project implementation period, in total three trainings were conducted outside of Palestine consisting of two in third countries and one in Japan. While the JICA Long-term Project Coordination Expert was originally assigned to take a leading role in preparing the training programs in Japan or in a third countries and JPT's role has been to extend support to this expert, JPT took the leading role after the expiration of the assignment of the Long-term Expert in January 2015.

Table 2-3 C/P Trainings held in Japan and in Third Countries

C/P Trainings held Abroad	Duration
1. The United Kingdom and the Netherlands	June 1 to 8, 2014
2. The United Kingdom to attend the Conference	April 14 to 16, 2015
3. Japan	May 22 to June 3, 2016

(1) The United Kingdom and the Netherlands (June 2014)

C/P training in the United Kingdom and the Netherlands as third country training was implemented for attaining the following objectives, through the introduction and suggestion made by J-PVP's advisory committee members.

- 1) To provide C/P with an opportunity to acquire ideas and lessons learnt from experiences of developed countries like EU member countries and international research institutes where property taxation system, property valuation system, and mechanism of notification and collection of property tax have been well established and maintained.
- 2) To expose C/P to insights on operational aspects of property taxation system through dialogues with revenue officers and experts in taxation, and on-site visit to property taxation revenue office or a local government office.
- 3) To further deepen understandings of C/P on the status, goals and future direction of the current JICA-assisted project to formulate New Valuation Standards, which will further stimulate C/P's self-efforts for continuous improvement of taxation system in Palestine, so as to raise tax revenues towards nation-building.

Based on the above preparation, the training in the third country was conducted during the period from June 1 to 8, 2014. There were two participants from C/P side; Mr. Mahmoud Nofal, Director General of GDPT and Mr. Arafat Shareef, Head of Valuation of GDPT. JPT Team Leader along with JICA Long-term Project Coordination Expert accompanied C/P. The participants obtained useful insights from this training, especially the importance of reliable data and accountability to taxpayers. The program of this training is attached as **Appendix 11**.

(2) The United Kingdom to attend the Conference (April 2015)

As an another third country training, the Director General of C/P attended the Annual Rating Conference

held on 15th April 2015 in London, and a Japanese expert accompanied him. The object of this training was to have a discussion with Mr. Paul Sanderson, the president of IPTI (International Property Tax Institute), to explore the necessity of other third country training in this project.⁸ In the discussion, possibilities of training in Hong Kong, Canada, UK, or inviting IPTI experts to Palestine came up. The conclusion was to further examine the two options of training in UK and inviting IPTI experts to Palestine, as those options seemed to be the most cost effective and fulfilling in contents. However, neither ones of these two options have been materialized due to the dissent from both JICA and JPT, with the reason that it was judged unnecessary to conduct another third country training at the time when the draft of New Valuation Standards based on the valuation methods in Japan was just about materializing.

(3) Japan (May-Jun 2016)

As a result of the JICA monitoring mission held in December 2015, JICA and C/P agreed to conduct training in Japan. The training program was conducted from 22nd May to 3rd June 2016, and in total 10 GDPT staff participated.

The objectives of the training program in Japan were set as to provide training participants with the following opportunities:

- (i) To expose to *Rosenka (street-value)* approach in property valuation which is the theoretical and conceptual backbone and framework for the New Valuation Standards for property taxation in Palestine.
- (ii) To understand similarities and differences between Japan and Palestine on relevant property conditions.
- (iii) To recognize significant relationship between the New Valuation Standards and *Rosenka* approach, through understanding on how *Rosenka* approach has been technically applied into the formulation of the New Valuation Standards through possible simplification and modification taking into considerations specific conditions prevailing in Palestine.

Also, from the fundamental aspect of the property taxation system as an institution, the following concept was incorporated into the training program.

Since property (as fixed assets) valuation is required semi-permanently, it must be examined based on its sustainability. Hence, the following conditions are thought to be strongly required for property valuation:

- Preparation, maintenance, and management of valuation-related data
- Establishment of a system of valuating real estate properties as fixed assets in an organized manner
- Training and education of officers in charge of the property valuation
- Disclosure of information on the property valuation and correspondence with taxpayers

Knowledge of the above-mentioned matters in Japan were introduced to the participants so that they can lay the foundation for valuating real estate properties in Palestine in the future.

⁸ This is because Mr. Sanderson mentioned about the training in Hong Kong when the Director General of the C/P visited IPTI previous year in a third country training.

The results of the training in Japan are summarized below.

- Through lectures by experts, inspection of municipalities, and field surveys, the participants were able to comprehensively learn the basics of Japan's property (as fixed assets) valuation for taxation.
- At the "Summary and discussion of the future" session on June 2, questions and answers on the details of the valuation standards for fixed assets were exchanged regarding aspects that had been examined and will be introduced in Palestine, and problems with the valuation standards were clarified.

Please see **Appendix 12** and **Appendix 13** for the list of training participants and the training program.

2.1.4 Support for Public Awareness Campaign (PAC)⁹

Throughout the project period, JPT supported GDPT for the implementation of Public Awareness Campaign for the improvement of property tax payment for three times. The purposes of the campaign were to: 1) raise tax awareness; 2) promote the culture of paying tax; and 3) make the citizens to understand that, by voluntarily paying tax, they are actively contributing to the nation state building of Palestine. It was expected that, as a result of the campaign, it could contribute to the stabilization of the annual revenue and the expansion of the tax base in Palestine.

From December/January to March 2013/14, 2014/15 and 2015/16, a series of public awareness campaigns were conducted with the assistance of JPT to subcontract the task to a private advertisement agency, in order to raise awareness among the taxpayers on the merit of paying tax on time. The announcement, with special emphasis on the monthly declining tax discount, which was -20%, -15%, -10%, - 5% from January to April respectively, was made on local newspapers, radio and web banner.

Related to this campaign, two questionnaire surveys were conducted. The first survey conducted during 2013/14 period at 10 different GDPT branch offices was designed to measure the effectiveness of the campaign as well as to gather useful information for future similar future activities. 246 samples were collected through this survey. and from analysis of the survey results, it became apparent that the public awareness campaigns should start earlier, preferably one or two months prior to the discount periods, and be implemented intensively in the early stages. While radio and newspaper accounted for the major tool media for advertisement, further combination, selection and concentration should be considered with the other media.; For example, it might be effective to consider the timing of implementation via radio and billboard in around October and newspaper, flyer or web banner in January. The former is to advertise the discount and the latter is to relay specific information on the discount.

In the second survey conducted during 2014/15 period, questionnaires were distributed to 14 GDPT

⁹ While the Public Awareness Campaign activity was categorized as one of the "works cutting across all Outputs" at the start of the Project, it has been re-categorized to fall under Output 3 after the 4th JCC meeting held at February 2015. In this report, however, the PAC is presented in the section of "works cutting across all Outputs" for the ease of the readers.

branches and taxpayers were requested to fill them out on their visit. The aim of questionnaires was to gauge the effectiveness of this campaign and also to identify the next actions. The analysis of the answers indicates that the majority of taxpayers are aware of the merit of early payment discount, and about half of the respondent came to know about the discount during the previous year's campaign. Radio was reported as more effective media compared to newspapers. Recommendations were made as a result of analysis: the most important point among them is that the campaign should be continuously carried out in order to promote awareness among taxpayers.

2.2 Output 1 : The TDMMU at GDPT Develops its Capacity to Formulate Operation Plan

2.2.1 Change of Activity Scope under Output 1

The objective TDMMU under Output 1 as it is written in the narrative summary part of the PDM is as follows:

“The Training, Development, Media and Management Unit (TDMMU) at GDPT, develops its capacity to formulate operation plans (i.e. Master Plan and Annual Plan, including a Capacity Development Plan) based on the results of problem analysis and other relevant data.”

It was gradually revealed after the launch of the Project and as the activities proceeded that the interpretations of this objective between C/P and JICA are were inconsistent, after the launch of the Project and as the activities proceeded. The C/P interpreted that the TDMMU (it was TDMU at the beginning of the Project) will be formed with the support of JICA and functions as the vehicle for a the whole GDPT reformation not only in planning but also encompassing the capacity development of GDPT in various different fronts, whereas JICA interpreted that TDMMU will be formed solely by the efforts of GDPT and JICA supports only in strengthening of the planning function of the GDPT. This difference of interpretation affected the discussions and disagreements on implementation structure of the Project between two parties from time to time. At the timing of 4th JCC meeting held at February 2015, both parties finally came into agreement that the activities of the JPT under Output 1 will be limited to the monitoring of TDMMU in the implementation of GDPT Master Plan Matrix 2014-2016 (see Appendix 7: revised Plan of Operation).

In the following sections the activities carried out by the JPT under the framework of the Output 1 are described.

2.2.2 Reviewing of Existing Operation Plan (3-Year Strategy and the Annual Plan) and Assessing the Performance of GDPT

From June to July 2013, activities to upgrade the existing 3-year strategy of GDPT (the Strategic Plan of the General Administration for Property Tax for 2012-2014) was initiated by C/P by setting up a special committee within the framework of TDMU, and some of the JPT members were also listed in it. Since JPT TOR did not include the upgrading of the existing version of the 3-year strategy but included its review and support for drafting the latest version, it was agreed with C/P that JPT will provide indirect support for the

upgrading of the existing version and will start its involvement from the time GDPT starts drafting the new version from the beginning of 2014. As a result, JPT limited its role and only provided occasional support and advice such as proposing the alternative Table of Contents, introduction of the various performance indicators that linked with the Data Table, etc.

From around August 2013, however, C/P has changed its agenda with regard to the 3-year strategic plan. At the same time as they started upgrading the existing 2012-2014 version of the 3-year strategy, they started drafting a new 3-year plan covering the planning period of 2014-2016 based on the existing 2012-2014 version. In response to this change, JPT has adjusted its activity to the level it could accommodate and supported the preparation of “GDPT Master Plan/Matrix 2014-2016” until its draft was completed in December 2013. JPT helped complete this draft by attending the operation plan committee meetings and workshops held in Jericho and Bethlehem and by giving advice and covering the printing cost of the operation plan.

In January 2014, the MP Matrix which consists of various matrices encompassing all the activities mandated to GDPT with the breakdown of sub-activities with tentative implementation schedule and partners including assumable ones, was published as a final product after being given authorization by the Ministry of Finance. Since then, JPT continued working with the C/P to monitor and operationalize the plan by attending several committees under TDMU as well as to become members of the “Follow-up Committee” which is charged with responsibility to expedite the activities of various committees otherwise tend to become inactive for MP Matrix implementation. In order to effectively monitor the progress of activities related to the formulation and application of the New Valuation Standards, as stated in the MP Matrix, JPT made a proposal to revise its Implementation Structure. The proposal was made after having consulted with the C/P and JICA (both the headquarters and the Palestine Office). The proposal was made in a way that a scope of work of JPT can be clearly identified within the framework of the MP Matrix, and the organizational arrangement of GDPT can be also indicated under a notion of sustainability of the JPT activities. As a result, the suggested structure was agreed upon by the C/P, and the title of the C/P organ was changed from TDMU to TDMMU (Training, Development, Management and Media Unit), in order to properly reflect its assumed functions. TDMMU has been functioning as it has been preparing and publishing the annual reports as well as newsletters of GDPT.

2.2.3 Collection of the Property Tax Data and Information Pertaining to the Formulation of the Operation Plan and Update the Database

During Phase 2, JPT analyzed the structure of the property tax IT system (PTD system) under use at that time for understanding the data storage configuration. In addition, a sample application program, which is accessible through intranet in GDPT, for monitoring property tax collection performances of each branch and municipality was implemented, enabling daily, weekly and monthly observations by the managerial staff. This has enabled the extraction of information concerning annual performance of every GDPT department for the years 2010, 2011 and 2012, which has been utilized to produce annual data table to

prepare performance and situational analyses.

JPT also monitored the development of the P-TAX system which was under development. C/P installed the P-TAX system software to the new server in the GDPT Headquarters and stored the present valuation data in the new database. The system was to have started from October 2013, but the schedule was postponed to June 2014 because many defects were found in the system programs. This postponement avoided various post-operational troubles. For the anticipated activity by JPT with regard to the P-TAX system, images for application of New Valuation Standards in P-TAX system was presented by JPT expert in the workshop conducted on May 19, 2014. Its impartiality, convenience of use and accuracy were explained.

Additionally, JPT has collected information about each municipality in the West Bank. This was conducted for the purpose of eventually conducting valuation for every municipality in the future and in order to find logical criteria for classifying municipalities, as a necessary step for any valuation. Such information included population, area of so-called "Oslo classifications," area of various land usages, area of Israeli settlements and military facilities, economic indicators, educational indicators, medical indicators, availability of infrastructure, number of households and housing units, etc. The complete set of information is yet to be collected, especially for the northern governorates, and it is still premature to make any conclusion by statistical analyses. This activity will be useful when the New Valuation Standards are applied in the entire West Bank. Also, the same set of information will be useful for the planning of various GDPT activities in the future.

2.2.4 Holding a Regular Dialogue Session with the Palestinian Land Authority and Other Relevant Institutions Regarding the Exchange and Coordination of Data and Information

Discussions with Palestinian Land Authority (PLA) and other relevant institutions such as Palestine Capital Market Authority (PCMA) with regard to this project were held from time to time during the project period as occasion demanded. While the data exchange between GDPT and PLA has been taking place in their routine operation, on-line (e-mail based) reporting from PLA to GDPT on the change of property ownership rights started from around August 2013 for Ramallah Municipality.

2.2.5 Monitoring of TDMMU in the Implementation of GDPT Master Plan Matrix 2014-2016

From Phase 3 onwards, as explained in section 2.2.1 above, the activity scope of JPT for Output 1 became limited to the monitoring of TDMMU in the implementation of GDPT Master Plan Matrix 2014-2016.

(1) Annual Report of GDPT (for FY 2014 and FY 2015)

GDPT planned to publish an annual report for the year 2014 in early March 2015. JPT expert prepared an action plan and started the support of editorial works for TDMMU. The GDPT Annual Report 2014 was published in late July 2015. The same support continued for the preparation of the Annual Report 2015 and it was published in late August 2016.

(2) GDPT Annual Plan (2015-2016)

In TDMMU meetings held during February to March 2015, the 2015-2016 GDPT Annual Plan was continuously discussed. Based on these discussions, a Follow-up Plan for GDPT Master Plan 2014-2016 was formulated (**Appendix 14**) and different components were discussed as desired. JPT experts monitored these processes and provided advice and recommendations on demand.

(3) GDPT Newsletters

Since April 2015, monthly newsletters of GDPT activities have been produced and distributed among the GDPT staff for internal information sharing as one of the activities of TDMMU. Some selected issues of the newsletters are attached as **Appendix 15**.

2.3 Output 2 : The Valuation Standards Working Group for Property Taxation Strengthens its Capacity to Develop and Operationalize the Property Valuation Standards

In the PDM's narrative summary part of the Output 2 before its revision at 4th JCC meeting, the name Valuation Standard Committee was used. Although this committee was in existence for valuation activities under current methods, they have not been fully involved in the formulation activities of the New Valuation Standards. The Valuation Standards Working Group (VSWG) which is newly formed during the Phase 2 of the Project was designated as the main body to work with JPT.

In the following sections the activities carried out by JPT under the framework of the Output 2 are described.

2.3.1 Comparative Analysis of Property Tax with Other Countries

Prior to the start of Phase 1 activities in Palestine, JPT compiled information regarding the status of property tax and its valuation method in different countries (nine countries in total), by focusing on the characteristics of the system, taxable properties, valuation method, tax rate, and taxpayer, among others.¹⁰ The table provided based on this exercise is attached as **Appendix 16**.

2.3.2 Collecting Information concerning Valuation Standards and Valuation Methods for Property Tax in Palestine

At the initial stage of the Project in 2013, JPT conducted various interviews with the relevant authorities and other individuals, and discussed the current status of property tax and other property tax related matters in Palestine. Some of the places and people with whom the members met other than GDPT Headquarters and the branch offices are the following: Governmental bodies (PLA, MoLG, PCMA among others), Donor organizations (UNDP, DANIDA, GIZ among others) and various other people who are, in their own

¹⁰ In Phase 2 an additional technical memorandum on the property tax and its valuation system in Israel was added.

capacity, involved in the property tax valuation and other property tax related matters. The findings are outlined below.

Although it is true that there is no valuation standards for property tax in Palestine, JPT found that talks were held between GDPT and PCMA (Palestine Capital Market Authority) concerning the formulation of a set of general valuation standards for real properties which was not specifically aimed at property taxation purposes. The talks between the two parties did not made any progress and eventually stopped. Since GDPT decided to ask for technical assistance from JICA for the formulation of valuation standards for property tax (which is this project), there is no other project purporting to draft a set of standards for the valuation of real properties. During the visit to GDPT Abu Dees Branch, JPT was informed of the existence of valuation manuals. The manual, which was discovered, is not something to be used for everyday valuation use but is for the operation of work conducted in GDPT Headquarters using PCs.

JPT understands that any new set of valuation standards in general cannot be independent of laws and regulations governing property tax or tax. In JPT discussion with an UNDP official, it was found out that a new property tax law was recently drafted by Dr. Nidal Al Sabri, an economics professor at Birzeit University. However, we later found that this draft has been disregarded by the GDPT.

A staff working in GDPT, who then was the Head of Valuation Department in GDPT, has drafted a document titled, 'Regulations and Instructions of Land & Building Valuation' which describes a framework for the property valuation for tax purpose in Palestine. Because its features, such as classification of municipalities and areas, use category, ratings based on particular characteristics of the property, have commonality with the valuation practices applied in many countries including Japan, JPT believed that this document is a good starting point for the formulation of any future valuation standards for property tax. The JPT thought that a new set of valuation standards will be based on this document but its contents should be reviewed, modified and enhanced, and thereafter JPT strove, together with C/P, the path to formulate the valuation standards throughout the project period.

Several different real property valuation practices exist in Palestine, probably because different organizations have been attending different valuation needs. So, people are not entirely new to the concept of 'property valuation' here. Some of the practices conducted are as follows:

- Palestinian Land Authority (PLA): PLA conducts valuation of lands for the purpose of verifying the validity of transaction prices which are declared by the parties involved in the transaction of the lands. The valuation method is basically based on market value.
- PCMA: There are about 40 people registered as real estate valuers with PCMA. They conduct valuations mainly for financial institutions for the purpose of estimating the value of mortgages.
- Ministry of Justice: Valuation is conducted for the purpose of estimating the inheritance value of real properties.

Through JPT interviews conducted at GDPT branches and after having seen the actual valuation work on the field, JPT has come to understand that while property valuations are partly conducted based on objective data and information, such as lease contract, some portion of the valuations are conducted subjectively by GDPT valuers based on their past experiences. Furthermore, JPT observed that there is a certain set of implicit rules of valuation conduct in each valuer's mind. So, the valuation is not entirely conducted whimsically by valuers. However, in some places where JPT members visited, people expressed their dissatisfaction about the unfair method in which property tax is being levied and collected. This is due probably to the fact that there is no clear criteria for the valuation of real properties.

Soon after JPT started Phase 2 activities, we began compiling information in regard to existing valuation practices at GDPT and valuation workflows at its branches. The latest versions after several times of updating are attached as **Appendix 17** and **Appendix 18**.

During Phase 2, a small questionnaire survey was conducted for seven GDPT valuers. The purposes of the survey were twofold. One was to, literally, "review the existing valuation practices" at GDPT to identify the factors that are deemed relevant in the valuation of a property in Palestine. The other purpose was to formulate the valuation standards and the value matrix tables that reflect the actual situation in Palestine. We conducted a questionnaire survey so that the valuation standards and the value matrix tables, indispensable components of any future valuation activity in Palestine, can reflect the reality of land and buildings in Palestine.

2.3.3 Draft Research Plan for the Formulation of New Property Tax Valuation Standards

The preliminary draft version of the "Research Plan for the Formulation of the New Property Tax Valuation Standards" was prepared during Phase 1. This preliminary draft was prepared based on the "Regulations and Instructions of Land & Building Valuation" drafted by GDPT as well as the data/information collected by JPT up to the date it was prepared. Our aim was to conduct valuation (trials) based on the rent value of a property, be it land or buildings based both on the PDM which was agreed upon by JICA and GDPT, and the specific instructions (TOR) that JPT received from JICA. The research plan developed in Phase 1 was formulated in accordance with those documents.¹¹

At the start of the Phase 2, our aim was to revise and to finalize the research plan. We started conducting

¹¹ At the end of the Phase 1 activity, the JPT had the opportunity to discuss the details of this preliminary draft with the Director General (DG) of GDPT. By taking this opportunity and in order to make a meeting of minds with regard to the terms "international valuation standard" which the DG frequently uses, we have made a following explanation and it was acknowledged by him.

International Valuation Standards or IVS is a set of standards developed by International Valuation Standards Council since 1980s. While IVS is an overarching set of standards that can stand on top of each country's domestic (real estate valuation) standards, there is no such thing as 'international property tax valuation standards'. This is because the valuation of property tax is closely related to taxation matters specific to each country. Therefore, "the formulation of a new set of property tax valuation standards under this project shall be conducted by referring to various standards adopted in different countries. The standards to be formulated shall be the one that best suit the situation in Palestine and, as such, shall be recognized 'internationally'".

the valuation trials based on the existing research plan that was developed in Phase 1. In terms of the urgency of revising the research plan, we thought it best to conduct valuation trials and revise the research plan simultaneously so that an input from the valuation trials could be incorporated into the formulation of the revised research plan.

However, during the first assignment period in Phase 2, which was in July 2013, it became apparent that a profound revamp was required for the research plan. Hence, we dropped the idea of having a single research plan which catered to all types of property but instead formulated research plans for land and buildings separately. This turn of events was due to the dissatisfaction shown by C/P in the overall modality of the Project, especially in the formulation of New Valuation Standards based only on rent value.

A series of lengthy discussion with GDPT, mainly with DG cum the Project Director, and with JICA (both the headquarters and the Palestine Office) were held from August to October 2013. This discussion was initiated by DG of GDPT. Despite the formal agreement made previously in R/D that both building and land valuation will be based on rent value, DG proposed to change the base of land valuation into market value, arguing that the merit of this change will also contribute to the activities of other institutions such as land transfer tax calculation by PLA and mortgage value estimation in banking sector, by designating the land market values covering entire West Bank as some kind of official index. In response to this proposal, JPT expressed its concern based on technical reason, i.e. availability of land transaction data both in quality and quantity. DG, against this concern argued that there are certain amounts of land transaction data kept in GDPT as well as in other organizations such as PLA. Yet the availability of such data was never been confirmed at that time. Through such exchange of views, JPT responded to DG explaining that this project may introduce the very initial methodology for land valuation based on market value with conditions. Conditions included the (i) GDPT's involvement into the process to verify actual and latest land transaction data available in Palestine, and (ii) GDPT's commitment to cooperate with the Project to acquire such transaction data as well as to conduct the verification study. In addition, JPT emphasized on significant importance on GDPT's commitment to continuously improve and ensure data reliability both in quality and quantity through the efforts of PNA. At the end DG agreed with these conditions. In this context, in early October 2013, JICA headquarters gave JPT an approval so that it could modify the modality of the Project somewhat and incorporate the notion of market value in regard to land valuation (in addition to using rent value for buildings). As a result of this alteration in the project modality, JPT made necessary modifications and came up with the new research plans: one for land and one for buildings.

The modified research plans were the basis of the three valuation trials we conducted in Ramallah (Al Masyoon), Al Bireh and Al Ram from December 2013 to March 2014. (See section 2.3.5 for a more detailed explanation about the valuation trials.) They were also the basis of the presentation at four workshops conducted by JPT on the topic of the formulation of the New Valuation Standards in December, February, March and May. During the workshops some of the participants made either direct comment or indirect reference to the contents of the research plans. We have found some of those comments both useful and valid; and have decided that the comments should be incorporated into the research plans. The

modified research plans are presented as **Appendix 19** and **Appendix 20** in this report.

2.3.4 Preparatory Work for Data Management for the Formulation of Valuation Standards

This activity dealing with GDPT's computer system (P-TAX system) was regrouped under Output 3 after the 4th JCC meeting held at February 2015. For the ease of readers' understanding, this activity will be reported together in section 2.4.7, with the descriptions of P-TAX system modification.

2.3.5 Valuation Trials for Formulation of New Property Tax Valuation Standards

In order to formulate the New Valuation Standards for Palestine, during Phases 2 and 3, the Project conducted a series of valuation trials to obtain sufficient data and information to confirm the path being taken. The explanation of the basic idea between the analytical results of the valuation trials and the formulation of valuation standards is provided in **Appendix 21**.

The municipalities where the JPT conducted the valuation trials for formulating the valuation standards are listed in the table below. Regarding Al-Ram, valuation trial was conducted during Phase 2. However, data assessment concluded the necessity to reexamine Al-Ram by using complementary data.

The findings, observations and recommendations/suggestions made through these valuation trials are presented in **Appendix 22**.

Table 2-4 Municipalities where the Valuation Trials were conducted in Phases 2 and 3

Municipalities where valuation trials were conducted	Main purposes	Data and information used	Phases/Period the trials were conducted
Al-Bireh and Al-Masyoon (first trial)	Understanding the tendency of building valuation	<ul style="list-style-type: none"> • Property tax ledger data • Block maps 	Phase 2/December 2013
Al-Bireh and Al-Masyoon (second trial)	Understanding the tendency of land and building valuation in large municipalities	<ul style="list-style-type: none"> • Property tax ledger data • Block maps • Data on rentable areas • Data on land transactions 	Phase 2/January and February 2014
Al-Ram	Understanding the tendency of land and building valuation in medium-sized municipalities	<ul style="list-style-type: none"> • Property tax ledger data • Block map • Data on rentable areas • Data on land transactions 	Phase 2/March and April 2014
Deir Dibwan	Validate the draft value matrix for rural municipalities	<ul style="list-style-type: none"> • Property tax ledger data • Block map • Data on rentable areas • Value matrix table 	Phase 3/November and December 2014
Al-Ram (all blocks including the eastern part of the area)	Validate the draft value matrix for medium-sized municipalities	<ul style="list-style-type: none"> • Property tax ledger data • Block map • Data on rentable areas • Value matrix table 	Phase 3/December 2014

Source: JPT

2.3.6 Workshops and Working Group Activities Conducted in the Formulation Process of New Property Tax Valuation Standards

In the course of formulating the New Valuation Standards, numerous meetings, in the form of workshops or working groups were held from Phase 2 to Phase 4 of the Project.

(1) Main Issues Discussed in Workshops and Working Group's Meetings

Main issues discussed in Workshops and Working Group's meetings can be broadly categorized into two: one is concerned with discussions on conceptual and methodological issue: and the other is operational and technical issue. Main topics in the respective issues are summarized as follows:

1) Conceptual and Methodological Issue

(i) Discussions on General Provisions of Valuation Standards¹²

- Purpose of the valuation standards
- Basic requirements for internationally accepted valuation standards

Three principles: fairness, simplicity and neutrality

Five elements: accountability, reproducibility, sustainability, maintaining balanced valuation, and efficiency

(ii) Discussions on Bases of Property Valuation¹³ and Key Modalities of Valuation¹⁴

- Three main approaches to individual property valuation: namely, (i) sales comparison approach; (ii) cost approach; and (iii) income approach, and the relations among these three approaches as well as with the bases of valuation.
- Mass appraisal approach
- Area-based Approach

2) Operational and Technical Issues

Main focus of discussions on operational and technical issues was on three main variables which compose the valuation formula (see the formula below).

Appraised value = (i) Standard Value x (ii) Area Size x (iii) Net Adjustment Weight

This valuation formula was made referring to Japanese approach to property valuation, which sets up

¹² These topics are covered in pages 1 to 3 of Technical Manual of Property Valuation Standards in Palestine (Attachment 2).

¹³ Rental value (or rental allowance) is stated in the 1954 Jordanian Property Tax law as the base of valuation. Despite this, as discussed in section 2.3.3, a change was made during Phase 2 to adopt the market value for appraising land values.

¹⁴ For details see Annex 2 of Attachment 2: Technical Manual of Property Valuation Standards in Palestine.

standard site to be used for the comparison with target property to appraise values. This formula was proposed by JPT even in the early stage of Phase 2, because the adoption of Japanese approach was considered as the best approach suitable for Palestine based on the results of GD's study visit to Japan conducted during the preparatory stage of the project. Because of this background, for the purpose to select the best approach suitable for Palestine, no comparative study among various methodologies employed in different countries was made in the course of the project implementation.

(2) Main Contents of Discussions during Workshops and Working Group's Meetings in each Phase

These series of meetings are summarized in the following, basically in chronological manner.

1) Workshops held during Phase 2

In total, 4 workshops were held during Phase 2 of the Project with regard to the formulation of VS, mainly with the purpose of sharing the progress and results of the valuation trials and reflect the outcomes in the following activities.

JPT found, through the valuation trials, that data and information collected from different sources (GDPT, PLA, municipalities, etc.), more often than not, lacked accuracy. For instance, block maps are used in everyday valuation; yet, they were sometimes old (outdated to some extent) and not accurate enough. Basic building data such as rentable area (or the actual area under lease) is in many cases not available. In some cases, buildings that appear on block maps did not match the actual location.

Hence, we acknowledged that the content of the valuation standards and the value matrix tables, and the value adjustment factor figures and their ratio should be constantly revised even after the completion of this Project. This should be conducted by continuously collecting and updating data and information. Through this process, future property tax valuations will be based on more accurate data and information, which in turn will better cater to the needs for transparency and accountability of the property taxation system in Palestine.

The following table outlines the details of each workshop.

Table 2-5 Workshops held during Phase 2 regarding the Valuation Standards Formulation

First WS (December 22, 2013)	
Main participants	DG of GDPT, TDMU members, GDPT staff, JICA staff and JPT members
Presentation	Results of Al Bireh and Ramallah (Al Masyoon) trials and the progress of the Project. Al Bireh was the main focus
Some of the opinions expressed	<ul style="list-style-type: none"> • Apart from road linkages and network of the frontage road(s), other factors, such as road width, are also affecting the rent value of a building (flat). • Because the building analysis is conducted on per room basis, its accuracy is low.
Second WS (February 5, 2014)	
Main participants	DG of GDPT and its branch office staff including evaluators, the JICA staff, and JPT members
Presentation	Results of Al Bireh and Ramallah (Al Masyoon) trials and the progress of the Project.

	Ramallah (Al Masyoon) was the main focus
Some of the opinions expressed	<ul style="list-style-type: none"> • Two different valuations should be conducted: a) one based on the actual rental contract and having the approval of the Valuation Committee; and b) the one based on the New Valuation Standards. • Finishing (of a building) and upkeep and maintenance are also important as value-influencing factors. • Information about building rentable areas and buy and sell transaction cases must be effectively collected. [This has become a common understanding among participants.]
Third WS (March 25, 2014)	
Main participants	GDPT staff, the JICA staff, Advisory committee members from Japan and JPT members
Presentation	Proposed operational flow and application of the valuation standards based on the results of Al Bireh and Ramallah (Al Masyoon) valuation trials
Some of the opinions expressed	<ul style="list-style-type: none"> • It may be necessary to have not just one but several different standard building points/standard sites. • Regarding buildings, light (sunshine) should be considered as a value-influencing factor. • Regarding buildings, separate criteria should be considered for apartments on the one hand and independent houses on the other hand. • Frequency of re-valuation should be contemplated.
Fourth WS (May 19, 2014)	
Main participants	DG of GDPT and its branch office staff including valuers, the JICA staff, and JPT members
Presentation	Proposed operational flow and application of the valuation standards based on the results of Al Bireh and Ramallah (Al Masyoon) valuation trials plus the integration of the valuation standards and value matrix tables and IT system
Some of the opinions expressed	<ul style="list-style-type: none"> • The role of GDPT and its branch office valuers after the completion of the New Valuation Standards and Value Adjustment Matrix. • The method of calculating the standard building point/standard site values. • The way in which land valuation is conducted in areas where there are no or hardly any buy and sell transaction cases.

Source: JPT

2) Working Groups and Workshops held during Phase 3

i) Valuation Standards Working Group (VSWG)

In order to expedite the process of the formulation of the VS and VS Manual, the Valuation Standards Working Group (VSWG) was formed in December 2014. In total 12 GDPT's staff were assigned as members of VSWG. Out of 12 members, 8 members were GDPT's staff who engaged in the field of valuations: 2 in IT (Information Technology): 1 in Inspection: and 1 in Collection. In terms of designation, 3 members were designated for Directors of the respective Departments: 1 for Head of a Branch office: 5 for valuers: and 3 for IT and others. It is noted herewith, however, that the composition of members for VSWG varied from time to time due to the suggestions made by Director General of GDPT. Since then 19 VSWG meetings were held up to the end of Phase 3, June 2015. Table 2-6 below lists those VSWG meetings.

Table 2-6 VSWG Meetings held during Phase 3

	Date	Main Discussion Points
1	11 December 2014	Value Influence Factor, Value Matrix Table
2	15 January 2015	Value Influence Factor, Value Matrix Table
3	26 January 2015	Value Influence Factor, Value Matrix Table, Outline of VS
4	9 February 2015	Value Influence Factor, Value Matrix Table, 1 st & 2 nd Chapter of VS
5	23 February 2015	Value Influence Factor, Value Matrix Table, 1 st & 2 nd Chapter of VS
6	9 March 2015	1.7 donum Indicator, Classification of Parking and Building
7	23 March 2015	1.7 donum Indicator, Classification of Parking
8	29 March 2015	Valuation of different types of Parking
9	12 April 2015	Field Manual
10	14 April 2015	Field Manual
11	19 April 2015	Field Manual
12	22 April 2015	Field Manual
13	27 April 2015	Field Manual
14	29 April 2015	Area-size Estimation Table (Visual Estimation)
15	6 May 2015	Numbering rule of land and building
16	11 May 2015	Briefing of the field manual to Dr. Ayyoub, Numbering rule of land and building, Value Matrix Table
17	18 May 2015	Modified outline of Field Manual, Numbering rule of land and building
18	9 June 2015	Questionnaire on current Valuation Record, value influence factor, building classification
19	16 June 2015	Questionnaire on options for measuring or estimating area-size

Source: JPT

ii) Valuation Standards Workshops

In order to report the VS formulation progress to C/P (GDPT branch managers, valuers, etc.), workshops called Valuation Standards Workshops were held during Phase 3. Table 2-7 below lists the dates and main contents of those workshops.

Table 2-7 Valuation Standards Workshops held during Phase 3

	Date	Main Contents
1	15 February 2015	1 st , 2 nd , 3 rd Chapter of Valuation Standards
2	3 May 2015	Application of Valuation Standards
3	12 May 2015	Application of Valuation Standards

Source: JPT

At the stage when these workshops were held, the draft version of the New Valuation Standards was under preparation and these workshops were held for discussing the draft. The presentation material used for the third workshop held on 12th of May 2015, in which a third country expert has attended, is attached as **Appendix 23**. The following section summarizes his visit.

iii) Invitation of a Third Country Expert and his Comments made in a Workshop

JPT invited Dr. Ibrahim Ayyoub as a third country expert from Jordan in the period of May 9 to 15, 2015. He has substantial work experience in property tax system at the Ministry of Finance in Jordan, and also has conducted advisory services on property tax in neighboring Arabic countries such as Egypt and Lebanon.

The main purposes of Dr. Ayyoub's visit were 1) to grasp the current situation by reviewing the drafts of Valuation Standards and Manual, and attending workshop and VSWG meetings, 2) to exchange opinions, based on his relevant experience in Jordan, on what best form the property tax system and property valuation can take in the context of Palestine, and 3) to submit a recommendation paper on how the project should move forward.

The outline of his recommendations are as follows:

1. The contents of VS should be included in property tax law.
2. The VS is well written. The part where adopting market value for land valuation and adopting rent value for building valuation has the global standard. However, some parts need improvement. Specifically, value influence factors and rate of differences (weights) in Value Matrix Table should be revised and modified. And it should be simplified overall. As to the valuation formula, which consists of three variables, further clarification of calculating the two unknown variables is needed.
3. There needs to be more training to GDPT staff to promote understanding of VS.
4. As to the Manual, it is desirable to tie the property data with GIS.

In addition to the recommendations from Dr. Ayyoub, JPT received opinions from GDPT staff through workshops. JPT combined and summarized those (recommendation and opinions), and submitted a response paper (**Appendix 24**).

By the end of Phase 3, in July 2015, the first draft version of the VS and VS manual was compiled and submitted for C/P and JICA.

3) Working Groups and Workshops held during Phase 4

i) Valuation Standards Working Group (VSWG)

VSWG meetings, which were introduced since Phase 3 to discuss the contents of Valuation Standards and related documents among GDPT staff and project team members concerned, was held intermittently during Phase 4.

Table 2-8 is the list of VSWG meetings held during Phase 4.

Table 2-8 List of VSWG Meetings

	Date	Main Discussion Points
1	14 September 2015	Valuation process for building, collection and verification of land transaction records and flat rental documents, criteria for municipality categorization
2	21 September 2015	Contents of the Valuation Records format
3	06 October 2015	Contents of the Valuation Records format
4	08 October 2015	Contents of the Valuation Records format (especially on value influence factors)
5	12 October 2015	Contents of the Valuation Records format
6	21 October 2015	Direction from Director General on simplification of value influence factors as well as other related elements of the Valuation Standards
7	26 October 2015	Flat area size, market ratio, standard building rent value, necessity to maintain the balance between accuracy and work volume
8	15 December 2015	Lack and weakness of data for property valuation in Palestine, value influence factors, market ratio
9	20 December 2015	Expression of desertion from GDPT members on taking initiative in formulation of Valuation Standards based on objective validation
10	21 December 2015	Reintroduction of VSWG members, difference of the approaches the J-PVP and VNG are adopting ¹⁵
11	08 February 2016	Explanation of value influence factors on land (topography, shape, connecting roads, etc.) and building (quality, maintenance, floor level, building age) from J-PVP member
12	21 February 2016	Operationalization of Valuation Standards on P-TAX
13	29 February 2016	Operationalization of Valuation Standards on P-TAX
14	16 March 2016	Simplification of value influence factors on land and building
15	27 March 2016	Simplification of value influence factors on land and building, resetting of the submission date of Valuation Standards compiled by J-PVP

Source: JPT

Throughout the VSWG meetings in Phase 4 listed above, discussions tended to wander and GDPT participants expressed their desertion from finalizing the Valuation Standards together. As a result, JPT had to take initiative to finalize the Valuation Standards together with compiling the associated documents as the JPT's final for the scrutiny of GDPT.

Appendix 25 is the Technical Note that JPT provided to facilitate the understanding of the GDPT members of the VSWG during the period when VSWG became somewhat dormant.¹⁶

¹⁵ In the process of the 4th Phase, it became clear that there are overlapping of TOR between the Project and the activities of VNG (association of Netherlands Municipalities), as VNG is also tasked to propose the valuation standards suitable to Palestine. This caused the confusion among VSWG members since fundamental concept of valuation is different between two. It should be noted here that this has affected the discussion process in VSWG.

¹⁶ The contents of this Note was explained verbally to the DG of GDPT as well as to the JICA monitoring mission members came to Palestine in Dec 2015.

ii) Valuation Standards Workshops

During Phase 4, the workshops relating to the new VS were held four times as listed in Table 2-9.

Table 2-9 Valuation Standards Workshops held during Phase 4

	Date	Main Contents
1	9 September 2015	Formula included in the New Valuation Standards
2	30 December 2015	Presentation and discussion on new VS with branch office Directors
3	4 April 2016	Presentation of Final Draft of New VS as JPT
4	19-21 July 2016	GDPT Seminar (as an intensive retreat workshop) to discuss and finalize the new VS

Source: JPT

The summary records of the first three workshops held during September 2015 to April 2016 are attached as **Appendix 26**. The fourth and the final one, the GDPT Seminar as an intensive retreat workshop held in July 2016, has greater significance among all, so its contents are described separately in the following section.

iii) GDPT Seminar (as an intensive retreat workshop) held in July 2016

Following the third workshop held in April 2016, it should be noted herewith that JPT worked on responding to the pragmatic and intermittently-raised questions by C/P on the final draft of new VS and its Manual. Such activity continued, even during the period of the Terminal Evaluation held in May and the training program in Japan conducted from May to June, until the fourth and final GDPT Seminar as an intensive retreat workshop held in July 2016. It should be also noted that the GDPT Seminar was agreed to be held by both GDPT and JICA during the Terminal Evaluation.

Although there were 11 questions raised by C/P, these questions can be broadly summarized as follows:

- Re-clarification on data in P-TAX as well as some definitions of basic terminologies
- Mechanism on how to set the standard values of each quarter/block
- Treatment of the market ratio
- Method to categorize municipalities for valuations
- Practical application of the Value Adjustment Matrix

JPT replied in writing before the Seminar (See **Appendix 27**), and explained each one of them during the GDPT seminar.

From July 19th to 21st, 2016, GDPT seminar was held in Jericho. Japanese experts and GDPT officers participated in the seminar. Its aims were primarily to penetrate the New Valuation Standards to GDPT staff and attain the objectives as follows: (i) to explain the New Valuation Standards by the JPT referring to the 11 questions, (ii) to deepen understandings of GDPT's participants on the New Valuation Standards through discussions and group works, (iii) to formulate possible measures and

actions for GDPT to take for internalization of the New Valuation Standards, and (iv) to compile contents of discussions as well as findings and recommendations in the form of a report.

In line with the purpose and objectives as above, Director General of GDPT made a keynote address in which two significant and important remarks were made: (i) from now onwards GDPT will take responsibility for finalizing the New Valuation Standards with the assistance of Dr. Ibrahim Ayoub from Jordan; and (ii) the date of January 1st, 2017 was announced as the date for public announcement to the Palestinian public on commencement of the application of the New Valuation Standards.

Within the principal guideline addressed by Director General as mentioned above, in the first half of the seminar, Japanese experts explained the essences of the New Valuation Standards and answered the 11 questions about the New Valuation Standards that had been intermittently asked by the C/P since April 2016. As the results, C/P accepted the JPT's explanation and answers without any objection. In other words the seminar's participants led by Director General expressed their commitment to take over the J-PVP in general and the New Valuation Standards in particular.

In the second half of the seminar, GDPT officers were given an opportunity to conduct group works in order (i) to raise any further questions and clarification on the contents of the New Valuation Standards; (ii) to discuss an internal organizational mechanism to take over the J-PVP into GDPT; and (iii) to present their understandings on procedures to appraise values of properties by the New Valuation Standards.

The seminar was smoothly conducted and eventually completed without raising any serious issues. The details of this seminar which includes the summary record of seminar results is attached as **Appendix 28**. It should be noted herewith that consensus reached in this seminar provided the basis for clarifying organizational arrangements for operationalizing the New Valuation Standards as well as briefly outlining main tasks to be performed by GDPT for making it possible to make the public announcement on the actual application of the New Valuation Standards from January 1st, 2017.

The final versions of the New Valuation Standards, its Technical Manual, and Valuers' Handbook, produced by the Project and accepted by C/P, are attached as **Attachment 1**, **Attachment 2**, and **Attachment 3**, respectively.

2.3.7 Training Program for Property Valuation Standards in Palestine

(1) Basic Approach to designing and preparing the Training Program

The crux of the Project was to develop property valuation standards in Palestine to meet an urgent national need. In response, the Project has taken its initiative to introduce a relatively new concept and methodology, some of which is foreign-oriented, into the context of Palestine.

Since the establishment of GDPT, GDPT staff, particularly valuers, have been engaged in property valuation. They have, by and large, individually accumulated empirical knowledge in property valuation

over decades. Although empirical accumulated knowledge of individual valuers is valuable and commonly acknowledged, a major transformation was necessary to handle the new concepts and methodology of property valuation based on the New Valuation Standards. Thus, a package of training programs in the New Valuation Standards was essentially needed not only to inculcate professional touch to the concept of valuation, but also to expose valuers to basic valuation procedures stipulated in the New Valuation Standards. In this context, a comprehensive training package of the New Valuation Standards was developed and conducted as an integral part of the Project.

JPT started preparatory works of training programs for relevant GDPT's staff since the beginning of Phase 4 in September 2016 when GDPT made an agreement in principle to adopt a property valuation formula proposed by the New Valuation Standards. In order to effectively design and prepare the expected training program, JPT employed participatory approach in development of training program, by conducting consultative meetings with GDPT towards consensus buildings on relevant issues. It included designing a training program itself, identifying trainees as well as lecturers and relevant resource persons, identifying and specifying training topics, elaborating objectives of each training module based on each topic, determining main training faculties employed, selecting training venues, choosing methods for assessing impacts of the training program, selecting best target areas for conducting field exercises, and making logistical arrangements for efficiently conducting training program.

The table below shows the date and main discussion points of 15 meetings held.

Table 2-10 Summary of the New Valuation Standards Technical Training Meetings

	Date	Main purpose & points discussed
1	12 October, 2015	Share the first draft of the trainer's guide within JPT team
2	14 October, 2015	Same as above
3	19 October, 2015	Share the roadmap, discuss budget
4	27 October, 2015	Share the trainer's guide draft with DG
5	12 November, 2015	Obtain the tentative list of trainees, trainers and venues
6	24 November, 2015	Share the trainer's guide draft with GDPT staff
7	29 November, 2015	Revise the contents of each module
8	30 November, 2015	Discuss training issues concerned with the VS (TDMMU)
9	16 December, 2015	Revise the list of trainees
10	17 December, 2015	Share the updated trainer's guide draft
11	23 December, 2015	Revise the list of trainees
12	3 January, 2016	Revise the presentation material (Module 0, 1) for the VS training
13	19 January, 2016	1. Confirm the list of trainees for the VS trainings with DG 2. Discuss training issues of the GeoPTAX Training with Lead GIS Engineer
14	9 February, 2016	Discuss training issues concerned with the VS particularly the GeoPTAX training (TDMMU Meeting)
15	16 February, 2016	Revise the presentation material for Module 1 (VS Technical trainings)

Source: JPT

(2) Outline of Training Program in Palestine

(2)-1: Purpose and Objectives

The training program was undertaken with the primary purpose to equip relevant GDPT staff with basic knowledge, attitudes and skills required for the operationalization of the New Valuation Standards. For attaining the purpose, five main objectives were set as follows:

- 1) To acquire basic knowledge on the New Valuation Standards, i.e., its purpose, principles and methodology.
- 2) To equip GDPT staff with practical skills to appraise properties through the application of the New Valuation Standards.
- 3) To provide GDPT staff with a forum to exchange views on the New Valuation Standards for further operationalizing the New Valuation Standards through possible modification or improvement of the Valuation Standards and its operation manual.
- 4) To enhance the technical capacity of GDPT staff for (i) using P-TAX system for valuation based on the New Valuation Standards; and (ii) using GIS and other techniques for property valuation.
- 5) To develop human resources within GDPT capable of continually sustaining training programs in Valuation Standards for its staff.

(2)-2: Structure of Training Program

To meet objectives as mentioned above, the training program was designed to have five distinct but interrelated modules. Table 2-11 shows the basic structure of the training program for property tax Valuation Standards in Palestine.

Table 2-11 Structure of Training Program Modules

Modules	Topic	Content	Duration
Module 1	Principles of Property Valuation	<ul style="list-style-type: none"> - Property Appraisal - Real Estate Appraisal Career - Specifications and qualifications of valuers (Ethics and rules for valuation) - Conditions necessary to change (tolerance for change) 	2.0 hour
Module 2	Property Tax Valuation Standards: Purpose, Principles, and Methodology	<ul style="list-style-type: none"> - Purposes of formulating the New Valuation Standards - Valuation principles and methodologies - Municipality classification - Property value estimation (formula) - Standard Values - Indicators: Area size and Value Influence Factors (and Value Adjustment Matrix) 	2.0 hour
Module 3	Use of P-TAX system for Valuation	<ul style="list-style-type: none"> - Structure of P-TAX for valuation - Valuation records 	4.0 hours
Module 4	GeoPTAX	<ul style="list-style-type: none"> - Structure of GeoPTAX and how to use it for valuation 	8.0 hours

Modules	Topic	Content	Duration
Module 5	5(1) Desk Trial Application	<ul style="list-style-type: none"> - Identify target areas for desk trials (Block # 1 of Beitunia Municipality and Block # 10 of Ramallah Municipality) - Calculation of standard values 	4.0 hours
	5(2) Field Trial Application	<ul style="list-style-type: none"> - Identify target areas for field trials (7 selected properties in Block # 1 of Beitunia Municipality) - Examination of individual targets by using the valuation records - Estimation of appraised values for each target 	4.5 hours

Source: JPT

(2)-3: Training Targets

Through a series of consultative meetings and upon the final approval of Director General of GDPT, main training targets for each module were identified and decided as presented in Table 2-12.

Table 2-12 Main Training Targets by Module

Modules	Topic	Main Targets	No.
Module 1	Principles of Property Valuation	[GDPT Head Office] Directors for Valuation Dept., IT Dept., Accounting Dept., & Office Affairs Dept. respectively	60
Module 2	Property Tax Valuation Standards: Purpose, Principles, and Methodology	[Branch Office] Director, valuator, and selected staff in Accounting and IT.	
Module 3	Use of P-TAX system for Valuation	[Branch Office] Valuator and selected staff in IT, Accounting and Collection	38 in 2 groups
Module 4	GeoPTAX	[Branch Office] Valuator and selected staff in Collection	26 in 2 groups
Module 5	5(1) Desk Trial Application	[Branch Office] Director or Deputy Director, valuator and selected staff in IT, Accounting	23 in 3 groups
	5(2) Field Trial Application	[Branch Office] Valuator and one staff in Collection	24 in 3 groups

Source: JPT

(2)-4: Trainers

Keeping in mind the consensus on a basic modality in which as many as GDPT management staff should commit themselves to be trainers, Table 2-13 presents main trainers for the respective modules.

Table 2-13 Trainers for Valuation Standards Training in Palestine

Modules	Topic	Main Trainers
Module 1	Principles of Property Valuation	-Director General
Module 2	Property Tax Valuation Standards: Purpose, Principles, and Methodology	-Director General -Assistant Expert (J-PVP)
Module 3	Use of P-TAX system for Valuation	-Director of IT Department -Expert from sub-contracted company -Assistant Expert (J-PVP)
Module 4	GeoPTAX	-Lead GIS Engineer (J-PVP) -GIS Assistant (J-PVP)
Module 5	5(1) Desk Trial Application	-Assistant Expert (J-PVP)
	5(2) Field Trial Application	-Director of Valuation Department -Expert in GDPT Valuation Dept. -JICA Expert

Source: JPT

With great initiative and leadership from a national staff of the JPT, as outlined above, the basic framework and contents of the training program were finalized (For more details, see **Attachment 4**).

(3) Implementation of Training Program

(3)-1 Timeline

The respective training modules were conducted according to the timeline presented in Table 2-14

Table 2-14 Timeline of Training Program

#	Module	Timeline	Venue
1	Module 1 and 2	11 May 2016	Conference Hall, Caesar Hotel
2	Module 3	31 July and 1 August 2016	Computer Lab-room, PPFi*
3	Module 4	11 to 14 July 2016	Computer Lab-room, MTIT**
4	Module 5 (1)	16, 18 and 19 May 2016	Computer Lab-room, PPFi & MTIT
5	Module 5 (2)	2 to 4 August 2016	GDPT Conference Room & Block #1 Beitunia Municipality

* Palestinian Public Finance Institute ** Ministry of Telecommunication and Information Technology

Source: JPT

(3)-2 Attendance of Targeted Trainees

High participant ratio was recorded as presented in Table 2-15.

Table 2-15 Attendance to Training Program

Modules	Target No.	No. of Participants	Ratio (in %)
Module 1	60	57	95
Module 2			
Module 3	38	34	89
Module 4	26	24	92
Module 5 (1)	23	23	100
Module 5 (2)	24	20	83

Source: JPT

(3)-3 Main findings

In general, outcomes from training programs were found to be very positive and highly satisfactory in meeting the set objectives. Main findings can be broadly summarized as follows:

With regard to behavioral changes in trainees, in general, the significant improvement of knowledge acquisition, noticeable improvement in the performance of valuers, as well as noticeable and positive change in attitude towards the New Valuation Standards were observed and identified.

With regard to resource persons (trainers), higher level of self-commitment of GDPT managerial staff that provided trainees with close coaching was found to be of significant importance for obtaining positive outcomes from training program. In addition, readiness and commitment for some trainees to become associate resource persons in the next day were found as one of the elements towards positive results.

With regard to the training design, three main factors were identified as important for positive results, those are; organizing training session in sequential arrangement matching with the tasks required for valuation, providing interactive sessions during the respective training modules, and ensuring continuous participants' attendance in sequential training modules as planned.

For details, see the Completion Report on Training in Property Valuation Standards (**Attachment 5**).

2.3.8 Brief Comparison between the Current Appraised Values and the Values Appraised by New Valuation Standards

Eventually the training program involved the trial appraisal exercises on selected properties in Block # 1 of Beitunia Municipality. As the result from the field trial application, the difference between the current appraised value and the appraised value by New Valuation Standards was calculated, although the number of samples was small (**Appendix 29**). According to this material, the current appraised value of land was greater than its appraised value by New Valuation Standards by approximately 45 times, and the current appraised value of a building was larger than its appraised value by New Valuation Standards by approximately 7.5 times.

These differences in appraised values, i.e., 45 times larger for lands and 7.5 times for buildings, respectively, may affect the current amounts of property taxes, and eventually connote a sizable increase in tax amount of the respective properties, if no measurement to cope with the increase would be taken. Possible measurement, for example may include the revision of the current tax rate as well as the execution of a special adjustment policy where a system on payment in installments may be officially introduced in order to enable economically vulnerable groups of people to pay increased amount of property tax. Needless to say, these measurements should be taken based on the legal form of proclamation in order to ensure public transparency and accountability. For doing so, GDPT is mandated and solely responsible for making an effective decision to formulate a policy and establish a system through conducting necessary financial studies. Results from such studies shall serve as official reference materials for the Cabinet to

make their decision in line with the process to legislate the valuation standards and amended property law.

The valuation standards may be considered as an integral part of a property tax law in Palestine which is expected to be drafted by GDPT and approved by the Council of Ministers, as it, to great extent, affects public life of citizens. In other words, the application of the valuation standards has significant impact of social life of taxpayers. Hence, GDPT should make the best effort to perform various tasks in order to operationalize the valuation standards. An outline of main tasks, that are anticipated to be performed by GDPT, is discussed in the next section.

2.3.9 Preparation of Advisory Note for GDPT towards Revaluation Strategy Planning based on the New Property Valuation Standards

In August 2016, a paper was prepared to attempt to help GDPT to formulate a strategy towards revaluation of properties as well as the revision of valuation standards.

When this paper was being prepared, however, GDPT was in the process of legislation of New Valuation Standards, which is the joint product of GDPT and JPT through the implementation of the Project. The legislation process involves the amendment of the 1954 Jordanian Property Tax Law in which essences of New Valuation Standards should be incorporated. Without the legislation, New Valuation Standards cannot be applied into the actual ground of Palestine. Through the legislation process, New Valuation Standards are also subject to modification and amendment in order to reflect expected comments from authorities concerned as well as a third-country expert from Jordan.

Under such uncertainty, it was considered premature to formulate a strategic plan for revaluation of properties accompanied with the revision of the valuation standards. Hence, the scope of this paper is limited to listing up main expected tasks for revaluation as well as revision by using available information. Thus, the paper is entitled 'advisory note for GDPT towards revaluation strategy planning' (**Attachment 6**), which briefly deals with three main issues: (i) organizational arrangement, (ii) basic approach to revaluation, and (iii) main tasks to be required for revaluation. Yet it should be noted that the contents of this paper are subject to partial or total revision depending upon the results of legislation process in progress.

Keeping the above in mind, this paper could expectedly serve as one of the reference materials for actual planning process in the near future.

2.4 Output 3: The Operational Issues on Property Valuation and Property Tax Collection at Pilot GDPT Branch Offices are Identified and Improved

2.4.1 Change of Activity Scope under Output 3

The activity scope Output 3 was drastically altered during the Project. The reasons being the combination of difference of interpretation over the function of TDMU (TDDMU) between JICA and C/P as explained

in section 2.2.1, and rather imprecise description of the activities for Output 3 set at the beginning of the Project.

The steps incorporated in the original scope of Output 3 are in a nutshell as follows; to identify the issue of pilot branches, to devise the plan to alleviate them, and to implement the plan (as described in sections 2.4.2 to 2.4.4 below in the following). In the course of the Project, especially in Phase 2, it came into notice light among concerned parties that the activities discussed with C/P to be implemented under Output 3 tended to diverge and be diffuse, and thus rearrangement was judged necessary. The discussions to rearrange the scope of Output 3 started at the time when Mid-term Review was conducted in October 2014. The alteration of the scope of Output 3, including the change of the target pilot office(s), was agreed at the 4th JCC meeting held in February 2015 (see Appendix 7: revised Plan of Operation).

In the following section, the activities carried out under Output 3 are described in which the activities from 2.4.2 to 2.4.6 are the ones listed in the scope before alteration, and from 2.4.7 onwards are the ones agreed for after the alteration.

2.4.2 Detect Problems the Pilot Branches are facing under the Guidance of the Auditing Section of GDPT

At the initial stage of Phase 2, in July 2013, JPT started the review of existing manuals, inspection of the administrative structure and the workflow of the pilot branches, in order to detect the operational issues of pilot branches (at then Ramallah, Abu Dees and Al Ram branch offices).

(1) Review of existing operation documents

JPT identified following three documents as the existing operation documents, and reviewed them.

- ✓ GDPT Operating Procedure Manual
- ✓ Organization Chart
- ✓ Job Descriptions

1) Review of GDPT Operating Procedure Manual

As the first step for the activity for Output 3, JPT reviewed the existing operation manual. The operation manual that JPT reviewed is the English version of the “GDPT Operating Procedures Manual” that had been drafted with the assistance of USAID in 2010.

Despite the fact that the Operation Procedures Manual should have been serving as a basic document for daily operations of GDPT, we found that it could be difficult to use directly as a basic reference material to examine the efficiency of the current administrative structure and the workflow of the pilot branches and to make suggestions for the improvement of pilot branch operations. The main reasons are as follows: it seems that the procedure items do not necessarily cover all the functions of GDPT or

the operation functions are not clearly organized¹⁷, and although a new IT system (P-TAX system) is planned to be operated soon, the manual includes the screenshots of the current IT System called PTD system, and revision of the manual may be needed after new property valuation standards are applied.

In addition, the Operating Procedures Manual does not distinguish between the procedures that are practiced at the GDPT Headquarters and at the branch offices. Moreover the flow of information and documents concerning valuation, taxation, payment and collection between GDPT headquarters and branch offices are not sufficiently articulated. Therefore, a revision of the Operating Procedures Manual itself in accordance with the actual operation procedure at the branch office level or at the department level of GDPT Headquarters may need to be considered.

2) Review of Organization Chart

It is significant and important to review the organization chart of GDPT to understand its workflow and the administrative structure in order to detect problems in pilot branch operations. JPT received GDPT organization chart in September 2013, although modification process of the organization was ongoing at the time. Since the organization chart does not include the names of the staff that are positioned at certain posts, they cannot know actually who will do what from the organization chart.

3) Review of Job Descriptions

In order to detect problems in pilot branch operation, it is necessary to know the tasks assigned to each staff. JPT reviewed some job descriptions of the sample pilot branch staff, and found that there is no fixed format for the job description of GDPT staff. The description given of the tasks is quite simple and expressed only with two to three sentences. It seems that it is difficult for the staff to clearly recognize what is expected for them to perform in the assigned positions.

(2) Questionnaire Survey to Pilot Branches Staff

After reviewing existing operation documents, in order (1) to grasp the operation procedure currently practiced, and (2) to detect the problems in the pilot branch operations, JPT conducted questionnaire surveys for the two pilot branches (Ramallah Branch and Abu Dees Branch) during September to October 2013.

As the results, for the first purpose, the survey could not manage to reveal the actual state of the operation of the pilot branches and this was considered related to the results for the second purpose. As for the second purpose, it was found that not a few staff mentioned that his/her their TOR is was not clear, or division of work is was not clear among the staff. Additionally, another issue that surfaced was that supervising and reporting structures are were not clearly defined among the staff. Although the Questionnaire asks the name of supervisor to whom the staff is expected to report, and the frequency and the mode of reporting,

¹⁷ GDPT has 27 main functions according to the list given by GDPT in 2013.

some answers were that the reporting is only upon request or when needed, and some even “no reporting”. Although it is an important responsibility for branch head or division/section head to show the direction and the target of the work and stimulate subordinate staff toward the direction and the target, it seems that pilot branches have no such directive and it may affect the performance of the branch operation.¹⁸

2.4.3 Formulate Operation Improvement Plan for the Pilot Branches under the Guidance of the Auditing Section of GDPT

The main findings obtained from the activities described above (section 2.4.2) can be summarized as follows: the current pattern of staff assignment seems to be, to some extent, inconsistent with duties and tasks stated in the Operation Manual; considerable numbers of staff may have a sense of feelings that division of work among staff is not clear; and weakness was observed in day-to-day reporting activities due to a lack of reporting structure. In addition, there is a fact, which has been gradually revealed, that for any issue of operations at the branch office level has, though dependent on the type of operation, substantial linkages with the one at the head office level, and thus, a scope of operation improvement should cover not only the operations at the branch office level but also the ones at the head office level. Thus, it is apparent that these findings are not sufficient enough for the formulation of ‘Operational Improvement Plan’ for the pilot branch offices.

In order to further clarify the interests and needs of C/P over issues related to the current operation of GDPT, JPT held several brainstorming and discussion sessions with C/P, mainly with the DG, during the period from January to June 2014. Following the outcomes of these sessions, the DG has continuously sought clarification of the two distinct but interrelated matters. One is to know clearly ‘who should do what’ every day, while the other is to how to clearly measure and assess work performance of individual staff.

In line with this, the following activities have been carried out during Phase 2.

- ✓ Introducing Daily Work Report
- ✓ Updating GDPT’s staff list
- ✓ Understanding the basic workflow at the branch office level and at the department level
- ✓ Performance Monitoring System of GDPT
- ✓ Drafting Comprehensive Training Framework

(1) Introducing Daily Work Report

Daily work report system was devised with the three main objectives: (i) Clarify individual staff’s daily work; (ii) Weight work in terms of time required and frequency; and (iii) Assess work performance of staff.

The preparation of a format for daily work report was made in January and February 2014, and based on it, IT Department of GDPT built daily work report system with a monthly total function into the existing IT

¹⁸ Report of the Survey Result was submitted to DG of GDPT on January 22, 2014.

system. With regard to the management aspect of daily work report system, the following procedures were tentatively set up:

- 1) All the GDPT staff fill in the activities they did in the day into the Daily Work Report format everyday.
- 2) IT Department representing Performance Monitoring Committee receives Daily Work Reports of all GDPT staff everyday and reviews them. The Committee reports the result of its review to the Director General weekly.
- 3) Performance Monitoring Committee reports to the Director General when doubt is raised by the description of the Daily Work Report submitted by a staff member.

Upon the installation into the IT system, the daily work report system was commenced in March 2014.

During April to May 2014, JPT members visited all the branch offices to hold a follow-up meeting in order to have relevant feedback to practices of daily work report system. Main findings from the visits to branch offices are as follows:

- ✓ All the branch offices started daily work report system.
- ✓ Comments expressed by the branch office representatives so far were:
 - The idea of daily work report is good (all the branch offices)
 - The practice of daily work report helps staff to be motivated in the work (Hebron/Dura)
 - The system eventually creates competitive atmosphere in workplace. (Hebron/Dura)
 - The daily work report helps managerial staff to understand work performance of staff (all the branch offices)
 - Filling in daily work report becomes overload for those employees who are currently assigned to multi-duties and tasks (Tubas)
 - The objectives of daily work report should be explained more (Tubas)
- ✓ Several technical suggestions on the format were given and collected by IT Department for possible improvement of the format. One of the suggestions included adding a task item on interaction with customers, which was mentioned by every branch office, since the format missed this item.

Experiment of simplified report system was conducted by GDPT in February 2015, which was evaluated in a workgroup. Daily report system was attempted to be introduced for evaluating individual workload as well as acquiring data for planning more effective stationing of the staff. The more detailed entry items were recommended for automatic statistical calculations.

(2) Updating GDPT's staff list

In order to support the daily work report system, an activity to update GDPT staff list was carried out in collaboration with the Office Department of GDPT. The activity was conducted because, without a proper updating system, the list kept by the department became outdated. During the visit to each branch office, the list was carried by the JPT staff, and it was updated by collecting relevant information from relevant

branch staff. All the collected information was compiled into the updated staff list.

(3) Understanding the basic workflow at the branch office level and at the department level

As described in the section 2.4.2, though the current Operation Manual provides a comprehensive picture of operation procedures, operation procedures at the branch office level or at the department level may need more clarifications based on the examination of the current operation practices. In this context, JPT attempted to clarify the current practices of operation procedures at the branch office, especially those related to valuation. A zero-draft workflow of valuation process was prepared in the tabulated form, and the draft was cross-checked with the respective branch offices during the visit.¹⁹

In addition to the above, several activities have been carried out to obtain basic information of operation procedures at the department level. During the reporting period, JPT members visited the following places and conducted interviews: (a) Office Department; (b) Accounting Department; and (c) Collection Division of Ramallah Branch office.

Through the interviews, the following five major challenges that may negatively affect GDPT operation performances, and those to do with valuation and collection, have been identified: (a) people's willingness and commitment to pay property tax is low; (b) municipalities are not cooperative enough; (c) lack of sufficient data and information for conducting valuation such as outdated physical master plans, block maps, and list of owners; (d) lack of standard procedures to cope with mismatch accounting figures such as data entry errors, mishandling of delayed deposit into GDPT bank account due to payment made by bank cheque or because of offsetting tax due, discrepancy between manually-handled data and data extracted from computerized system; and (e) lack of standard tax collection procedures.

(4) Performance Monitoring System of GDPT

In relation to discussions on Daily Work Report system, JPT suggested to C/P that an introduction and use of comprehensive performance monitoring/evaluation system of GDPT could be meaningful if used in parallel with the individual performance monitoring/evaluation using daily work report. JPT prepared and presented a draft comprehensive performance monitoring structure of GDPT to C/P, and explained that it is necessary for GDPT to have performance monitoring system for individual level, branch office level, department level, and whole GDPT level (see **Appendix 30**). JPT also mentioned that it is important to set performance targets so that the achievement could be assessed by comparing the targets and the achievements. The Director General consented to the overall idea of the need of the comprehensive performance monitoring system of GDPT.

(5) Drafting Comprehensive Training Framework

¹⁹ This results served as the foundation of training program for new Valuation Standards designed and implemented during Phase 4.

Despite strong emphasis on the importance of human resource development, it was found that GDPT has just conducted either ad-hoc training programs when the programs could be funded by external supporting agencies or nominated its staff to attend annual training courses set by the Ministry of Finance. In other words, GDPT is not equipped with its own training framework and system, without which GDPT may encounter difficulty to systematically monitor competence development of its staff. In response to this situation, JPT prepared a zero-draft comprehensive training framework for GDPT (For the zero-draft, see **Appendix 31**). GDPT, especially the DG, welcomed such idea to formulate a comprehensive training framework.

Based on the above discussions, TDMMU drafted a questionnaire aiming to assess the training need under the following four categories: (i) general information of staff; (ii) self-assessment of competence with counter-assessment by his/her supervisor; (iii) identification and prioritization of training fields or topics which staff have felt needs; and (iv) general information on training courses which staff attended in the past. The summary of the training needs expressed by the GDPT staff through this questionnaire survey is shown in Table 2-16.

Table 2-16 Training Needs Expressed by the GDPT Staff

Top 13 Training Courses with high No. of Employees (felt-need) and Priorities							
No	Training courses Titles	No. of employees requesting this course	Training Needs in accordance with Employees Priorities (1-5) where 1 is the most priority and 5 the least priority (cells contain numbers of employees for each priority)				
			1	2	3	4	5
1	Legal Framework	106	39	24	19	18	6
2	Computer Skills Training Course (MS Excel, Word, etc.)	103	21	23	21	30	8
3	Real estate property tax valuation	69	27	17	19	3	3
4	Coaching and leadership	66	23	21	22	0	2
5	Formulating strategic plan and Business plan	64	18	23	14	7	2
6	AutoCAD	60	11	12	10	23	4
7	GDPT General Tasks	55	15	13	13	13	1
8	Collection and Tax Evasion	55	20	14	13	6	2
9	General Accounting	55	20	12	15	5	3
10	Dialogue philosophy with taxpayers	53	13	14	13	10	3
11	Performance monitoring and evaluation	44	12	19	9	2	2
12	Preparing concept paper and proposal as well as reporting	41	10	10	13	7	1

13	Human resources management and team building	41	10	10	12	8	1
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Source: TDMMU

2.4.4 Put into Practice the Operation Improvement Plan which was Formulated in 2.4.3 under the Guidance of the Auditing Section of GDPT

This activity during Phase 2 has experienced significant delay. As touched upon in the previous section, JPT has gradually come to the understanding that in order to effectively address the operation issues it is not enough to focus on the pilot branches but also to broaden the scope to include the GDPT Headquarters. Based on this understanding, JPT adjusted its approach and started the operation improvement activities at the GDPT Headquarters, making proposals to introduce the framework for human resource development (training system) and internal reporting (performance monitoring system) as described previously.

2.4.5 Organize Workshops to Promote Property Tax Awareness among Citizens with the Cooperation of Local Governments

Although this activity was initially listed in the agreement between JICA and C/P, during Phase 2 it was put aside for the time being, because C/P argued that it is too early to hold workshops with taxpayers at that stage. In the following Phases, however, due to the delay of finalization of the New Valuation Standards and its cabinet approval, this activity has been put on hold and eventually, after the schedule for the municipal election in Palestine was announced for October 2016, as judgment was made to postpone this activity until the election is over. This meant that the workshop to promote tax awareness among citizens was canceled from the scope of the Project.

2.4.6 Preparatory Work for Support of Simplified Land Registration (Table of Ownership)

Land registration on the Table of Rights (which is being handled by PLA) or on the Table of Ownership (which is being handled by GDPT) is one of the prerequisites of property tax valuation. JPT had plans to confirm the situation of those municipalities where the Table of Ownerships are not yet prepared and render supports for them through assistance by simplified survey in the second phase.

During Phase 1, as the preparatory work for the support in preparation of Table of Ownership, JPT attempted to enquire about areas that need to be targeted (work volume) as well as the accuracy which required for the survey (work contents). After confirming the number of municipalities that may be the targets, JPT attempted to visit these municipalities to find out the availability of maps, accuracy, date of making, and other information with regard to the obstacles in preparation of Table of Ownership. However, due to the influence derived from discussion on project implementation structure proceeded in parallel between GDPT and JICA, JPT could not conduct further activity in this regard.

During the course of considering the approaches and volumes to conduct this activity, however, the DG

strongly advised us that this activity is not essential for GDPT to conduct property valuation,²⁰ and thus the activity was cancelled at the early stage of Phase 2 in July 2013.

2.4.7 Revise P-TAX System Partially for the Operationalization of the New Valuation Standards

This activity was added as one of the new tasks after the alteration of the scope of Output 3 in February 2015, but taking over the follow-on activities from section 2.3.4.

(1) Background and Approach

The computer system has been utilized in GDPT since 2006. Since the formulation of New Valuation Standards is the central focus of this project, it is essential to develop software system compatible with New Valuation Standards. This software development process was planned as follows.

- 1) Study of existing system (PTD System)
- 2) Understanding New Valuation Standards
- 3) General system design of New Valuation Standards
- 4) Preparation NVS²¹ software development
- 5) System development for NVS

(2) Study of existing system (PTD System)

To begin with, during the period from February to April 2013 under Phase 1, three main activities were carried out: i) to study existing computer system, ii) to study valuation functions in the existing system for lands and buildings; and iii) to check the version up schedule of P-TAX system which had been undertaken with the assistance of GIZ.

As a result, the outline of existing PTD system is presented as follows.

1) Development record

- 1999 System development started
- 2006 Entering into operation (within each GDPT branch)
- 2009 Data integration conducted (through assistance by JICA etc.)
 - MoF and branches are connected by exclusive lines (due to security considerations)
 - Data from branches are saved in the server located in MoF
 - Programs of PTD system are activated from the servers allocated in each branch (**Appendix 32**)

2) Operating Environment

Application development language: Oracle Developer 2.1

²⁰ Data reliability and accuracy as well as the authenticity are fundamentally important for property taxation, though these aspects should be addressed not only by GDPT but also by other organs of the PNA in coordination.

²¹ The abbreviation "NVS" stands for New Valuation Standards, is used with the word "software," to express the system software of NVS software, which is developed for a partial modification of P-TAX system.

Database: Oracle 9i

3) Property Tax Evaluation Functions of PTD System

(a) Valuation of the land

In case a house of 1,800 sqm exists on the land plot of 8,800 sqm, land area subject for valuation will be $8,800 - 1,800 = 7,000$ sqm.

Example of land valuation: $7,000\text{sqm} \times 9.0^* \times 0.06^{**} = 3,780$ *** Jordanian Dinar (JD)

* Unit value per sqm appraised by the evaluator

** 0.06 (6%) is stipulated by law

*** 10% of valuated amount will be tax amount, 378 JD in the above example.

(b) Valuation of the building

Example of building valuation: $2,500^* \times 0.8^{**} = 2,000$ *** JD

* 2,500 is rent value based either on the lease contract (if lease contract available) or the judgment of the evaluator based on the condition of surrounding area (if lease contract)

(3) Understanding New Valuation Standards and general system design for its adoption into P-TAX

During Phase 2 from June 2013 to June 2014, five main activities were carried out: i) database study of existing computer system, ii) understanding the basic concept of the New Valuation Standards, iii) general system design for the New Valuation Standards, iv) presentation and consultation with GDPT on system design, and v) check the version up schedule of P-TAX system.

After the outline of the New Valuation Standards has been formulated by JPT, system images of NVS application were documented as a general system design (**Appendix 33**). This system images were presented to the C/P during Phase 2.

(3) Preparation NVS software development

Under Phase 3, during the period from October 2014 to July 2015, four main activities were carried out: i) system design of the New Valuation Standards for development, ii) obtain estimation for system development for budgeting, iii) make documentation of NVS software development for Phase 4, and iv) check the version up schedule of P-TAX system.

During this period, it should be noted herewith that as the results from the Mid-term evaluation, the activity for development of revising P-TAX System partially for the operationalization of the New Valuation Standards was officially added as one of the new tasks after the alteration of the scope of Output 3 in February 2015. Since February 2015, through discussion between C/P and JPT, the specification of the new VS was revised, and based on it, the general design for P-TAX system modification to accommodate new VS was prepared during Phase 3.

(4) System development for NVS Software and Training in P-TAX for GDPT staff

NVS software development was finally started in Phase 4. During Phase 4, five main activities were carried out: i) make final check on the version up schedule of P-TAX system, ii) obtain final estimation for software development for budgeting, iii) make documentation for sub-contracting, iv) monitor the progress of software development and test the system, and v) conduct P-TAX training for GDPT staff.

The table below summarizes the P-TAX system modification activities conducted in Phase 4.

Table 2-17 Summary of the P-TAX Modification Activities

Activities	Period (or Date)	Worked with (from C/P)	Activity Contents and Main Achievements	Main Findings and Notes
P-TAX development monitoring	Sept. 2015	Mr. Ayman (GDPT IT department)	Monitoring of P-TAX development supported by GIZ.	P-TAX development under GIZ support was finally completed and its operation started on 20 th of September.
Tendering for the New VS software development to be incorporated in P-TAX	Sept. 2015	Mr. Ayman (GDPT IT Department) Mr. Ahmad (JPT national staff)	Updating of New VS software design document. Preparation of tender document. Receipt of latest estimation of New VS software development. Execution of a service agreement with designated firm (Experts Co.).	New VS software development became able to move forward
New VS software development	Oct. 2015 Nov. 2015 ----> March 2016	Mr. Ayman (GDPT IT department) Mr. Ahmad (JPT national staff) Mr. Ibrahim (Experts Co.)	Held several meetings with the Experts company. Monitoring of New VS software development. Inspection of developed New VS software.	Designated company is 'the Experts Co' Completion of P-TAX development.
P-TAX trial for NVS desk-trial	April 2016	Mr. Yusef (GDPT valuation Department) Mr. Ahmad (JPT national staff)	NVS test trial using P-TAX	Functional verification of P-TAX for valuation
P-TAX training	August 2016	Mr. Ayman (GDPT IT department) Mr. Ahmad (JPT national staff) Mr. Ibrahim (Experts Co.)	Preparation of P-TAX training material. Execution of P-TAX training.	38 GDPT staff participated in P-TAX training.

Source: JPT

After the New Valuation Standards was agreed in principle to be adopted by GDPT in September 2015, updated system design documents for P-TAX was explained to a software development company and a quotation was requested. During the entire period of the Project, the schedule of the P-TAX's version upgrade was postponed several times. There were some changes in the development of P-TAX system. PDA, Portal site and irrigation module were initially included for P-TAX development, but GDPT gave up these modules development and decided to focus 'Data Migration' only²². Data Migration work has been

²² Activities related to develop PDA, Portal site and irrigation were initially the scope of GIZ, and GDPT decided not to

completed in the middle of 2015.

Finally after more than two and a half years delay, P-TAX database system which was supported by GIZ was completed and the system started its operation in September 2015. Based on this, JPT eventually became able to start its activity to accommodate the New Valuation Standards into P-TAX System by modifying the P-TAX software.

Tender documents and 'Terms of Reference' were prepared for selecting a company for making the P-TAX system development compatible with New Valuation Standards. In September 2015, the Experts Turnkey Solution Co., the company which had been developing P-TAX system for GDPT, was selected for NVS software development. Several meetings were held for the purpose of technical consultation until the end of development. After development, test running was conducted and necessary inspection was made.

P-TAX development finished by the end of March in 2016. J-PVP and GDPT made inspection of developed NVS software and concluded that there was functionally no problem. P-TAX trial was conducted for the preparation of New VS desk-trial held in May 2016. This trial reconfirmed that P-TAX modification had successfully been implemented for accommodating New VS.

As an integral part of the development of P-TAX compatible with New Valuation Standards, training in P-TAX with NVS software was held for 38 GDPT staff in August 2016 (For details see **Attachment 5**).

2.4.8 Conduct the Study on GIS Utilization for GDPT

(1) Background

As the results from the Mid-term Evaluation, this activity has been added as one of the new tasks after the alteration of the scope of Output 3 in February 2015 and continued until June 2015 in latter half of Phase 3.

During the course of this project, possibility of introducing GIS system in valuation procedure was discussed. To study feasibility of integrating GIS into property valuation procedure, a new component was added to the project activity in order to evaluate the technological and institutional feasibilities as well as future sustainability.

(2) Possibility of utilizing Geo-MoLG system

At the end of 2014, the Ministry of Local Government (MoLG) launched the Integrated Spatial Information System, Geo-MoLG. This system integrates various types of information from all municipalities and has the following characteristics:

- Store large amount of GIS data with location information (latitude/longitude/elevation) all over

move forward with them because completing P-TAX development activities is the first priority given the fact that the P-TAX activities are behind schedule for 2.5 years. According to the IT manager of GDPT, the reason behind GDPT gave up on PDA etc. is that GIZ was to finish its support to GDPT on 30 June 2015, and needed to minimize its activity to leave the site on time. As to financial resource for data migration, performance bond has been issued by a bank.

Palestine.

- Store Web GIS without purchase of GIS software.

The JPT GIS expert with GDPT explained to the Geo-MoLG team about the requirements for using GIS for property valuation. Understanding the GDPT attempt, they agreed to provide access permission. The initial study of Geo-MoLG showed that there are 14 types of information in the system, and the team conducted detailed study on attribute information if the GDPT can use them for actual valuation works.

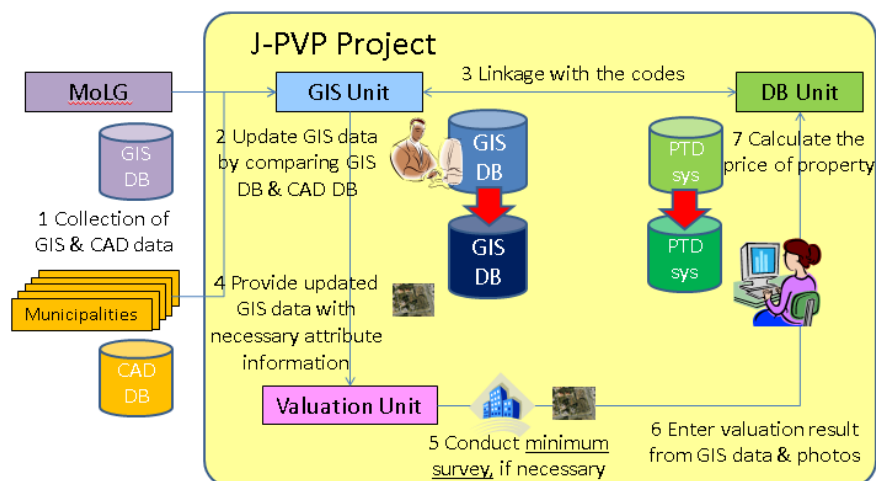
It was found that the system itself was rather easy to use even for the valuers with very basic understanding of IT technology. However, Geo-MoLG was found to be insufficient at this moment to be used for property valuation, due to the following reasons:

- Some information is out-dated depending on the area due to the timing that the MoLG gathered them from the municipalities.
- Not having enough attributes for valuation.

Hence, in order to conduct feasibility study, a hypothetical attempt was made to have isolated GIS system for valuation with possible updated information from the municipalities with their direct support, and entering additional attributes for intended activities.

(3) Feasible workflow in GDPT

For the reasons above, in order to manage usable GIS for valuation, it was considered necessary to have a GDPT's own system with adequate hardware and software. The proposed workflow on GIS data creation is shown in the following figure (Figure 2-1). Basic data can be supplied from either MoLG or municipalities.



Source: JPT

Figure 2-1 Workflow on Operation from GIS Data Creation to Valuation (draft)

(4) Result of Feasibility Study (F/S) for introducing GIS into GDPT

JPT studied and the feasibility for introducing GIS into the property valuation activities of GDPT, from the

aspects of: (a) necessary time to produce GIS system for valuation, (b) CAD skills of valuers, (c) organizational setting within GDPT for valuation utilizing GIS, (d) methods and roles division among GIS engineers for data preparation and update, and (e) verification of the data quality currently available.²³

Based on these analyses, JPT reached the conclusion that at the time this F/S was conducted (July 2015), introduction of GIS for property valuation was recommended to be postponed, due to the reasons listed below.

- Data obtained from Geo-MoLG has low reliability on both shape and attribute

MoLG, whose primary mandate in Geo-MoLG is to ensure updated Physical Master Plan, was found to serve only as an agent between GDPT and municipality or other organizations, and MoLG converts data format from municipalities and other organizations into GIS format. However, it doesn't guarantee the freshness of data such as parcels and buildings and accuracy of the location on roads and facilities. In other words, although municipalities are mandated to develop, maintain and update parcel and block maps, that are essential for property valuation, it was also found that those maps of most municipalities, except large municipalities like Ramallah and Al Bireh, have not been updated. Incomplete land registration was reconfirmed as fatal root-cause that resulted in incomplete cadastres in Palestine.

- The new VS is not finalized yet

The items on the new VS may change and the valuers have not fully understood and agreed with the methodology at this moment. Thus, the VS manual has not been finalized yet. Since GIS operation should be linked with VS manual, finalization of VS and the VS manual should be done first. The introduction of GIS should be reexamined after the new VS and manual formulation are completed and valuation is actually conducted by valuers based on the VS. Then, valuers should consider the necessity of GIS through their works.

- Prospective time and financial costs to be required

Spatial data management, including update operation relating with valuation in GDPT, should be arranged based on systematic cooperation of organizations and engineers in Palestine. It will require much time and financial cost to realize it and this project is unable to meet such requirement. In addition, no technically competent GDPT staff to design, maintain and update GIS was available at the time of the feasibility study.

Based on the above findings, the feasibility of GIS activity was found to be premature and hence the introduction of GIS for property valuation should be postponed.

²³ Details of these analyses are reported in the Completion Report of Phase 3 (July 2015).

2.4.9 Pilot Development of GIS System for Future Adoption

(1) Background

Despite the result of the feasibility study as described above, GDPT persistently demanded JICA to conduct a GIS pilot activity. During the period of one month from June to July 2015, several discussions and meetings between GDPT and JICA Palestine Office were conducted and held. In those meetings, GDPT clearly expressed its stance and position that J-PVP without GIS pilot activity could not be accepted at all and hence GDPT might lose accountability to the higher decision bodies. On 15 July 2015, both GDPT and JICA came to a basic agreement that project will conduct this activity during Phase 4. Based on this agreement, and after obtaining the budget agreement from JICA, the Project started this activity in step by step manner from September 2015. For this, a basic framework and scope of GIS pilot activity was prepared at the beginning of Phase 4 and is attached as **Appendix 34**.

(2) Forming a provisional GIS unit for GIS Pilot Activity at GDPT

First action taken for this activity was to hire the national staff through public advertisement. While more than 100 applications reached GDPT, the recruitment process for the GIS Engineer turned out unsuccessful due to non-availability of qualified candidates from private human resource market. However, during the course of this recruitment process, it was found that an eligible candidate is available from public sector who has been involved in the development of GeoMoLG system under Ministry of Local Government (MoLG). After consulting with DG of GDPT and JICA, under the condition that official approval from PA's personnel authority in writing will be obtained, JPT was permitted to hire this expert.²⁴ As for other positions also needed to be recruited, namely GIS Assistants, applicants for the GIS Engineer were hired.

The GIS Working Group was organized within GDPT to expedite this activity, which is headed by DG and the heads of IT and Valuation Department. The Production Unit was formed as part of this working group headed by GIS Engineer and assistants, and assisted by Valuation Standards Facilitator of JPT and valuers of GDPT.

(3) Main activities carried out for initializing GIS for GDPT (GIS Pilot Activity)

Upon the commencement of GIS pilot activity, possible technical incorporation of GIS database into valuation process for lands and buildings was hypothetically devised and illustrated in workflow (See **Appendix 35**). In reference to the workflow, main activities carried out for initializing GIS for GDPT during the project period were summarized and are listed below.

²⁴ This condition was not fulfilled until the end of March 2016. Although an official letter was issued in September 2015 by MoLG to permit its staff to cooperate with GDPT, there was no sufficient information including official endorsement from PA's personnel authority. As the result, GIS expert in question had to provide his input after his office hours in MoLG without executing any working contract or any other form of official agreement for his services with the JPT but provide his service to GDPT based on the said letter issued by MoLG. Due to this situation, during the period from September 2015 to March 2016 his position for the project has rather been uncertain and the JPT could not officially instruct him for his activities except for unofficial coordination.

- Procurement of the equipment (including software)
- Preparation of the GIS host server
- Creation of an enterprise database for the data storage
- Enabling the enterprise database as Enterprise GeoDatabase to suit the GIS data
- Configuring the Enterprise GeoDatabase to automate daily summary and summation process
- Linking the Enterprise GeoDatabase (GIS) with P-TAX database (Tabular)
- Authoring maps using the GIS data
- Authoring story-telling maps
- Publishing the maps as map services that can be accessed via Web
- Building the Web-mapping Application (GeoPTAX) accessible via Web
- Adding all the map services to GeoPTAX
- Applying security module to GeoPTAX
- Enabling editing module to GeoPTAX (GIS data can be edited online)
- Creating rasters that represent the value influence factors of New VS using spatial analyses techniques
- Combining the resultant rasters to end up with a value raster (value map)

Concentrating the activities on a selected municipality of Beitunia and focus on its Block #1, basic structure of GIS for GDPT, as an integrated GIS system (called as GeoPTAX), was constructed and completed by the end of March 2016.

(4) Field verification survey and study

There is no official source and data for the geometric areas for each single flat inside the buildings, except the ones registered in Palestine Land Authority which forms a minimal portion of the total number of flats. By using GeoPTAX, even-division method was perceived as an only approach to estimation of the area-size of each flat in hypothetical assumption that areas of flats might be similarly distributed at the floor level (meaning that all the flats in the same floor have the same area).

Considering the fact that the floor area (A_f) is available at GeoPTAX, and the number of units in the floor (N) can be calculated from P-TAX (GDPT's Database Application), this equation ($A_u = A_f / N$; A_u : flat area; A_f : floor's area; N : the number of flats in the same floor) can be used to estimate the areas of the units based on available data. Yet this formula will not work well when the units have different areas within the same floor.

In this context, a field survey was conducted to check distribution of the flats' areas at the floor level, in order to get numerical indicators that can be used by decision makers to judge whether this approach can be used and to what level it gives accurate results.

The survey was conducted in the period between June 20th and July 1st, 2016 by three surveyors who targeted all the buildings in Block 1 in Beituniya, and collected the geometric areas for all the flats in these

buildings from different sources (PLA, Beituniya Municipality, and interviews with residents), and at the end they produced a list that contains all the units in the block with its associated areas. Table 2-18 is presented to show an executive summary of the survey results.

Table 2-18 Survey Results of Geometric Area of Flats in Block 1 of Beitunia Municipality

Number of Buildings	94	
Number of Buildings with Same Units Distribution in all floors	24	26%
Number of Buildings with Different Units Distribution	70	74%
Number of Floors	338	
Number of Floors with Same Units Distribution	197	58%
Number of Floors with Different Units Distribution	141	42%
Number of Units	684	
Number of Units with Same Areas in the Same Floor	344	50%
Number of Units with different Areas in the Same Floor	340	50%

In short, the approach of equal division is found to be far from the reality, yet the use of GIS to estimate flat-area size is subject to a decision to be made by GDPT in collaboration with Palestinian authorities concerned.

(5) Training in GeoPTAX

As an integral part of GIS Pilot activity, the training in GeoPTAX was held for 26 GDPT staff in July 2016 (For details see Attachment 5). It should be noted herewith that during the training in field trial application, an incident incurred to present discrepancy between the area size of a floor estimated by GIS and the area size of the same floor stated in the drawing for building permit. This incidence helped the J-PVP to pay more attention to the significance importance of quality assurance with quality control in order to make them consistent.

(6) Compilation of main findings into a concept note for GDPT

Throughout the above activities, a concept paper entitled “Diagnosis Report: Incorporation of GIS/GPS Techniques within the framework of the Enhanced Property Valuation System in Palestine”, which is of significant importance for GDPT, was prepared chiefly by Lead GIS Engineer (**Appendix 36**). All the technical findings are compiled in this report.

Chapter 3. Lessons Learned from the Project Activities

3.1 Absence of Essential Data for Property Valuation

Without regard whether the valuation standards would be internationally accepted or not, certain basic data should be available as a pre-requisite for property valuations at hand. For instance, data on area-size of a flat should be officially recorded and registered in an official ledger book. Yet as a matter of fact geometric data of flat-area-size has not been available and ready for immediate use of property valuations. In the entire course of the implementation of the Project, one of the recurrent issues was how to develop data, rather than how to acquire data from official sources. In this context, JPT all the time was forced to cope with the issue by applying an orthodox measure or technical measure. Yet in many cases the issue became even more complex as discrepancies were identified between flat area size depicted in the building permit drawings and the actual one on the ground. This implies that no precise data exists for those cases. Such discrepancies also exist for land cases. Without official registration, the area-size of either parcels or building floors obtained by GIS cannot be verified on the ground. As a conclusion, the root cause behind such discrepancies resides in the incomplete land registration which has resulted in incomplete fiscal cadastres. Accordingly, accurate land registration must be carried out.

3.2 Insufficient Institutional Arrangements and Coordination among Relevant Organizations

As described above, accurate data of flat-area-size for the majority of properties has not been officially recorded and registered in the official ledger book. Thus, the immediate question that comes to mind is 'should GDPT generate or collect such data?' With regard to flat-area-size, local authorities are mandated to maintain such data, while Palestine Land Authority is mandated to maintain data on parcel-area-size. Objectively speaking, GDPT should obtain such data from either local authorities or PLA, and such data sharing should be institutionalized in accordance with governmental decrees or rules and regulations. In the course of the Project, GDPT with JPT have always been asked to go to either local authorities or PLA. JPT even advised GDPT to organize a round table where authorities concerned could gather in order to discuss the issue. At the national level, it has been observed that collaboration or cooperation among authorities concerned were weak, and as a result no periodic meetings were conducted where at least GDPT, PLA and MoLG could meet together to review the issue for seeking solutions. A mechanism to share officially registered documents among authorities should be strengthened and institutionalized.

3.3 Sudden and Frequent Changes of the Project's Basic Framework

In relation to the issues mentioned above, and in the course of project implementation, JPT encountered sudden and frequent changes in the basic framework of the project. Among others, those changes included: the use of market value for land valuation at the initial stage of the project implementation; the addition of a component of GIS activity at the middle stage; in the late stage, a new environment was created to work

with another donor agency on almost the same activity purpose and on the same pilot area but through a different approach. In addition to these fundamental changes, the interpretation of part of the objectives between GDPT and JICA has been inconsistent. In this regard, the status, duties and tasks of TDMMU were the typical example. For each basic change, a series of consultative meetings were needed. In other words, unexpected amount of cost and activity inputs were additionally required. In this context, close consultation and coordination between GDPT and JICA were always necessary in order to advise each other so as to minimize such fundamental changes on the basic framework of the project.

3.4 Human Resources with Less Unified Knowledge

Since the establishment of GDPT, GDPT staff, particularly valuers, have been engaged in property valuation. They have, by and large, individually accumulated empirical knowledge in property valuation over decades. Individually accumulated knowledge, without sufficient opportunity as well as without a methodology for integration, may result in lack of unified knowledge with less common understandings. Although the Project employed a participatory approach to consensus building through conducting a series of working group meetings and workshops, arguments and debates on even a single concept or definition related to value influence factors did not reach consensus. As a result GDPT did not efficiently discharge its organizational duties due to insufficient competency of the current human resources. In addition, neither statistician nor architect nor civil engineer works for GDPT. In such context, a new concept of valuation standards was introduced to Palestine. Although empirically accumulated knowledge of individual valuers is valuable and commonly acknowledged, a major transformation was necessary to handle the new concepts and methodology of property valuation based on the New Valuation Standards. Thus, a package of training programs in the New Valuation Standards was essentially needed not only to inculcate a professional approach to the concept of valuation, but also to expose valuers to basic valuation procedures stipulated in the New Valuation Standards.

3.5 Shortcomings of JICA side in the Project Implementation Setting

(1) Issues in reception of JPT by GDPT

Although there was a request from C/P to dispatch a long-term expert well versed in property tax sector in the preparation stage of the Project, due to some inevitable reasons it was changed to dispatch a team of consultants who will repeat one to two months stays as short term experts combined with a long-term project coordination expert. In addition, change of frequencies and durations of property valuation experts' assignments caused by change of JPT's internal arrangement, added with the lasted vacancy of the long-term project coordination expert's position after his contract expiration, C/P became dissatisfied with the project implementation arrangement including consultants (JPT). As a result, C/P never has accepted this arrangement despite the efforts of JPT. A lesson learnt from this experience is that for the C/P who will receive JICA's technical assistance project for the first time, it is necessary to explain the concept and

methods of technical assistance, project implementation setting, and the role of consultants in detail, until it will be fully understood, during the project formulation stage.

(2) Issues that emerged for the assignments of the Property Valuation Experts

Under the situation where C/P was not fully satisfied with the assignment of JPT from the beginning of the Project, JPT also could not fully satisfy C/P in the aspect of its expertise. While JPT intended to formulate the valuation standards by the three licensed real estate appraisers through their assignments both in Palestine and in Japan, one of the three suddenly became unable to travel to Palestine just prior to the launch of the Project.²⁵ In response to this, JPT had to rearrange its formation in which remaining two would conduct the works in Palestine while the first one works remotely from Japan. In the second phase of the Project when the change of the valuation base for land from rent value to market value was decided, the necessity to drastically increase the valuation experts' input surfaced and JPT started to search for the appropriate expert only to find in fact that such an expert was not available in the Japanese domestic human resource market.²⁶ In relation to this matter, C/P repeatedly requested for the input of a third country expert and for this request, JICA responded as flexibly as possible. However, during the third phase of the Project, the second valuation expert who has been working in Palestine with increased inputs had to leave the Project due to the lack of harmony with team members as well as with C/P, and for the works in Palestine the third valuation expert took over the responsibility with the increased input of assisting staff. Although JPT handled the situation as described above in close consultation with JICA, the negative influence to the Project including the dissatisfaction of the C/P to JPT and cost increase both for coordination and budget inflicted by the change of JPT's staffing was not negligible. The lesson learnt from this experience was the re-realization of severe scarcity of the experts in Japanese domestic human resource market who can contribute to the task of valuation standards formulation, in order for the Project to flexibly adjust its inputs in accordance with changing project requirements.

(3) Issues emerged for the assignments of Project Managers

There were some issues in change of project managers in JPT side. In the first half of the Project, the Team Leader and Deputy Team Leader in collaboration with long-term expert for project coordination handled the project operation, although after the Mid-term review conducted in October 2014, the Team Leader had to be banned from travel to Palestine (the reason for this change will be explained in the following section)²⁷ and in response, Deputy Team Leader was designated to take over the role of Team Leader.²⁸

²⁵ Right after the change of the CEO of the company where the first expert belonged, the new CEO suddenly changed the company policy to ban the travel of his staff to the areas with security concern including Palestine. JPT tried many times to persuade the CEO though could not change his mind. Although the first expert later moved to a university and once his travel to Palestine seemed to materialize, due to the travel ban to Palestine issued by the Japanese Ministry of Education and Science in response to the Gaza warfare, it did not materialize again.

²⁶ In parallel, JPT asked Advisory Committee to introduce an appropriate expert though the result was unsuccessful.

²⁷ At later stage, from the latter half of 4th phase of the Project, he resumed his travel to Palestine to support the Deputy Team Leader.

Almost at the same time, the long-term expert for project coordination left the Project due to the expiration of his contract and the input for project management from JICA side became rather weak. JICA in response decided to recruit a new long-term expert as Chief Advisor for the Project who is entitled with the higher and proper authority to coordinate with C/P, although this input was never realized despite JICA's effort. Deputy Team Leader, while waiting for the arrival of the Chief Advisor managed the Project by receiving intensive support from JICA Palestine Office, the heavy load of the tasks he had to handle did not decrease until the completion of the project. In this process, although there emerged some occasions in which the project management became weak and the necessity of additional coordination efforts with JICA Palestine Office due to the difference of understanding in roles division between two parties arose. The lessons learnt from this process is that under such a situation, a clear agreement of the roles division of concerned parties needs to be made before entering into a new arrangement.

3.6 Issues of Project Management

JICA's scheme of technical cooperation, especially JICA's approach to capacity development, was quite new to GDPT, and its basic modality of capacity development, in which JICA experts and GDPT staff should work together in equal partnership for attaining set objectives through close day-to-day interactions and technical consultations, was the first and new encounter for GDPT. Thus, throughout the project implementation from the very beginning to end, two different work cultures and norms on the modality of project administration faced each other and, over several crucial issues, seriously confronted each other.

Based on his basic idea, DG, as the Project Director, retains the exclusive power to fully control the project and thus intervene into even day-to-day detailed operation issues. Accordingly, DG can be fully authorized to directly instruct both JICA experts and national staff employed by JPT as well as to control the project's budget and intervene into expenditures. Yet, on the other hand, as clearly stated in the contract between JICA and the consultant companies that dispatch the consultants as experts to JPT, it is fully commissioned to control and manage the project budget as well as expenditures. In response, JPT needed to continually explain the respective rules and regulations stipulated by the contract between JICA and the consultant companies, as saying that JPT including national staff cannot be administered under the chain of command by DG, and national staff is accountable only to JPT abiding by instructions given by the respective Japanese experts: any change over the project budget is subject to the appraisal and approval of JICA, and accordingly JPT should abide by procedures set by JICA. JPT, from the beginning of the Project, persistently explained such rules and regulations and attempted to convince DG for mutual consensus, but those explanations were not accepted by DG. The fact that national staff was administered by two separate entities at once can be seen as a typical case of dissent which existed between the two. For the first half of

²⁸ After the banning of Team Leader's travel to Palestine, based on the discussions between JICA and C/P, an irregular modality of the project management was agreed by concerned parties, in which JPT will be responsible for the technical aspects of the Project while JICA Palestine Office will be responsible for the change of the Project's approach as well as change and/or addition of the activities listed in PDM. This irregular arrangement was assumed to be tentative until the new long-term expert as a Chief Advisor was assigned, although it lasted till the end of the Project since the assignment of this long-term expert has never been realized.

the project period, JPT with a JICA long-term expert for project coordination and for the second half without a long-term expert, made the best effort to explain JICA's administrative rules to DG and to persuade DG into respects of rules, with making timely report to JICA for seeking its appropriate solutions or interventions whenever relevant matters arose. Despite these efforts, certain confusions in day-to-day work existed for the entire period of the project.

Aggravating such confusions, DG expressed his opinion to freeze the project activities in the case if his request or idea would not be accepted by JICA. Such expressions were made when the Team Leader of JPT raised an issue on the dual and confused pattern of chain of commands to the national staff for solution during the mid-term evaluation and DG demanded the change of the Team Leader in response, and at the end of Phase 3 when a series of official deliberations between DG and JICA Palestine office were held to discuss whether or not GIS related activity should be included in the project. For each case, JICA was tolerant to continue discussions with DG for building consensus, through partially accepting the requests made by DG.

The combination of several related factors, i.e. the lack of mutual and solid understanding on the modality of project administration in the preparatory stage, several changes of assignments of JICA experts at the beginning and midst of project implementation as explained previously, and negative attitudes of DG towards JPT experts and JICA's modality of project administration, to great extent caused the confusion in project management and that resulted in unexpected additional requirements of times and efforts for solution. The learning from this experience is quite basic while at the same time fundamentally important. The basic modality of project operation, including the accountability and command structure, need to be articulated and agreed between two parties prior to the launch of the project. Early and thorough consultation with JICA of the emerging issues for the mutual understanding over it and for seeking of possible solutions and prompt interventions, which JPT has been doing in the Project, is also of vital importance for the project management.

Chapter 4. Achievement of the Project Objective

4.1 Introduction

The evaluation and monitoring missions from JICA headquarters for the Project were dispatched three times in total, as listed below.

Table 4-1 Evaluation and Monitoring Missions Dispatched by JICA HQ

Name of Missions	Date
Monitoring Mission 1	March 22 nd to 28 th 2014
Mid-term Review Mission	October 18 th to 31 st 2014
Monitoring Mission 2	December 5 th to 10 th 2015
Terminal Evaluation Mission	April 30 th to May 11 th 2016

4.2 Monitoring Mission 1

In March 2014, about one year after the launch of the Project, JICA headquarters sent a Monitoring Mission to the Project. The primary purpose of the mission was to discuss and agree on the direction of Output 2, through the inputs from the members of Advisory Committee which was established in Japan to provide technical advice to the Project. The mission members have attended the 3rd JCC meeting held on March 26th and exchanged the views and opinions with C/P.

4.3 Mid-term Review

The Mid-term Review mission, conducted in October 2014, jointly reviewed the progresses of the each Output of the Project. After a series of discussion, however, both parties did not reach an agreement and did not sign the Minutes of Meeting on the activities onwards, due mainly to the deficiency in coordination between JPT and C/P, especially with regard to the activity coverage of the Project in relation with TDMMU and command lines to the national staff employed by JPT. As a result, the activities of the JPT have partially been suspended for a certain period until C/P and JICA (Palestine Office) resumed the discussion over the issues.

In February 2015, these issues were resolved by signing of Minutes of Meeting (Appendix 9 (4)) by both parties at the 4th JCC meeting which included its agenda the discussion of the results of Mid-term Review. After the 4th JCC meeting, the scopes of the activities were streamlined by major adjustments over them, while the issue of the command lines to the national staff remained.

4.4 Monitoring Mission 2

The second monitoring mission conducted in December 2015, about 14 months after the Mid-term Review, jointly reviewed the progresses of each Output and agreed several items with Palestinian side. The Minutes of Meeting signed by both parties at the time of Second Monitoring Mission is attached as **Appendix 37**.

4.5 Terminal Evaluation

4.5.1 Outline of Terminal Evaluation

The Terminal Evaluation of the Project was conducted with the following objectives.

- (1) To review the activities and implementation process of the Project,
- (2) To evaluate the major achievements and outputs of the project in terms of five evaluation criteria, namely relevance, effectiveness, efficiency, impact and sustainability,
- (3) To discuss actions to be taken by the end of the Project by both the Palestinian and JICA sides,
and
- (4) To agree on the evaluation results conducted jointly.

The evaluation was conducted jointly by the Japanese team and the Palestinian side. The members of the evaluation team are listed below.

Japanese side:

Mr. Noriharu MASUGI	Team Leader	Director, Public Governance and Financial Management Division, Governance Group, Industrial Development and Public Policy Department, JICA
Mr. Ryosuke WATANABE	Cooperation Planning	Public Governance and Financial Management Division, Governance Group, Industrial Development and Public Policy Department, JICA
Mr. Kuniaki KATO	Evaluation and Analysis	Consultant, International Development Solutions Inc.
Mr. Yoshitsugu ISHIKAWA	Interpreter	Translation Center Pioneer Inc.

Palestinian side:

Mr. Mahmoud NOFAL	Director General of GDPT
Mr. Mohammed YOUSEF	Director of Valuation Department, GDPT

Both sides confirmed the achievements of the Project in terms of its objectives, outputs, activities and inputs stated in the PDM, and conducted the evaluation in accordance with the five criteria after carrying out surveys and interviews with related people.

Attachment 7 is the Minutes of Meeting signed by both parties at the time of Terminal Evaluation.

4.5.2 Results of Terminal Evaluation

(1) Conclusions drawn by Terminal Evaluation

The following is the conclusion drawn by the Terminal Evaluation and agreed upon by both parties.

Output 1, Output 2 and Output 3 are all achieved.

The remaining issue is the smooth implementation of valuation standards for the enforcement from January 2017, which was set autonomously.

As this Project was the first project for JICA to implement a technical cooperation on property tax, the Project carried out trial and error procedures for the development of the valuation standards. The Project Purpose is considered to have been achieved and JICA experts have exerted every effort to meet the needs of GDPT. GDPT is expected to legislate the New VS by utilizing the knowledge and expertise acquired through the Project. The training for GDPT valuers to understand the New VS is scheduled to be conducted intensively during the remaining period of the Project. Accordingly, it is appropriate that this Project is finished at the end of the project period.

It should be noted that, in the remaining period up to September this year, the Project team should steadily carry out training of valuers which will contribute to the enforcement of the New VS.

(2) Recommendations by Terminal Evaluation

The recommendations made and agreed at the time of Terminal Evaluation are listed as follows.

Matters to be implemented until the end of the Project

1) Support for the legislation of the New VS draft

To enact New VS draft as planned, GDPT needs to finalize the draft and to promote the procedure for the enactment. The Project team will support to back up the GDPT's effort from the technical aspect of the New VS within the possible scope of the Project.

2) Implementation of the field training of the valuation standards in the pilot GDPT branch office

The Project team plans to carry out intensive training for valuers that will contribute to the enforcement of New VS. GDPT shall put all its efforts to foster understanding of the New VS and enhance practical skills of the valuers.

Matters to be considered to make achievements sustainable by GDPT even after the end of the Project

1) Increase of the number of valuers in GDPT

Recognizing the importance of enhancing local autonomy and ensuring self-reliant revenue, it is necessary to strengthen manpower of GDPT by preferential allocation of budget. GDPT shall increase the number of valuers.

GDPT plans to appoint 5 additional valuers that were approved by the government. Additional 5 valuers may be increased by September 2016.

2) Continuation of efforts towards the implementation of the New VS

After the end of the Project, GDPT's continuous efforts towards the enforcement of New VS is necessary, such as legal procedure and the continuous capacity building of valuers.

3) Continuous human resource development and budget measures for the sustainable use of the P-TAX and GIS

For the continuous use of P-TAX and GIS, it is necessary to continuously train personnel who can utilize and improve the system. Budget disbursement is necessary for securing and developing human resource as well as payment for GIS license.

4) Promote beneficial public relations to taxpayers for the enlightenment and for increase of revenue

Certain results are achieved through the PAC implemented during the project period. Also, to persuade taxpayers whose burden increases, public relation activities will become further important, with the initiative of GDPT's efforts.

5) Continuous collection and maintenance of real estate data (market value, area size, etc.)

The simple formula of New VS made clear that area size of land and buildings are important factors in real estate valuation. Also, to verify the adequacy of valuated value and to improve the New VS continuously, the collection of market value is essential. Since use of P-TAX will makes it easier to store and sort data, GDPT is advised to place priority on maintaining and continue improving basic data, including actual measurement of real estates.

Chapter 5. Recommendations and Conclusion

5.1 Recommendations (1): Technical Aspects

Based on findings and lessons learnt from the Project, a few words are herewith given as technical recommendations, expecting GDPT shall further commit to make the New Valuation Standards taking root in Palestine.

(1) Data improvement and management

The lack of basic data in the existing conditions makes the precise property valuation difficult. To improve the current conditions, priority should be given to the collection of flat area-size data and transaction data of property. It should be noted that identification and collection of usage category of each flat is also one of the immediate tasks. Besides, it should be noted herewith that property valuation essentially requires data officially recorded and registered in official ledger book. For this, the introduction of a strong mechanism for quality assurance such as assignments of human resources capable of data verification and through which the quality control on data management will be ensured, is recommended.

(2) Human resource development

Property valuation certainly requires a certain level of knowledge and field experience. In order to effectively and efficiently enhance competency of GDPT staff, especially valuers, a systematic approach to training in which classroom learning session combined with practical learning session is advised to be conducted. In this regard, GDPT's experiences in formulating and conducting comprehensive and systematic training programs through the Project expectedly provides the basis for designing better training programs in the future. Besides, it is recommended that mutual dialogues and collaboration between GDPT and PPF, which was established through the Project, should be maintained and strengthened for such comprehensive training package to be continually conducted and improved.

(3) Coordination with other organization

Property valuation for taxation, by its very nature, requires efficiency through mass appraisal of vast amount of properties within a limited amount of time. Yet the process of property valuation involves various authorities concerned and thus requires a certain amount of time for coordination among organizations. Thus, trade-off relationship exists. In order to tackle this, establishment and maintenance of a systematic institutional and organizational linkage among GDPT (especially Base and Valuation Standards Committee), relevant ministries and municipalities are essential, with ensuring the effective and smooth communication, clear role demarcation, and mutual cooperation.

(4) Utilization of expertise from private sector

From time to time, property valuation requires advanced technical inputs from various professional fields such as architecture, civil engineering, agriculture and GIS. Hence, it is important to develop a framework

where expertise from private sector can be mobilized and utilized.

5.2 Recommendations (2): Overall Aspects

(1) Clear agreement between C/P and JICA on the project administration method

In this project, friction and strenuous coordination between C/P and JPT as well as JICA over the project management method repeatedly took place. In order to avoid emergence of such a situation, it is of primary importance to clearly agree with C/P on the basis of the JICA's technical assistance project, prior to its implementation. For that, it is considered necessary and possible, to include the relevant clauses in the Record of Discussion (R/D), or to prepare separate documents such as the guidelines JICA already has for its Grant Projects²⁹ for the technical assistance projects and agree on the terms with the relevant authority of PA and to mention in R/D to abide with such guidelines. Should friction or confrontation emerge over the method of project management, both parties can refer back to such documents, and in the case even then the problem remains, rather than carry on the project having the fundamental flaw in project management, it is important to bring the temporary suspension or even termination of the project into view. In the course of the Project, especially the existence of dual and confused structure of command lines over the national staff was one of the most serious issues. For a project to maximize its achievements and outputs with limited time and budget, it is desirable to minimize the workloads outside of the original scope of work. The complicated situation emerged in this project as described above is definitely undesirable.

(2) Establishment of periodical review meeting on a particular issue related to land registration

As discussed earlier, incomplete land registration and subsequent incomplete fiscal cadastres are the fundamental issue not only for GDPT but also for the entire Palestine authorities as well as its citizens. Without this, accurate and officially registered data of flat-area-size could not become available and consequently property valuation process was negatively affected. This issue is certainly historical, political, and socio-economic, and a single organization alone may not be able to tackle with. It is strongly recommended that a certain mechanism to periodically review the progress of land registration, at least annually, should be established. For this, at least Ministry of Finance and Planning representing GDPT, Palestine Land Authority, Ministry of Local Government and Ministry of Justice should jointly review the progress of land registration as well as fiscal cadastres.

(3) Coordination mechanism for external supporting agencies

Since property valuation involves a variety of professional disciplines such as legal expertise, engineering, information management system and other related professions, it is likely that different external supporting agencies will be involved. Thus, careful arrangement in order to clearly demarcate roles of each agency is crucially important. Therefore, introduction of the mechanism in which the national government of the C/P hosts, coordinate and share the various activities of supporting agencies is recommended.

²⁹ General Terms and Conditions for Japanese Grant (January 2016) is an example.

5.3 Conclusion

It is expected that the Cabinet of Palestine may approve the New Valuations Standards with amended property law in the near future, so that the legislative foundation will provide a cornerstone for the New Valuation Standards itself. By this, the history of property taxation system in Palestine will turn over a new page, and it will mark the start on a voyage of new and everlasting endeavor of improvements, like all other property taxation systems in other countries.

Upon the Cabinet's approval on New Valuation Standards and amended property law, it is expected that these recommendations may serve as a reference for GDPT to formulate actual and more effective strategy and plan for revaluation of properties in accordance with New Valuation Standards.

END

Appendices

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Appendix 32	Schematic Illustration of GDPT's IT Network
Appendix 33	General System Design of P-Tax Modification to Operationalize the New Valuation Standards
Appendix 34	GDPT J-PVP's Action Plan for 'Initializing GIS for GDPT'
Appendix 35	Working Framework for GIS Pilot Activity
Appendix 36	The Incorporation of GIS/GPS Techniques within the Framework of the Enhanced Property Valuation System in Palestine (diagnostic report)
Appendix 37	Minutes of Meeting between JICA Monitoring Mission Team and MoF for the Project (December 2015)

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p><u>Overall Goal</u></p> <p>The revenue from property tax is improved in Palestine.</p>	<ol style="list-style-type: none"> 1. A pilot GDPT branch office (Ramallah) begins to applying the new valuation standards to value properties in its jurisdiction. 2. A pilot GDPT branch office (Ramallah) begins collecting property tax that is valued based on the new valuation standards 	<ol style="list-style-type: none"> 1. Official documents of GDPT 2. Official documents of GDPT 	
<p><u>Project Purpose</u></p> <p>Operations on property valuation and property tax collection have been improved, particularly at the GDPT branch office where pilot activities have been implemented under the Project ('pilot GDPT branch office').</p>	<ol style="list-style-type: none"> 1. The pilot GDPT branch office is ready to apply the new valuation standards with the manual compiled for it. 2. The experience of trial application of the new valuation standards at a pilot GDPT branch office will be fully understood by all valuers in all GDPT branch offices through trainings and workshops. 	<ol style="list-style-type: none"> 1. Official documents of GDPT, Project Documents 2. Official documents of GDPT, Project Documents 	<ol style="list-style-type: none"> 1. Cabinet Approval of the new Valuation Standards / Amendment of Property Tax Law 2. Political and social conditions in Palestine do not rapidly deteriorate. 3. GDPT secures sufficient budget to conduct valuation of properties with the new valuation standards at all GDPT branch offices in Palestine.
<p><u>Outputs</u></p> <p>1. The Training, Development Media and Management Unit (TDMMU) at GDPT, develops its capacity to formulate operation plans (i.e. Master Plan¹ and Annual Plan, including a Capacity Development Plan)</p>	<ol style="list-style-type: none"> 1.1 Master Plan (Matrix) has been formulated. 1.2 Monitoring of Master Plan (Matrix) is conducted by GDPT/TDMMU regularly. 	<ol style="list-style-type: none"> 1.1. Master Plan (Matrix) and related documents 1.2. Project Documents 	

¹ The Three Year Master Plan

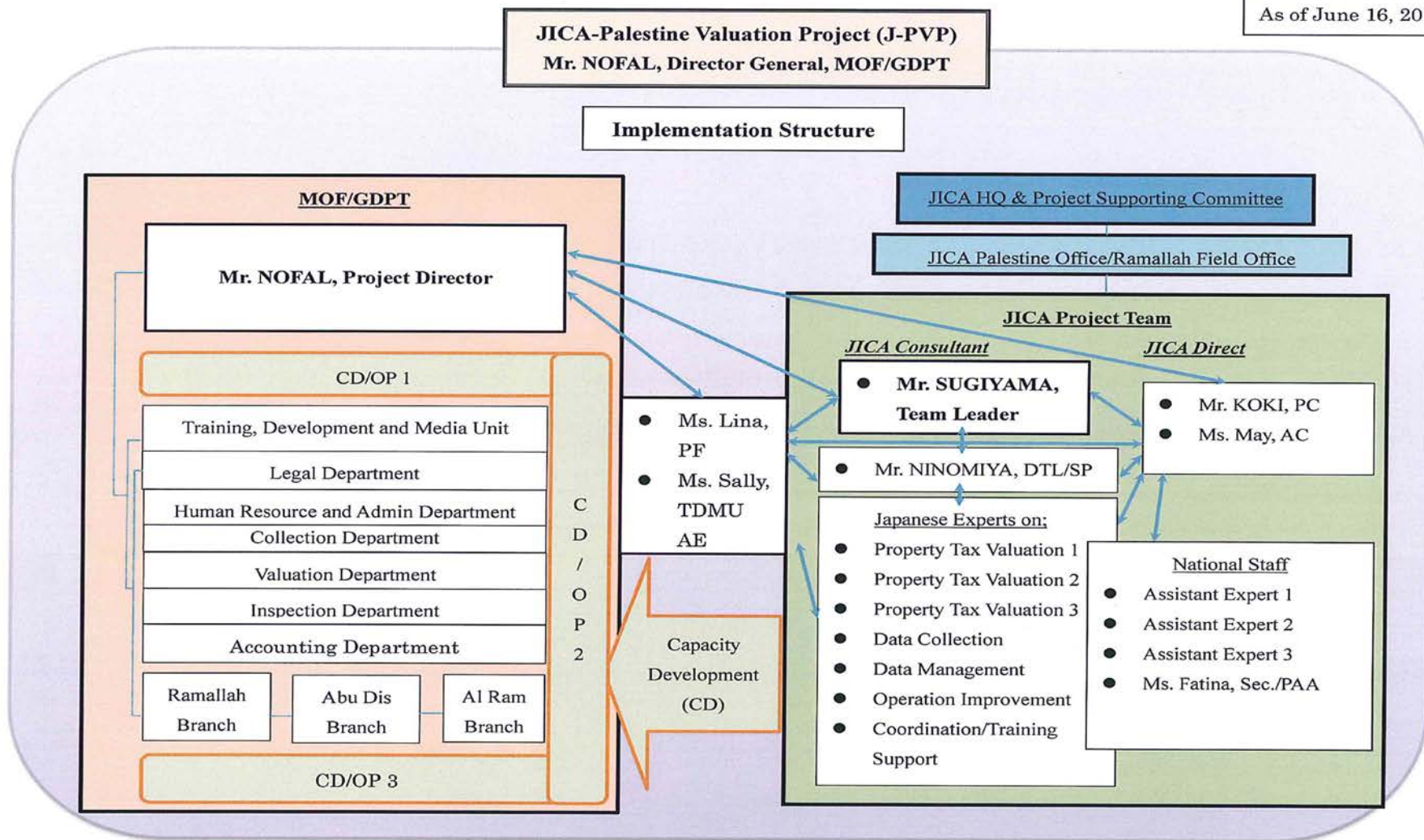
<p>based on the results of problem analysis and other relevant data.</p> <p>2. The Valuation Standards Working Group strengthens its capacity to develop and operationalize the property valuation standards.</p> <p>3. The operational issues on property valuation and property tax collection at pilot GDPT branch offices are identified and improved</p>	<p>2.1 The formulation of the new valuation standards and the accompanying manual for property taxation purposes will be completed.</p> <p>2.2. Trial application of the new valuation standards is conducted at a pilot GDPT branch office.</p> <p>2.3. Training courses to disseminate the valuation standards to GDPT branch offices are conducted.</p> <p>2.4 Valuers working in GDPT branch offices will have better understanding of the operationalization of the new valuation standards.</p> <p>3.1 Operational problems of GDPT Ramallah Office, will be identified in order to conduct both valuation and collection effectively and efficiently</p> <p>3.2 Feasible activities to tackle issues identified in indicator 3-1 are selected for improvement of operations, which related to application and operation of valuation standards.</p> <p>3.3. Improvements of operations through dealing with the issues which become the target of the activities mentioned in indicator 3-2 are realized</p> <p>3.4. The citizen who participate in the public awareness and tax payer assistance program understand the importance of the property tax</p>	<p>2.1 Valuation standards and accompanying manual.</p> <p>2.2 Official documents of GDPT, Project Documents</p> <p>2.3 Project Documents</p> <p>2.4 Official documents of GDPT, Project Documents</p> <p>3.1 Official documents of GDPT, Project Documents</p> <p>3.2 Project Documents, Revised P-TAX system</p> <p>3.3 Official documents of GDPT, Project Documents, and Basic study report on the use of GIS for the property tax valuation.</p> <p>3.4 Interviews and questionnaire survey among the citizen who participated the public awareness and tax payer assistance program</p>	<p>P-TAX should be operational at a certain time appropriate for revising P-TAX program.</p>
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<p><u>Activities</u></p> <p>1-1 TDMMU conducts review of the existing Master Plan, Annual Plan and GDPT performance in these Plans.</p> <p>1-2 TDMMU drafts the Master Plan for three years (GDPT Master Plan Matrix).</p> <p>1-3 TDMMU monitors GDPT Master Plan Matrix 2014-2016.</p> <p>2.1 Formulate Valuation Standards (VS) through trials.</p> <p>2.2 Prepare VS manual</p> <p>2.3 Organize stakeholders' workshops for the promotion of VS</p> <p>2.4 Conduct VS training programs for valuers working in the GDPT Ramallah Office and other selected GDPT branch offices trainings of VS for of the pilot branch and from other selected branches.</p> <p>2.5 Conduct trial applications of the VS in municipalities under the jurisdiction of the GDPT Ramallah office.</p> <p>2.6 Revise VS Manual.</p> <p>2.7 Conduct the valuation for collection in the selected area under the pilot branch (provided that the new valuation standards have been approved and the property tax law has been amended by the cabinet).</p> <p>2.8 Formulate methods to adjust and fine tune the VS for revaluation.</p> <p>3.1 Identify operational issues of pilot GDPT branch offices through review of the existing organizational set-up and flow of tasks based on</p>	<p>Inputs by the Japanese side:</p> <p>(1) Experts</p> <p>(2) Equipment</p> <p>(3) Training (Training of C/P personnel in Palestine and/or other countries)</p> <p>Inputs by the Palestine side:</p> <p>(1) Counterpart personnel</p> <p>(2) Land and facilities, including office space, internet access and telephone lines</p> <p>(3) Operations and administrative costs, including travel and daily allowances</p>	<p>1. Political and social conditions in Palestine do not rapidly deteriorate.</p> <p>2. The major stakeholders of property taxation in Palestine provide cooperation to GDPT.</p> <p><u>Pre-conditions:</u></p> <p>Counterpart personnel and their working space are assigned to TDMMU and pilot GDPT branch offices.</p>
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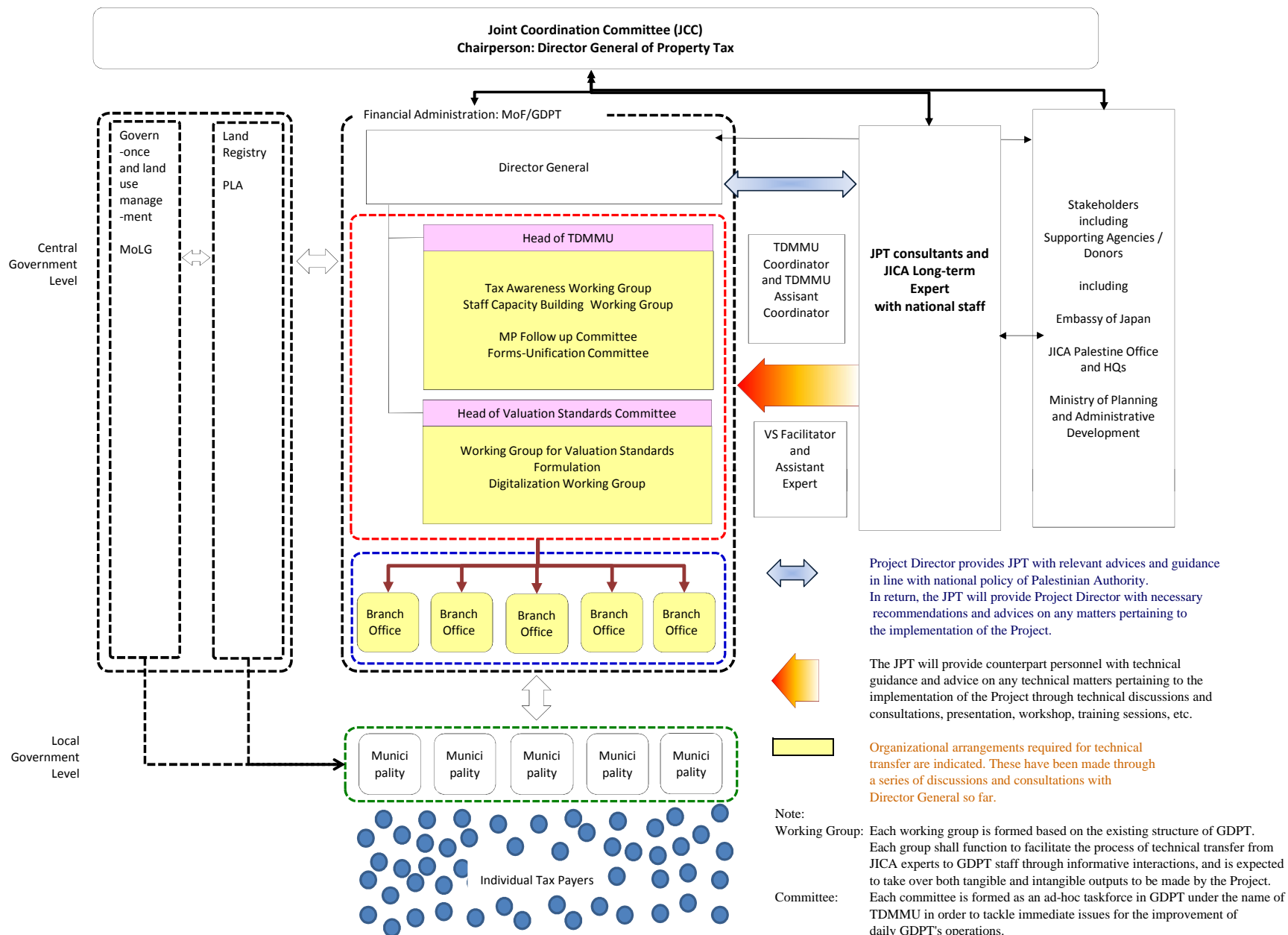
<p>the existing operational manual.</p> <p>3.2 Introduce comprehensive training framework to GDPT.</p> <p>3.3 Revise P-TAX system partially for the operationalization of VS.</p> <p>3.4 Conduct Public Awareness Campaign (PAC).</p> <p>3.5 Conduct study on GIS utilization for GDPT.</p> <p>3.6 Pilot development of GIS system for future adoption (depending upon the study results).</p>		
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Project Implementation Structure of J-PVP (as agreed upon at the beginning of the Phase 2)

As of June 16, 2013



A Schematic Diagram of the Organizational Set-up for J-PVP's Scope of Work in the context of the Monitoring and Evaluation for the GDPT Master Plan Matrix 2014-2016



Manning Input

Project for Local Finance System in Palestine (Phase1to 2)

1. In Palestine

#	Name (Role/Responsibility)	Rank	No. of Visit	Year 2013												Year 2014						Total Days	Total MM	
				Phase 1					Phase 2															
				2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6				
1	Takashi SUGIYAMA (Leader)	1	5	25				10	13	27		4			25	10	19		14				210	7.00
				(32)				(34)							(17)				(88)					
2	Masanobu NINOMIYA (Deputy Leader)	2	3					11	10						10	1		14		18			119	3.96
								(30)							(23)				(66)					
3	Takashi YAMAMOTO (Licensed Real Estate Appraiser 1)	3	0																				0	0.00
4	Yoji KAWAKAMI (Licensed Real Estate Appraiser 2)	3	7					10	13	17		13	25		25	23	4	20	1	14			310	10.33
				(33)				(34)				(58)		(62)				(48)		(45)				
5	Jiro NAGASAWA (Licensed Real Estate Appraiser 3)	3	5	24										1	25			6	11	14			157	5.23
				(33)										(25)					(35)					
6	Harunobu KOBIKI (Information Collection)	3	6	24				10	9		1	9	31		25	3		15	8	14			268	8.94
				(33)				(30)				(39)		(56)				(72)		(38)				
7	Naoyuki SATO (Data Management)	3	5	25				14	7				13	3		12	12		18	29			151	5.04
				(32)				(24)					(21)			(32)			(42)					
8	Yosuke SEKIGUCHI (Operation Improvement)	4	4					10	9			23	13			10	8	25	23				111	3.70
								(30)				(21)				(30)		(30)						
9	Rena MIZUNO (Coordinator/Training Programs)	5	7	24				10	3		1	9			1	25	25	23	4	6	11	14	220	7.33
				(33)				(24)				(39)			(25)			(30)	(34)		(35)			
Total in Palestine																	1546	51.53						

2. In Japan

1	Takashi SUGIYAMA (Leader)	1	/																		16	20	23	11	0.53	
																					(5)		(5), (1)			
2	Masanobu NINOMIYA (Deputy Leader)	2	/																9	11		19	20	23	6	0.30
																			(3)			(2), (1)				
3	Takashi YAMAMOTO (Licensed Real Estate Appraiser 1)	3	/					24	28	8	12			21	25	11	15	18	22	9	13	16	20	60	3.00	
								(5)	(5)				(5)	(5), (5)	(5), (5)											
4	Yoji KAWAKAMI (Licensed Real Estate Appraiser 2)	3	/													20	24	17	21	10	14	21	25	23	1.15	
				(4)		(4)									(5)	(5)	(5)	(5)	(5)	(5)	(5)					
5	Jiro NAGASAWA (Licensed Real Estate Appraiser 3)	3	/																			21	25	4	0.20	
																						(5)				
6	Harunobu KOBIKI (Information Collection)	3	/																					4	0.20	
7	Naoyuki SATO (Data Management)	3	/																26	28	4	7	11	17	0.85	
																			(3)	(5)	(5)					
8	Yosuke SEKIGUCHI (Operation Improvement)	4	/																			6	9	13	6	0.30
																						(1), (5)				
9	Rena MIZUNO (Coordinator/Training Programs)	5	/																					0	0.00	
Total in Japan																	131	6.53								

Memo: ■ Work Actual ■ Consultant's own expense

Grand Total 58.06

Manning Input

Project for Local Finance System in Palestine (Phase 3)

1. In Palestine

Name (Role/Responsibility)	Rank	No. of Visit	Year 2014			Year 2015							Total Days	Total M.M		
			10	11	12	1	2	3	4	5	6	7				
Takashi SUGIYAMA (Leader)	1	1	15 (17)	7 (7)											24	0.80
Masanobu NINOMIYA (Deputy Leader)	2	3	25 (7)	14 (30)	14 (14)	16 (16)	8 (28)	8 (8)	8 (24)	19.5 (30)	29 (19.5)				176.5	5.88
Takashi YAMAMOTO (Licensed Real Estate Appraiser 1)	3	0													0	0.00
Yoji KAWAKAMI (Licensed Real Estate Appraiser 2)	3	5	15 (17)	11 (17)	25 (19)	19 (24)	8 (21)	21 (19)	13 (30)	16 (18)	30 (30)				211	7.03
Jiro NAGASAWA (Licensed Real Estate Appraiser 3)	3	3			19 (6)	19 (19)	5 (24)	11 (11)	11 (21)	26 (26)					107	3.57
Harunobu KOBICI (Information Collection)	3	2				17 (15)	15 (16)	28 (31)	12 (30)						104	3.47
Naoyuki SATO (Data Management)	3	2				17 (15)	15 (15)		29 (2)	28 (28)					60	2.00
Ron Nagai (GIS)	3	2				17 (15)	15 (15)		25 (6)	24 (24)					60	2.00
Yosuke SEKIGUCHI (Operation Improvement)	4	1				8 (24)	6 (6)								30	1.00
Kazuko SUGETA (Coordinator/Training Programs)	5	2				26 (6)	8 (28)			12 (20)	19.5 (30)	5 (19.5)			111.5	3.72
Total in Palestine													884.00	29.47		

2. In Japan

Takashi SUGIYAMA (Leader)	1	/		■	■		■		■	■	■				30	1.50
Masanobu NINOMIYA (Deputy Leader)	2	/	■						■	■					10	0.50
Takashi YAMAMOTO (Licensed Real Estate Appraiser 1)	3	/		■	■	■	■	■	■	■					30	1.50
Yoji KAWAKAMI (Licensed Real Estate Appraiser 2)	3	/		■		■	■	■		■					30	1.50
Jiro NAGASAWA (Licensed Real Estate Appraiser 3)	3	/									■				10	0.50
Harunobu KOBICI (Information Collection)	3	/								■					10	0.50
Naoyuki SATO (Data Management)	3	/						■	■						5	0.25
Ron Nagai (GIS)	3	/								■					3	0.15
Yosuke SEKIGUCHI (Operation Improvement)	4	/													0	0.00
Kazuko SUGETA (Coordinator/Training Programs)	5	/													0	0.00
Total in Japan													128.00	6.40		
Grand Total													884.00	35.87		

Memo: ■ Work Actual ▒ Consultant's own expense

Manning Input

Project for Local Finance System in Palestine (Phase 4)

1. In Palestine

Name (Role/Responsibility)	Rank	No. of Visit	Year 2015									Year 2016									Total Days	Total MM
			8	9	10	11	12	1	2	3	4	5	6	7	8	9						
Takashi SUGIYAMA (Leader)	1	2								IMM transferred from Work in	12	10	14			17	6	51	1.70			
Masanobu NINOMIYA (Deputy Leader)	2	5	22 (10)	(25)	25		5 (27)	10 (10)		2	(20)	26 (15)	22 (22)		13 (19)	(31)	6 (6)	195	6.50			
Takashi YAMAMOTO (Licensed Real Estate Appraiser 1)	3	0																0	0.00			
Yoji KAWAKAMI (Licensed Real Estate Appraiser 2)	3	0																0	0.00			
Jiro NAGASAWA (Licensed Real Estate Appraiser 3)	3	0	22 (10)	(15)			5 (19)	23 (2)		28 (31)	10 (10)				13 (19)	11 (11)		117	3.90			
Harunobu KOBIKI (Information Collection/GIS)	3	3	2 (29)	(31)		16 (15)	(28)	(19)	(17)	5 (27)	3 (3)							169	5.63			
Naoyuki SATO (Data Management)	3	5	2 (29)	1 (1)		(11)	(17)	(19)	(11)		(2)	(29)			9 (23)	8 (8)		150	5.00			
Ron Nagai (GIS)	3	0																0	0.00			
Yosuke SEKIGUCHI (Operation Improvement)	4	0																0	0.00			
Kazuko SUGETA (Coordinator/Training Programs)	5	4	22 (10)	(30)	(31)				28 (4)	(17)	7 (25)	10 (10)			28 (4)	(31)	6 (6)	168	5.60			
Total in Palestine																850	28.33					

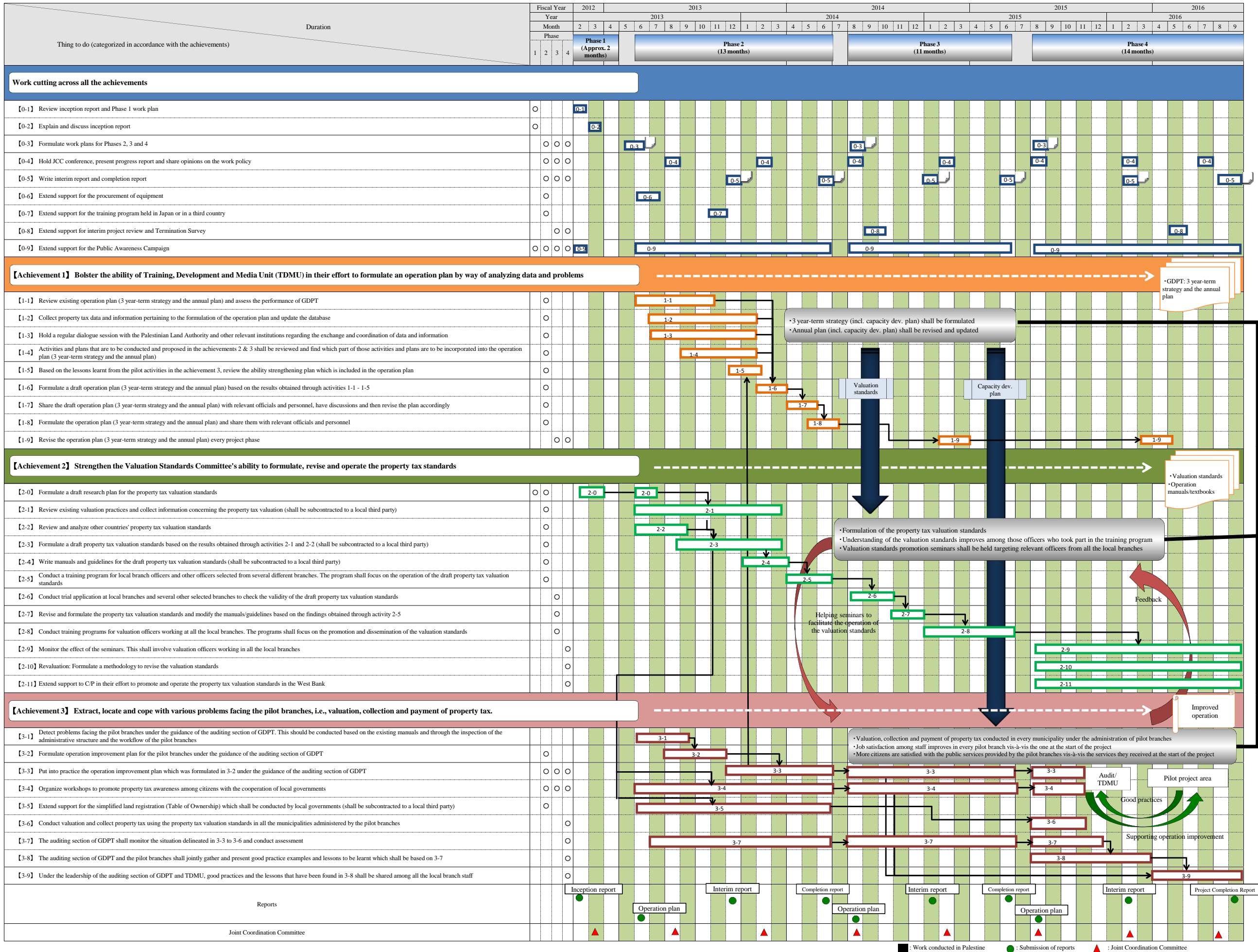
2. In Japan

Takashi SUGIYAMA (Leader)	1	/			■	■											20 Days (1MM) transferred to Work in Palestine	10	0.50
Masanobu NINOMIYA (Deputy Leader)	2	/			■	■				■		■	■	■		■		27	1.35
Takashi YAMAMOTO (Licensed Real Estate Appraiser 1)	3	/	■	■	■	■	■	■	■	■	■	■	■	■	■			46	2.30
Yoji KAWAKAMI (Licensed Real Estate Appraiser 2)	3	/																0	0.00
Jiro NAGASAWA (Licensed Real Estate Appraiser 3)	3	/				■		■	■		■	■	■		■	■		40	2.00
Harunobu KOBIKI (Information Collection/GIS)	3	/						■	■									10	0.50
Naoyuki SATO (Data Management)	3	/						■		■					■			5	0.25
Ron Nagai (GIS)	3	/																0	0.00
Yosuke SEKIGUCHI (Operation Improvement)	4	/																0	0.00
Kazuko SUGETA (Coordinator/Training Programs)	5	/														■		5	0.25
Yoko TANAKA (Training In Japan)	4	/									■	■	■					10	0.50
So Seyama (Training In Japan)	5	/									■	■	■					10	0.50
Total in Japan																163	8.15		
Grand Total																850	28.33		

Memo: ■ Work Actual ■ Consultant's own expense

Original Operation Flow Chart (February 2013)

Operation flow chart



Operation Plan (February 2013)

Things to do (categorized in accordance with the achievements)	Duration	Fiscal Year		2012												2013												2014												2015												2016											
		Year	Month	2012				2013				2014				2015				2016				2017				2018				2019																															
		Phase	1	2	3	4	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9																								
		Phase	Phase 1 (Approx. 2 months)				Phase 2 (13 months)												Phase 3 (11 months)												Phase 4 (14 months)																																
Work cutting across all the achievements																																																															
f0-1	Review inception report and Phase 1 work plan	○																																																													
f0-2	Explain and discuss inception report	○																																																													
f0-3	Formulate work plans for Phases 2, 3 and 4		○	○	○																																																										
f0-4	Hold JCC conference, present progress report and share opinions on the work policy		○	○	○																																																										
f0-5	Write interim report and completion report		○	○	○																																																										
f0-6	Extend support for the procurement of equipment		○																																																												
f0-7	Extend support for the training program held in Japan or in a third country			○																																																											
f0-8	Extend support for interim project review and Termination Survey			○	○																																																										
f0-9	Extend support for the Public Awareness Campaign		○	○	○	○																																																									
【Achievement 1】 Bolster the ability of Training, Development and Media Unit (TDMU) in their effort to formulate an operation plan by way of analyzing data and problems																																																															
f1-1	Review existing operation plan (3 year-term strategy and the annual plan) and assess the performance of GDPT		○																																																												
f1-2	Collect property tax data and information pertaining to the formulation of the operation plan and update the database		○																																																												
f1-3	Hold a regular dialogue session with the Palestinian Land Authority and other relevant institutions regarding the exchange and coordination of data and information		○																																																												
f1-4	Activities and plans that are to be conducted and proposed in the achievements 2 & 3 shall be reviewed and find which part of those activities and plans are to be incorporated into the operation plan (3 year-term strategy and the annual plan)		○																																																												
f1-5	Based on the lessons learnt from the pilot activities in the achievement 3, review the ability strengthening plan which is included in the operation plan		○																																																												
f1-6	Formulate a draft operation plan (3 year-term strategy and the annual plan) based on the results obtained through activities 1-1 - 1-5		○																																																												
f1-7	Share the draft operation plan (3 year-term strategy and the annual plan) with relevant officials and personnel, have discussions and then revise the plan accordingly		○																																																												
f1-8	Formulate the operation plan (3 year-term strategy and the annual plan) and share them with relevant officials and personnel		○																																																												
f1-9	Revise the operation plan (3 year-term strategy and the annual plan) every project phase			○	○																																																										
【Achievement 2】 Strengthen the Valuation Standards Committee's ability to formulate, revise and operate the property tax standards																																																															
f2-0	Formulate a draft research plan for the property tax valuation standards		○	○																																																											
f2-1	Review existing valuation practices and collect information concerning the property tax valuation (shall be subcontracted to a local third party)		○																																																												
f2-2	Review and analyze other countries' property tax valuation standards		○																																																												
f2-3	Formulate a draft property tax valuation standards based on the results obtained through activities 2-1 and 2-2 (shall be subcontracted to a local third party)		○																																																												
f2-4	Write manuals and guidelines for the draft property tax valuation standards (shall be subcontracted to a local third party)		○																																																												
f2-5	Conduct a training program for local branch officers and other officers selected from several different branches. The program shall focus on the operation of the draft property tax valuation standards		○																																																												
f2-6	Conduct trial application at local branches and several other selected branches to check the validity of the draft property tax valuation standards			○																																																											
f2-7	Revise and formulate the property tax valuation standards and modify the manuals/guidelines based on the findings obtained through activity 2-5			○																																																											
f2-8	Conduct training programs for valuation officers working at all the local branches. The programs shall focus on the promotion and dissemination of the valuation standards			○																																																											
f2-9	Monitor the effect of the seminars. This shall involve valuation officers working in all the local branches				○																																																										
f2-10	Revaluation: Formulate a methodology to revise the valuation standards				○																																																										
f2-11	Extend support to C/P in their effort to promote and operate the property tax valuation standards in the West Bank				○																																																										
【Achievement 3】 Extract, locate and cope with various problems facing the pilot branches, i.e., valuation, collection and payment of property tax.																																																															
f3-1	Detect problems facing the pilot branches under the guidance of the auditing section of GDPT. This should be conducted based on the existing manuals and through the inspection of the administrative structure and the workflow of the pilot branches																																																														
f3-2	Formulate operation improvement plan for the pilot branches under the guidance of the auditing section of GDPT		○																																																												
f3-3	Put into practice the operation improvement plan which was formulated in 3-2 under the guidance of the auditing section of GDPT		○	○	○																																																										
f3-4	Organize workshops to promote property tax awareness among citizens with the cooperation of local governments		○	○	○																																																										
f3-5	Extend support for the simplified land registration (Table of Ownership) which shall be conducted by local governments (shall be subcontracted to a local third party)		○																																																												
f3-6	Conduct valuation and collect property tax using the property tax valuation standards in all the municipalities administered by the pilot branches				○																																																										
f3-7	The auditing section of GDPT shall monitor the situation delineated in 3-3 to 3-6 and conduct assessment				○																																																										
f3-8	The auditing section of GDPT and the pilot branches shall jointly gather and present good practice examples and lessons to be learnt which shall be based on 3-7				○																																																										
f3-9	Under the leadership of the auditing section of GDPT and TDMU, good practices and the lessons that have been found in 3-8 shall be shared among all the local branch staff				○																																																										
Reports					●																																																										
Joint Coordination Committee (JCC)					▲																																																										

■ : Work conducted in Palestine ● : Submission of reports ▲ : Joint Coordination Committee (JCC)

Chronology of Major Activities from February 2013 to September 2016

Phase / Month	General Project Administration	Output 1: Support TDMMU for Planning	Output 2: Support formulation and operationalization of new VS	Output 3: Support operation improvement of pilot branches	Others
Phase 1 / Feb.-Apr. 2013	<ul style="list-style-type: none"> • Drafted, revised, explained and finalized the Inception Report • 1st JCC (held on March 20th) • The Project is nicknamed as J-PVP • Project office setup in GDPT • Started the recruitment of national staff and it was revealed that there were discrepancy of understanding between C/P and JICA on their positions and numbers which lead JPT to be induced to stay in the office • Started to develop the project implementation structure with C/P 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • Conducted interviews with the relevant authorities and individuals (PLA, MoLG, PCMA, donors, etc.) with the purpose collecting information for formulation of the VS • Conducted the comparative analysis of the property taxation and valuation system in the world • Drafted the preliminary version of the “Research Plan for the Formation of Property Tax VS” and explained to C/P and JICA • Preparatory work for supporting the simplified land registration (Table of Ownership) • Preparatory work for data management for formulation of new VS (understanding of existing PTD and new P-Tax systems) 	<ul style="list-style-type: none"> • Conducted a visit to Abu Dees office 	<ul style="list-style-type: none"> • -
Period between Phase 1 and 2 / Apr.-Jun. 2013	<ul style="list-style-type: none"> • Submitted the finalized Inception Report to C/P and JICA • Drafter the Work Plan for Phase 2 • JICA Long Term Expert expedited the recruitment of some national staff 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • -
Phase 2 / Jun. 2013 - Jun. 2014	<ul style="list-style-type: none"> • Explanation and discussion on Inception Report and Work Plan for Phase 2 • Project implementation structure agreed at the start of Phase 2 • Held 2nd and 3rd JCC (on Sept. 	<ul style="list-style-type: none"> • Review of exiting 3 yrs plan (2012-2014) and its upgrading initiated by C/P was completed (Dec. 2013) as “GDPT Master Plan/Matrix 2014-2016” 	<ul style="list-style-type: none"> • Support in preparation of Table of Ownership canceled as it was found unessential • Started to conduct the valuation trials based on the research plan formulated in Phase 1 	<ul style="list-style-type: none"> • Procurement of the office equipments for two pilot branches (Abu Dees and Al Ram) • Review of existing operation documents, 	<ul style="list-style-type: none"> • Supported the implementation of Public Awareness Campaign (Dec. 2013-Mar.2014) • A third country

Phase / Month	General Project Administration	Output 1: Support TDMMU for Planning	Output 2: Support formulation and operationalization of new VS	Output 3: Support operation improvement of pilot branches	Others
	<p>2013 and Mar. 2014)</p> <ul style="list-style-type: none"> Received a monitoring mission from JICA headquarters with some Advisory Committee members (Mar. 2014) Deficiency of project implementation structure centered around TDMU and setting of various ad hoc small committees under it came into attention and the revision of the implementation structure as well as the Project's scope deliberated (Mar. 2014-May 2014) Drafted and submitted the Progress Report and Completion Report for Phase 2 	<ul style="list-style-type: none"> JPT started to monitor the implementation of Master Plan/Matrix TDMU was revised as TDMMU by adding a word "management" Supported in data management (through PTD system) for enabling GDPT to extract the annual performance of branches Collected the attribute information of the municipalities in the West Bank 	<ul style="list-style-type: none"> C/P proposed to change the research plan fundamentally by changing the valuation base for land from rent value to market value and it was agreed with JICA (Oct. 2013) Revision of research plan for VS formulation in response to above change Report on "existing valuation practices" compiled A questionnaire survey to GDPT valuers conducted Valuation trials in three locations (Al Bireh, Ramallah, Al Ram) have been conducted (Dec. 2013-May 2014) Four workshops with GDPT C/P on valuation trials conducted (Dec. 2013-May 2014) 	<p>organization chart, job descriptions conducted</p> <ul style="list-style-type: none"> A questionnaire survey to pilot branches staff conducted Introduction of Daily Work Report, Update of GDPT staff list, confirmation of basic workflow at the branch office level and department level, clarification of some key terminologies in relation to valuation process, drafting and proposition of GDPT's performance monitoring system and comprehensive training framework conducted 	<p>training (UK and Netherland) (Jun. 2014) conducted with the support from JICA Long-term Expert</p>
Phase 3 / Oct. 2014 - Jul. 2015	<ul style="list-style-type: none"> Mid-term Review by a mission from JICA headquarters conducted and C/P and JICA did not reach agreement over the setting of command system for national staff and the status of VS formulation (Oct. 2014) JICA and C/P discussed to find the common grounds over discrepancy (Nov.2014-Jan.2015) JICA long-term Expert for Project Coordination completed his assignment (Jan. 2015) Held 4th JCC (Feb. 2015) and emphasis on the core activity i.e. 	<ul style="list-style-type: none"> Supported the preparation and edition of GDPT Annual Report 2014 and Annual Plan 2014 -2015 Monthly Newsletter for internal information sharing among GDPT staff started to be produced (Apr. 2015-) 	<ul style="list-style-type: none"> Valuation trials in two selected municipalities (Deir Dibwan and Al Ram) conducted Nineteen times of Valuation Standards Working Group (VSWG) meetings held (Dec. 2014-Jun. 2015) Three times of workshop relating to VS conducted (Feb. 2015-May 2015) A third country expert from Jordan has joined for short term (May 2015) C/P started to involve other donor for VS formulation (Jun. 2015) Draft version of new VS for Palestine compiled (Jul. 2015) Draft version of new VS Manual 	<ul style="list-style-type: none"> Preparation of the general design documents for the modification of P-Tax system to accommodate the new VS conducted Explanation to the software firm on the general design documents of P-Tax system modification conducted Monitoring of the P-Tax system 	<ul style="list-style-type: none"> A third country training for DG of GDPT to participate to the conference held in UK conducted (Apr. 2015) Supported the implementation of Public Awareness Campaign (Jan.-Mar.2015) A survey for the

Phase / Month	General Project Administration	Output 1: Support TDMMU for Planning	Output 2: Support formulation and operationalization of new VS	Output 3: Support operation improvement of pilot branches	Others
	<p>VS formulation and the major revision of the operation plan confirmed</p> <ul style="list-style-type: none"> • An additional national staff (VS Facilitator) recruited but quitted shortly (Feb.-Jun. 2015) • Preparation and submission of Work Plan for Phase 3 (May 2015) • Drafted and submitted the Progress Report and Completion Report for Phase 3 		<p>compiled (Jul. 2015)</p>	<p>development conducted</p> <ul style="list-style-type: none"> • A feasibility study on introducing GIS into property valuation procedure conducted 	<p>effectiveness of the Public Awareness Campaign 2014-2015 conducted</p>
<p>Phase 4 / Aug. 2015-Sept. 2016</p>	<ul style="list-style-type: none"> • Work Plan for Phase 4 prepared and explained in the 5th JCC • Held 5th JCC (Sept. 2015) • A replacement of VS Facilitator recruited but quitted shortly (Aug.-Dec. 2015) • Additional national staff for GIS initialization were recruited (Sept. 2015-) • GIS Lead Engineer from Ministry of Local Government started the service in part-time basis • Received a monitoring mission from JICA headquarters (Dec. 2015) • Terminal Evaluation of the Project conducted by the mission sent from JICA headquarters (May 2016) • Drafted and submitted the Progress Report for Phase 4 and the Project Completion Report (this report) 	<ul style="list-style-type: none"> • Supported the preparation and edition of GDPT Annual Report 2015 • Monitoring of the implementation and revision of the GDPT Master Plan/Matrix continued • Monitoring of the Newsletter preparation continued 	<ul style="list-style-type: none"> • Fifteen times of Valuation Standards Working Group (VSWG) meetings held (Sept. 2015-Mar. 2016) • A workshop relating to VS conducted (Sept. 2015) • New VS draft has been presented and discussed in the Office Directors' Meeting of GDPT (Dec. 2016) • Consultative meeting with other donor and the monitoring mission was held to separate two project activities (Dec. 2016) • The final version of the new VS, VS Manual and Handbook as JPT has been compiled and submitted (Mar. 2016) • C/P requested JPT to further examine market ratio and conversion ratio to improve data stored in P-TAX (Apr. – July 2016) • A series of discussion with C/P on new VS technical training to the GDPT staff conducted and dialogues with relevant training institutes made 	<ul style="list-style-type: none"> • P-Tax system modification sub-contracted to a software firm and completed (Sept. 2015-Mar. 2016) • Equipment procured for the GIS initialization activity • A GIS working group organized in GDPT • Linking of GIS with P-Tax system and the Web-mapping application (GeoPTAX) developed 	<ul style="list-style-type: none"> • A training in Japan conducted (May-Jun.2016) • Supported the implementation of Public Awareness Campaign (Dec. 2015 -Mar. 2016)

Phase / Month	General Project Administration	Output 1: Support TDMMU for Planning	Output 2: Support formulation and operationalization of new VS	Output 3: Support operation improvement of pilot branches	Others
			<p>(Oct. 2015 -May 2016)</p> <ul style="list-style-type: none"> • A package of training in property valuation standards has been conducted and completed (May to August 2016) • GDPT Seminar was held to take over the final version of the new VS, VS Manual and Handbook (July 2016) • A mission of GDPT was sent to Jordan to receive consultancy service to brush up wordings of the final version of VS, VS Manual and Handbook for the legislation purpose (Aug. 2016) 		



パレスチナ地方財政改善プロジェクト

Project for Improvement of Local Finance System in Palestine

March 20th 2013

Joint Coordination Committee
Minutes of Meeting

Date	March 20 th 2013
Time	10:30 – 12:30
Venue	GDPT – Meeting Room

Attendance:

Palestinian:

#	Name	Position / Organization
1.	Mr. Mahmoud Nofal	Director General, GDPT
2.	Mr. Samer Manna'	Head of Evaluation Department, GDPT
3.	Mr. Ayman Hawamdeh	Head of IT Department, GDPT
4.	Mr. Mohammad Yousef	Head of Inspection Department, GDPT
5.	Mr. Ali Badaha	Representative of GDPT Branch Offices
6.	Ms. Joyce Ammar	External Relation Unit, GDPT
7.	Ms. Sondos AL Basha	Evaluator, GDPT
8.	Ms. Fatima Abu Qbaita	Accounts Manager, GDPT

Japanese:

#	Name	Position / Organization
1.	Mr. Makoto HONDA	Deputy Representative, ROJ
2.	Ms. Keiko HONDA	First Secretary, ROJ
3.	Mr. Koji OSHIKIRI	Director, Public Governance and Financial Management Division, Governance Group, Industrial Development and Public Policy Department, Team Leader, JICA Mission
4.	Ms. Yuko SANTO	Staff, Public Governance and Financial Management Division, Governance Group, Industrial Development and Public Policy Department, cooperation and planning, JICA Mission
5.	Mr. Masaaki IWASAKI	Professor of Law(Tax Law), Yokohama National University, School of Law, Tax law, JICA Mission
6.	Ms. Yuka SHIBA	Associate Professor, Faculty of real estate science, Meikai University, Tax law, JICA Mission
7.	Ms. Yayoi YAMAZAKI	Professional interpreter
8.	Mr. Izumi TANAKA	Chief Representative, JICA Palestine Office
9.	Mr. Naoto MUKAI	Senior Representative, JICA Palestine Office
10.	Mr. Raslan Yaseen	Representative, JICA Ramallah Field Office
11.	Mr. Takashi SUGIYAMA	Team Leader, Training Materials Formulation/Training
12.	Mr. Harunobu KOBIKI	Data Collection



パレスチナ地方財政改善プロジェクト

Project for Improvement of Local Finance System in Palestine

#	Name	Position / Organization
13.	Mr. Jiro NAGASAWA	Property Tax Valuation
14.	Mr. Yoji KAWAKAMI	Property Tax Valuation
15.	Mr. Naoyuki SATO	Data Management
16.	Ms. Rena MIZUNO	Coordination/ Training Support
17.	Mr. Izumi TANAKA	Chief Representative of Palestine Office
18.	Ms. Mayumi MATSUDA	Project Formulation Advisor
19.	Mr. Jin KOKI	Project Coordinator
20.	Ms. May ELKHATIB	Assistant Coordinator

Purpose of the Meeting:

- 1) To confirm the framework of the Project.
- 2) To exchange views on overall activity plan.
- 3) To discuss any other issue related to smooth implementation of the Project.

Attachment:

- ・ Gist of the draft Inception Report (PP)

✓ Opening Remarks & Speeches:

- Mr. Mahmoud Nofal opened the session by greeting the attendance from both sides.
- In his speech, Mr. Koji OSHIKIRI mentioned that this bilateral agreement of cooperation reflects the Palestinian endeavor to improve the government revenues, on the way to promote the financial and national situation.
Additionally, Mr. OSHIKIRI, emphasized on the advantages of defining the property valuation standards, which will improve the property tax collection transactions, and positively reflected on the level of services provided to the public. Finally, Mr. OSHIKIRI said that this project is a 4-years project, therefore, both sides might face many challenges, and difficulties during the implementation process, however, both sides can overcome any obstacle by adopting two important behaviors. 1) Constructive mutual communication, common understanding and cooperation. 2) Take the advantage of holding regular meetings such as JCC meeting, in order to discuss the flow of the projects activities, plan of operation, achievements and bottlenecks.



パレスチナ地方財政改善プロジェクト

Project for Improvement of Local Finance System in Palestine

- Prof. Masaaki IWASAKI, greeted the participants from both sides, and conveyed his appreciation to the efforts made to hold the first JCC meeting. Additionally Prof. IWASAKI mentioned that it is very important to set and formulate the property valuation standards, and conduct trainings targeting GDPT staff, in order to promote their capacity in relation to tax valuation and collection, which will improve the revenues of the local government in the future, and guarantee the transparency in the property tax collection process.

Prof. IWASAKI mentioned that this project has an important and significant privilege of having the support and involvement of many Japanese Experts, who are keen to support and assist the Palestinian side, which will certainly affect the project outcome in a positive way.

✓ **Discussion Points:**

- Mr. Takashi Sugiyama demonstrated a power point presentation explaining the following points:
 - 1) Outline of the project. (Attachment).
 - 2) Objective of the project. (Attachment).
 - 3) Project Implementation Structure. (Attachment).
 - 4) Target Areas. (Attachment).
 - 5) Overall implementation schedule (Attachment).
 - 6) Japanese project team members. (Attachment).
 - 7) Approaches to the project proposed by the Japanese project team. (Attachment).
 - 8) Reporting and outputs
- Mr. Mahmoud Nofal raised the following points:
 1. The situation in Palestine is different from other countries.
 2. Ministry of Local Government and Municipalities are not qualified to provide information to JICA.
 3. Ministry of Local Government and Municipalities need to build up their capacity in the future; it's too early to tackle this issue at present.
 4. Information is the foundation of making any decision; therefore, it has to be reliable, consistent, classified and analyzed.
 5. GDPT as central government should be the information resource.
 6. Corresponding to the transparency principle; MoF is publishing all information and data related to its revenues on MoF official webpage.
 7. We need to focus on changing and promoting the public attitude towards the property tax and its benefits to the community.
 8. In future, the ministry of local government and municipalities need to train their staff on tax collection, taking into consideration that the tax valuation is strictly affiliated to the GDPT.



パレスチナ地方財政改善プロジェクト

Project for Improvement of Local Finance System in Palestine

9. Both Ministry of Local Government and Municipalities, should not be given any responsibility, they should be considered as a third party.
10. In 1994 the evaluation committee was established, however, the structure of the committee should be revised and changed.
11. The evaluation committee should be composed of 5 members (MoF, Engineer, Advocate, Municipality and Private sector representative).
12. Currently GDPT is implementing six projects, besides the J-PVP which is considered as the core of these projects.
13. As a result of the J-PVP; Palestine will be the first country in the region to have the property tax valuation standards in international level.

✓ **Closing Remarks:**

- Mr. Makoto HONDA conveyed his appreciation to all efforts done by both sides, and valued the points of discussion and comments raised by GDPT. Additionally, Mr. HONDA mentioned that the Government of Japan will continue its support to the Palestinian people and Government, through implementing such projects, which aim to support the independency of the state of Palestine, and to accomplish three important concerns, 1) Stabilized political status in Palestine. 2) Institutional Capacity Development 3) Economic Development.

- Mr. Izumi TANAKA mentioned that both sides have to give more efforts, more collaboration and understanding in order to hit the ultimate goal of this project.

✓ **Conclusion and Recommendations:**

1. Mr. Koji OSHIKIRI, JICA will support the project implementation, through dispatching Japanese professors of tax law, Mr. Masaaki IWASAKI and Ms. Yuka SHIBA.
2. JCC meeting shall be held biannually.
3. Attention should be paid to close coordination and communication between all related parties.
4. Further inquiries and comments from the Palestinian side are expected to be submitted to JICA through Assistant Coordinator, Ms. May ELKHATIB before the end of March 2013.

September 25th 2013

Minutes of Meeting
Second Joint Coordination Committee Meeting

Date	September 24 th 2013
Time	12:00-14:00
Venue	GDPT meeting room 3 rd floor

Participants:**GDPT**

#	Name	Position
1.	Mr. Mahmoud Nofal	Director General
2.	Ms. Fatima Abu Kbaita	Director of Accounting Department
3.	Mr. Ayman Hawamdeh	Director of IT Department
4.	Mr. Samer Manna	Director of Valuation Department
5.	Mr. Ali Badaha	Director of Ramallah Branch Office
6.	Mr. Mohammad Yousef	Director of Inspection and Auditing Department
7.	Mr. Sameer Juma	Director of Employee Department
8.	Mr. Mahmoud Hamayel	Accountant

EOJ

#	Name	Position
1.	Mr. Makoto HONDA	Deputy Representative to the Palestinian Authority
2.	Mrs. Keiko HONDA	First Secretary

JICA

#	Name	Position
1.	Mr. Izumi TANAKA	Chief Representative
2.	Mr. Raslan Yaseen	Chief Program Officer

JICA/ J-PVP

#	Name	Position
1.	Mr. Takashi SUGIYAMA	Team Leader, Training Materials Formulation/Training
2.	Mr. Harunobu KOBIKI	Data Collection
3.	Mr. Yoji KAWAKAMI	Licensed Real Estate Appraiser
4.	Ms. Rena MIZUNO	Training Programs
5.	Ms. Fadia ALKHATIB	Assistant Expert For Training and work Plan
6.	Mr. Jin KOKI	Project Coordinator
7.	Ms. May ELKHATIB	Assistant Coordinator
8.	Ms. Lina Rabaia	Project Facilitator
9.	Ms. Fatina Abdelhaleem	Office Manager
10.	Mr. Ahmad Abu Awad	Assistant Expert for Data Collection and Management
11.	Ms. Sally Atari	TDMU Assistant Expert
12.	Ms. Sireen Hashweh	Assistant Expert for Property Tax Valuation Standards
13.	Mr. Yosuke SEKIGUCHI	Operation Improvement

Handouts:

1. Agenda.
2. Major Changes on the Inception Report.
3. J-PVP Implementation Structure.
4. Operation Flow Chart (Original and Revised).
5. Operation Plan for Different Phases (Original and Revised).
6. Figure Operation Plan (Original and Revised).
7. Manning Schedule (Revised).
8. Master Plan (Draft as of September 24, 2013).

1. Purpose of the meeting:

- (1) Review overall progress of the project.
- (2) Exchange opinions on major issues that arose during the implementation of the project.

2. Opening Remarks:

- (1) Mr. Nofal opened the session by greeting the attendants and listing up the purpose of this meeting, additionally Mr. Nofal added that the JCC is considered as the backbone of the project. Mr. Nofal also mentioned that the government of Japan has been a pioneer to support the Palestinian government and people since 1994.

- (2) Mr. Honda mentioned that this 2nd JCC meeting has a better and obvious harmonized atmosphere than the first JCC meeting which Mr. Honda attended in March 2013, and he is expecting to have a productive and interactive discussion to define the plans of the J-PVP activities for the upcoming period. Mr. Honda indicated that the government of Japan will continue its support to the Palestinian people and government through implementing various projects, aiming to improve the Palestinian economy and institutions.

3. Discussion Points:

(1) Major Changes on the Inception Report:

Mr. SUGIYAMA focused in his presentation on the major changes of the activities which were reflected on the inception report as a result of a series of meetings and discussions with the counterparts from GDPT during the past 6 months (handout #2).

Pinpoints:

- 1) The J-PVP Implementation Structure was revised and finalized (handout #3).
- 2) The number of municipalities under the jurisdiction of the three pilot branches was revised, as for Ramallah branch office, it covers six municipalities in Jerusalem Governorate (Anata, Biddu, Beit Anan, Beit Sureek, Bir Nabala and Qatanna), however, Mr. Nofal recommended re-confirming the information related to these six municipalities.
- 3) Upon observing the progress of the project's activities, the timing of conducting the study trips shall be defined and fixed.
 - In his remark, Mr. Nofal recommended to conduct a study trip to Japan by the end of 2013 to beginning of 2014, and another study trip to a third country (such as a Scandinavian county) in Mid to 3rd quarter of 2014.
 - Mr. KOKI clarified that prior to conducting a study trip; a 3-4 months preparation period is needed.
 - Mr. SUGIYAMA mentioned that it is essential to define the land valuation approach (rent or market value) before conducting any study trips.
- 4) The GDPT's Annual Plan and Master Plan were revised. J-PVP will have further involvement in the activities related to 2014-2016 plan revision (handout #8).
- 5) The work schedule of the valuation standards formulation and application was revised.
 - Activity (2-3) and (2-4) will be approximately completed in the middle of phase 3.
 - In terms of subcontracting a third party to implement tasks related to the property tax valuation, it was put on hold based on the counterparts' recommendations.
- 6) Conducting awareness workshops with tax payers will be put on hold.
 - Mr Nofal mentioned that his administration is interested in so-called "Big Tax Payers", therefore, it is recommended to conduct workshops targeting the big tax payers, in addition to partners from public institutions and organizations.

- Mr. Nofal is thinking to propose to the big tax payers to establish a “Big Tax Payers Club” in order to gain their trust, cooperation and commitment.
- 7) Supporting the digital archiving of the valuable and important documents (stored in PT Branch Offices) will be considered instead of conducting the simplified land survey.
- Mr. Nofal mentioned that J-PVP could proceed the digital archiving of the documents with irrespective to the preservation progress, which most probably will be done by the USAID.
 - Mr. Ayman, clarified that the daily usage of the valuable old documents will be reduced if the digital archiving is implemented, which will keep the documents well-kept and intact.
- 8) J-PVP Operation Flow Chart was revised accordingly (handout #4).
- 9) J-PVP Operation Plan for Different Phases was revised accordingly (handout #5).
- 10) J-PVP Manning Schedule was revised accordingly (handout #7)

(2) Issues that need to be discussed with regard to the project’s progress:

1) Valuation Standards:

Mr. Kawakami shared the progress with the participants, stressing on the following points:

- A research study was conducted over the past 2-3 months; in order to build a comprehensive understanding of the property tax related operations and situations in Palestine.
- It was found that no similar research studies were done previously in Palestine.
- Buildings valuation approach will be the rent value, while adopting the market value for the land valuation is not decided yet.
- A 2-3 weeks preliminary research survey already initiated to define the suitable approach for the land valuation in Palestine.
- The language factor is one of the obstacles which influenced the progress of the valuation standards activities.

2) Public Awareness Campaign:

Ms. Sally mentioned that a concept note was prepared and finalized and it will be discussed and shared with other donors (GIZ, UNDP, and USAID) in order to have a consensus agreement regarding each donor’s contribution.

- In this regards, Mr. Nofal declared that USAID might cover the whole campaign (GDPT will hold a meeting with USAID on Sunday 29/9/2013 to confirm this matter).

3) GDPT Master Plan:

Ms. Sally mentioned that the draft is almost completed (Arabic), and the Master Plan Committee is in the process of formulating the Matrix, hoping that it will be finalized in a week time.

- Mr. Nofal recommended translating the final approved version of the GDPT Master Plan into English by a specialized translation company.

4) Operation Improvement for Pilot Branches:

Mr. SEKIGUCHI pointed out that a questionnaire for Pilot Branches Operation Assessment was distributed and collected since the beginning of September 2013, and the data entry is currently under progress.

- Ms. Sally mentioned that the data entry will be completed on Thursday 26/9/2013.
- Mr. SEKIGUCHI suggested conducting a workshop in case further explanation and clarification of the collected data is needed.

4. Conclusion and Recommendations:

- 1) A program steering committee meeting will be arranged by GDPT to discuss the public awareness campaign.
- 2) A major change on output 2 was requested by the counterparts, therefore, activities related to valuation standards were delayed which consequently affected the progress in this regard.
- 3) GDPT recommends adopting the market value approach for land valuation, because the land registration fees will be interlinked with the land value which will increase the revenues eventually. GDPT requested J-PVP to submit a proposal and recommendations in this regards accordingly.
- 4) Further in-depth discussion shall take place among GDPT and J-PVP in order to determine the land valuation approach, and then the study trips plan/schedule will be defined accordingly.
- 5) Due to several factors, the progress of the J-PVP activities is behind the schedule; therefore more efforts should be spent to move forward.
- 6) GDPT will provide necessary assistance and support to overcome problems arising during the implementation of the J-PVP activities.

5. Closing:

Mr. TANAKA closed the session by conveying JICA's appreciation to GDPT and J-PVP team for their efforts, mentioning that he observed progress in the project's activities, although many comments were raised in this meeting, Mr. TANAKA hopes that it will be tackled and managed by joint understanding and discussion. Finally Mr. TANAKA expressed that JICA will continue its support to the Palestinian people.

**MINUTES OF MEETING
ON THE THIRD JOINT COORDINATION COMMITTEE
ON THE PROJECT FOR IMPROVEMENT OF
LOCAL FINANCE SYSTEM IN PALESTINE**

Japan International Cooperation Agency (hereinafter referred to as “JICA”) and General Directorate of the Property Tax (hereinafter referred to as “GDPT”), Ministry of Finance in Palestine had a Joint Coordination Committee (hereinafter referred to as “JCC”) within a framework of Record of Discussion (hereinafter referred to as “R/D”) for the Project for Improvement of Local Finance System in Palestine (hereinafter referred to as “Project”).

As a result of the discussions, JICA and GDPT made Minutes of Meeting in order to confirm the mutual understanding and matters agreed through the discussions attached hereto.

Ramallah, 26, March, 2014



Mr. Izumi TANAKA
Chief Representative
JICA Palestine Office



Mr. Mahmoud NOFAL
Director General of the Property Tax
General Directorate of the Property Tax
Ministry of Finance in Palestine

Minutes of Meeting
Third Joint Coordination Committee Meeting (JCC)

Date and Time	March 26 th 2014, 10:00 – 12:30
Venue	GDPT meeting room 3 rd floor
Attendees	Appendix
Handouts	<ol style="list-style-type: none"> 1. Agenda 2. Progress Report/ February 2014 3. Operation Flow Chart 4. VS Operationalization Chart 5. J-PVP Implementation Structure 6. J-PVP Counterpart training program 7. Outline of the Study Tour Program (Third Country Training)

1. Purpose of the meeting:

- (1) To review overall progress of the project.
- (2) To exchange opinions on major issues that arose during the implementation of the project.

2. Opening Remarks:

- (1) Mr. Sugiyama opened the session by greeting the attendees and announcing that this meeting is the 3rd JCC, Mr. Sugiyama also listed up the two purposes of this meeting.
- (2) Mr. Nofal welcomed the attendees and expressed his satisfaction with the project's achievements so far; in this context Mr. Nofal thanked the attendees from both sides (Japanese and Palestinian) for their efforts and dedication to the project. Additionally Mr. Nofal emphasized on the importance of the Joint Coordination Committee (JCC) considering it as a referee committee for the J-PVP.
Mr. Nofal also expressed his satisfaction with the results of the workshop which was conducted on Tuesday 25th of March 2014, where the Japanese experts presented the draft of the Valuation Standards.
- (3) In his speech Professor Iwasaki greeted the participants and mentioned that the mission members had the chance to meet the Minister of Finance, who showed his interests in the J-PVP.

3. Discussion Points:

(1) Major progress of the project activities and achievements:

Mr. Sugiyama shared the "Progress Report" (handout # 2) of the J-PVP and presented the major achievements of the activities until February 2014.
In his presentation, Mr. Sugiyama reported that most of the project's activities are being implemented as planned, and he focused on the following points: (handout #3)

Work cutting across all the achievements:

- [0-4] 3rd JCC meeting is conducted on March 26th 2014.
- [0-5] Progress Report / February 2014 was prepared and shared with the JCC members.
- [0-6] Procurement of equipment for the pilot branch offices is in progress with slight delay.
- [0-7] Planning for the training program is ongoing.

(S)

[0-9] Public awareness campaign is completed.

Output1, TDMU achievements:

>> In general most of the activities are being conducted as planned.

[1-1] Monitoring stage is ongoing for the “GDPT Master Plan 2014-2016” which was drafted and printed in December 2013 and shared with relevant partners and organizations.

[1-2] Collecting property tax data pertaining to the formulation of the operation plan and updating the database is ongoing.

[1-3] Meetings and discussions with Palestinian Land Authority and other related institutions have been and being conducted upon necessity to exchange information.

Output2, Strengthening the Valuation Standards Committee’s ability to formulate, revise and operate the Property Tax Valuation Standards:

[2-0]-[2-3] Activities are ongoing as planned.

[2-4]-[2-11] Activities will be proceeded according to the plan.

Output3, Extract Locate and Cope with various problems facing the pilot branch offices:

[3-1] A questionnaire Survey for Pilot Branches Operation Assessment was conducted, and the following points need further discussion with GDPT:

- a) Designing the training program for the staff.
- b) Monitoring.
- c) Reporting.

[3-2] Activity is ongoing.

[3-3] Activity and other activities to follow will be conducted after [3-2] with some revisions in accordance with situation.

(2) Issues need to be discussed with regard to the project activity progress:

1. Confirmation of the output2 activity scheduling:

Mr. Sugiyama announced that the activities related to the formulation of the Valuation Standards for buildings and lands are ongoing, the results of the trial activities were presented to the GDPT counterparts in a workshop conducted on March 25th 2014. Accordingly, Mr. Sugiyama proposed the following timeframe:

- a) Prepare the Draft of the Valuation Standards for buildings and lands by June 2014.
- b) Finalize the Valuation Standards for buildings and lands by August 2014 – September 2014
- c) Formulation of the Guidelines and Manuals for the Property Tax Valuation Standards by December 2014.

>> Upon completion of formulating the Property Tax Valuation Standards it will be submitted to the Palestinian cabinet for discussion and approval, and then to be integrated into the new property tax law which is planned to be revised in 2015.

In this regards Mr. Nofal mentioned the following points:

- Output2 activities need to be speeded up.
- In the year 2014 the cabinet agreed to the future amendment of 2 laws, first one is the Business Licensing Law, and the second one is the property tax law with regards to the valuation law article #7.

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2. Operationalization of the “Property Tax Valuation Standards”, through adjustments and arrangements on output1 and output3 activities:

In this regard Mr. Sugiyama proposed an idea to gradually re-arrange and re-organize the activities of output1 and output3 (handout #4) in order to operationalize the valuation standards.

The new proposed idea will include two components, **a)** Formulation of the Valuation Standards and, **b)** Operationalization of the Valuation Standards, by setting up and assigning the Units composed of GDPT staff and JPT staff. These units will follow up the two components and focus on activities relate to the Master Plan of GDPT, Monitoring, Reporting, Trainings and Public Awareness, ... etc.

3. J-PVP Implementation Structure (handout #5):

Mr. Sugiyama proposed to re-organize the project’s implementation structure by formulating three units, **1)** Valuation Standards Formulation Unit. **2)** Valuation Standards Operationalization Unit and **3)** Project Administration Unit.

4. Introduction of a pilot GIS idea:

Mr. Nofal shared the following facts and information related to the real-estate investment situation in Palestine:

(1) In reference to the Palestinian Central Bureau of Statistics, the real-estate investment sector contributes in a percentage of 85 of the total investment in Palestine, which is considered as one of the highest percentages worldwide, and necessarily, requires improvements on the property tax collection management, and property registration management.

(2) In Palestine, the real-estate investment sector covers a percentage of 16-18 of the Palestinian employment; however, this percentage is projected to reach up to 27-28 considering related jobs and careers such as construction labor and other related manual labors. However, the Palestinian national economy level is low, due to the lack of attention which is given to this sector.

(3) The Palestinian national economy is estimated to be 11.2 billion dollar / 5 million populations in West Bank and Gaza Strip, compared to the Israeli national economy of 272 billion dollar / 5 million populations.

(4) Mr. Nofal said that all projects implemented by GDPT should be linked together with the J-PVP, accordingly, GIS is considered as one of the linkage methods or tools.

(5) Mr. Nofal Introduced the idea of implementing a GIS for valuation purposes only, in his request Mr. Nofal suggested implementing the GIS as a pilot in one or two cities.

(6) Through implementing a GIS, Mr. Nofal is expecting to **a)** Update property data and information electronically, **b)** Facilitate the valuation related operations, **c)** Facilitate land locating procedures, **d)** Identify the utilization of the buildings in illustrious ways using colors or serial numbers, **e)** Comprehensive linkage of the ownership lists.

>> In this regard, Mr. Sugiyama mentioned that further discussion should be made.

5. Study Tours Program Arrangements (handout #6):

1) Mr. Koki mentioned that in the framework of the project’s activities, three trainings will be

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conducted, a) Training in Palestine over the period of January 2015 – March 2015, b) Third Country Training (Study Tour) which is supposed to take place at the end of May 2014 - mid June 2014, c) Training in Japan by the end of J-PVP July 2016- September 2016.

2) Mr. Koki declared that the Japanese mission had a discussion with Mr. Nofal and agreed upon the Outline of the Study-Tour Program (handout #7). In this context Mr. Koki briefly explained the aim, the target and the recipient countries for this study tours.

3) Mr. Koki conveyed his appreciation to Dr. Shiba and Ms. Sugiura (Licensed Real Estate Appraiser in Japan) for their efforts and support in this regard.

4) Regarding the Study Tour to Netherlands, Dr. Shiba communicated with the concerned institutions and officials in order to arrange for this tour.

4. Conclusions /Recommendations:

1) Regarding the Draft of the Valuation Standards, Professor Iwasaki mentioned that it was drafted with a high quality, and execution wise its applicable, feasible and realistic; however some amendments need to be reflected on this draft considering the Palestinian valuers expertise in addition to the Palestinian Situation. It is also expected to face some difficulties and obstacles during the implementation of the standards; therefore, all concerned parties should anticipate these obstacles and be prepared to face and overcome.

2) The Proposed Draft of the Valuation Standards was initially approved by Mr. Nofal.

3) Mr. Nofal shared the progress of the project with the Minister of Finance, especially achievements related to drafting the Valuation Standards.

4) Regarding the draft of the VS which was presented during the workshop on March 25th 2014, Ms. Sugiura had few comments and recommendations :

i. With regard to Value Matrix Tables, some voices were raised from counterparts that these tables should include other factors such as location, environments, etc., while the JPT side explained that four factors relating to the buildings are the ones found to be most influential to the valuation practice in Palestine after the analysis. In this behalf, it is advised to take into account the levels of influences as well as the relations between different valuation factors. For example, in the case of location, one option is to designate this as an independent factor while in another option it can be converged under the category of building quality, with the interpretation that in the prestigious neighborhood the qualities of the buildings are high accordingly. In any case, it is important to ensure the fairness and simplicity so as to make the valuation methods understandable to the tax payers.

ii. With regard to the difference of valuation results for vacant lands between GDPT method and J-PVP method, the similar phenomenon was experienced in Japan when the new valuation standards were introduced in 1996. While that introduction of new valuation standards improved the fairness and equalities in valuation, the introduction of an alleviation measure to avoid the sudden hike of tax burdens to tax payers were considered necessary. On that account, the “burden adjustment system” through which gradually increase the level of property tax liability towards the officially-valuated tax amount was introduced. This system is still remaining in effect in a few parts in Japan and it took decades to adjust the burdens of tax payers, with maintaining the fairness and acceptability. It is recommended to consider the introduction of such a measure also in the case of Palestine.

iii. With regard to the market price information of the properties, it is suggested to use actual transaction price instead of asking price. Although it takes time and efforts to

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introduce the effective system to accumulate the reliable data of transaction prices, it generates various benefits in both taxation and economic activities such as achieving the better confidence by tax payers as well as improvement of the collateral valuations. Hence, it is strongly recommended to step forward into this direction of continuously accumulating the accurate transaction data in Palestine.

>> In response to the suggestions by Ms. Sugiura, Mr. Nofal made few remarks as he is committed to develop the valuation standards mature and applicable enough before its formal introduction. He also agreed to maintain the simplicity in valuation standards and to consider the introduction of an adjustment measure to avoid the sudden hike of tax burdens on the tax payers.

- 5) Mr. Nofal recommended to focus not only on the Study Tours to foreign countries, but also to focus on enhancing the staff's capacity by observing their daily work activities, needs, and practices, then implementing internal trainings accordingly.
- 6) Mr. Nofal requested to focus on two points: **A)** Conducting internal trainings for the staff and, **B)** Preparing a comprehensive public awareness plan aiming to raise the awareness towards the property tax, targeting citizens, staff, stakeholders, partners from different related institutions such as municipalities and ministry of local government. Mr. Nofal also suggested seeking a technical support from specialized experts and consultants in the awareness field.
- 7) Mr. Nofal wishes the JCC members and JICA to consider hiring an Arab Expert specialized in the market value and rent to work under the J-PVP umbrella.
- 8) Mr. Nofal suggested expanding the allocated budget for some of the activities if necessity arises.
- 9) Mr. Nofal agreed and approved the proposed idea of reorganizing and regrouping of output1 and output3 activities with the purpose of operationalize the "Property Tax Valuation Standards" (handout #4).
- 10) Regarding the project's implementation structure, the establishment of three units proposal was approved, therefore, recruitment of four staff is necessary to empower and improve the implementation of the activities.
- 11) As for the GIS idea proposed by Mr. Nofal, he requested the JCC members to consider his proposal.

5. Closing:

Mr. Tanaka closed the session by conveying JICA's appreciation to all parties and concerned people from GDPT, JICA mission members and J-PVP team for their efforts and contribution.

MINUTES OF MEETING
BETWEEN
THE JAPANESE MID-TERM REVIEW TEAM
AND
THE MINISTRY OF FINANCE OF PALESTINE
FOR AMENDMENT OF THE RECORD OF DISCUSSIONS
ON
THE PROJECT FOR IMPROVEMENT OF LOCAL FINANCE SYSTEM IN
PALESTINE

The Japanese Mid-Term Evaluation Team (hereinafter referred to as "the Team"), organized by the Japan International Cooperation Agency (hereinafter referred to as "JICA") headed by Mr. Haruyuki SHIMADA, visited Palestine from 19th to 30th of October 2014 and had a series of discussion and exchanged opinions with authorities concerned of the Project for Improvement of Local Finance System in Palestine (hereinafter referred to as "the Project"). The purpose of sending the Team was to confirm the achievements made so far in the Project, and to conduct a mid-term review of the Project. Both sides jointly monitored the activities and evaluated the achievements based on the Project Design Matrix (hereinafter referred to as "PDM version 0").

After the Team left Palestine, JICA office in Palestine took over and continued the discussions with the GDPT (hereinafter referred to as "both sides") on the Project.

As a result of the discussions, both sides agreed upon the matters referred to in the Joint Mid-Term Review Report of the Project attached hereto. Also both sides hereby agree that the Record of Discussions (hereinafter referred to as "R/D") on the Project signed on August 12, 2012 shall be amended as follows;

Ramallah,
16 February 2015



Mr. Izumi TANAKA
Chief Representative
JICA Palestine Office



Mr. Mahmoud NOFAL
Director General of the Property Tax
General Directorate of the Property Tax
Ministry of Finance in Palestine

I. Revisions of the R/D

1. Revisions of the Project PDM and PO

Before	Amended Version
Project Design Matrix (PDM) and the Project Objective (PO) version 0	PDM and PO as of Dec.2014 ANNEX III and ANNEX IV attached in M/M signed on 16 February 2015
<p>Reason:</p> <p>The following four key factors are to be modified to better reflect the current situations at GDPT and the Project.</p> <ul style="list-style-type: none"> -Overall Goal: Indicators are changed due to the revision of the activities. -Project Purpose: Indicators are changed due to the revision of the activities. -Outcomes: Indicators are changed due to the revision of the activities. -Activities: Activities are changed to achieve the Overall Goal, the Project Purpose and Outcomes in the Project period. 	

2. Revisions of Project Implementation Structure and Input by JICA and GDPT

Before	Amended Version
Implementation Structure (ANNEX III attached in R/D signed on August 12, 2012)	New Implementation Structure (ANNEX V attached in M/M signed on 16 February 2015)
Input by JICA 1) Dispatch of Experts «Japanese Long-term Expert» Coordination/Local Finance «Japanese Short-term Experts» (a) Planning	Input by JICA 1) Dispatch of Experts «JICA Long-term Expert» Coordination «Japanese Short-term Experts» »

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<p>(b) Document/Information management</p> <p>(c) Other Short-term Experts will be dispatched when necessity arises for smooth implementation of the Project.</p> <p>«Local Experts»</p> <p>(a) Project Coordinator(*)</p> <p>(b) Property Valuation</p> <p>(c) Strategic Planning etc.,</p> <p>(*)The TOR of newly hired local experts of "Project Coordinator" is as shown in ANNEX VI.</p>	<p>(a) Leader</p> <p>(b) Deputy Leader</p> <p>(c) Licensed Real Estate Appraisers</p> <p>(d) Information Collection</p> <p>(e) Data Management</p> <p>(f) GIS</p> <p>(g) Operation Improvement</p> <p>(e) Coordinator/Assistant in Training Programs</p> <p>«Local Experts»</p> <p>(a) Project Facilitator/Coordinator</p> <p>(b) TDMMU Coordinator</p> <p>(c) Property Tax Valuation Standards</p> <p>(d) VS Facilitator</p> <p>(e) Training Material Development, Training Arrangement and Work Planning</p> <p>(f) Data collection and Management</p> <p>(g) Office Manager</p>
<p>Inputs by GDPT (personnel)</p> <p>Counterpart personnel (without concrete description)</p>	<p>Inputs by GDPT (personnel)</p> <p>A list of GDPT's personnel in committees and Working Groups (ANNEX VI)</p>
<p>Reason:</p> <p>After the commencement of the project, there have been changes in the</p>	

Project in terms of implementation structure, experts and staff, deployment, areas of advice and others. It has therefore become necessary to modify the R/D to better reflect the current Project structure and situations.

This amendment shall become effective upon the date this Minutes of Meeting is signed by both Parties

II. Mid-Term Review

1. Joint Mid-Term Review Report

The achievements and recommendations identified in the mid-term review process were summarized in the Joint Mid-Term Review Report. The contents of the report were reported by the member of the team in charge of the evaluation of the Project. (ANNEX I) (ANNEX II)

III. OPERATIONAL ISSUES ON THE PROJECT

1. Activities agreed upon by the both sides to be implemented as the operation improvement

The following activities will be conducted in order to support the improvement of operation in GDPT.

1-1 P-TAX System

It has been agreed upon by the both sides that, for the purpose of incorporating the new Valuation Standards, the current P-TAX system and its program should be modified. The modification will be made by either dispatching JICA expert and / or by sub-contracting the IT firm who devised the P-TAX system.

1-2 Comprehensive Training Framework and J-PVP training program

It has been acknowledged by the both sides that a comprehensive training framework for GDPT staff has been accepted by GDPT after a series of discussions held between Japan Team in the Project (JPT) and GDPT over the past year and a half (ANNEX VII). Both sides have agreed that, in reference to the framework, the Project will only conduct seminars and/or training on the new Valuation Standards and on other related topics such as the use of P-Tax system under the new Valuation Standards (ANNEX VIII).

Theme	Targeted participants
Valuation of land and buildings based on the new Valuation Standards	Valuators working in all GDPT branch offices
Using P-TAX system which will be operated under the new Valuation Standards	Users of P-TAX system in GDPT

1-3 Public Awareness Campaign on Property Tax

JICA supported the activities on the "Public Awareness Campaign on Property Tax" in January 2015. The purpose of this campaign was (i) to raise the property tax revenues, and (ii) to ensure the social fairness in collecting property tax. GDPT will cooperate with JICA for this campaign. In addition, GDPT will make its best efforts to sustain such activities even after the Project ends.

1-4 GIS (Geographical Information System)

The GIS expert was dispatched in January 2015 to seek the possibility of introducing GIS for property tax purposes at GDPT. The both sides have acknowledged the fact that the German Agency for International Cooperation (GIZ) has been extending GIS related assistance in Palestine. It has been agreed upon by the both sides that the aforementioned expert will look into the possibility of accommodating and applying a component of GIZ-developed GIS at GDPT and make a final judgment as to the validity of extending assistance in the area of GIS within the entire framework of the Project.

2. Pilot branch offices

It has been agreed upon by the both sides that GDPT Ramallah branch office is the only pilot branch among all the thirteen GDPT branch offices where the Project will be implemented. It has also been acknowledged that the trial application of the new Valuation Standards will be conducted in two or three municipalities under the jurisdiction of GDPT Ramallah branch office. The both sides have agreed that the exact number of the municipalities, the area and the number of blocks (or parcels) where the valuation will be conducted on a trial basis under the new Valuation Standards will later be discussed and agreed upon by GDPT and JICA.

3. Cabinet approval of the new valuation standards

It has been acknowledged by the both sides that the cabinet approval of the new Valuation Standards is scheduled to take place sometime in October 2015.

However, it has also been acknowledged that the change in political situation in Palestine could affect the aforementioned schedule of the cabinet approval. The both sides have agreed that, in case the cabinet approval of the new Valuation Standards and the amendment of the Property Tax Law have been delayed, JPT will only carry out the trial application of the new Valuation Standards and not the actual collection of tax whose valuation will have been conducted under the new Valuation Standards. This is because the both sides are aware that no new taxes shall be imposed or existing ones modified except by law or under such conditions as law may prescribe. Upon the acknowledgement of the above, it is reaffirmed by the both sides that GDPT will ensure that the introduction of the new Valuation Standards and the amendment of the property tax law will be carried out and approved by the Palestine Authority Cabinet.

Getting the approval from the cabinet will be after

- having a full correct clear detailed formula
- plus clear and full tested valuation standards ,
- then will be evaluated by J-PVP staff and third party expert and then will go for the cabinet to get the approval, and the cabinet will not delay it in any case.
- the revision of the new VS will be made by a legal party and then will go for the cabinet to get the approval, and the cabinet will not delay it in any case.

4. The training (in Japan, Palestine and the third country)

It has been agreed upon by the both sides that the Project involves three training programs in total.

5. Third country expert(s)

It has been agreed upon by the both sides that Dr. Ibraheem Al-Ayoub, a Jordanian property tax expert, is a possible candidate from the third party country to take part in and assist the Project. The final decision as to whether he will join the Project as a third country expert will be made based on the results of the interview conducted by the J-PVP Japanese experts and the GDPT personnel.

6. Other donors and agencies

It has been agreed upon by the both sides that GDPT will continue to conduct its various activities in close cooperation with other donors and agencies (UNDP, DANIDA, Ramallah Municipality, Palestinian Land Authority, among others).

ANNEX I.	Summary of Joint Mid-Term Review Report (in Arabic and in English)
ANNEX II.	Joint Mid-Term Review Report
ANNEX III.	Project Design Matrix (PDM) (revised)
ANNEX IV.	Plan of Operation (PO) (revised)
ANNEX V.	Project Implementation Structure (revised)
ANNEX VI.	A List of counterpart personnel
ANNEX VII.	GDPT Training System Structure
ANNEX VIII.	J-PVP CP Training Program
ANNEX IX.	The Record of Discussions signed on August 12, 2012

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MoF-GDPT /JICA Project for Improvement of Local Finance System in Palestine (J-PVP)

5th Joint Coordination Committee Meeting

Date and Time	September 20 th 2015, 10:00 – 12:30
Venue	GDPT meeting room 3 rd floor
Attendees	Appendix
Handouts	1. Agenda 2. List of attendees 3. Power point presentation for the 4 th phase work plan

1. Purpose of the meeting:

- (1) To present and share main achievements and results
- (2) To present and share the plan of operations for the last phase of project life

2. Welcoming and opening by Mr. Mahmoud Nofal, JCC Chairperson and Director General of the Property Tax cum Project Director of J-PVP

- Mr. Nofal welcomed: Representative Office of Japan to Palestine Authority First secretary Mr. Hiroyuki Kajita, JICA Office Chief representative Ms.Yuko Mitsui, Representative Ms.Yuko Santo , Representative of RFO / Chief Program Coordinator Mr. Raslan Yashin, and JPVP & GDPT senior management and staff .
- The JPVP project is overcoming the obstacles and starting cultivating fruit through the joint work and cooperation between JPVP and GDPT team
- The project is on track and about to reach its intended objectives
- Miss. Mitsui is a big supporter to the project and Mr.Nofal is thankful for her understanding and cooperation
- The aim of this meeting is to plan for upcoming year activities and to identify needs.

3. Welcoming and opening by Mr Ms.Yuko Mitsui, JICA Office Chief representative

- Ms. Mitsui Thanked Mr.Nofal and also welcomed the audience.
- More cooperation from all parties is required to overcome the challenges
- This meeting is a good opportunity to discuss and get a fruitful result
- This is the last phase of the project.

4. Key Note by Mr. Mahmoud Nofal



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- Mr.Nofal went through the agenda and welcomed any comments from the audience
- He emphasized on the approval of the formula structure but it still needs refinements
- Valuation standards working group (which is a technical joint JPVP/GDPT committee) is meeting twice a week to discuss all technical issues related to valuation standards
- Current valuation procedures has lots of manual work, errors, not systemized, not standardized, there is a big room for personal judgment.
- GIS will standardize work and make it more consistent , efficient, will control data quality, and will be use for reporting
- The Formula is the HEART of valuation standards whereas GIS is the ARTERIES.
- GIS team will start work very soon and will be equipped with the needed hardware and software
- P-TAX is a unique system in the whole Arab region, it is an interactive tool based on the manual procedures which will impedes personal interpretations. It is a flexible very accurate system that shall serve the whole Palestinian population
- Property tax has started today working on the NEW P-Tax system
- GDPT is thankful to the German International Cooperation GIZ for supporting the development of P-Tax.
- P-Tax will be linked with valuation standards and GIS
- *A Note for next time : presentation slides shall be in both languages English and Arabic*

5. Work Plan for Phase 4 , Power Point Presentation By Mr. Nofal

Slide 3

- Project Duration:The Project started on he 22nd of March 2013 not October 2012, due to some delays from JICA in selecting and mobilizing the awarded company to implement the project
- Project Purpose: To have internationally accepted valuation standards that is applicable which is in line with justice and fairness principles.
- Expected outputs: The idea behind the TDMMU is still not clear. A study was done Mr.Mizutani and Dr.Kawakita in 2011, found that most of PA institutions has weaknesses in the development, training and media. This unit is very important to GDPT and need to be reactivated.
- The valuation standards working group VSWG will follow up the design and



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implementation of the valuation standards plus its testing at the field. It is composed of high efficient team who will lead and follow up on the project after JPVP project is ends. TDMMU shall design the indicators and be responsible of the sustainability of the project outputs. It will also be part in the preparation of the operational and field manuals

- GDPT need to improve the capacity of the valuation procedure, staff and tools

Slide 4 Summary of the Conclusion reached in the 9-9 Workshop

- It's the first time that we see and discuss the formula prepared by Mr.Nagasawa. In principle its built upon a scientific methodology and used scientific data but still it needs refinement and improvement.
- The VSWG will work on formula refinement, changing the multipliers and market ratio according to more trial areas. Net adjustment factors need to be eliminated
- The formula is still not final and needs lots of work and efforts to improve it and make it acceptable, though GDPT needs to train its staff to be capable to adopt scientific procedures.
- Initialize GIS for GDPT to be used in valuation
- The P Tax system is developed and its functional however it need to be linked with the formula and the PDA (Mr.Sato,Mr.Ayman and Mr.Ahmad) will take care of that part.

Slide 5 Refine the Formula

- Value influence factors shall be eliminated and the record sheet shall be simplified to make field work easier
- Multipliers need to be verified through trials and field testing
- A simple illustrative field handbook will be prepared .

Slide 7 Empowering Valuation Standards Working Group

- VSWG and the GIS team will work in parallel effectively and efficiently with very high team spiritual work.

Slide 8 Initialize GIS for GDPT in Valuation



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- GIS is trial area will be Bitunia
- A new USAID programme will disseminate GIS to the rest of the West bank, this programme shall start soon

Slide 9 Develop P-TAX compatible with VS

- Mr.Sato and Mr.Ahmad shall check the current status of the PTax system and its readiness to adopt the formula and to be linked with the valuation standards and PDA later (within 3 months) .
- Valuation shall take place, completed and a receipt is issued at the field.

Slide 10 Formulation of Valuation Standards (VS) and its Operation Manual (OP) and Handbook (HB) through the enhancement of VSWG’s capacity

- Scientific realistic comments and feedback from GDPT staff and valuers is expected during a coming workshop to discuss in detail the valuation standards.

Slide 11 Tentative Target Areas for Trial Applications

Tentative Target Areas for Trial Applications	
Desk Trial	Field Trial
Al Bireh Block No. 28 Quarter 31	Select block (s) of one municipality in the jurisdiction of Ramallah Branch Office. Candidate Municipality: Betunia (GIS)
Der Dibwan Block No.7	Select block (s) in municipalities under the jurisdiction of Ramallah Branch Office (VS)
Tentative Target Areas for Verification of Multipliers	
Category #1	Ramallah and Al Bireh
Category #2	Bir Zeit
Category #3	Silwad
Category #4	Bir Nabala

- GDPT might find a need to add new areas base done work progress or need

Slide 12 Undertaking the Training Program in Palestine

- It was agreed with JICA that Local trainings will be conduct din Palestine, 2nd country training will be at Japan and there should be 3rd country trainings



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- GDPT started to prepare a training plan to be conducted in Japan with the assistance of Mr.Ninomiya.
- GDPT requested more attention and less restrictions from JICA on training
- Continuous strong training program is essential for project success
- No fruitful results will be achieved without a training program
- Training shall recreate and build staff capacity who will apply the new valuation standards

Slide 13 Suggested Training Topics

- These are initial tentative topics , more topics will be added based on future needs.
- Training on Standard Point is required to make valuers capable of understanding where and how to take standard points and be capable of analyze and judge there results
- Each training topic might need several trainings
- Field trials and testing need also training

Slide 16 VS Dissemination Workshop

- One workshop is not enough, several workshops (2-5) will be needed

Slide 17 Main project tasks and activities

- To be updated where deemed necessary.

6. Discussion

- Mr.Amer Khatib asked How GIS will be useful for Valuation?
- Mr.Nofal explained that GIS will provide valuers by location and information about, blocks, quarters, parcels and buildings, land classification and use, area size, road width.
- Mr.Nofal went for a study tour to Holland and learnt from Holland experience in valuation using GIS. They have 800,000 property and 5 valuers who do a



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comprehensive valuation yearly. Field visits are needed once there is an objection.

- Once the new standard are adopted, there will be a need for 200-300 valuator to conduct comprehensive valuation for the whole West Bank, though GIS will solve this problem. Without GIS comprehensive valuation wouldn't be possible due to the time and number of valuers that will be needed to complete the work.
- Eng.Jamal Numan from MoLG also added that the area of the parcel, area of the building, the land use and classification, road width will be provided by GIS at the office. An Aerial photo up to (25cm -10cm) will decrease the need for field work and workers
- Eng.Liana Nasser: GIS will be a very useful tool to identify the valuation influencing factors like, frontage, shape of land, approximate to city center, availability of water and electrical connections...etc
- Eng.Alma Othamn added: GIS has both maps and statistical data stored in tables
- Mr.Nofal : Aerial photo will be purchased yearly. Now a days private companies and real states are using GIS. GIS establishment will request lots of work and efforts but it will make our future work conditions better. For example in Al Bireh there are 22,000 buildings, out of which 19,000 are licensed. How much will be required to visits and valueate each flat and property in Al Bireh if there is no GIS? The whole valuation system will be improved once GIS is operational. In the coming future, if the government decide to increase the PTax by 10% for example, this will be done simply at the office in an effective efficient way.
- Mr.Samer Manna from GDPT asked for an introduction to GIS workshop plus training

7. Technical and financial Requests for GDPT

Mr.Nofal asked JICA to financially and technically support the below items:

1. Hiring a regional or international Japaenses expert to replace the absence of Mr.kawakami who will be responsible of revising , refining the formula and the manuals. The only valuation expert in the project (Mr.Nagasawa) is currently working from Japan and will be back after six months which is not acceptable.
2. Purchase Personal digital assistant PDA to eliminate manual errors in valuation. Tax



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payers will receive notification of tax amount in the field. This will save time and efforts plus will reduce data entry work because the whole process will be automated. The new P-tax system is developed to be compatible with PDA system. The PDA will include a checklist with all stored needed information .

3. Purchase new field equipment's and tools : laser meters to measure the building and flats areas. Global Positioning System GPS to measure land and parcel areas plus coordinates.
4. Most important request: hiring ten engineers or surveyors and paying their salaries for 2 years. This new team with fresh mind and new blood will absorb the new valuation system easily and will lead the implementation effectively. Current staff will need brainwash to fully understand the new valuation system, and the success rate of this process is not high. After the project closes the new team (ten engineers or surveyors) will be transferred and hired as PA employees.

Discussion on Mr.Nofals requests

1st Point : Valuation Expert

- **JICA Ms.Mitsui :** Mr.Nagasaw's contract was extended but to work for the project from Japan, whereas Mr.Kobiki's contract period was extended to work in Palestine.
- **GDPT Mr.Nofal:** Mr.Kobiki is not an evaluation expert, we need an expert to be with the team in Palestine.
- **JICA Ms.Mitsui :** JICA is responsible of providing GDPT with experts.

2nd Point : PDA

- **JICA Ms.Mitsui :** Currently JICA cannot say yes to PDA request, the remaining duration of the project is too short , we need to time to secure the data first, we need to consider the budget ceiling and remaining time of the project, we cannot decide now. There is no study in this regard.
- **GDPT Mr.Nofal:** Formulated a committee (Mr.Ayman Hawamdeh, Mr.Sato, Mr.Ahmad, Mr.Ninomyia and Ms.Liana) to prepare a study on PDA. Recommendation shall be given within a month later to be discussed with JICA.
- **JICA Ms.Mitsui :** at this stage JICA cannot decide.



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3rd point : Field equipment

- **JICA Ms.Mitsui :** JICA needs assessment including specification of the equipment and estimation of cost. Then a decision can be made based on the available budget.

4th last point

- **JICA Ms.Mitsui :** The aim of technical cooperation is to transfer the experience and knowledge to GDPT and improve their capacity. Hiring new staff for two years is not in JICA's scheme. There will be no extension for the project.
- **GDPT Mr.Nofal:** We will re discuss all this in another meeting.

Project for Improvement of Local Finance System in Palestine
List of Equipment handed over from the project to GDPT

Project Phase 1

As of 10 August 2016

#	Item	Model	NIS/ USD	Unit Price	Quantity	Total Price	Placed	Date Purchased	Memo
1	Printer Copier Scanner Machine	TASKalfa 5550ci	USD	6,300	1	6,300	GDPT HQ	2013/3/6	purchased from and maintained by OFFTEC company
2	Laptop	DELL Inspiron 15R (5520)	NIS	4,675	3	14,025	GDPT HQ	2013/3/14	purchased by EDISCO Including Ms Office, Anti-Virus software
3	Laptop	DELL Optiplex 3010	NIS	4,590	1	4,590	GDPT HQ	2013/3/14	purchased by EDISCO Including Ms Office, Anti-Virus software
4	Projector	VIVITEK D5	NIS	2,909	1	2,909	GDPT HQ	2013/3/12	
5	Desktop	Dell Vostro 470MT	NIS	6,000	1	6,000	GDPT HQ	2013/3/24	purchased by EDISCO Including Ms Office, Anti-Virus software
6	WorkStation (to be used as server)	Dell Precision T1650	NIS	7,689	1	7,680	GDPT HQ	2013/3/24	purchased by EDISCO Including Ms Office, Anti-Virus software

Project Phase 2

#	Item	Model	NIS/ USD	Unit Price	Quantity	Total Price	Placed	Date Purchased	Memo
1	Office Desk		NIS	1,200	5	6,000	Abu Dees Branch	2014/4/13	
2	Office Chair		NIS	440	6	2,640	Abu Dees Branch	2014/4/13	
3	Guest Chair (1 seat)		NIS	480	3	1,440	Abu Dees Branch	2014/4/13	
4	Guest Chair (2 seats)		NIS	650	3	1,950	Abu Dees Branch	2014/4/13	
5	Guest Chair (3 seats)		NIS	880	2	1,760	Abu Dees Branch	2014/4/13	
6	Work Desk (for Branch Manager)		NIS	1,400	1	1,400	Abu Dees Branch	2014/4/13	
7	Gust Sofa		NIS	380	4	1,520	Abu Dees Branch	2014/4/13	
8	Work Chair (for Branch Manager)		NIS	650	1	650	Abu Dees Branch	2014/4/13	
9	Locker		NIS	800	1	800	Abu Dees Branch	2014/4/13	
10	Cabinet		NIS	900	2	1,800	Abu Dees Branch	2014/4/13	
11	Cabinet		NIS	420	4	1,680	Abu Dees Branch	2014/4/13	
12	Air Conditioner		NIS	6,000	1	6,000	Abu Dees Branch	2014/4/13	
13	Air Conditioner		NIS	2,500	1	2,500	Abu Dees Branch	2014/4/13	
14	Switch	NETGEAR GS728TPS-100 tales	NIS	1,662	1	1,662	Abu Dees Branch	2014/4/3	
15	Telephone System		NIS	2,130	1	2,130	Abu Dees Branch	2014/4/3	
16	Telephone Switch Board	NEC TOPAZ	NIS	1,150	1	1,150	Abu Dees Branch	2014/4/3	
17	Phone Main Station	NEC 12 button	NIS	250	1	250	Abu Dees Branch	2014/4/3	
18	UPS	Inform 600 VA	NIS	310	1	310	Abu Dees Branch	2014/4/3	
19	Phone with Monitor	kx-TS 880	NIS	190	1	190	Abu Dees Branch	2014/4/3	
20	Phone without Monitor	ALCATEL T25	NIS	60	4	240	Abu Dees Branch	2014/4/3	
21	UPS System	15 KVA UPGRADABLE TO 60 KVA AS MODULE	NIS	53,440	1	53,440	Abu Dees Branch	2014/4/3	
22	Work Station	DELL Optiplex 7010	NIS	3,000	4	12,000	Abu Dees Branch	2014/4/14	purchased from EDISCO
23	PC Printer	HP Laserjet pro 400 M401 dn	NIS	1,050	2	2,100	Abu Dees Branch	2014/4/14	
24	Printer Copier Scanner Machine	Kyocera TASKalfa 5501i	NIS	11,690	1	11,690	Abu Dees Branch	2014/4/14	purchased from and maintained by OFFTEC company
25	Work Station	HP Z620	NIS	6,993	1	6,993	Abu Dees Branch	2014/4/14	
26	Service Counter		NIS	1,200	4	4,800	Al Ram Branch	2014/4/8	
27	Office Desk		NIS	1,200	4	4,800	Al Ram Branch	2014/4/8	
28	Office Change		NIS	440	8	3,520	Al Ram Branch	2014/4/8	
29	Guest Chair (1 seat)		NIS	480	3	1,440	Al Ram Branch	2014/4/8	
30	Guest Chair (3 seats)		NIS	880	5	4,400	Al Ram Branch	2014/4/8	
31	Work Desk (for Branch Manager)		NIS	1,400	1	1,400	Al Ram Branch	2014/4/8	
32	Geust Sofa		NIS	380	8	3,040	Al Ram Branch	2014/4/8	
33	Work Chair (for Branch Manager)		NIS	650	1	650	Al Ram Branch	2014/4/8	
34	Locker		NIS	800	1	800	Al Ram Branch	2014/4/8	
35	Cabinet		NIS	900	2	1,800	Al Ram Branch	2014/4/8	
36	Cabinet		NIS	420	10	4,200	Al Ram Branch	2014/4/8	

37	Guest Sofa		NIS	160	10	1,600	Al Ram Branch	2014/4/8	
38	Air Conditioner (1t)		NIS	4,500	1	4,500	Al Ram Branch	2014/4/8	
39	Air Conditioner (3t)		NIS	2,500	1	2,500	Al Ram Branch	2014/4/8	
40	Switch	NETGEAR GS728TPS-100 tales	NIS	1,662	1	1,662	Al Ram Branch	2014/4/2	
41	Internet Connection System		NIS	2,662	1	2,662	Al Ram Branch	2014/4/2	
42	Cabinet Rack		NIS	750	1	750	Al Ram Branch	2014/4/2	
43	UTP Cable (0.5m)		NIS	4	24	96	Al Ram Branch	2014/4/2	
44	UTP Cable (2.0m)		NIS	8	8	64	Al Ram Branch	2014/4/2	
45	UTP Cable (3.0m)		NIS	11	7	77	Al Ram Branch	2014/4/2	
46	Telephone System		NIS	2,130	1	2,130	Al Ram Branch	2014/4/2	
47	Telephone Switch Board	NEC TOPAZ	NIS	1,150	1	1,150	Al Ram Branch	2014/4/2	
48	Phone Main Station	NEC 12 button	NIS	250	1	250	Al Ram Branch	2014/4/2	
49	UPS	Inform 600 VA	NIS	310	1	310	Al Ram Branch	2014/4/2	
50	Phone with Monitor	kx-TS 880	NIS	190	1	190	Al Ram Branch	2014/4/2	
51	Phone without Monitor	ALCATEL T25	NIS	60	4	240	Al Ram Branch	2014/4/2	
52	UPS System	15 KVA UPGRADABLE TO 60 KVA AS MODULE	NIS	53,440	1	53,440	Al Ram Branch	2014/4/2	
53	Work Station	DELL Optiplex 7010	NIS	3,000	5	15,000	Al Ram Branch	2014/4/10	
54	PC Printer	HP Laserjet pro 400 M401 dn	NIS	1,050	4	4,200	Al Ram Branch	2014/4/10	
55	Printer Copier Scanner Machine	Kyocera TASKalfa 5501i	NIS	11,690	1	11,690	Al Ram Branch	2014/4/10	purchased from and maintained by OFFTEC company
56	Work Station	HP Z620	NIS	6,993	1	6,993	Al Ram Branch	2014/4/10	

Project Phase 3

#	Item	Model	NIS/USD	Unit Price	Quantity	Total Price	Placed	Date Purchased	Memo
1	Laptop	Dell Inspiron 5537 15.6" & Microsoft Office	NIS	4,800	1	4,800	GDPT HQ	2015/2/24	purchased from EDISCO
2	AdobeCS	Creative Cloud for Team (1 year license)	NIS	3,944	1	3,944	GDPT HQ	2015/7/31	purchased from EDISCO

Project Phase 4

#	Item	Model	NIS/USD	Unit Price	Quantity	Total Price	Placed	Date Purchased	Memo
1	Laptop	Dell Latitude E5550 15.6"	NIS	5,070	2	10,140	GDPT HQ	2015/9/21	purchased from EDISCO
2	ArcGIS Software	ArcGIS Desktop Standard License Including one year annual maintenance	USD	9,990	1	9,990	GDPT HQ	2016/1/5	purchased from Good Shepard Engineering
3	ArcGIS Software	ArcGIS Standard Workgroup Server License Including one year annual maintenance	USD	14,990	1	14,990	GDPT HQ	2016/1/6	purchased from Good Shepard Engineering
4	ArcGIS Software	Upgrade from ArcGIS Standard Workgroup Server License to ArcGIS Standard Enterprise Server	USD	14,990	1	14,990	GDPT HQ	2016/1/7	purchased from Good Shepard Engineering
5	Workstation PC	HP Z440 Workstation PC	USD	2,190	5	10,950	GDPT HQ	2016/1/31	purchased from CMC
6	Desktop Monitor	HP Elite Display E241i (24") IPS LED Backlit	USD	253	5	1,265	GDPT HQ	2016/1/31	purchased from CMC
7	Laptop	Dell Mobile Precision Workstation M6800	USD	3,520	2	7,040	GDPT HQ	2016/3/22	purchased from EDISCO
8	Anti-Virus software	Kaspersky Endpoint Security for Business, 2 years license	USD	32	7	224	GDPT HQ	2016/3/22	purchased from EDISCO
9	GIS Software	GeoCortex Essentials	USD	15,000	1	15,000	GDPT HQ	2016/12/28	purchased from GISTEC
10	Laptop	Dell Latitude E6440	NIS	5,865	1	5,865	GDPT HQ	2016/3/10	purchased from BIS
11	Laser Meter	Liscadisto d510	NIS	2,500	2	5,000	GDPT HQ	2016/5/9	purchased from AXIS

End of List

C/P Training Program in the Third Country (UK and the Netherlands: June 2014)

1	01-Jun-14	Sun	Transfer	Mr. NOFAL, SUGIYAMA, KOKI: TLV 07:35 BA162 LHR 11:00		
2	02-Jun-14	Mon	10:00	Presentation & Dialogue, International Property Tax Institute and G L Hearn (Mr. Paul Sanderson (IPTI), Mr. Andrew Hetherton (G L Hearn))	*Overview of Laws and Regulations Related to the Property Tax in the UK and Other Countries	*Novotel London Heathrow Airport, M4J4, Cherry Lane, London, UB7 9HJ tel:+44 207 660 0686 *G L Hearn: 280 High Holborn, London WC1V 7EE tel: 44 207 851 4900
			14:00	Courtesy Call, Palestinian Mission to the UK (H.E. Prof. Manuel Hassassian, Ambassador)		
			15:00	Presentation & Sight Visit, Hammersmith & Fulham Council	*Overview of Local Tax System in the UK; Valuation System & Operation, Property Tax Payment & Collection System, and Property Tax Payment & Collection System and its Operator	
			18:00	Dinner, hosted by the Palestinian Mission to the UK (H.E. Prof. Manuel Hassassian, Ambassador)		
3	03-Jun-14	Tue	Transfer	Mr. NOFAL, SUGIYAMA, KOKI: LHR18:10 BA414 RTM 20:10 Dr. SHIBA: NGO 09:25 KE752 ICN 11:25, ICN 13:35 KE925 AMS 18:25 Mr. Arafat: AMM 11:20 BA146 LHR 14:45, LHR 18:10 BA414 RTM 20:10 Ms. Lina: TLV 09:00 TK809 IST 11:20, IST 12:05 TK1961 AMS 14:40		
4	04-Jun-14	Wed	10:00	Courtesy Call, Palestinian Mission to the Netherlands (H.E. Dr. Nabil Abuznaid, Ambassador)		NH Atlanta Rotterdam Hotel, Coolsingel / Aert van Nesstraat 4 Rotterdam, 3012 CA, tel: +31-10 - 206 7800
			13:00	Presentation & Dialogue, Erasmus University Rotterdam (Associate Professor Anneke Monsma)	*Overview of Local Tax System in the Netherlands (Laws and Regulations related to Property Tax)	
			16:00	T4-32; room number 32 on the 4th floor of the T-building Presentation, Dialogue & Sight Visit, Rotterdam Municipality	*Overview of Valuation System & Operation, Property Tax Payment & Collection System	
			19:00	Dinner, hosted by the J-PVP for A.P. Anneke Monsma (& Rotterdam Municipality) (De Lange Muur, West-Kruiskade 1a 3014 AJ Rotterdam tel: (010) 280 05 18		
5	05-Jun-14	Thu	10:00	Presentation & Dialogue, Ministry of Finance (Mrs. Helga van Bijnen, Mrs. Esther Groenendijk)	Overview of Taxation System (Laws and Regulations Focusing on Income Tax, Corporate Tax, and VAT)	
			14:00	Presentation & Dialogue, Netherlands Council for Real Estate Assessment (Mr. Ruud Kathmann)	Overview of Property Valuation System	
			18:00	Reception, hosted by the Palestinian Mission to the Netherlands (H.E. Dr. Nabil Abuznaid, Ambassador)		
6	06-Jun-14	Fri	09:30 13:00	Presentation & Dialogue, Kadaster, George Hintzenweg 77, 3068 AX Rotterdam, station Alexander (Mr. Paul Saers, Ms. Miriam van Dalen, Mr. Pieter Dijkstra)	Overview of Land Registration and Transactions System	
7	07-Jun-14	Sat		Sight Visit, Rotterdam, Capell den aan Ijsell or Delft	To be arranged	
8	08-Jun-14	Sun	Transfer	Ms. Lina: AMS 12:00 TK1952 IST 16:25, IST 18:10 TK788 TLV 20:15 Mr. Arafat: AMS 12:30 AF8233 CDG 13:45, CDG 14:45 AF3840 AMM 20:25 Dr. SHIBA: AMS 20:10 KE926 ICN 13:45+1, ICN 15:05 KE761 NGO 16:55 Mr. NOFAL, SUGIYAMA, KOKI: AMS 21:25 KL461 TLV02:35+1		

List of Participants for Training in Japan (May 22 to June 03, 2016)

Name of Participants	Nationality	Present Post
Mr. NOFAL Mahmoud S.M.	PALESTINIAN AUTHORITY	General Director, General Directorate of Property Tax, Ministry of Finance (2006)
Mr.NOFAL Abdalfatah M.A.	PALESTINIAN AUTHORITY	Head of Valuation office, General Directorate of Property Tax Nablus office, Ministry of Finance (2005)
Mr.SHAALAN Hazem D.M.	PALESTINIAN AUTHORITY	Valuator, General Directorate of Property Tax Ramallah office, Ministry of Finance (2008)
Mr.FARAJALLAH Khaled Y.A.	PALESTINIAN AUTHORITY	Head of Valuation Department, Hebron office, Ministry of Finance (2010)
Mr.TORK Hisham A.H.	PALESTINIAN AUTHORITY	Head of Al Ram office, General Directorate of Property Tax Al Ram office, Ministry of Finance (2015)
Mr.MILHEM Adel A.M.	PALESTINIAN AUTHORITY	Head of Inspection, General Directorate of Property Tax Jenin office, Ministry of Finance (2009)
Mr.SHAHWAN George E.I.	PALESTINIAN AUTHORITY	Head of Valuation Division, General Directorate of Property Tax Bethlehem office, Ministry of Finance (2009)
Mr.ABUHUSSEIN Ibrahim M.A.	PALESTINIAN AUTHORITY	Head of Valuation Division, General Directorate of Property Tax Tulkarem office, Ministry of Finance (2009)
Ms.SALIM Kawthar F.H.	PALESTINIAN AUTHORITY	Head of Administration Affair Div, General Directorate of Property Tax, Ministry of Finance (2011)
Ms.BARAHMA Rouzan H. M.	PALESTINIAN AUTHORITY	Data Entry Office valuation, General Directorate of Property Tax Jericho office, Ministry of Finance (2011)

Detailed Training Schedule

Training Course :	Project for Improvement of Local finance System in Palestine		
Training Course # :	J1621629		
Training Period	2016/5/22	2016/6/3	Number of Trainees 10
Objective :	To learn the practice of Japanese Property Tax Valuation and examine possible strategy and methodology of improving Valuation practice in Palestine.		
Topics :	① Overview of Property Tax System in Japan ② Overview of Property Valuation System in Japan ③ Practical Training of Rosen-ka Valuation using GIS ④ Study of Property Tax Valuation practice ⑤ Field Visit		

Date	Time	Contents	Lecturer and Position		Venue
			Lecturer	Position & Organization	
22-May	~	Arrival			
23-May	9:30 ~ 10:00	Meeting with JICA HQ	Mr. Tomizawa, Mr. Masugi and Mr. Watanabe	Industrial Development and Public Policy Department, JICA	JICA Tokyo
	10:00 ~ 12:00	Training Briefing		JICA Tokyo Briefing (CDN)	JICA Tokyo
	14:00 ~ 16:00	Prologue: Property Tax System in Japan and its purpose and role of supporting Property Valuation Standard in Palestine	Prof. Iwasaki	Yokohama National University	JICA Tokyo
24-May	10:00 ~ 12:00	Overview of Property Tax System in Japan	Associate Prof. Shiba	Tokoha University	JICA Tokyo
	13:30 ~ 15:30	Ditto	Ditto	Ditto	
25-May	10:00 ~ 12:00	Property Valuation System in Japan	Associate Prof. Yamamoto	Meikai University / KKC	Meikai University
	14:00 ~ 16:00	Ditto	Ditto	Ditto	
26-May	10:00 ~ 12:00	Property Tax Valuation System in Japan	Associate Prof. Yamamoto	Meikai University / KKC	Meikai University
	Lunch	Lunch and exchange meeting with Property			
	14:00 ~ 16:00	Q&A Session on the new Valuation Standards	Ditto	Ditto	Ditto
27-May	10:00 ~ 12:30	Introduction to GIS	Mr. Nagasawa	KKC	KKC
	14:30 ~ 16:00	Field Visit to Chofu Airport (Aerial Photo and Basic Photo)	Staff from Kyoritu Air	Kyoritu Air	Chofu Airport
28-May	8:30 ~ 12:50	Bus tour around Tokyo			
29-May			-	-	-
30-May	9:00 ~ 11:00	Local Financial System in Japan	Associate Prof. Yamamoto	Meikai University / KKC	JICA Tokyo
	13:30 ~ 16:00	Practice of Property Tax		Tokyo Metropolitan Government Bureau of Tax	Tokyo Metropolitan Government Building
	16:00 ~ 16:50	Tokyo Metropolitan Government Building Observation Deck			Tokyo Metropolitan Government Building Observation Deck
31-May	8:00 ~ 15:10	Site Observation of Land Use in Tokyo	1.Mr. Asaoka 2.Mr. Ishiduka	Public Interest Incorporated Foundation, Tokyo Tax Association/ Domestic Support Committee	Tokyo Ward
1-Jun	10:00 ~ 11:30	Study tour to Musashino City Office Property Tax Department		Musashino City Office	Musashino City Office
	14:00 ~ 15:40	Study tou to Musashino City Office Property Tax Department		Urayasu City Office	Urayasu City Office
2-Jun	9:00 ~ 11:45	Discussion on the new VS	Associate Prof. Yamamoto	Meikai University / KKC	JICA Tokyo
	13:30 ~ 14:50	Presentation by Trainees Evaluation and Completion Ceremony	Presented by Mr. Nofal, GDPT		JICA Tokyo
3-Jun	AM ~ 12:00	Free time			
	12:40 ~ 13:20	Courtesy Call to General Mission of Palestine, Tokyo		General Mission of Palestine	General Mission of Palestine
		Departure			

TDMMU Committees/Working Groups Tasks Upon GDPT Master Plan -2014-2016 (FOLLOW UP SHEET) Prepared by 30-3-2015				
No	Name of the Committee/WG	Tasks Assigned in accordance to Master plan 2014-2016	Task Status Indicator	Notes
1	<u>Master plan Review Working Group</u> (Mr.Nofal, Ayman Hawamdeh, Mohammad Yousef, Fatima Abu-Qbieta, Arafat Al-Sharif, Amani Abu-Alrob, Mr.Ninomiya, Ms.Fadia Al-khatib)	Monitor , evaluate and revise the GDPT Master plan Matrix 2014-2016 and Action Yearly Plan	Master Plan of 2014 has been evaluated and Annual plan draft of 2015 is prepared	2015 Annual Plan needed to be approved by Mr.Nofal
		Design and introduce comprehensive internal reporting system	Meeting Report Form is used to brief the achievement of each work group and committee	Documentation of reports (soft and hard copy) (TDMMU)
		Plan and implement the operation improvement activities and enhance the productivity	in progress	
2	<u>Valuation Standards Formulation Working Group</u> (Mr.Nofal , Mr.Arafat Al-Sharif, Mr.Ghassan Sajadiyah, Mr.Nael Sharif, Mr.Rami Sokar, Mr.Shadi Al-Jamal, Mr.Hazem Shallan, Mrs.Shatha Omriyah, Mr.Kawakami, Mr.Nagasawa, Mr.Yamamoto, Ms.Shatha Kharaz)	Continue and complete valuation process in newly established municipalities by the end of 2016	in progress	
		initiate the design of the national valuation standards which are compatible with internationally accepted standards (Jica-Plestine Valuation Standards).	in progress	
		Issuance of necessary legislations for the implementation of valuation in village councils	postponed	
		Complete Introuction of valuation procedures incorporating IT technology	in progress	
		Conduct a comprehensive study for the curent status of municipalites and valuation in Gaza strip	postponed	
3	<u>Collection Working Group:</u> (Mr.Nofal, Mrs.Fatima Abo-Qbieta, Mr.Hassem Salameh, Mr.Ayman Hawamdeh, Mr.Mohammad Yousef, Mr.Kobiki, Mr.Ninomiya, Ms.Fadia Al-khatib)	Expand the collection base	in progress	3 Meetings was held to discuss a clear plan to develop collection including collecting data about big tax payers.
		Revision of existing collection Procedures	in progress	
		Promote tax compliance	in progress	
		Use of effective means to develop the collection work (this includes development of mobile collection units and connection of taxes to electricity bills for small tax payers.	in progress	
		Make sure of municipalities to establish collection centers and other services.	opened 3 windows (Ramallah, Al-Beireh, Betounia) in 2015 another 4 Windows in municipalities (Silwad, Turmos-Aya, Halhoul, Birzeit)	
		Activate the law for collecting taxes from (Miri Properties)	no progress	
		Establish an inspection unit to manage pending portfolios.		Field Visits to GDPT offices in different governorates will be done
4	<u>Staff Capacity Building and Development Working Group:</u> (Mr.Mohammad Yousef, Mr.Sameer Al-Toukhi, Mr.Ninomiya, Mr.Sekiguchi, Ms.Sugeta, Ms.Fadia Al-khatib, Mrs.Nermin Safi)	Conduct a specialized training courses, Conduct Specialized workshops	Partial Training on GDPT System has been done as well as Training for MOF new employees regarding the work of GDPT.	
		Conduct Training of Trainers (TOT)	no progress	
		Subcontract international and local experts	in progress	Dr.Ayoub for reviewing the VS and training
		View experience of other countries(Study Tours)	London Visit will be done in April 2015	
		Create a property tax specialized training unit.	TDMMU is follow up the training issues for the time being	
		Produce a specialized training guide(as an amendment for operating proceduers manual)	Training Needs determined and the a Training Plan for GDPT staff is in progress	Manual for training?? Will be discussed with Mr.Nofal

5	Tax Awareness Working Group: (Mr.Ayman Hawamdeh,Mrs.Amani Abu-Alrob, Ms.May Khatib)	Conduct Comprehensive media campaigns.	2015 campaign will be ended at the end of April 2015 - Analytical Report is in progress	
		Conduct awareness meetings with various parties (Partners and tax payers)	no progress	
		Produce a documentary film about property tax and distribute it on the relevant institutions and donors and used part of it as propaganda video.	no progress	
		Develop a website for property tax	no progress	
		To work on including tax awareness as a secondary course in the ministry of education curricula.	no progress	
6	Digitalization and Archiving Working Group: (Mr.Ayman Hawamdeh, Mr.Mohammad Yousef, Mr.Ayyed Alzaben,Mr.Sato, Mr.Ahmed Abu-awad)	Automation of all operations at property tax departments.	done	
		Establish a master archiving unit	done	
		Conservation of old property documents	Achieved for the first part that covers the records of (Hebrew, Ramallah, Nablus,Bethlehem)	
7	Unification and Forms Working Group: (Mr.Nofal, Mrs.Amani Abu-Alrob, Mr.Hassem Salameh, Mr.Ayman Hawamdeh, Mr.Ali Badaha,Mr.Samer Al-Toukhi, Ms.Fadia Al-khatib,Mrs.Nermin Safi)	Collect all forms used by GDPT in all operations	in progress	
		Studying the needs to revise the Forms	Achieved to (Title deeds form, Clearance Certification Form) only	Meeting with Mr.Nofal should be held to determine the next forms of operations to be unified.
		Unify the forms of operations in all governorates	in progress	
		Revise all the forms automatically on system for ease and fasten operations	only the two mentioned forms are done	
8	Work Performance Committee: (Mr.Mohammad Yousif, Mr.Bassman Jiebat, Mr.Ayyed Al-Zaben, Mrs.Shatha Omriyah)	Activate monitoring for the implementation of activities	in progress	
		Prepare a plan for the evaluation of activities	done by review and evaluated the performance in 2014	evaluating plan has to be prepared in 2015
		Evaluate staff performance	daily report distributed to all GDPT employees in aim for follow up and reallocating the employees in accordance to work needs	Daily Report evaluation should be done.
9	Business License Committee: Mr.Radi Al-Qadri,Mr.Ayman Hawamdeh, Mrs.Fatima Abu-Qbieta, Mr.Burhan Mashaqi,(Mrs.Amani Abu-Alrob, Mrs.Nermin Safi) as assistants)	Registration of all professions and commercial activities.	First Draft is done	not Approved yet by Mr.Nofal
		Share digitalized database with partners	in progress	
		Digitalization of all licensing procedures within the frame of consolidated window	in progress	
GDPT Other Activities upon Master Plan 2014-2016				
GDPT Activity		Main Tasks	Task Status	Notes
1	Property Registration	*Expand the scope of property registration to include cities, towns, villages and other communities.* Execute periodic power of attorneys at P-Tax departments and expand the scope of change in ownership transactions.*Introduce new fees associated with registration and documentation.*Work on the issuance of an index matrix to identify outputs.*Oblige the notary public, palestinian lan authority and palestinian ebassies to cooperate and provide the MOF with all transactions which are being organized at their premises.	in progress	
2	GIS System (Members:Mr.Nagai,Mr.Kobiki,Mr.Ayman,Mr.Arafat, Mr.Mohammad Yousef)	*Conduct a comprehensive study in order to determine the needs for GIS System. *Initiation of GIS System. *Prepare a clear Action Plan	Study in progress Action Plan need to be signed byMr.Nofal	Training course will be done for AutoCad in aim to preparing employees for GIS - Sunday 5th April 2015

3	Renovation and Establishment Of Offices	<p>*Renovation and establishment of Tulkarem, Jenin ,Jericho, Abu Dies and Al-Ram offices by 2014. Dura and Qalqilya offices by 2015, Tubas, Yatta and Salfet offices by 2016.* Initiate operation of Birziet and Halhoul supporting offices.</p> <p>*Establish a supporting offices in Nablus Governorate and in West side of Ramallah Governorate(Ne'llin), in Jenin Governorate and in Tulkarem Governorate by 2014.* Establish a collection and service units in 30 Municipalities.</p>	<p>Renovation of Al-Ram, Abu-Dies office is done.</p> <p>In 2015 renovation of Salfet, Jericho, Doura, Yatta will be done</p> <p>Opening public service windows in municipalites - in progress</p>	<p>Opening supporting offices idea will be replaced by opening public services windows in municipalites.</p>
4	Service Fees	<p>*Review of service and registration fees' values and rates, documentattion of periodic power of attorneys.*Develop new fees for the execution of power of attorneys.*Issue matrix to identify real estate prices for the pupose of fees.</p>	<p>no progress</p>	
5	Legal Frame (Mr.Nofal, Mr.Ayoub, Mr.Emad)	<p>*Formulation of new business license law.</p> <p>*Make an inventory to identify articles that need to be modified with respect to property tax in particular article No.7 which is related to evaluation procedures.*Endrose fee system for the registration of periodic power of attorneys with respect to lands managed by GDPT.*Endrose index matrix for buildings and lands.</p>	<p>no progress</p>	
6	Workshops Committee (VS Needs) (Mr.Sato, Mr.Tariq,Mr.Ahmed, Mr.Arafat, Mr.Ayman, Mr.Mohammad, Mr.Kawakami, Mr. Nagasawi, Ms. Shatha)	<p>Prepared Action Plan for Workshops and Training</p> <p>Prepare for internal (Technical two workshops for GDPT Staff on both VS Formula and VS Manual) mand external workshops (20 workshops in all governorates) and the attendees should include governors, Municipalities Mayers, big tax payers, Chambers of commerce, Municipalities Engineers)</p>	<p>Action Plan Completed and confirmed</p>	<p>Implementing the plan is in progress</p>
7	Media Committee (Fatina, Amani, Nermin)	<p>Prepare General Media Plan</p> <p>Prepare Monthly Newsletter (first one covers (Feb 15th 2015- March 15th 2015)</p> <p>Prepare Press releases for Media Agencies upon needs</p> <p>Prepare Media Reports when needed</p> <p>Documentation for most important Events and Meetings of GDPT as well as what Media Wrote.</p>	<p>General Media Plan was prepared</p> <p>Press Release was prepared and published at Ma'an Media Agency about the business license workshop that took place on the 25th of March 2015</p> <p>Monthly Newsletter first draft is prepared and needs to be discussed with Mr.Nofal</p>	<p>Media Plan has to be approved by Mr.Nofal</p> <p>GDPT Monthley Newsletter has to be approved by Mr.Nofal</p>
8	Training on VS (Mr.Sato,Mr.Tariq,Mr.Ahmad,Mr.Arafat,Mr.Ayman,Mr.Mohmmad, Mr.Kawakami,Ms.Nermin)	<p>Train Valuators of GDPT on the new VS</p> <p>Train all the employees of Municipalities, MOE, Land Authority on the new VS</p>	<p>Once Vs formula and manual will be ready we proceed</p>	<p>Confirmed by Mr.Nofal in TDMMU 4-3-2015</p>
9	P-TAX Committee (Mr.Sato, Mr.Tariq, Mr.Ahmad, Mr.Ayman, Mr.Kawakami)	<p>Amendment of the P-TAX system to cope up with the VS</p> <p>Train the users of P-TAX regarding VS</p>	<p>Prepared Action Plan</p>	<p>Need to be approved by Mr.Nofal</p>
10	Follow up on the Presentation of VS to Prime Minister (Mr.Nofal)	<p>Presentation the VS and its Manual on (Prime Minister, Minister of Local governance, Head of land authority, Minister of finance, Minister of Justice)</p>	<p>Once Vs formula and manual will be ready we proceed</p>	



وحدة ادارة التدريب والتطوير والاعلام -
ضريبة الاملاك

Monthly Newsletter

Jan 15– Feb 15 2016

GENERAL DIRECTORATE OF PROPERTY TAX

Main Achievements

VNG Project Progress

Mr. Robert Faber the valuation expert in VNG project visited Betonia area as a trail area to collect information about properties especially buildings. As a result he concluded to a methodology to calculate valuation value depending on the cost value of the property, he will present it to GDPT in a presentation session that will be conducted soon.



Link the P-TAX system with GIS

This step came to facilitate the field work for valuers by providing electronic maps via GIS differentiate the valuated properties from non-valuated. Due to that the two systems should be linked in a way to let the valuers update the information from fields without the need to do the work twice.

Regarding the property size, this factor is missing from some data documented on P-TAX system. Mr. Nofal emphasized that the valuation field committees must register the property size in the information collected as he noted to ask the municipalities to send a soft copy of the property license for GDPT. Currently, GDPT is working on checking the available logistics (Servers, high speed internet, equipment) in aim to do a trial to check the accuracy of the data before approve this step.

Activate the Internal Performance Committees in GDPT

Mr. Nofal conducted a meeting with the Main Departments Heads to emphasize on the continues productive performance during 2016.

Training Development Management and Media Unit (TDMMU) meeting was held on the 9th of Feb 2016, as a preparation step to activate couple of committees and amend the members involved.

The activated committees are:

1. **Collection Committee:** Mr. Nofal asked the members of this committee to prepare an action plan as well as he noted to take the advantage of using the Customs Officer in cooperation with municipalities to force non-tax payers to pay their taxes.
2. **Unification and Forms Committee (Business license Forms):** the main four forms of business license forms are approved after revision and its in process of printing and computerizing.
3. **GIS Committee:** a preparation meeting was conducted to determine the coming steps including the desired objectives of the GIS system. Next meeting will be conducted to distribute the tasks.
4. **2015 Annual Report Committee:** Mr. Nofal assigned members for this committee. Deadline of preparing the first draft is the 1st of April 2016.

Valuation Standards Working Group Meetings Summary

Two meetings were conducted during the previous month to discuss the factors affecting the property value in a way to ease the valuers field work. The committee proposed a first draft of a Field Valuation Form contains all valuation needed data about any property. This Form will be revised before it will be approved to be used.



وحدة ادارة التدريب والتطوير والاعلام -
ضريبة الاملاك

Monthly Newsletter

April 15– May 15 2016

GENERAL DIRECTORATE OF PROPERTY TAX

Main Achievements



Introductory Session About “Property Valuation Standards in Palestine” In Cooperation with JICA

GDPT conducted a training workshop about “Property Valuation Standards in Palestine” on Wednesday 11th of May 2016 at Caesar Hotel in Ramallah.

The workshop aimed to present the principals and of real estate valuation, as well as the methodology valuation standards formula that was accomplished by JICA Palestine for Valuation Project.

The GIS team displayed the use of GEOPTAX system to facilitate the valuation process. In addition to present he main outcomes of the project.

The general director of GDPT emphasized that the new valuation standards will be characterized with fairness, neutrality, simplicity to ensure sustainability ,transparency and effectiveness .

GDPT department heads and the head branches offices from all governorates attended the workshop with the participation of valuers and JPVP team and a representative from JICA head offices.

The valuation standards will be finalized by the end of this year in order to be implemented in the beginning of 2017.



The terminal evaluation mission for JPVP

The evaluation mission visited JPVP between 2nd till the 10th of May 2016, aiming to :

- Review the accomplishments by using the international evaluation criteria: Relevancy, Effectiveness, efficiency, impact and sustainability.
- Identify the obstacles and the factors affecting the project implementation.
- Identify the procedures needed to overcome the challenges.
- To come up with recommendations to achieve the project goals.

Agreement was signed between the two parties to continue reaching the project outcomes.

The Valuation Standards Training Program

The valuation standards training considered as a scope of cooperation between JICA and GDPT, due to that a Training Manual was prepared to summarize the training program for the coming three months.

The training program launched on 11th of May 2016, the first training session presented the Valuation Standards Introductory , the second was the Desk Trail and the next is the Field trail regarding calculation of Standard Value, the third is the technical training of GEOPTAX.

The training relied on local trainees within GDPT team and JPVP and the target group included valuers, engineers, data entry and accountants.

Computerizing the Transaction Fees Workshop

A workshop was conducted to discuss of the mechanism of computerizing the transactions fees for two days , 3rd and 8th of May 2016 at GDPT.

A number of counters and transaction fees employees attended the workshop from all branch offices.

Mr.Abed Al-Hakeem Shuqair presented to followed procedures in collecting fees in addition to presenting the mechanism of computerizing these steps in order to simplify the documentation and auditing.

A 15 -2

Main Achievements



“Final notes on the Valuation Standards draft” Workshop

The General Directorate of Property Tax has received the final Valuation Standards draft in 29th of May 2016, accordingly a workshop was conducted in 15th of June 2016 to discuss the most important notes that approved by all the GDPT and branch offices staff, in order to present it to the Japanese experts to be considered and studied in aim to come up with a Valuation Standards final draft.

Training Course about "Calculating the standard point"

The General Directorate of Property Tax conducted a three day training course, 16, 17, 18th of May 2016 in cooperation with the Japan International Cooperation Agency. Engineer Shatha Kharaz presented the method of calculating standards points with the presence of all GDPT and branch offices valuers and a number of accountants and data entries.

This training is considered to be the first step before starting the field training that will start next August 2016.

The aim of the training is to introduce trainees to the way of calculating the standard value and the ability to implement it.

GDPT Completed a Training Course in Japan

GDPT completed a training course in Japan in cooperation with JICA through Palestine Valuation Project under the title of “ Training on Valuation Standards”. The training course was conducted in the period between 22th of May till 3rd of June 2016. It was attended by the General Manager of Property Tax with the participation of 9 employees from GDPT main head office and branches from all governorates

The course aimed to introduce the trainees about the practices of valuation methods in Japan as well as emphasis on the appropriate valuation in methodology in Palestine.

The training program contains lectures on a regular property tax and property speculation in Japan as well as addressing the curriculum Rosinka using geographic information systems in addition to a number of field visits and study tours.

It is worth mentioning that the trainees have received certificates on the subject of real estate valuation and properties evaluation.



Main Achievements



P-TAX system training course

GDPT implemented in cooperation with the Japan International Cooperation Agency (JICA) a training course on the computerized property tax system (P-TAX) which took place at PFI building in 31st of July and 1st of August 2016.

The training material was provided by Experts Company for technical support in cooperation with the IT department staff at GDPT, wherein a number of valuers, data entry, and accountants from GDPT HQ and branches have been involved in this training course.

At the end of the course, the whole attendees confirmed their ability to use the system, reach and update the data to apply the new valuation standards.

New Valuation Standard (NVS) Field Trail

GDPT conducted a Field Trail through JICA Palestine Valuation Project and within the confirmed training program to apply the NVS.

The Field Trail was held for three days in the period between August 2nd and 4th 2016, as block No.1 was taken as a sample for the trail.

Valuers from different governorates participated in the Field Trail under the supervision of J-PVP Valuation Experts in aim to be trained on collecting data effectively and how to apply the NVS.

This Step will minimize the valuers efforts as well as avoiding the difficulties and find solutions for obstacles that might raise up in using the NVS in the soon future.

A 15 -4

Seminar About the New Valuation Standards in Palestine

The General Directorate of Property Tax, in cooperation with the Japan International Cooperation agency (JICA), has conducted a three day seminar, from 19 till 21 of July, about Including new valuation standards in Palestine within the property tax system.

A number of GDPT employees and its branches have attended the seminar that aimed to deepen the understanding of the new valuation standards through discussing important issues and identifying measures to be followed till the end of this year.

Six committees were assigned by the end of the seminar:

(Human and technical needs committee, Higher reference committee, Follow up and evaluation committee, VS formulation committee, Public awareness campaign committee, Executive plan committee).

These committees will continue the needed tasks in order to take care of the continuity and sustainability of the outputs of the VS project before finalizing the VS standards and officially discussing them to be applied beginning of next year.

Finalizing the final formula of the New Valuation Standards

In consultation with Dr.Ibrahim Ayoub the International Valuation Expert, GDPT reviewed the New Valuation Standards draft and revised its components through a study tour to Jordan in the period between August 6th and 9th 2016. The General Directorate of GDPT participated in this study tour in cooperation with Valuation Department Head in GDPT and Bethlehem Office Head.



Property Tax around the World

(1) Basic Information Concerning Property Tax System

	Japan	USA	England	France	Australia	China	Hong Kong	Singapore	South Korea
Characteristics of the System	Valuation, levy and collection of the property tax are conducted on a local government level. Because Ministry of Internal Affairs and Communications is conducting an overall supervision, there is not much difference in the way matters are being handled from one local government to another.	Much of things to do with property tax, i.e., valuation, levy and collection, are being handled by local governments and each local government shows its characteristics in how it handles the property tax matters. The state does not interfere with individual cases of property tax but limit its role to overarching matters.	Adopts different systems for different types of properties. Residential use: Council tax; Business use: Business rate.	A system of multiple layers of tax. For the ownership of a real property, there are: tax for existing property; tax for non-existing property; residential property tax; and occupational tax. It is expected that the system be slim lined.	Two layers of taxes. 'Land tax' levied by state government and 'Rate' levied by municipal government. The latter is the main source of income for many municipal governments and accounts for about 30 percent of their income.	The foundation of the system was established with the passing of a property tax law in 1986. Based upon this law, in 2011, residential properties owned by individuals in large cities have become taxable assets.	Hong Kong SAR Government levies tax based upon 'Rating Ordinance'. Income from property tax is on the decline due to economic recession which is causing decreasing rent.	Inland Revenue Authority of Singapore (IRAS) is conducting valuation, levy and collection of property tax.	Dual tax system of the local property tax and the comprehensive real estate tax.
Taxable Properties	Land/Building/Depreciable assets	Real property	Residence: Council tax Real property for business: Business rate	Real property	Land	Residential property	Land/Building/Machinery and Equipment	Real property	Land/Building/Ships/Airplanes etc.
Valuation Method	Valuation standards for fixed assets. Valuation is conducted based on the street value or road rating (<i>Rosenka</i>) method. Revaluation is conducted every three years.	Specific matters to do with valuation are being delegated to each local government. The valuation of residential houses are conducted based on sales comparable analysis.	Valuation is conducted by the Valuation Office Agency, an executive agency of HM Revenue & Customs. The valuation is conducted based on market value and rent value for residential houses and business properties respectively. For the latter, revaluation is conducted every 5 years.	Valuation is conducted based on rent value.	Valuation method is chosen by each local government.	Both the valuation method based on cost and rent value are being adopted.	Valuation is conducted based on rent value.	<i>Building</i> : Annual value is the estimated annual rent of your property if it were to be rented out, excluding the furniture, furnishings and maintenance fees. <i>Land</i> : Annual Value is determined at 5% of its estimated freehold market value. Annual value is reviewed yearly.	Based on the 'Real estate prices and Appraisal Disclosure Act', the valuation of land and residential real estate is conducted independent of the tax authority.
Tax Rate	In principle, 1.4%	Differs from one local government to another.	Differs from council to council. Tax rate for business properties are revised every year.	Stipulated by each city/municipality. Cannot exceed the maximum tax rate.	Differs from one local government to another.	Differs from one local government to another.	In principle, 5%	In principle, 10%	Different rates are applied depending on the use and the value of a real estate.
Taxpayer	Owner	Owner	Possessor	Owner, Possessor	Owner	Owner	Owner, Possessor	Owner (Lessor)	Owner
Special Measures	In order to mitigate the effect of steep rise in the land price, both the base of taxation (taxable assessed amount) and the valuation estimate are assessed for each real property. Tax amount is determined by applying the tax rate on the taxable assessed amount.	Many individuals and families who pay a high share of their income in property taxes are eligible for "property tax circuit breakers"—refunds provided by the state government to those whose property tax payments are deemed too great.	There are tax concessions for carers, people living alone, and those with a disability or mental impairment. Special circumstances are recognized for business properties as well.	—	For land, no tax is levied upon residential land and those lands that are used in the primary industries.	Available	If there is no water supply, no tax is levied. Lands for agricultural uses are exempt from tax.	Exemption from Property Tax for an Approved Building Project (ABP).	Mitigation measures similar to those adopted in Japan.

(2) Basic Information Concerning Systems of Real Property and Real Property Valuation Standards

	Japan	USA	England	France	Australia	China	Hong Kong	Singapore	South Korea
Rights concerning Land	Ownership rights, Possessory rights, Superficies, Lease rights etc.	Ownership rights, Rights to lease, easements. For condos: Ownership interest in a condo unit, cooperative ownership, time share etc.	Freehold, Leasehold, Commonhold etc.	Ownership rights, Ownership interest in a condo unit, Easement etc.	Freehold, Leasehold, Easement, Native Title etc.	Ownership rights, Land use rights	Ownership rights, Use rights, Superficies etc.	Ownership rights (80% owned by the state), Leasehold rights etc.	Ownership rights, Superficies, <i>Jeonse</i> (a real estate term unique to South Korea that refers to the way apartments are leased.) etc.
Tax on Real Property	Real Property Acquisition Tax, Registration Tax, Property Tax, City Planning Tax, Inheritance Tax, Gift Tax, Income Tax, Corporation Tax etc.	Property Tax, Transfer Tax, Capital Gain Tax, Inheritance Tax, Estate Tax etc.	Tax on rental income, Capital Gains Tax (CGT), VAT, Inheritance Tax, Stamp Duty, Municipal/Local Tax etc.	At the time of acquisition: Registration tax, VAT At the time of transfer: Income tax and other taxes (Inheritance tax, gift tax etc.)	At the time of acquisition: Stamp tax, At the time of transfer: 10% of GST (Goods and Service Tax), At the time of possession: Land Tax, At the time of sales: Capital Gains Tax etc.	Tax levied at the time of acquisition, transfer and possession.	Tax is levied at the time of acquisition, transfer, possession, inheritance etc.	Tax is levied at the time of transfer possession, inheritance etc. No tax is levied at acquisition.	Tax is levied at the time of: Acquisition, Registration, Possess. Inheritance tax and gift tax etc.
Units of Measurement	sq.m, <i>tsubo</i> (1 <i>tsubo</i> is roughly equivalent to 3.3058 sq.m)	sq. feet	sq. feet sq.m	sq.m	sq.m	sq.m	sq. feet	sq. feet	sq.m (use of <i>tsubo</i> or <i>pyeong</i> was officially replaced by sq.m in 2007)
Ownership Confirmation	Registration System	Registration System	Registration System	Registration System	Registration System	Registration System	Registration System	Registration System	Registration System
Commissions	Buy and Sell: The standard broker fee is 3% of the transaction price plus JPY 60,000. Lease: Approximately one month rent (differs from place to place)	Buy and Sell: Normally, the seller bears 6% of the transaction cost. Lease: Normally, about one month rent	1%~1.5%	Buy and sell: 2.5% commissions imposed by the government, 5~6% to be paid to the real estate agent, 1.5% to be paid to the notary.	Buy and sell: Roughly between 1% and 4%. Buyers bear no commission fees.	Buy and Sell: 1% of the transaction cost borne by both the grantor and grantee. Lease: 35% of monthly rent borne by both lessor and lessee.	Buy and Sell: 1% of the transaction cost borne by both the grantor and grantee. Lease: 50% of monthly rent borne by both lessor and lessee.	Buy and Sell: 2% and 1% of the transaction cost borne by the grantor and grantee respectively. Lease: One month rent borne by the lessor and 0.5 month rent by the lessee.	Buy and Sell: 0.4%~0.6% of the transaction cost borne both by the grantor and grantee. Lease: 0.3%~0.5% of the <i>jeonse</i> money borne both by the lessor and the lessee.
Real Property Valuation Standards	Real Estate Appraisal Standards (of Japan)	Uniform Standards of Professional Appraisal Practice (USPAP)	RICS Valuation Standards (8th edition)	La Charte de l'expertise en évaluation immobilière (4 ^{ème} édition)	Australian & New Zealand Valuation & Property Standards	Provision for Urban Land Evaluation The provisions of the Urban Land Grading	The HKIS Valuation Standards	SISV Valuation Standards and Practice Guidelines	Real estate prices and Appraisal Disclosure Act and other regulations.
License/Title given to Real Property Valuer/Appraiser	Licensed Real Estate Appraiser	State license and certificate are endowed by each state/ MAI, SRA are professional designations given by the Appraisal Institute (AI)	Chartered Surveyor	No national licensing. Anyone can identify oneself as a valuer except for l'expert foncier et agricole and l'expert agree par les tribunaux.	Certified Practicing Valuer	1. Land Valuers 2. Real Estate Valuers 3. Asset Appraisers	MHKIS (member), FHKIS (fellow)	Licensed Valuer, Singapore Institute of Surveyors and Valuers	Licensed Property Appraiser
Valuation Oversight and Registration	Ministry of Land, Infrastructure, Transport and Tourism	Each state/ Appraisal Institute etc.	Royal Institution of Chartered Surveyors	Institut Français de l'Expertise Immobilière	Australian Property Institute	1. China State Land Administration 2. The Ministry of Housing and Urban-Rural Development 3. China Institute of Real Estate Appraisers and Agents 4. China Appraisal Society etc.	The Hong Kong Institute of Surveyors and Valuers	Singapore Institute of Surveyors and Valuers	Ministry of Land Infrastructure and Transport
Number of Real Property Valuers/Appraisers	Number of licensed real estate appraisers affiliated with Japan Association of Real Estate Appraisers: about 5,000	Appraisers registered in each state: Approx. 95,000 AI: 23,000 around the world	Approx. 159,000 around the world (as of 2009)		Approx. 7,500	1. Land Valuers: Approx. 27,000 2. Real Estate Valuers: Approx. 32,000 3. Asset Appraisers: Approx. 29,000	1,800 (General Practice Division)	Approx. 1,800	Approx. 3,000
Public/Private Information Source for the Valuation of Real Property	<i>Public sector source</i> : Land Market Value Publication, Publication of market values of standard sites by prefectural government, Road Rating: valuation of inheritance tax etc. <i>Private sector source</i> : Various surveys conducted by Japan Real Estate Institute, Real Estate Information Network System etc.	<i>Market information</i> : CB Richard Ellis, Torto Wheaton Research (TWR), REIS Inc., Real Estate Research Corp (RERC), Colliers, Grubb & Ellis, Marcus & Millichap Group, Corcoran, Prudential, Korpacz etc. <i>Index</i> : NCREIF(National Council of Real Estate Investment Fiduciaries)	<i>Public sector source</i> : Land Registry published House Price Index (HPI) using sales data collected on all residential housing transactions, whether for cash or with a mortgage, in England and Wales. <i>Private sector source</i> : IPD, PMA etc.	<i>Public sector source</i> : L'Institut National de la Statistique et des Études Économiques (INSEE), Chambre des Notaires etc. <i>Private sector source</i> : Fédération Nationale de l'Immobilier (FNAIM), IPD, etc.	Quarterly real estate index published by the Australian Bureau of Statistics, Data and information published by the Real Estate Institute of Australia (REIA) etc.	Available	Available	Available	Available

JICA-Palestine Valuation Project – J-PVP

Existing Valuation Procedures

General Directorate of Property Tax

Ministry of Finance

First Draft: October 7, 2013

Second Draft: December 22, 2013

By: Sireen Hashweh

Third Draft: **April 26, 2015** (Shatha Karraz and Fadia AlKhatib)

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1. Taxpayers who challenge against the valuation results, have the right for objection within 30 days from the date of receiving the notification. In this regards, taxpayers will fill in a form for "Objection to the Valuation" at the Branch office.	23
2. "Objections to the Valuations" are compiled and studied by the valuation committee. Accordingly, appointments are scheduled for all objectors through a "Notice for Considering the Objection". Notices are distributed to taxpayers through municipality employees working at the Branch Offices in coordination and cooperation with property tax employees.	23

3. Upon each appointment, taxpayers justify their objection before the "Objection Committee" panel. Members constituting the objection committee are the same members of the valuation committee that has conducted the evaluation.	23
4. Taxpayers (Objectors) receive a report by Hand through municipality employees working at the Branch Offices in coordination and cooperation with property tax employees. The report includes: city, quarter/block, parcel, valuation prior to objection (initial valuation), valuation post to the objection, tax %, and objection committee signature.	23
5. The Valuation Division submits Valuation Lists (including post objection figures) to the accounting division of Branch Offices for further data entry and property tax calculation.	23
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List of Abbreviations

Abbreviations	Meaning
J-PVP	JICA-Palestine Valuation Project
GDPT	General Directorate of the Property Tax
MOF	Ministry of Finance
Law No.11, 1954	Tax Law for Land and Buildings within Municipal Boundaries – Jordanian Law No.11 of 1954
PLA	Palestinian Land Authority

List of definitions

- **Mulk Land:** In Ottoman Turkish law, *Mulk* land was land that was owned outright in complete freehold, and was not subject to the tithe tax. The land could be transferred to others without state interference, and owners could mortgage it or bequeath it.
- **Miri Land:** Land owned by the government (originally the Ottoman crown) and suitable for agricultural use. Individuals could purchase a deed to cultivate this land and pay a tithe to the government. Ownership could be transferred only with the approval of the state. *Miri* rights could be transferred to heirs, and the land could be sub-let to tenants. If the owner died without an heir or the land was not cultivated for three years, the land would revert to the state.
- **Waqf Land:** The *Waqf* is the Muslim religious endowment. It owns land and other properties that have been given to it by the state and private individuals, and it manages these properties. The Palestinian *Waqf* is responsible for the management of the Haram al Sharif, Temple Mount area by agreement with Israeli authorities. *Waqf* land ownership - *Waqf* land ownership has a special status under Ottoman land laws that were continued under British and Israeli law. *Waqf* land is of two types - *Waqf sahih* (true *Waqf*) and *Waqf gheir sahih*. True *waqf* land is private *Mulk* land that given to the *Waqf* religious endowment or as a family trust. It could not be sold and was used for religious purposes primarily, for houses and for shops. There were about 80,000 to 100,000 *dunums* of such land. *Waqf gheir sahih* is *Miri* leasehold land, in which the “owner” owns only the right of usufruct and not the land itself. This land was transferred to the trust with the permission of the Sultan or the government. There were about 600,000 to 1,000,000 *dunums* of *Waqf gheir sahih* land. *Waqf* land in mandatory times was administered by the Supreme Muslim Council. Though it was theoretically inalienable, the Jewish Agency had acquired tracts of *Waqf* land during Ottoman times.
- **Abandoned Land (*Matrouka*):** Land left for public use such as highways, as well as communal lands and pastures. These lands belonged to the state, and not to communities or individuals. It is not clear that this category actually existed in Palestine.

- **Waste Land (*Mawat*):** So-called ‘waste’, unclaimed land. It was sand dunes, and hilly, scrub woodland and grazing areas. It constituted about 50 to 60% of the land in Palestine at the beginning of the mandate (1921), and it belonged to the government. In accordance to the Ottoman Land Law, private individuals were allowed to use the land upon approval from the government.
- **Block:** The word (block) means, the area or part thereof. The block shall be composed of one parcel or several contiguous parcels. It is used as a unit for the purposes of the registration or survey of land or for the purposes of taxation.
- **Quarter:** An area or part of an area that includes a number of adjacent parcels, yet smaller in size compared to a block.
- **Parcel:** A unit of a block/quarter owned by one or several persons jointly.
- **Owner:** The term (owner) means, the person who directly benefits from the property, or who receives its rental allowance or income, provided that the registered owner is to be considered the actual owner in case there was some argument or conflict on the property.
- **Land:** Land shall include the buildings existing on the land and everything else that is fixed thereon.
- **Building:** A building shall include the building established on the land as well as each other garden, yard or land that is adjacent to the building, and surrounds it, and is used with it or has been prepared to be used as a part thereof, whether the building was inhabited or uninhabited, used or unused.
- **Addition (in relation to building):** It shall mean any constructional change or any constructional addition therein.
- **“Of complete construction”:** It shall mean that the building or any constructional change therein, or any constructional addition thereto is deemed to be of complete construction when it becomes usable.
- **Apartment:** It is a flat in a building. A building would consist of many flats/apartments with a number of stories/levels.
- **Independent house:** A detached house that consists of one or two levels. It is often inhabited by one family members or relatives.
- **Villa:** A detached house, yet different from an independent house in the sense that it is a large and luxurious residence. A villa usually comes with a yard and a garden, and a brick roof.

- **Land settlement:** The act of resolving all conflicts relating to the right to act, own and use properties under the law 'Land and Water Settlement Law No. 40 of 1952'.
- **Title Deed:** A document that grants the owner a right of disposition to buy/ sell the property. However, it does not grant authority to mortgage or benefit from loans. This is the case in most of the banks, however, some banks accept to take the title deed as a substitute for the registration deed issued by PLA. Additionally, it is worth mentioning that the title deed is considered as a "presumed title".
- **Irrevocable power of attorney:** A buy/sell agreement that must be executed or renewed within a specified period of 15 years, otherwise the document will lose its validity.
- **Inheritance deed:** The transfer of a document from a dead owner to his/her heir/heirs.
- **Area A (Oslo Agreement):** Area A includes most major pre-existing Palestinian urban areas, covers 18 percent of the West Bank and is under full Palestinian security and civil control.
- **Area B (Oslo Agreement):** Area B consists largely of peri-urban areas and small towns, comprises 21 percent of the West Bank and is under Palestinian civil control and Israeli security control.
- **Area C (Oslo Agreement):** Area C is defined as areas of the West Bank outside Areas A and B which are under full Israeli civil and security control, comprising 61 percent of the West Bank.

Legal Framework

The legal status in Palestine, in comparison to other countries of the world, is considered unique and complex due to the many authorities/countries that ruled Palestine following the collapse of the Ottoman Empire. Many countries have ruled Palestine throughout history; each imposing its own laws and regulations to serve its personal interests.

The property tax in Palestine, like other legal issues, has been subjected to various laws due to the different regimes that ruled the area. Today, however, the law that governs property tax in the West Bank is the Jordanian law ‘Law for Buildings and Lands within the jurisdiction of municipalities’ No. (11) of the year 1954 (and its amendments)*. This law stipulates that tax shall be imposed only on properties that are located within the boundaries of municipal councils; thus, excluding properties within village council boundaries.

- ★ This law, along with its Jordanian amendments until 1967 and all amendments by Israeli military orders (86 Israeli military orders), continues to be in force until today. Those military orders were issued during the Israeli military administration to the West Bank and Gaza in the year 1967. This includes the amendment “Provisional Law No. (9) Of 1967” which stipulates the necessity of the MOF to collect property taxes on behalf of the municipalities. GDPT and its branches as representatives of the MOF is the authority in charge of administering and collecting property taxes within municipal boundaries in the West Bank.

General Directorate of Property Tax

GDPT is one of the major directorates of the Ministry of Finance. **It has a number of two hundred and eight (208) employees, including twenty three (23) seconded staff from local authorities (municipalities), as well as forty (40) contracted employees funded by donor agencies.**

A number of 14 property tax offices are located throughout the West Bank. Those offices are located in the following governorates: South Hebron “Dura”, Hebron, Bethlehem, Abu Dis, Jericho, Ramallah, Salfit, Nablus, Tulkarem, Qalqilya, Jenin, Yatta, Tubas and Al-Ram. In addition, there is GDPT within the MOF and another office in Gaza which was closed down in the year 2007 when HAMAS carried out a coup.

The Property Tax Department plays a significant role in valuation, levying and collecting taxes. Yet, the value of its existence stems from the fact that it manages 70% of the land area in the West Bank, where settlement by the PLA has not been conducted yet. GDPT, therefore, maintains ownership by regulating, transferring, endorsing ownership of properties in addition to issuing title deeds to prove ownership and obtain building licenses. It also preserves and stores these important registries from the days of the British Mandate until this very day. Pertaining to the remaining 30% of the land area in the West bank, the PLA is the responsible department for maintaining ownership and transfer of ownership, whereas valuation and levying taxes is kept as a main function of GDPT.

Comprehensive Valuation Processes

Valuation is the backbone of property tax departments, it forms the starting and ending point in most of the work and services provided to the citizens by the departments of property tax. Even though, and until the year of 2006, GDPT has not received worthy attention from its supervisors and officials, despite its great significance and its prominent role as one of the general directorates affiliated to a primary ministry of the Palestinian National Authority, “Ministry of Finance”. In 2006, officials in charge of GDPT became more aware of the value of the property tax department due to its solid relationship with the cause of land ownership in Palestine, and due to the fact that GDPT manages over more than 70% of the total land area in the West Bank. In addition to its contribution to support the budget of municipalities and local bodies and enable them to meet their needs to be able to provide services to citizens in various fields of services, social, economic, cultural, and thus support the economic development forward.

Hence, with the goal of upgrading performance level, GDPT aims to achieve two main goals:

1. Increase revenues

2. Maintain the property of citizens and work to renew and organize relevant records.

The first valuation process was carried out between the years 1984-1987 by the Property Tax Department under the Israeli Authority administration. By then, municipalities that existed during the era of Jordanian rule were valued and taxes were levied accordingly. However, taxpayers paid nominal and insignificant amounts of taxes. The value of one square meter of land revolved around 0.5 Jordanian Dinar.

During the period between the years 1984-2007, GDPT evaluated the new municipalities (village/local councils which were changed into municipalities). In addition, GDPT evaluated new buildings that were constructed in an already evaluated area or re-valuated buildings that witnessed any changes (whether constructional additions, change in rental contracts, etc...).

In the second half of the year 2006, and in addition to the annual valuation reviews, GDPT has announced the implementation of a comprehensive evaluation process after 23 years of inactivity by a decision from the MoF. The low tax base was the main problematic matter at GDPT and was the main driving force of its decision to engage in a comprehensive evaluation process. GDPT aimed at increasing the tax base both horizontally and vertically. On the horizontal level, GDPT aimed at evaluating new municipalities which have never been previously assessed. On the vertical level, it aimed at re-evaluating old municipalities to increase the tax base.

The total number of municipalities in the West Bank is 109, 25 of which are old municipalities and 84 are new municipalities. Until the end of 2012, GDPT has completed the evaluation of 60 municipalities; all the old 25 municipalities and 35 new municipalities. In 2013, GDPT worked on the evaluation of 12 new municipalities. Hence, the number of municipalities remained to be evaluated over the period of 2014 until 2016 will be 37 municipalities (all of which are new).

In accordance to an Israeli military order which was issued around the year 2007, the General Director of GDPT was granted full authority to implement evaluation. In this context, and until the year 2007, evaluation was based on Law 11 of 1954. However, in 2008, the General Director of property tax issued administrative and technical instructions related to valuation in terms of adopting rental/leasing contracts instead of rental allowance as stipulated in the

law (article no. 7). The goal of these new instructions was to create a foundation that is closer to social justice and to increase revenues.

Cooperation between Municipalities and GDPT

According to Law No.11 of 1954, municipalities are expected to play a significant role in the process of valuation, in terms of valuation of properties, collection of taxes, provision of updated physical plans and updated information on new buildings within their municipal boundaries. However, and on the ground, the cooperation in these matters is not enough. In this context, and based on the Law No. 11 of 1954 which stipulates that the municipal council is in charge of nominating a member for the valuation committee which is formed by the GDPT, the question is 'are municipalities fully aware of the effective and essential role that should be played by the member elected from their side?'. Actually, the main purpose which municipal members serve being part of the valuation committees is the feeling of security that they give to the citizens living within their municipal boundaries throughout the field visits by GDPT. Provided that a municipality member is a popular and known figure in the town/city, citizens would feel much more comfortable to welcome GDPT valuers at their homes. Finally, municipal members provide much help to valuation committees as they have significant information on tenants, land and building owners, and rental contracts for small municipalities, whereas for large municipalities, it is difficult for the municipal members to provide such information. This kind of information is very important for the valuation committees, especially when unable to meet with the citizens through field visits.

The participation of municipalities in the collection of taxes is limited. In addition, they do not pursue their role in encouraging the citizens to pay their due taxes. In this regard, GDPT often provides municipalities with payment notices to assist in their circulation to citizens so as to pay their due taxes, given that there are no sufficient collection officers at the GDPT. Nonetheless, municipalities might not succeed to circulate all the notices which are given to them for different reasons: The first reason is the lack of awareness level

amongst municipal members on valuation and on the act of levying itself. They seem to be inattentive to the value of imposing and collecting property taxes; therein not fully cooperating with GDPT in the whole valuation process.

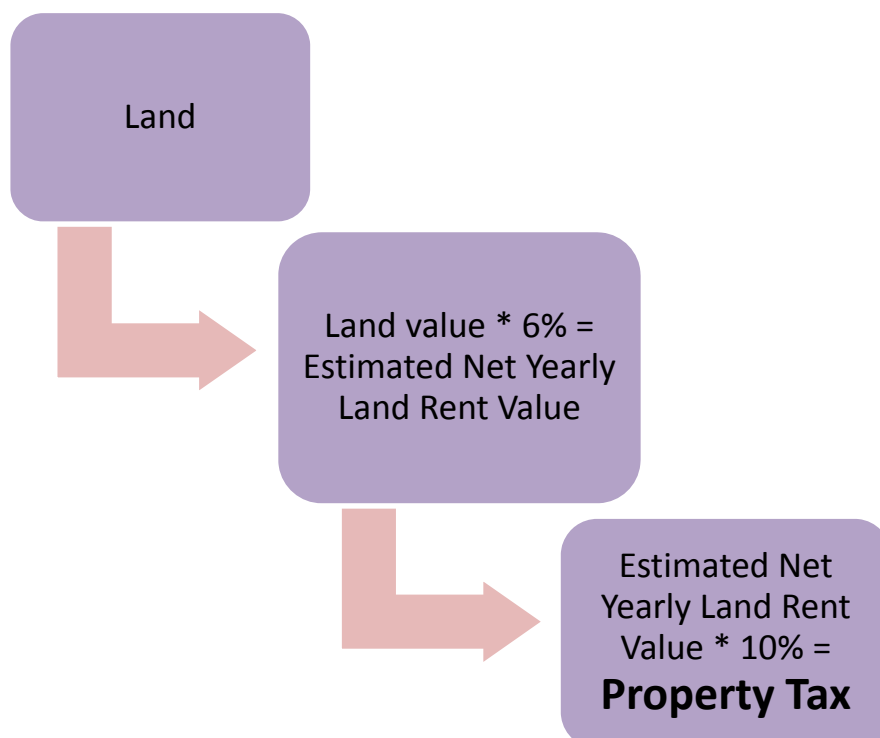
Municipalities tend to restrain from fully cooperating in the process of levying and collecting taxes because some municipal members wish to maintain a strong and positive relationship with the public and avoid disputes and problems, mainly because they are elected members who either do not want to disappoint those who voted for them or who wish to have a good reputation for future elections.

Property Tax Calculation

Properties which are evaluated and levied are divided into two categories: Buildings and Land.

Law No.11 of 1954 imposes a 17% tax on buildings that exist within municipal jurisdiction in the West Bank and a 10% tax on land.

❖ Land:



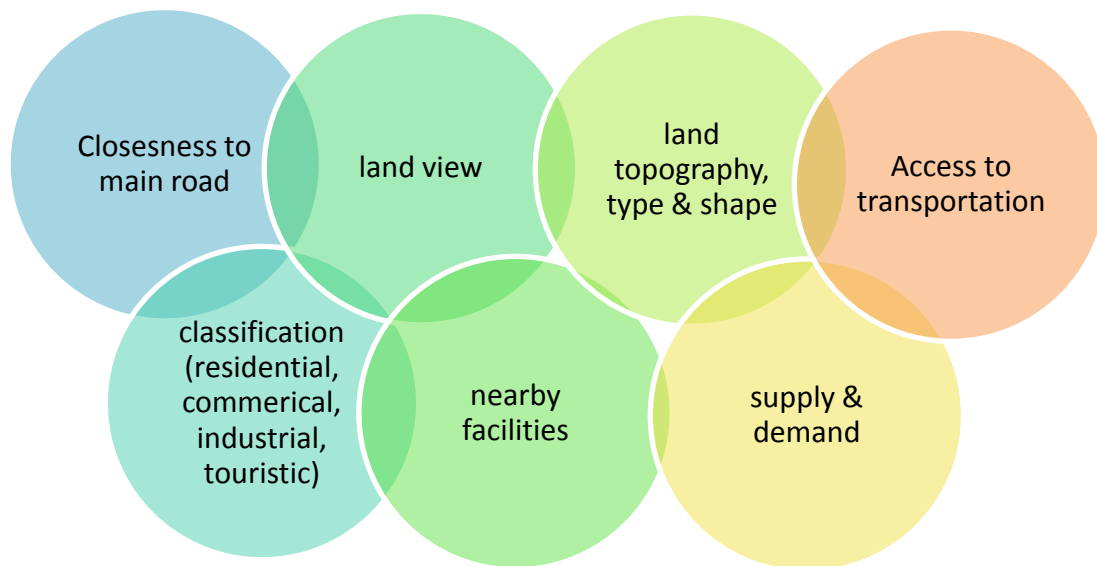
Based on the long experience of GDPT valuers in real estate, and based on their daily and frequent interactions with stakeholders who are involved in the buy and sale transactions of land and buildings (i.e. real estate brokers, real estate agencies, PLA and buyers and sellers acquaintances whom valuers meet in their daily lives), GDPT valuation directors managed to verify the market value of land in each area for valuation purposes only.

In addition, GDPT valuers refer to the municipality classifications done by the Ministry of Local Government as a general guide for setting property tax rates. The Ministry of Local Government gave municipalities/area degrees “A, B, C, D, etc.” in accordance with the level of luxury, demand, services, cleanliness and attention given by the municipality towards the area. The level of luxury is highest in Areas A. GDPT make use of these classifications so as to help valuers determine the valuation value of properties for tax purposes. However, GDPT valuers do not rely on these classifications 100%, because valuers believe that even within the same area (ex. Area A), properties are not equal in terms of value. Hence, GDPT General Director gave the authority/power to the valuation committees within the Property Tax Department to put their own efforts in determining the value of each area based on their decisions.

In the event that the law is to be applied on the land value as agreed between the seller and the buyer, taxes would be enormous, given the deteriorated economic situation from which Palestinians suffer. Hence, to avoid public demonstrations and enable taxpayers to pay their due taxes, the Property Tax Department found it appropriate to decrease the actual land value and instead to set a more reasonable amount for the purpose of property tax only. However, these reevaluated numbers were never calculated based on a given formula/equation. Instead, these numbers were based on the result of personal efforts and were never documented in an official manner. It is worth mentioning here, that the Director General of Property Tax has issued instructions to the valuers with regards to the deductions to be taken for particular cases (in case the building is ready to be rented but not rented yet, and so on....see page 17 and onwards). However, in addition to those defined deductions the valuation committees also rely on their experiences.

In the valuation process, the valuation committees use approximate certified figures (average price per square meter in each district for the purpose of valuation only), which have been pre-determined by the head of the valuation division (These figures have been agreed upon through consultations with the

Director of the Valuation Department and Director General of Property Tax). According to these figures, the valuation committees define the highest and lowest value per square meter in the target block that will be evaluated. Where the valuation value should range between the highest and lowest determined values. The committee also identifies the factors affecting the process of valuation as depicted below:



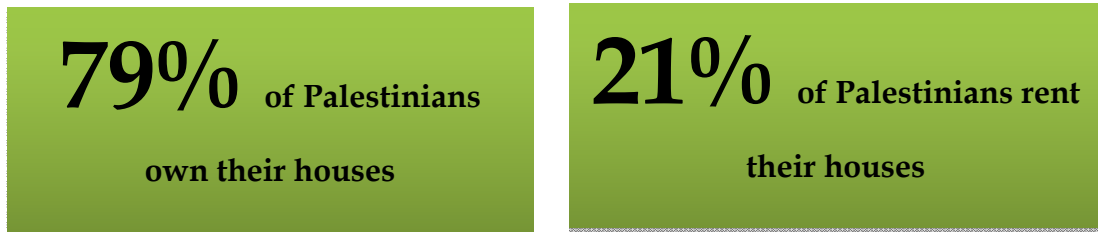
Additionally, appropriate relative weights are determined according to the importance of the various factors in the process of valuation. This results in the determination of the value of the land.

All land classifications within the areas of the municipalities are subject to evaluation, whether public, *Mulk*, *Miri*, abandoned, or *Waqf*. Taxes shall be levied on public and abandoned lands only in the event of generating profit (in the case of leasing). As for agricultural and rocky lands, they are evaluated and levied as well.

❖ **Buildings:**

Important Statistics:

According to the latest statistics published by the Palestinian Ministry of Public Works and Housing during the Conference "housing in the West Bank", which was held in September 2013, it has been shown that the majority of Palestinians own their homes while the minority tends to rent their residents.

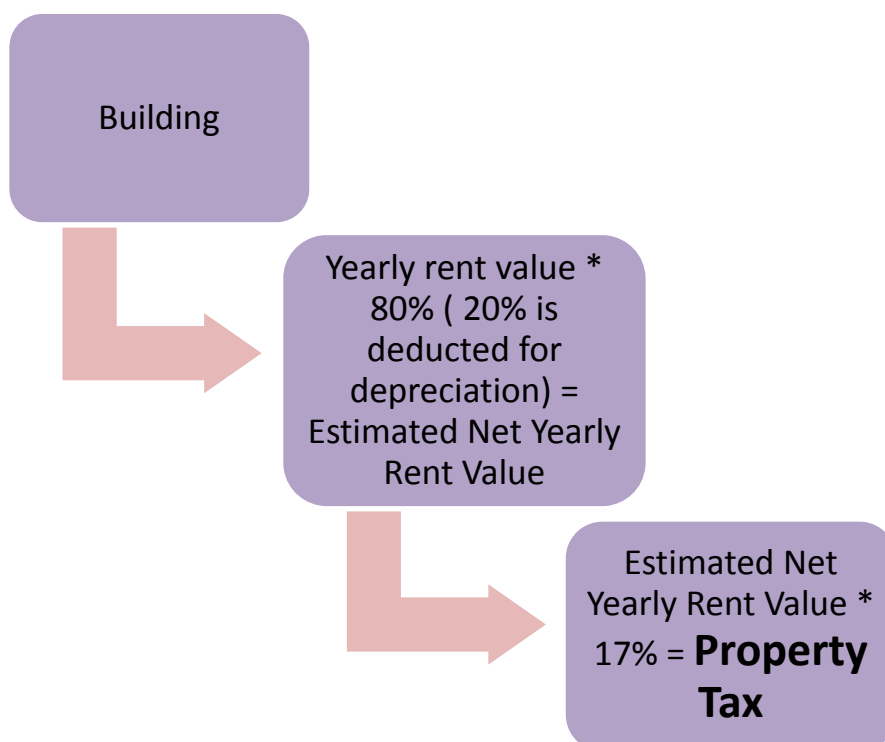


The valuation of a building is a more complex process than the evaluation of land because its “usage” plays a significant role in determining its value for property tax purposes. Buildings are classified into three categories:

1. **Apartment:** it is a flat in a building. A building would consist of many flats/apartments with a number of stories/levels.
2. **Independent house:** a detached house that consists of one or two levels. It is often inhabited by family members or relatives.
3. **Villa:** a detached house, yet different from an independent house in terms of being large and luxurious. A villa usually comes with a yard and a garden, and a brick roof.

These classifications are inspected and taken into account in the determination of the valuation value. However, there isn't a fixed valuation price for the square meter in each classification. Nevertheless, the valuation committee considers the classification a valuable factor in the valuation of properties.

In general, the tax of a building is calculated based on the following formula:



In case the building is rented for either commercial or residential use, the annual rent value depicted in the lease contract will be taken as the basis for estimating the property tax, as shown below:

Rented building:

1. Yearly rent value (depicted in the lease contract) * 80% = Net yearly Rent Value
2. Net Yearly Rent Value * 17% = Property Tax

In case the building is ready to be rented, but has not been leased yet, and due to the fact that a lease contract is not available, the tax is calculated based on the rental value prevailing in the area. However, because there is no profit from the rent yet, the Property Tax Department took an initiative to make a reduction in the amount (the rental value prevailing in the area) by an approximate 50%. Additionally, many influential factors are also taken into consideration by the valuation committee as shown below:

The building is ready to be rented, but has not been leased yet:

1. Prevailing rent value in the area (comparable properties) * 80% = Yearly Estimated rent value
Yearly Estimated rent value * 50% = Final yearly estimated rent value
Final yearly estimated rent value* influential factors= Net yearly estimated rent value
Net early estimated rent value * 17% = Property Tax

In case the building/apartment is used by its owners for residential purposes, the same steps for the valuation of a building for rent (ready to be rented, but not rented yet) is applied, with a minor modification in the percentage rate (30%) due to the fact that there is no generated profit.

The Building is used by the owner for residential purposes:

1. Prevailing rent value in the area (comparable properties) * 80% = Yearly Estimated rent value
2. Yearly Estimated rent value * 30% = Final yearly estimated rent value
3. Final yearly estimated rent value* influential factors= Net yearly estimated rent value
4. Net yearly estimated rent value* 17% = Property Tax

Finally and in case the building/apartment is used by its owner for commercial purposes, the Property Tax department considers a percentage of 70% of the estimated value. This indicates that owners who establish businesses in their owned properties tend to pay lower taxes than those who rent their properties for commercial use.

The Building is used by the owner for commercial purposes:

1. Prevailing rent value in the area (comparable properties) * 80% = Yearly Estimated rent value
2. Yearly Estimated rent value* 70% = Final yearly estimated rent value
3. Final yearly estimated rent value* influential factors= Net yearly estimated rent value
4. Net yearly estimated rent value* 17% = Property Tax

Basis of Valuation

As stipulated in the law No. 11 article No.7 of 1954, valuers shall consider a number of factors that affect the yearly net rental value of a property, such as the size, location, usage, and rental allowance, etc. These factors in general are taken into consideration upon assessing properties that are ready to be rented but not rented yet. Additionally, they are not based on a set of established rules

and regulations or solid numbers and data. Instead, they are based on personal efforts and judgments. There are no fixed prices that are officially documented and adopted. For example, there are no set prices for the square meter in each geographical classification or for each building classification. Instead, valuation committee members examine all influential factors and then make an approximate estimation of the property value based on their experience and judgment. Accordingly, this working method results in an increased number of objections, the feeling of inequality amongst taxpayers and the lack of confidence in the Property Tax department.

The majority of municipalities have already issued physical plans that have been endorsed, while few municipalities are still in the process of updating and endorsing their physical plans. Municipalities who have updated physical plans have 100% availability of block maps, while those who are still in the process of updating their physical plans cannot provide block maps yet. In areas A and B (Oslo accords), endorsement of physical plans can be obtained from the Palestinian local government. Whereas for area C, endorsement can only be obtained from the Israeli side.

Types of Valuation

Two types of valuation processes take place at the GDPT as follows:

❖ **Comprehensive Valuation:**

This process includes a thorough valuation of all municipalities, including the re-evaluation of previously assessed municipalities in addition to the evaluation of municipalities for the first time in their history. In this regards, and in accordance to article No. 20 of Law No. 11 of 1954, comprehensive valuation must be implemented in every fifth year or within any period to be designated by the council of ministers in a decision to be published in the Official Gazette. However, and due to insufficiency of human resources, this process does not take place regularly or periodically. As a matter of fact, the period between the comprehensive valuation which was implemented in 1984-1987 and the subsequent one which started by mid- 2007 is 23 years. Moreover, the comprehensive valuation which has started by mid-2007 is still ongoing

and hasn't been completed due to insufficient human resources in particular. However, GDPT believes that there is no need for this process to be conducted every five years because the regular valuation reviews that take place over the year are sufficient.

❖ **Valuation Reviews:**

GDPT makes a review of the valuation in the following cases:

1. If any taxpayer requests a review of the valuation as a result of damage, ruin or harm inflicted on the property.
2. If the valuation inspector or taxpayer objects to the levied tax.
3. If a new building is constructed and was not included in the last list of valuation.
4. If division or separation occurred on any property, or if any attachment or addition was constructed to a building since it was last valued.
5. If any change has occurred to the rental contract.
6. If the type of any property has been changed from land to a building or vice versa since the last valuation.
7. If any building has been under construction in the last valuation.
8. If any property has been settled in accordance with the Law on the Settlement of Land or the area of any property adjusted as a result of a registration transaction at the Land Registration Department since the last valuation.

Valuation Procedures

“Valuation” is a process that starts with an inventory of buildings and land within the borders of municipalities for valuation purposes, which are then assessed and taxed based on the legal provisions stipulated in the property tax law no. 11 for the year 1954.

The whole process of valuation consists of the following steps:

Step One: Announcement

The Director General of GDPT shall be entitled to send a letter to the Minister of Finance to inform him about the Valuation Process (comprehensive) and to obtain his Excellency's approval on the formulated committees as stipulated in the Law No. (11) of 1954, Article No. (5). The Ministry of Finance is entitled to make a public announcement in an official Newspaper (Al-Quds, Al-Ayyam and Al-Hayat) with regards to comprehensive evaluation. The announcement shall include commencement dates and locations (areas of the municipalities to be evaluated).

Step two: Formation of valuation committees

For the purpose of valuation only, the West Bank has been divided into three Areas (North, Middle, South) (this division existed since the Jordanian era) as follows:

- (1) North area covers: Jenin, Tubas, Tulkarem, Qalqilia, Nablus, and Salfeet Governorates.
- (2) Middle area covers: Ramallah & Al-Bireh, and Jericho Governorates.
- (3) South area covers: Jerusalem, Bethlehem and Hebron Governorates.

The Director General of GDPT has appointed one Head per area to be responsible for the valuation committees as follows:

- (1) Head of North Valuation Committees: Mr. Wael Judeh (Head of Valuation Division/Nablus Branch Office).
- (2) Head of Middle Valuation Committees: Mr. Arafat Al-Shareef (Head of Valuation Division/Ramallah Branch Office).
- (3) Head of South Valuation Committees: Mr. Khaled Hmeidat (Valuator/Hebron Branch Office).

Valuation Committees comprise of: Two members (employees) from the Branch Office (Head and Member) who are nominated through mutual agreement between the Head of the committees (North , Middle, South) and the corresponding Branch office Director with the approval from the Director General of GDPT, followed by an approval from the Minister of Finance as stipulated in the Law No. (11) of 1954, Article No. (5). The third member of the

committee is appointed by the municipality through a formal letter which is drafted by the Director General of GDPT/Branch Office Director addressing the designated municipalities. Committees are formulated as necessity arises (volume of valuation work) and their number is determined in accordance to resources availability. As for the valuation inspector stipulated in the Act No. 11 of 1954, it is worth mentioning that a total of three employees from GDPT and branch offices have been assigned to take the responsibility of valuation inspectors in the north, middle and south areas, upon a decision made by the Director General as of August 13, 2014.

The Valuation Committee shall have the power to enter the property to be valued at any time during the day hours until the date of valuation expires, and shall have the right to assign any person to present any books, accounts, ownership instruments or lease contracts to be viewed in order to draw up the list of valuation, the committee may also take copies or transcripts of such documents.

Step three: Field work

In the field, the valuation committee uses valuation records and block maps, in addition to some other auxiliary documents in the case of valuation reviews (a sheet documenting all those buildings that were under construction). Information filled out in the valuation records is as follows:

1. Block number, parcel number (as well as the parcel number before being divided or consolidated).
2. The owner's name, the names of the partners and their shares.
3. As for Land:
 - a. Land area size,
 - b. Estimated value for the square meter,
 - c. Land Valuation (land area multiplied by the value of square meter).
4. As for Building:
 - a. Annual rental contract,
 - b. Net yearly rental value (after the deduction of 20% of its value for depreciation),
 - c. Contents of building (number of rooms, toilets, kitchen, etc.),
 - d. Name of tenant,
 - e. Description of the property usage.

Step four: Lists of Valuation

Valuators shall organize a "list of Valuation" by referring to the information/data documented in the "Valuation Records" as follows: Owner, Land, Parcel, Building, and Valuation results, in addition to the committee's signature. A separate copy of the list of valuation shall be submitted to the municipality through the municipality employee working at the Branch Office for the estimation of "Educational Taxes" and others.

Step five: Data Entry

The Valuation Division submits the "List of Valuation" to the Accounting Division of Branch Offices (staff responsible for data entry) in order to enter data on the computerized system (Oracle). In this process "Lists of Valuation" are used as guidance/index for data entry. Yet, accountants always refer to the original valuation records for detailed data entry. Moreover, the entered data will be further verified by the IT staff. Accordingly, the accounting division will calculate the property tax amounts for individual taxpayers.

Step six: Valuation Notices

Valuation Notices are issued (manually) by the accounting division of each branch office. Valuation Notices are distributed to taxpayers by Hand through municipality employees working at the Branch Offices in coordination and cooperation with property tax employees (transportation can be provided by the municipality). In case there are no municipality employees in the branch office, Valuation Notices are sent to the municipality for further distribution. Valuation Notices include: City/town, Block/Quarter, Parcel, Property description, Annual Rent allowance, Tax %, and Head of valuation committee's signature (or anyone on his behalf).

Step seven: Objection/Challenge against the valuation

Steps involved in the objection stage are as follows:

1. Taxpayers who challenge against the valuation results, have the right for objection within 30 days from the date of receiving the notification. In this regards, taxpayers will fill in a form for "Objection to the Valuation" at the Branch office.
2. "Objections to the Valuations" are compiled and studied by the valuation committee. Accordingly, appointments are scheduled for all objectors through a "Notice for Considering the Objection". Notices are distributed to taxpayers through municipality employees working at the Branch Offices in coordination and cooperation with property tax employees.
3. Upon each appointment, taxpayers justify their objection before the "Objection Committee" panel. Members constituting the objection committee are the same members of the valuation committee that has conducted the evaluation.
4. Taxpayers (Objectors) receive a report by Hand through municipality employees working at the Branch Offices in coordination and cooperation with property tax employees. The report includes: city, quarter/block, parcel, valuation prior to objection (initial valuation), valuation post to the objection, tax %, and objection committee signature.
5. The Valuation Division submits Valuation Lists (including post objection figures) to the accounting division of Branch Offices for further data entry and property tax calculation.

Step eight: Appeal against the list of valuation

1. Taxpayers who appeal against the "Objection Results" have the right to appeal within 14 days from the date of receiving the results. In this regards, taxpayers will fill in a form for "Appeal to the Valuation" at the Branch Office. Additionally, appellants shall pay an amount of "NIS 100" as an insurance fee via Bank Check (1. in case the appeal was accepted, the check will be recuperated by the appellant . 2. In case the appeal was rejected, the check will be deposited into the Treasury account).
2. Appeals to the Valuation" are compiled and studied by the appeal committee. Accordingly, appointments are scheduled for all appellants. Notifications for the appointments are conveyed through phone calls.

3. Taxpayers justify their appeal before the "Appeal Committee" panel . In this case, members comprising the appeal committee are not the same members of the valuation committee that has conducted the evaluation. The appeal committee comprises of: (1) Municipality Mayor/deputy, (2) Director of the Branch Office, (3) Director of a second Branch Office other than the Branch Office where evaluation is taking place (In this case the member will be appointed by the Director General of GDPT). Then approval on the committee members must be obtained from the Minister as stipulated in the Law No. (11) of 1954, Article No. (5).
4. Taxpayers (Appellants) receive a report by Hand through municipality employees working at the Branch Office in coordination and cooperation with property tax employees describing the results of the appeal. The report includes: appeal no., quarter/block, parcel, valuation post to the objection, valuation post to the appeal, and appeal committee signature.
5. The Valuation Division submits Valuation Lists (including post appeal figures) to the accounting division of Branch Offices for further data entry and property tax calculation.

Collection of Taxes

A. Collection of taxes during the fiscal year

The Accounting Divisions at Branch Offices will keep the original "List of Valuation" including all valuation values ((1) initial, (2) post to objection, and (3) post to appeal). Accordingly, the accounting division at Branch Offices will proceed with data entry and property tax calculation for individual tax payers, this latter operation is automatically processed by using a specified formula in the automated system. Additionally, a separate copy of the 'list of valuation' will be submitted to the municipality through the municipality employee working at the Branch Office for the estimation of "Educational Taxes" and others.

Property tax shall be payable at the beginning of the fiscal year following the comprehensive evaluation. In this context, taxpayers will obtain "Payment Slips" from the accounting division at individual Branch Offices. These Slips will be further used to pay due taxes at the designated bank (currently, the Bank of Palestine is the one accredited by the Ministry of Finance for depositing

property taxes). The payment slip includes 3-colored copies; after the payment process is completed, one copy will be kept by the taxpayer, one by GDPT and one by the bank. After the payment has been posted to GDPT account, the Accounting Division obtains stamped payment slips from the designated bank through property tax employees (currently a CD with all bank data is also obtained from the bank). Accordingly, payments are reflected back into the computerized system.

With regards to big taxpayers (who are out of arrears); delivery of payment slips shall be accomplished by the collection division with an occasional support from municipality's staff. In other words, during the period from the beginning of January to the end of April, activities related to property tax collection focuses on the payments to be made by big taxpayers who are out of debts.

Moreover, a monthly accounting report for municipality shares (90%) and treasury shares (MoF) (10%) from the total amount of collected property tax is prepared by the Accounts Department at property tax, which is then submitted to the MoF.

Furthermore, promotional discounts have been imposed by GDPT to encourage taxpayers to pay their due taxes during the first few months of the year. On the other hand, GDPT also imposes financial penalties (fines) for the last three months of the year to further encourage taxpayers to pay their due taxes early in the year. Discounts and fines' percentages are as follows:

Month during which taxes are paid	Percentage of promotional discount and fines
January	20% discount
February	15% discount
March	10% discount
April	5% discount
May, June, July, August, September	0% discount/fine
October	4% fine

November	6% fine
December	9% fine

These percentages may change by a decision from the Minister of Finance or the Director General of GDPT.

B. Collection of accumulated debts from previous years

Generally speaking, a 'Payment Notice' has been issued on a yearly basis by the respective Branch Offices of GDPT, and delivered to those taxpayers who are called 'Big Debtors' (those with previous arrears) since 2010. The payment notice, which indicates the current and previous amount of tax due and fines, is handed over to each taxpayer (or who acts in behalf of the taxpayer) by the Branch Office staff and possibly with the municipality's staff. On the other hand, small taxpayers (small debtors) do not receive the Notice due to various forms of technical difficulties in delivery. Upon the receipt of the 'Payment Notice', each taxpayer (or who acts in behalf of the taxpayer) is notified to immediately go to the branch office in order to negotiate the modes of payment. In case the taxpayer failed to comply with the terms of the agreement, a second 'Payment Notice' shall be issued (customs shall intervene in this phase as witnesses). In case the taxpayer failed again to comply with the terms of the agreement, a third visit will be paid to the taxpayer in order to deliver a call letter from the customs office. In this context, The term 'big taxpayers' is used to refer to those taxpayers, whose tax due to the year accounts for more than JD 10,000 or more than JD 5,000 (or more than any other figure that has been determined by the Branch Office according to the list of taxpayer dues) including tax due to the current year and accumulated arrears.

With regard to the fines imposed on the accumulated debts, the Article 15 of Law No. 11 of 1954 (and its amendments) states that: If the tax is not paid during the fiscal year when that tax is due, then the person in charge will pay an additional (10%) of the outstanding amount as a fine, this will increase another (10%) if the tax was not paid during the next due year and thus, the total fine shall not exceed (50%) of the outstanding tax due. In other words, for example, in 2013 GDPT imposes a financial penalty (fine) of 10% on the tax debt for 2012 and an accumulated fine of 20% up to the year 2011 and so on until it reaches to a maximum of 50%.

According to 'Collection of *Miri* (state) funds' Law No. 6 of 1952, which deals with all kinds of taxes, fees, fines, receivables and debts for the financial treasury. The law stipulates multiple forms of measures to ensure the collection

of tax debts. However, the law is currently inoperative and is not applicable on the ground, due to the absence of a Palestinian state with full sovereignty. The measures stipulated in the law are as follows:

1. Temporary seizure of properties held by taxpayers who default in the payment of their debts.
2. Impose the responsibility to pay the debt on both the owner and beneficiary.
3. Seized properties will be either sold or registered in the name of the state treasury.
4. Imprisonment of taxpayers who default on their debts in the event that no other properties or collectibles on the debtor's name is found.
5. Suspension of all 'change in ownership' transactions carried out by taxpayers who default on their debts.
6. Suspension of the payment of any due by any financial authority to taxpayers until they pay their debts.

On the other hand, regarding guarantees that are applicable on the ground and which the Property Tax Department practices are limited to the following items:

1. Clearance certificate: This certificate is given to taxpayers by GDPT upon their request to indicate that the taxpayer has paid all due taxes and fees of the current and previous years. This certificate is requested mainly by two authorities:
 - Municipalities: in exchange for electricity, water and other services.
 - Land Authority: for buy and sale transaction purposes.
 - This certificate is also required for business licenses, ministries, rental contracts, banks, construction licenses and construction on absentee properties.
2. Seizure of identity cards by the customs office.
3. Halt any official transaction involving taxpayers until the action of settlement to pay the tax dues is confirmed.
4. Settlement process: in the event that a taxpayer has business interests or is renting a property to a local governmental authority, GDPT cooperates with the governmental authority so as not to pay their rent dues until the action of settlement to pay the tax dues is confirmed.

Properties Exempted From Taxes

Properties that are exempted from taxes according to Law 11 of 1954 are in most cases valuated; yet, taxes are not collected from owners. These properties include:

- Properties outside municipal borders (properties that are within village council borders).
- Properties owned by the King.
- Properties owned by the Agricultural Bank.
- Properties owned by the Administration of the Hejaz Railway.
- Properties owned by the Hashemite Kingdom of Jordan.
- Properties owned by municipalities or local councils.
- Properties owned by a foreign State and which are used as a house of a commission or consulate in case such a State exempts the house of the Jordanian commission or consulate in its territory from the tax in reciprocal treatment.
- Archaeological sites
- Any building or land located within the walls of Jerusalem
- The buildings established by members of nomadic tribes for their residence for a period of six years starting from the year ensuing that in which the construction was completed.
- Properties owned by recognized sports, cultural, or clubs.
- Properties owned by any religious, charitable, educational or medical organization that is recognized by the government, provided that buildings and land are not exempted from the tax in the event they are not used for the goals of the institution. It is worth mentioning here that the terms “sectarian” and “religious” were removed under the amendment stated in the Law of Tax Exemption for “Waqf” Institutions No.36 of 1973.
- Any buildings used as homes inhabited by owners with a net value of an annual rent less than two dinars. In all cases, these buildings are not exempted from tax if they generate income. This was amended by Law No. 42 of 1963, which stipulated the rent at JD 25 within the boundaries of the capital and to JD 5 within municipal areas.

Exemptions “Upon Conditions”

1. A building that is still under construction (in this case taxes are imposed on the land only).
2. A building/apartment that is not in a fit state for immediate use (i.e. no electricity, water supply and sanitation, toilets, etc...).
3. Land with an erected building (if the land area is less than 2 dunums, taxes will only be imposed on the building, whereas if the land area is larger than 2 dunums and there is an excessive land surrounding the established building, then taxes will be imposed on both the land and the building by allocating 1 dunum only to the building and the remaining space/dunums to the land).
4. If a land is evaluated at a higher value than the building erected on it, then taxes will be imposed on the land only.
5. If a building is dismantled, taxes imposed on the building will be canceled and the taxpayer shall pay taxes for the land only.
6. In the case that a building/apartment is not inhabited but still eligible for residence, taxes are still imposed.
7. Tax exemptions do not include marginalized sectors: widows, martyr’s families, prisoners, and people with special needs. Also, they do not have the right to cutting taxes.

Transfer of Ownership

The transfer of ownership takes place in the Property Tax Departments at GDPT and Registration Departments at PLA as follows:

1. Change in ownership or disposition that takes place at GDPT:
The expression “transaction of disposition” shall mean the sale, parcelation, consolidation, lease, mortgage, gift and *Waqf* [endowment] of various types, as well as devolution by inheritance. Though, it shall not include the transfer or redemption of mortgage or modification of its conditions.
2. Registration of properties at PLA:

The land registration departments (commonly referred to as ‘*tabo*’) are considered as one of the main pillars of the Palestinian Land Authority, which was established under the Presidential Decree No. (10) for the year 2002. The aim of land registration department is to secure immovable property rights, and to document, maintain and do whatever is necessary to facilitate exercising the rights by each of those who have a right to the properties. Unlike customary contracts, which are considered as elementary contracts; the Law has granted *Tabo* titles a strong immunity and certification. *Tabo* titles or title deeds are considered as official titles before the courts so that they cannot be invalidated except under the provisions of a competent court and legal reason. In this context, it is worth mentioning that only 30% of the land in the West Bank has been settled and registered at PLA.

Land settlement

The act of resolving all conflicts relating to the right to act, own and use properties under the law ‘Land and Water Settlement Law No. 40 of 1952’.

The main purposes and importance of land settlement are: (1) To secure property rights, (2) To resolve disputes, and (3) To register properties in Land Registration Records. The main steps involved in the settlement process are:

1. To publish the "settlement order" in the PNA's Official Gazette (issued by the *Fatwa* and Legislation Department/Ministry of Justice).
2. To notify residents of the targeted area (herein called "settlement announcement") through various means as perceived appropriate. The announcement includes information regarding the area, starting date, eligible claimers, area borders, etc..
3. To compile documents submitted by claimers (Title Deeds issued by GDPT, Power of Attorney, Inheritance documents, Court Decisions, etc...).
4. To prepare a schedule (including time and place) for all claimers in order to meet in the field and investigate the claims, according to a decision made by the Director.
5. To demarcate the land by using land marks and GPS.
6. To generate two main documents as follows:

- a. Block maps (responsibility of PLA engineers).
- b. Table of Rights (responsibility of PLA lawyers) which includes 3 steps as follows:
 - i. The settlement team organizes a so called 'Table of Claims'.
 - ii. After verifying the Table of Claims and all the amended documents related to resolving disputes, a so called 'Table of Rights' is organized.
 - iii. After introducing the results of objections to the Table of Rights, a so called 'Final Table of Rights' is organized and endorsed.

Upon the completion of (ii) process mentioned above, the Table of Rights shall be signed by the land and survey director and shall be further displayed in the Judiciary Registration Department, respective municipalities, as well as certain public places in order to handle any objections as follows:

- Thirty (30) days (from the date of display) for those who reside within Palestine.
- One (1) year (from the date of display) for those who live in neighboring countries.
- Three (3) years (from the date of display) for those who live in distant countries.
- Five (5) years (at the maximum following the end of the war) for those who are involved in army services.

In the final stage and after all objections have been taken into consideration, the settled properties become formally registered as *Tabo* at the PLA. The reason behind the registration of only 30% of the land at the PLA is due to many factors as follows:

- During the era of Jordanian rule, settlement took place for nearly 30% of the land in the West Bank. In this context, the Law for Registration of Immovable Properties (that were never registered before) No. 6 of 1964 and the Law of Land and Water settlement No. 40 of 1952 were issued. However, the settlement process was halted due to the 1967 war. Additionally, it must be noted that one of the first and immediate acts taken by the Israeli occupation was to stop land settlement processes at

land registration departments in accordance to the military Order No. 291 (The Order Concerning the Settlement of Disputes over Titles in Land and the Regulation of Water (West Bank) (No. 291) 1968) and to issue the Orders regulating the so-called Power of Attorneys. On the other hand, after the advent of the Palestinian Authority in 1994 the settlement and registration processes have been limited in accordance to the Oslo Accords on the areas 'A' and 'B' and excluding the so-called 'C' areas.

- Historically speaking, another reason could be due to the fact that the *Tabo* Law was first resisted by the peasants as they saw this act as an insult to traditions. Therefore, people did not resort to registering their land for this reason, also, to avoid paying taxes. Today, however, people avoid registering their land at the PLA because the registration process takes long steps and consumes much time; and secondly to avoid paying the registration fees.

As for the new registration of immovable properties which had never been registered in the land registration departments before (this does not include land that has settlement acts were issued Deed log out), it is an optional procedure taken by the owners to register their immovable properties at land registration departments, this is beyond the scope of the will of the State to conduct the registration of immovable properties as a must, and therefore, these measures are taken at the fully expense of the owners; meaning no costs on the State. On the other hand, certain fees are imposed by the State in order to complete the registration procedures. It is worth mentioning here, that the power of the 'certificate of registration' issued for the new registration of a property is the same as the power of the 'registration deed' issued for settled properties; both forms put an end to disputes regarding the ownership of the land and may not be challenged by prosecution unless proven otherwise.

With regard to the buy and sale and transaction fees, the Land Authority imposes a 3% fee on properties in exchange for each transaction and a 1% fee on the value of the land for first-degree relatives.

The Property tax branch offices would send one employee once a year to the PLA to update any changes in the ownership of the land and buildings that have been registered in the Land Registry Departments, where updates are directly reflected into the valuation records. In this context, and since June 2013 the Palestinian Land Authority started sending all relevant electronic information

on a daily basis to Ramallah office only (It should be noted here, that the Land Authority is currently working on the computerization of data, so that it cannot send the updated data electronically to all offices, until the whole process of computing is completed).

The remaining 70% of land in the West Bank is managed by the General Directorate of Property Tax, which includes those lands that did not undertake settlement procedures. GDPT maintains the ownership of citizens by property regulation, transfer and identification, and issuance of necessary title deeds to prove ownership and to obtain building permits. Also, GDPT maintains records from the days of the British Mandate until now and performs a lot of other operations and services to meet the same purposes. Additionally, GDPT runs the administration and documentation of all documents and transactions for these properties. The most important documents are as follows:

Title Deed

(issued by GDPT)

A document that grants the owner a right of disposition to buy/ sell the property. However, it does not grant authority to mortgage or benefit from loans

Property settlement can take place on only one property upon the request/desire of the property owner. This act is called ‘sporadic registration’. It is the action taken by the owner of the property to register the land for the first time at the PLA where the property has never been registered formally before.

As a result of sporadic registration and the lack of a settlement in 70% of the territory of the West Bank, the property tax department initiated the issuance of title deeds which include the description of properties to a certain extent. Then it became customary that the title deed is a presumed title (presumption of ownership), which does not show the borders of the land accurately.

Accordingly, the owners started buying and selling their properties without resorting to registering their properties at the PLA, and thus avoid paying the registration fees.

Irrevocable Power of Attorney

A buy/sell agreement that must be executed or renewed within a specified period of 15 years, otherwise the document will lose its validity

The execution of these transactions can take place at the notary public, GDPT or embassies (in the event that the property owner is outside the country). The seller is required to provide a title deed document (whether issued by GDPT or PLA) before he/she sells the property because no buy/sale transaction can take place without first providing the title deed document. Additionally, two witnesses should be present at the time of the transaction process. Moreover, although the power of attorney has a 15-year lifespan, buyers of properties have the tendency to ratify the irrevocable power of attorney without delay so as to guarantee their rights in the purchased property. In the event that the owner failed to execute the agreement within 15 years, the agreement would become null and unaccepted by any authority.

Inheritance Deed

It is the transfer of a property from a dead owner to his/her heir/heirs

The transfer of ownership concerned with the inheritance of properties often becomes a complicated matter due to the untimely registration of the property by the heirs because of failure to complete the required transaction documents.

Weaknesses and Impediments

The implementation of comprehensive valuation in the West Bank has been encountering a number of challenges, delaying the whole process to be completed by the year 2016 according to GDPT's strategic plan 2014-2016. The major problems encountering GDPT are as follows:

A. Shortage of human resources

Amongst the key challenges, is the insufficiency of evaluators and employees who work in the collection of taxes. GDPT valuation committees encounter a major challenge during their door-to-door visits that result in increasing the number of objections within the property tax department. In the event that the committee does not find the owners or tenants of a property during their visit, and based on a personal decision, the committee automatically registers the apartment as rented and values it in line with the rental contracts of the adjacent apartments. The committee, however, does not pay an additional visit to those properties so as to visit the tenants/owners while they are present at home. This will eventually create a problem because they often come back to GDPT to object to the value of imposed taxes.

B. Weakness in the competency of human resources

Weakness in the efficiency of human resources is a second challenge that GDPT has to overcome throughout its daily work. On many occasions, GDPT staff asked to be trained on different fields that are closely related to their valuation work, such as training on AutoCAD program, yet their calls were never met.

C. Lack of available resources

Another key challenge is the lack of available resources. For example, there is only one car at the GDPT office in Ramallah to be used by the evaluators during their field visits. Other evaluators have to drive their personal cars so as to

facilitate the work flow, while GDPT covers the cost of the fuel. Furthermore, during field visits, GDPT staff need to make necessary phone calls using their personal mobiles as well.

D. Non-availability of physical/block maps

The absence of valuation-related maps in many new municipalities is a major reason for GDPT's inability to complete the valuation process. This might be attributed to the shortage in cooperation between the local government and municipalities. In this regards, block maps are greatly needed for valuation which can be hardly realized without. Accordingly, many new municipalities have not yet been evaluated due to the absence of block maps and endorsed physical plans. Additionally, colored physical maps are also not available in some of the municipalities, yet according to GDPT staff they do manage to execute valuation despite their unavailability. It is worth mentioning here that almost all municipalities have either updated their physical plans or are in the final process of getting approval and endorsement from the local government. However, regarding the preparation of block maps, municipalities do not appear to have a future plan for this matter.

E. Forged rental contracts

The forgery of rental contracts is an issue encountered within the Property Tax Department. Many tax payers tend to forge rental contracts to introduce a lower rental value so as to have a reduction in the taxes. In these cases, GDPT either rejects the contract or reviews the rental value with the tenant. Accordingly, the adopted value is set as perceived appropriate by the committee. Moreover, some of the customers tend to forge the leases in terms of address to serve their own objectives, causing confusion to the evaluation staff.

Despite all these challenges, GDPT managed to successfully value a number of 60 municipalities and is still working on the remaining ones.

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Interviewed persons

1. Mahmoud Nofal, GDPT General Director.
2. Samer Manna', Valuation Director, GDPT.
3. Fatimah Abu Qbeitah, Head of Accounts Department, GDPT.
4. Mohammad Yusef, Head of Inspection Department, GDPT.
5. Arafat Al Sharif, Head of Valuation Department at the Property Tax Ramallah.
6. Na'el Al-Sharif, Valuator at the Property Tax Ramallah.
7. Ghassan Sajadiyyeh, Valuator at the Property Tax Ramallah.
8. Hazem Sha'lan, Valuator at the Property Tax Ramallah.
9. Mohammad Al-Ghoul, Valuator at the Property Tax Ramallah.
10. Sally Abu Sharifeh, Secretary at the Valuation Division of the Property Tax in Ramallah.
11. Shatha Omariyyeh, Engineer and assistant to Samer.
12. Hisham Al-Basha, in charge of collection at the Property Tax Ramallah.
13. Mahmoud Hamayel, Accountant at GDPT.

Valuation Procedures of GDPT Branch Offices

Ver 4. As of Jan 12, 2015

Steps	Forms used during the process	Procedures	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Remarks	
1. Annual Valuation Plan Preparation		<p>1.1 Background: 1.1.1 For the purpose of valuation ONLY, the West Bank has been divided into three Areas (North, Middle, South) (this division existed since the Jordanian era) as follows: (1) North area covers: Jenin, Tubas, Tulkarem, Qalqilia, Nablus, and Salfeet Governorates. (2) Middle area covers: Ramallah& Al-Bireh, and Jericho Governorates. (3) South area covers: Jerusalem, Bethlehem and Hebron Governorates.</p> <p>1.1.2 The Director General of GDPT has appointed one Head per area to be responsible for the valuation committees as follows: (1) Head of North Valuation Committees: Mr. Wael Judeh (Head of Valuation Division/Nablus Branch Office). (2) Head of Middle Valuation Committees: Mr. Arafat Al-Shareef (Head of Valuation Division/Ramallah Branch Office). (3) Head of South Valuation Committees: Mr. Khaled Hmeidat (Valuator/Hebron Branch Office).</p> <p>1.1.3 Main Functions for the Heads of the North, Middle and South Committees are: (1) Draft valuation annual plans (2) Oversee the overall valuation process</p>																
	No Specific Format exists for drafting the annual plan	<p>1.2 The Heads of the North, Middle and South Valuation Committees draft annual plans⁹ in coordination with the corresponding Branch Office Directors and submit them to the Head of the Valuation Department at GDPT upon a request from the Department.</p> <p>1.3 The annual plans consist of : (a) Type of valuation (comprehensive, review, new/expanded municipalities), (b) City/Town, (c) Time frame, (d) Restrictions, (e)Valuation Committees (candidates for the committees are either submitted in the initial plan or amended later).</p>																
		<p>1.4 Valuation Committees comprise of: Two members (employees) from the Branch Office (Head and Member) who are nominated through mutual agreement between the Head of the committees (North , Middle, South) and the corresponding Branch office Director with the approval from the Director General of GDPT, followed by an approval from the Minister of Finance as stipulated in the Law No. (11) of 1954, Article No. (5). The third member of the committee is appointed by the municipality through a formal letter which is drafted by the Director General of GDPT/Branch Office Director addressing the designated municipalities. Committees are formulated as necessity arises (volume of valuation work) and their number is determined in accordance to resources availability.</p> <p>1.5 The Head of the Valuation Department at GDPT compiles the plans into a comprehensive work plan¹ and submits it to the Director General of GDPT.</p> <p>1.6 A meeting is held among the Director General of GDPT, Head of the Valuation Department and the three Heads of the committees to discuss and confirm the work plan.</p> <p>1.7 The Director General of GDPT sends a letter² to the Minister of Finance to inform him about the Valuation Process (comprehensive) and to obtain his Excellency's approval on the formulated committees as stipulated in the Law No. (11) of 1954, Article No. (5).</p> <p>1.8 The Ministry of Finance is entitled to make a public announcement in an official Newspaper with regards to comprehensive evaluation. The announcement includes commencement dates and locations.</p>															Recently (Aug. 13, 2014) , a total of three employees from GDPT and branch offices have been assigned to take the responsibility of valuation inspectors in the north, middle and south areas, upon a decision made by the Director General.	
2. Implementation of Valuation																		
2.1	Field Valuation Work	2.1 Valuation Records ³																Valuation records: Include data and information for all blocks and parcels (currently and previously valued).
2.2	Drawing Up the List of Valuation	2.2 List of Valuation For Buildings and Land ⁴																List of Valuation: is a summary for currently evaluated properties per block and parcel.
3. Notification																		
		3.1 Valuation Notice ⁵																
		3.1.1. Valuation Notices are issued (manually) by the valuation division of each Branch Office.																
		3.1.2 Valuation Notices are distributed to taxpayers "By Hand" through the valuation committee/department. Additionally, in cases of comprehensive evaluation, sometimes Valuation Notices are sent to the municipality for further distribution.																Notices are distributed to taxpayers of a particular municipality right after completing evaluation in that municipality .
		3.1.3 Valuation Notices include: City/town, Block/Quarter, Parcel, Property description, Annual Rent allowance, Tax %, and Head of valuation committee's signature (or anyone on his behalf).																
		3.1.4 In case of NO objection to the valuation results, the valuation value is defined and the property tax is calculated accordingly. (Proceed with step 7).																
		3.1.5 In case of objection against the valuation results, proceed with step 4.																

Valuation Procedures of GDPT Branch Offices

Ver 4. As of Jan 12, 2015

Steps	Forms used during the process	Procedures	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Remarks
4. Objection (if any)																	
	4.1 Objection to the Valuation ⁶	4.1 Taxpayers who challenge against the valuation results, have the right for objection within 30 days from the date of receiving the notification. In this regards, taxpayers will fill in a form for "Objection to the Valuation" at the Branch office.															
	4.2 Notice for Considering the Objection ⁷	4.2.1 "Objections to the Valuations" are compiled and studied by the valuation committee. Accordingly, appointments are scheduled for all objectors through a "Notice for Considering the Objection". Notices are distributed to taxpayers through municipality employees working at the Branch Offices in coordination and cooperation with property tax employees (in certain cases appointments are conveyed through phone calls). 4.2.2 Upon each appointment, taxpayers justify their objection before the "Objection Committee" panel . Members constituting the objection committee are the same members of the valuation committee that has conducted the evaluation. In certain cases, a field visit is required to re-evaluate the property.															
	4.3 Objection Committee's Decision Report ⁸	4.3 Taxpayers (Objectors) receive a report by Hand through the evaluation committee or municipality employees working at the Branch Offices. The report includes: city, quarter/block, parcel, valuation prior to objection (initial valuation), valuation post to the objection, tax %, and objection committee signature.															Post objection results are further reflected into the "Valuation Records" and "List of Valuation".
	4.4 The Valuation Division submits Valuation Lists (including post objection figures) to the accounting division of Branch Offices for further data entry.	4.4 The Valuation Division submits Valuation Lists (including post objection figures) to the accounting division of Branch Offices for further data entry.															
	4.5 In case of NO appeal to the valuation results (objection report) the valuation value is defined and the property tax is calculated accordingly by the accounting division (Proceed with step 7).	4.5 In case of NO appeal to the valuation results (objection report) the valuation value is defined and the property tax is calculated accordingly by the accounting division (Proceed with step 7).															
5. Appeal (if any)																	
	5.1 Appeal to the Valuation ⁹	5.1.1 Taxpayers who appeal against the "Objection Results" have the right to appeal within 14 days from the date of receiving the results. In this regards, taxpayers will fill in a form for "Appeal to the Valuation" at the Branch Office. Additionally, appellants shall pay an amount of "NIS 100" as an insurance fee via Bank Check (1. in case the appeal was accepted, the check will be recuperated by the appellant . 2. In case the appeal was rejected, the check will be deposited into the Treasury account). 5.1.2 "Appeals to the Valuation" are compiled and studied by the appeal committee. Accordingly, appointments are scheduled for all appellants. Notifications for the appointments are conveyed through phone calls. 5.1.3 Taxpayers justify their appeal before the "Appeal Committee" panel . In this case, members comprising the appeal committee ARE NOT the same members of the valuation committee that has conducted the evaluation. The appeal committee comprises of: (1) Municipality Mayor/deputy, (2) Director of the Branch Office, (3) Director of a second Branch Office other than the Branch Office where evaluation is taking place (In this case the member will be appointed by the Director General of GDPT). Then approval on the committee members MUST be obtained from the Minister as stipulated in the Law No. (11) of 1954, Article No. (5).															
	5.2 Appeal Committee's Decision Report ¹⁰	5.2 Taxpayers (Appellants) receive a report by Hand through municipality employees working at the Branch Office in coordination and cooperation with property tax employees describing the results of the appeal. The report includes: appeal no., quarter/block, parcel, valuation post to the objection, valuation post to the appeal, and appeal committee signature. Post appeal results will be reflected into the "Valuation Records" and "List of Valuation". The appeal report is considered as a final decision for the valuation.															
6. Accounting																	
		6.1 Data entry ¹¹ for valuation data (initial, post to objection, and post to appeal) is conducted by Accounting Divisions at Branch Offices. Accordingly, property tax amounts shall be calculated for each taxpayer. 6.2 The Accounting Division at Branch Offices will keep the original "List of Valuation" including all valuation values ((1) initial, (2) post to objection, and (3) post to appeal). A separate copy will be submitted to the municipality through the municipality employee working at the Branch Office for the estimation of "Educational Taxes" and others.															
7. Collection/Accounting																	
	7.1 Payment Slip ¹²	7.1.1 After receiving "notifications/objection reports/appeal reports" taxpayers will obtain "Payment Slips" from Accounting Divisions at Branch Offices. These Slips will be further used to pay due taxes at the designated bank (currently, the Bank of Palestine is the one accredited by the Ministry of Finance for depositing property taxes). The payment slip includes 3-colored copies. After the payment process is completed, one copy will be kept by the taxpayer, one by GDPT and one by the bank. 7.1.2 After the payment has been posted to GDPT account, the Accounting Division obtains stamped payment slips from the designated bank through property tax employees (currently a CD with all bank data is also obtained from the bank). Accordingly, payments are reflected back into the computerized system.															→
																	→

Source of information: Valuation Department, Inspection and Verification Department, Accounting Division at Ramallah Branch Office, Branch Office Directors, Heads of Valuation Committees, and the operating procedures manual.

List of Forms These forms are excluded from annexation to this report

- ⁰Sample Annual Plan from Hebron Branch Office (annex 0)
- ¹ Sample comprehensive work plan (annex 1)
- ² Letter to the Minister of Finance (annex 2)
- ³ Valuation Records (annex 3)
- ⁴ Valuation List For Buildings and Land (annex 4)
- ⁵ Valuation Notice (annex 5)
- ⁶ Objection to the Valuation (annex 6)
- ⁷ Notice for Considering the Objection (annex 7)
- ⁸ Objection Committee's Decision Report (annex 8)
- ⁹ Appeal to the Valuation (annex 9)
- ¹⁰ Appeal Committee's Decision Report (annex 10)
- ¹¹ Data Entry into the System (annex 11)
- ¹² Payment Slip (annex 12)

Constrains:

- Abu Dis:** Valuators are on contracts and their level of competency is 2, No permanent competent valuers are available at the moment.
- Bethlehem:** Only one car for the branch is available for valuation purposes, only one valuator with level 3 of competency is working in the branch office (there is a need for an additional one), all valuation procedures are conducted manually (no PDA)
- Hebron:** Existing maps are old aerial photos
- Dura:** Municipality Cooperation is very poor
- Yatta:** Public awareness on taxes is insufficient
- Jenin:** Municipality Cooperation and preparedness is very poor

Research plan for the formulation of Property Tax Valuation Standards (VS) for Building (revised edition, June 2014)

Valuations are conducted in the following three steps. A draft VS shall be formulated based on the results obtained from the valuation trials that are conducted upon this plan.

Expected flow of (trial) valuation	Things to be conducted	Things to be obtained	Notes	Pilot areas
No. 1 Flat/floor categorization	Flat/Floor is categorized into one of the following areas: (1) Commercial area (2) Residential area (3) Industrial area (4) Tourism area	# Block Map # Physical Plan # Basic statistical figures of municipality	# A copy of Physical Plan can be obtained from municipality office, MOLG or GDPT. # Statistical data can be obtained from Palestine Central Bureau of Statistics. Municipality data can also be obtained from the web page of the Applied Research Institute – Jerusalem (ARIJ).	# 22 municipalities under the jurisdiction of the following GDPT branches: 1. Ramallah/Al Bireh Branch 2. Al Ram Branch 3. Abu Dees Branch
No. 2 Determination of “standard building point” and its value	# Analyze the most immediate valuation data. # For each area described above, determine one or more standard building point(s). # For each standard building point, estimate its standard rent value.	# A copy of GDPT property tax ledger detailing the most immediate and historical valuation data	# In the case of residential area, it is necessary to determine at least two standard building points: one for the apartment and the other one for the independent house such as villa. # A copy of GDPT property tax ledger (an Excel file) detailing the most immediate and historical valuation data can be obtained from GDPT. # A copy of Block Map can be obtained from PLA or municipality office. (An extra copy may be available at GDPT.)	ditto
No. 3 Apply value matrix tables and estimate the rent value	# Choose the type of municipality: large, small/medium, rural # Choose the type of matrix: residential, commercial, industrial, tourism # By applying adjustment factors in the value matrix tables estimate the rent value of a flat.		# The rent value of a flat/floor is estimated based mainly on the information stipulated in the existing contract. However, other factors, such as the rent value of the other flats in the same building or the rent value that is prevalent in the surrounding area, are also being considered.	ditto

Research plan for the formulation of Property Tax Valuation Standards (VS) for Land (revised edition, June 2014)

Valuations are conducted in the following three steps. A draft VS shall be formulated based on the results obtained from the valuation trials that are conducted upon this plan.

Expected flow of (trial) valuation	Things to be conducted	Things to be obtained	Notes	Pilot areas
No. 1 Parcel categorization	Parcel is categorized into one of the following areas: (1) Commercial area (2) Residential area (3) Industrial area (4) Tourism area	# Block Map # Physical Plan # Basic statistical figures of municipality	# A copy of Physical Plan can be obtained from municipality office, MOLG or GDPT. # Statistical data can be obtained from Palestine Central Bureau of Statistics. Municipality data can also be obtained from the web page of the Applied Research Institute – Jerusalem (ARIJ).	# 22 municipalities under the jurisdiction of the following GDPT branches: 1. Ramallah/Al Bireh Branch 2. Al Ram Branch 3. Abu Dees Branch
No. 2 Determination of “standard site” and its value	# Analyze the most immediate valuation data. # For each area described above, determine one standard site. # For each standard site, estimate its standard market value.	# A copy of GDPT property tax ledger detailing the most immediate and historical valuation data # Buy and sell transaction data of land from GDPT, PLA, real estate agencies, among other organizations. # Results of the building (flat or floor) valuation analysis.	# Collection of buy and sell transaction data obtained from GDPT, PLA, real estate agencies and other relevant organizations, and their analysis, are prerequisites for the determination of standard site value. # For those municipalities where there is no or hardly any buy and sell transaction data, the standard site value will be determined by making reference to standard site values which had already been established in other places. # A copy of GDPT property tax ledger (an Excel file) detailing the most immediate and historical valuation data can be obtained from GDPT. # A copy of Block Map can be obtained from PLA or municipality office. (An extra copy may be available at GDPT.)	ditto
No. 3 Apply value matrix tables and estimate the rent value	# Choose the type of municipality: large, small/medium, rural # Choose the type of matrix: residential, commercial, industrial, tourism # By applying adjustment factors in the value matrix tables estimate the rent value of a parcel.		# For land with building, if the size of the parcel is larger than 2 dunams and there is an excessive land surrounding the building, then the value for the land portion shall be estimated as well.	ditto

Relationship between Valuation Trials and Property Tax Valuation Standards

1. Introduction

Property tax valuation standards (VS) must be rationally formulated. For this, certain data is required. This project considers a series of valuation trials as a way to obtain this data. This report explains the basic idea of formulating VS in Palestine and elucidates relationship between analytical results of the valuation trials and formulation of VS.

2. Basic Idea of Property Tax Valuation Standards in Palestine

VS in Palestine are formulated using the following steps:

- (1) Understanding present situation of Palestine and identifying problems.
- (2) Understanding ideal VS from the viewpoint of practicality.
- (3) Examining information obtained from Japan's property tax valuation standards.
- (4) Preparing the essentials of VS in Palestine.
- (5) Materializing VS based on essential information obtained from the results of valuation trials.

Each step is described below.

(1) Understanding the present situation of Palestine and identifying problems

The results of a field survey conducted in the second phase of this project can be summarized as follows:

- In Palestine, information about real estate transaction cases has not been sufficiently recorded, and no system to officially set land prices exists, as it does in Japan. No information about land prices for entire Palestine exists, and amount of useful/usable data is limited, so a method of valuating a large number of land prices based on appraisal models, such as the computer-assisted mass appraisal mainly used for residential properties in the U.S., is inapplicable in Palestine.
- Although a system of real estate appraisal by professionals has been widely applied in advanced countries, such a system does not exist in Palestine; there are little systematically trained real estate appraisers.
- In Palestine's General Directorate of Property Tax, real estate appraisal is performed by untrained individuals, and the consistency of real estate appraisal is not sufficiently secured. There is a possibility that real estate appraisal is arbitrarily performed.
- As mentioned above, real estate appraisal is not performed based on a sufficient amount of data or an appraisal theory. Since there is no system in place to maintain reliability, it is difficult to explain the results of real estate appraisal to taxpayers.

(2) Understanding ideal valuation standards from the viewpoint of practicality

As mentioned above, real estate appraisal is not efficiently performed, and the method of real estate appraisal must be amended. For ideal VS from the viewpoint of practicality, the following conditions

are required:

- Valuation standards that do not rely too much on information about specific real estate transactions, but guarantee consistent, reliable results.
- Well-trained real estate appraisers with sufficient professional knowledge of real estate appraisal.

(3) Examining information obtained from Japan's property tax valuation standards

The characteristics of Japan's property tax valuation standards are described below. When valuating standard residential land, information about real estate transaction cases is required. However, data on land prices are not always necessary for other valuations. Because matrix tables are used for street-value evaluation, judgment by professionals is not always required.

- By performing classifications of land-use zones and conditions in similar areas, differences in regional characteristics regarding land use can be reflected in real estate appraisal.
- Matrix tables are used to compare standard residential land facing a main street with other residential areas. Therefore, valuers' arbitrary judgments cannot be involved in real estate appraisal, and its consistency can be secured.
- The appraised value of a lot is determined based on the street value using a lot calculation method. Therefore, valuers' arbitrary judgments cannot be involved in real estate appraisal, and its consistency can be secured.

(4) Preparing the essentials of the valuation standards in Palestine

At present, the essentials of the VS in Palestine are determined as follows:

- Using Japan's classification method of land use zones, real estate values according to land use are determined in detail. Commercial, residential, industrial, and tourism regions were set.
- Standard residential land in Palestine is valued using Japan's method of valuating standard residential land. Unlike Japan, standard residential land in Palestine is conceptually set in each block, and the standard rental value is determined based on existing property tax ledger data. The market value of an undeveloped lot is obtained by multiplying the corresponding standard rental value by the market ratio.
- Using Japan's matrix tables, the value of each real estate property is obtained based on the standard residential land in the same block. The characteristics of matrix tables for Palestine are that different matrix tables are used for cities with different sizes, and matrix tables for lot and building conditions are set.

(5) Materializing valuation standards based on essential information from results of valuation trials

The main purpose of the valuation trials is to provide evidence for VS in Palestine, the direction of which has been determined based on the above-mentioned "**2 Basic Idea of Property Tax Valuation Standards in Palestine**". The details of the main purpose are as follows:

- To materialize the essentials of VS, although the essentials have been examined through the above-mentioned "**2 Basic Idea of Property Tax Valuation Standards in Palestine**", valuation trials have thoroughly analyzed the actual situation in Palestine in order to make VS feasible.
- To verify the core of VS (matrix tables in particular) qualitatively and quantitatively, in order to provide evidence for and improve the accuracy of the VS.

- To identify new problems, and to examine methods to solve these problems.

Valuation trials have been performed for the above purposes, in order to accurately establish VS in Palestine.

3. Valuation Trials

This section describes the contents of the valuation trials described in Section 2 (5).

(1) Methods

Based on currently used property tax ledger data, real estate values were analyzed. The methods of the valuation trials were detailed in the previous reports.

(2) Municipalities analyzed

The VS to be newly formulated will cover the entire area of the West Bank. Real estate values are considered to differ largely according to regional characteristics. In valuation trials, typical municipalities were extracted from large, medium-sized, and rural municipalities for analyses. Regarding large municipalities, three regions (two regions for land and buildings and one region for buildings) were analyzed.

(3) Findings in the valuation trials

The findings in the valuation trials contributed to the materialization of matrix tables, which are the core of the VS, are as follows:

(a) Matrix tables

Initially, the effects of various value-influence factors on real estate values were assumed to be different according to municipality size. The results obtained in the valuation trials supported this presumption. It was confirmed that, although the effects of value-influence factors did not largely differ from each other, the effects tended to decrease as the municipality size decreased. The reason for this was that the demand for real estate decreased as the municipality size decreased, and consequently, real estate values were equalized in rural municipalities. Moreover, the standard scale of a lot increased as the municipality size decreased. Consequently, the effect of the lot condition in the value-influence factors was small in rural municipalities.

Table 1 shows the relationships between value-influence factors and real estate values in the valuation trials. The valuation trials focused on the validity of the items and the rate of differences in the matrix tables. Here, value-influence factors that significantly affected the formulation of the matrix tables (or to be used in the matrix tables) are described as follows:

- Linkage of a road

The value of a lot facing a dead-end road tended to be lower than that facing a passable road.

- Shape of a lot

The value of an odd-shaped lot tended to be lower than that of a standard-shaped lot.

- Rental area

The unit rental value tended to decrease as the rental area increased.

(b) Market value of an undeveloped lot

The valuation trials examined the possibility of obtaining data on real estate transaction cases. The difficulty in obtaining data increased as the municipality size decreased. The data were extremely difficult to obtain in rural municipalities. Therefore, the market ratio of each municipality is difficult to set, so an idea of widely grouping municipalities will be adopted.

4. Future Tasks

This report explains the relationship between the establishment of VS and the analytical results of the valuation trials. VS are created through the steps of determining the basic direction, examining the essentials, and drafting the actual standards. In other words, an abstract idea has gradually been materialized. These steps are considered to be facilitated by performing the valuation trials. Thus, the valuation trials play an important role in the materialization of VS.

Simultaneously, the valuation trials indicate future tasks. The future tasks essential for smoothly applying the VS are as follows:

- Understanding rental areas

Rental areas are the most important data for real estate properties. However, the rental areas of real estate properties have not been sufficiently examined in Palestine. To smoothly apply VS, the rental areas of real estate properties must be thoroughly examined.

- Creating data on environmental conditions

Real estate values are affected by living conditions in residential areas and by commercial conditions in commercial areas. However, these conditions tend to be qualitatively evaluated, and the evaluation results sometimes differ according to the valuator. When preparing a manual for VS, it is important that the evaluation results cannot differ according to the valuator.

- Preparing data on real estate transaction cases

The VS that have currently been created avoid relying upon data on real estate transaction cases as much as possible. However, data on real estate transaction cases play an important role in setting the standard value and understanding the market ratio. Therefore, data on real estate transaction cases should be systematically prepared from the medium-term perspective.

Table 1 Relationships between price formation factors and real estate values in the valuation trials(Independent house)

Classification	Price formation factors	Cities for valuation trials	
		Al Bireh,Al Masyoon	Der Debwan
Independent house	rental area	◎	◎
	frontage		
	linkage	◎	
	road width		
	road direction	○	○
	shape of parcel	○	
	balcony direction		
	buiding age		
	quality of construction	○	○
	upkeep and maintenance	○	○

Note: ◎ indicates a price formation factor that was strongly correlated with real estate values.

○ indicates a price formation factor that was correlated with real estate values to a certain extent.

Summary of the Findings, Observations and Recommendations/Suggestions from Valuation Trials Conducted During Phase 2 and 3

(1) Al Bireh and Ramallah (Al Masyoon) [First trial]

The valuation trials were conducted in December 2013. These trials enabled us to understand the current situation and basic problems in the valuation of land and buildings in large municipalities. The results obtained in these trials are summarized as follows:

A. Findings

In making a list of draft value matrix tables, we have made use of the wealth of knowledge and experience that have been accumulated in Japan and in other countries. At the same time, we have incorporated the analytical results conducted in the aforementioned two trial areas.

- ✓ Floor location and rent value
Even though we could not find any significant correlation between the floor location and rent values in Ramallah (Al Masyoon), we did find, in Al Bireh, a correlation between the two. We surmised that this correlation can be attributed to the fact that not all apartments in the area have elevators in the building. This finding has been incorporated into our assessment of value adjustment factors in the value matrix tables.
- ✓ Road utility and rent value
In Al Bireh, we have found that the rent value of a building whose road utility is cul-de-sac is clearly lower than that which has the normal road utility.
- ✓ Building quality and rent value
In Al Bireh, we have confirmed that the rent value of a better quality building is clearly higher than that whose quality is low.

B. Observations

- ✓ Road
In commercial area, various aspects of road, such as “width”, “linkage” and “pavement”, are factors determining the value of a property in that they affect the ease with which people can move around. As a consequence, these factors affect the profitability of the property. In industrial area, the ease with which trucks and other larger-size cars can move around is one of the most important factors affecting the value of a property. It is for these reasons that road, as a value-influencing factor, is given more weight in commercial and industrial areas than in residential area.
- ✓ Accessibility
In residential area, various aspects of access, such as “access to the center of municipality (or village)” and “proximity to retail stores or public facilities,” play an important role. This is because, in residential area, the utmost emphasis is placed on ease and convenience with which people can lead their lives. It is for this reason that far more consideration is given to accessibility in residential area. In contrast, “access to the center of municipality (or village)” is the only factor that is being considered in other two areas. In commercial area, the closer the property is to the city center the more expensive it becomes and the farther the property is situated away from the city center the less expensive it becomes. In industrial area, the greater the distance between the city center and the property the less expensive the property becomes. This is due to the inconvenience caused for the employees in their everyday commuting.
- ✓ Environment
“Business environment” and “residential environment” are the most important factors affecting

the value of a property in commercial and residential areas respectively. Note that in residential area, there are occasions where we can observe a property which, while currently being used for residential purpose, can also be used for commercial purpose. This is the reason why “business environment” factor is also included as one of the value-influencing factors in residential area’s value matrix tables. “Proximity to nuisances” is a factor that inhibits the living environment of people living in residential area. Nuisances include, among others, location close to highways, location close to railroad, river pollution, and location under or near high voltage lines.

✓ Site

Factors that affect the profitability and the comfortable living environment matter the most in commercial areas and residential areas respectively. On the other hand, in industrial area, the degree to which various aspects of site affect the value of a property is relatively weak because the size of a standard building point in industrial area is much larger than those in other two areas.

✓ Building

Factors listed in this category reflect the unique nature a building possesses. Note that “floor location” affects commercial and residential areas differently and thus different adjustment factors have been allocated. For the former, customer convenience is the decisive element: the location of a property in the building either strongly benefits or hinders the convenience of the customer. For the latter, the location of a property has more to do with the impact of light (sun), privacy and view the property can provide. Because this factor is more crucial in the case of commercial area, the degree of difference among value adjustment factors is more marked than in the case of residential area.

C. Recommendations and suggestions

We would like to point out a few things we must tackle as we formulate the new property tax valuation standards.

✓ Unit value data are essential

In all aspects of property valuation, it is essential that we understand unit (per square meter) rent value of a property. Obviously, this is because unit value of a property allows us to compare different property values on an equal footing. Moreover, unless we had unit value of a property, it would be quite difficult to use value matrix tables properly: assessment of a property’s rent value from the standard rent value would become less accurate.

✓ Building age information is indispensable

In all aspects of property valuation, building age information of a property is indispensable. Obviously, this is because the information allows us to properly determine the extent of physical deterioration of a property.

✓ Road and site condition information are vital and so is the information regarding environment factors

In all aspects of property valuation, it is vital that we obtain information concerning road and site condition of a property. The survey conducted in Al Bireh has revealed that those two factors are among the most important value-influencing factors for a property. In addition to road and site condition information, we believe it important, in the long run, to compile information regarding environment factors. The information is essential in determining not just the value of a building but also the value of (a parcel of vacant) land. We propose that GDPT collect the following value adjustment factor information in the course of their valuation work. For the roads, widths and utilities (normal or cul-de-sac), and for the sites, their sizes, shapes, widths and lengths (depth).

✓ Buy and sell transaction data and information should be collected and maintained

In all aspects of property valuation, it is of utmost importance that we collect, update and maintain buy and sell transaction data and information concerning land. The gathered information will serve as a basis for market-value based valuation.

(2) Ramallah (Al Masyoon) and Al Bireh [Second trial]

Based on the results obtained in the first trial, the second trial was conducted from the end of January to March 2014. In the second trial, we collected various types of data, which had not been collected in the first trial. We analyzed relationship between property (flat/parcel) values and various value-influencing factors, and also examined the basic direction to which the value matrix tables for large municipalities should be made. The results obtained in the second trial are summarized as follows:

A. Findings

In the second trial, we analyzed both flats and parcels. The main points of the analyses are as follows:

- ✓ Regarding flats, no strong relationship was observed between the rent value per square meter (GDPT value) and value-influencing factors.
- ✓ Regarding parcels, a strong relationship was observed between the GDPT value and value-influencing factors.
- ✓ Regarding flats, a large difference was, in some cases, observed between the new appraised value (J-PVP value) and GDPT value.
- ✓ The ratio of the estimated market value of a parcel (J-PVP value) to its GDPT value was approximately 50.

B. Observations

A possible reason for the finding 1 is that because the rent value of a flat tends to be determined based on its physical dwelling space, the road and lot conditions does not strongly affect this value. In the draft value matrix tables, we did not apply road and lot conditions factors in the value estimation of flats. The analytical results support this decision.

The likely reason for finding 2 is that road conditions, particularly road width, and lot conditions, particularly shape, strongly affected the rent value. A similar tendency is observed in the current situation of property value formation in Japan. The draft value matrix tables were created based on the value matrix tables that are generally used in Japan. Because similarities were observed in the property value formation in Palestine and Japan, the validity of the draft value matrix tables was partially verified.

The reasons for finding 4 might be that the GDPT values were fixated at a low level, and the value matrix tables for environmental conditions were not used in the estimation of new appraised values. This is why we emphasized the importance of preparing data on environmental conditions above. However, the collecting environmental conditions data is more difficult than collecting road and lot conditions data because, in the former case, a judgment of the person in charge (evaluator) is strongly reflected. In the future, in preparing a manual for the property tax valuation standards, a safeguard mechanism (e.g. a set or criteria) is required to minimize inconsistencies in the judgments among evaluators.

C. Recommendations and suggestions

Several problems arose in the estimation of the market values of parcels, which was performed for the first time in this trial. One of the problems was that a sufficient number of buy and sell transaction cases could not be collected to set the standard site and its value. As a general practice, in order to estimate market value, we need to collect many evidence-based documents. Hence, a system to collect buy and sell transaction cases must be established. Another problem was the noticeable dispersion of the ratios of new appraised values (J-PVP values) to existing appraised values (GDPT values). With an introduction of a system based on market value, which will replace the one based on rent value, it is expected that a considerable upward shift in tax amounts will occur. Political considerations may be required to ameliorate the situation.

(3) Al Ram [Third trial]

This trial was conducted in March and April 2014. The results of this trial were compared with those of the second trial. This trial mainly examined the validity of the draft value matrix tables for medium-sized municipalities. The results obtained in this trial are summarized as follows:

A. Findings

Both flats and parcels were analyzed. The main points of the analyses are as follows:

- ✓ The unit rent values of parcel and flat in the medium-sized municipality is lower than those in the large municipalities.
- ✓ The dispersion of unit rent values in the medium-sized municipality is smaller than that in the large municipalities.
- ✓ The dispersion of the value-influencing factors, such as road widths, was also smaller in the medium-sized municipalities than in the large municipalities.
- ✓ As a result of the above findings, we conclude that a smaller rate of difference is applied to the value matrix table for medium-sized municipalities, compared to the ones for large municipalities.

B. Observations

We have found out that, for both parcels and flats, unit rent values are lower and their value dispersion within a narrower range than those in the large municipalities, such as Al Bireh and Ramallah (Al Masyoon). The data we have gathered through the trials for value-influencing factors, such as road width data, are concentrated within a narrower range than those which have been collected in the large municipalities. As we have observed above, we can surmise that the reason why there are little differences in unit rent values among various flats and parcels in Al Ram is because the main value-influencing factors, road adjustment factors and site adjustment factors, do not vary widely in the area we have conducted the valuation trial. The results of the valuation trial in Al Ram have revealed that the impacts the new valuation method have on taxpayers is not as significant as the impacts it will have on taxpayers in large-sized municipalities. The difference between the existing GDPT value and the J-PVP value is smaller in medium-sized municipalities than in large-sized municipalities.

C. Recommendations and suggestions

In Japan, the everyday property tax valuation practice is to have an identical unit value (i.e., the values of multiple standard points are all same) in the suburbs of a local city. The idea behind this practice is to enable more efficient valuation operations and to ensure fairness among taxpayers. As a result of what we have just discussed, it can be said that the value matrix tables for medium-sized municipalities, in relation to those for large-sized municipalities, can be formulated simpler in terms of both the contents of each adjustment factors and the variance among those adjustment factors. It should be emphasized that, as we expected these conclusion beforehand, which is based on the past experiences in Japan, we have already formulated the value matrix table in a way that the variance, or the rate of difference among adjustment factors, is smaller in the case of medium-sized municipalities (and rural area) than in the case of large-sized municipalities.

(4) Valuation Trial for Deir Dibwan

The main purpose of a valuation trial for Deir Dibwan was to validate the draft value matrix table for rural municipalities. The results of the valuation trial for Deir Dibwan are presented below).

A. Findings

The analysis was conducted on Parcels¹ and Independent houses². The main finding is summarized as follows:

- Rental values per square meter for both a parcel and an independent house were lower in rural municipalities than in large and medium-sized municipalities.
- The effects of value-influencing factors centering on the road condition on real estate values were smaller in rural municipalities than in medium-sized municipalities.
- Based on the above-mentioned results, the rate of difference was considered to be lower in the value matrix table for rural municipalities than in the value matrix tables for large and medium-sized municipalities.

B. Observations

This valuation trial was performed for a typical municipality in rural areas. Because large-scale independent houses and parcels existed and roads had not been sufficiently constructed, there were many dead-end roads; consequently, many odd-shaped parcels existed. Due to the large parcel size of real estates, the effects of poor road linkage and odd-shaped lots were limited.

C. Recommendations and suggestions

As mentioned above, the rate of difference should be lower in the value matrix table for rural municipalities than in the value matrix table for medium-sized municipalities.

(5) Valuation Trial for Al-Ram (all blocks, including the eastern part of the area)

The main purpose of a valuation trial for Al-Ram was to validate the draft value matrix table for medium-sized municipalities. In the Phase 3, data on the eastern part of the area were also used. The obtained results were similar to those obtained in the Phase 2. The results of a valuation trial for Al-Ram are described below.

A. Findings

The analysis was conducted on Flats³ and Parcels. The main findings can be summarized as follows:

- The unit rent values of a parcel and a flat in the medium-sized municipalities is lower than in the large municipalities.
- The dispersion of the unit rent values in the medium-sized municipalities is smaller than in the large municipalities.
- Because of the above, JPT found that a smaller rate of difference is applied to the value matrix tables for medium-sized municipalities, compared to the value matrix tables for large municipalities.

B. Observations

The main characteristics of the findings is that the unit rent value of both parcel and flat in the medium-sized municipality was lower and the dispersion of the unit rent values was smaller than in the large municipalities. The dispersion of the values of value-influencing factors, such as road widths, was also smaller in the medium-sized municipalities than in the large municipalities. The reason for the small difference in the unit-assessed value between the medium-sized municipalities and the large municipalities was considered to be caused by the small differences in road and lot

¹ Unit of plot which is recorded in ledger data held by GDPT, and a unit of land property to be valuated.

² A type of house. There are two other type of house: Villa and Castle. Types are classified according to size and structural characteristics.

³ Dwelling unit recorded on the ledger data held by GDPT, and also unit of building property to be valuated

conditions, which were the main value-influencing factors in these municipalities.

C. Recommendations and suggestions

We have surmised that the reason why there are little differences in unit rent values among various flats and parcels in Al Ram compared with large municipalities because the main value-influencing factors, road adjustment factors and site adjustment factors, do not vary widely in the area where we have conducted the valuation trial. As a result of what we have just discussed, it should be said that the value matrix tables for medium-sized municipalities, in relation to those for large-sized municipalities, can be formulated simpler in terms of both the contents of each adjustment factors and the variance among those adjustment factors. It should be emphasized that, as we expected these conclusions beforehand, based on the past experiences in Japan, we have already formulated the value matrix table in a way that the variance, or the rate of difference among adjustment factors, is smaller in the case of medium-sized municipalities (and rural area) than in the case of large-sized municipalities.

Towards the formulation of the Property Tax Valuation Standards in Palestine

Presentation to the Seventh Valuation Standards Formulation Workshop
Ramallah, 12 May 2015



Outline

- 1. Valuation Standards (draft)
- 2. Application
- 3. Manual



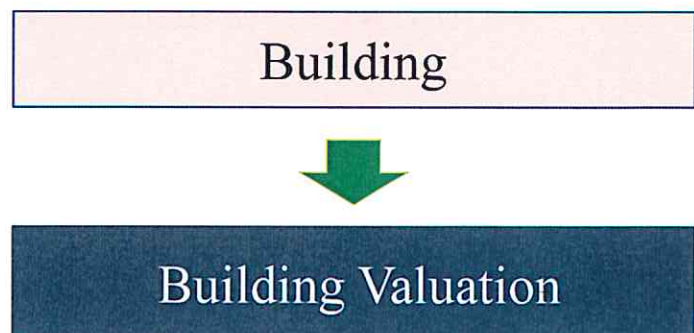
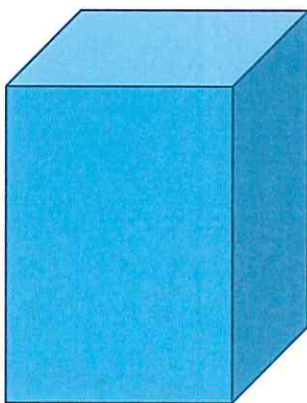
1. Valuation Standards (draft)

- Ch. 1 Purpose (skip)
- Ch. 2 Principles and methodologies
- Ch. 3 Procedures
- Ch. 4 Value matrix tables (skip)



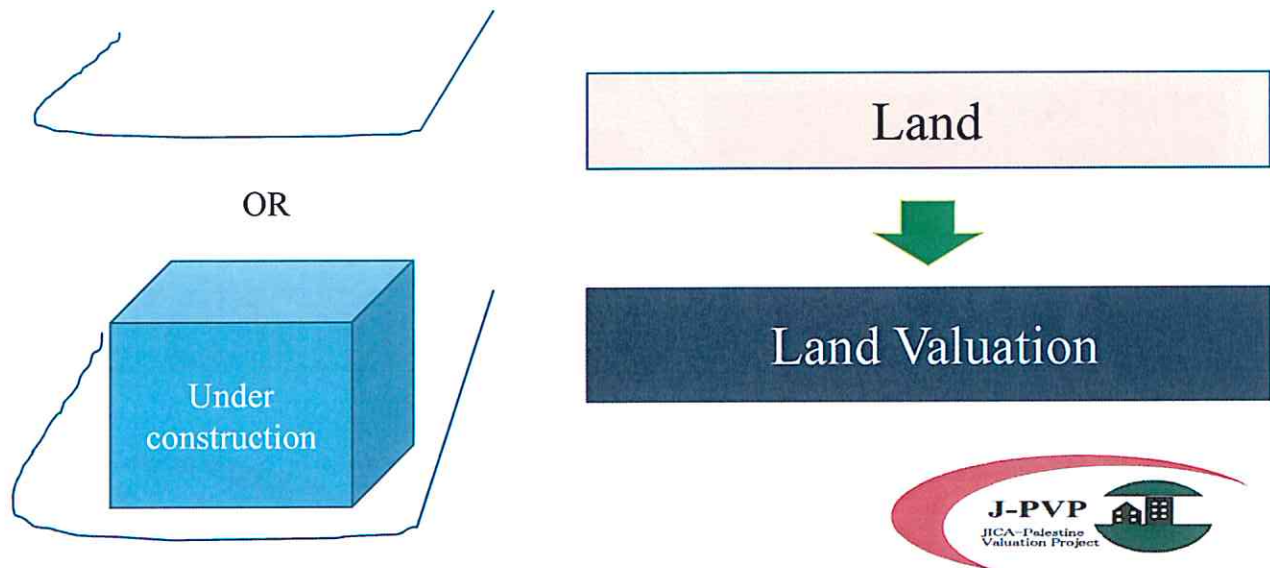
A23- 2

Ch. 2 Principles



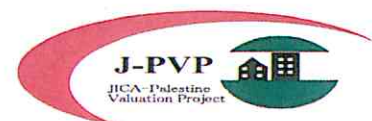
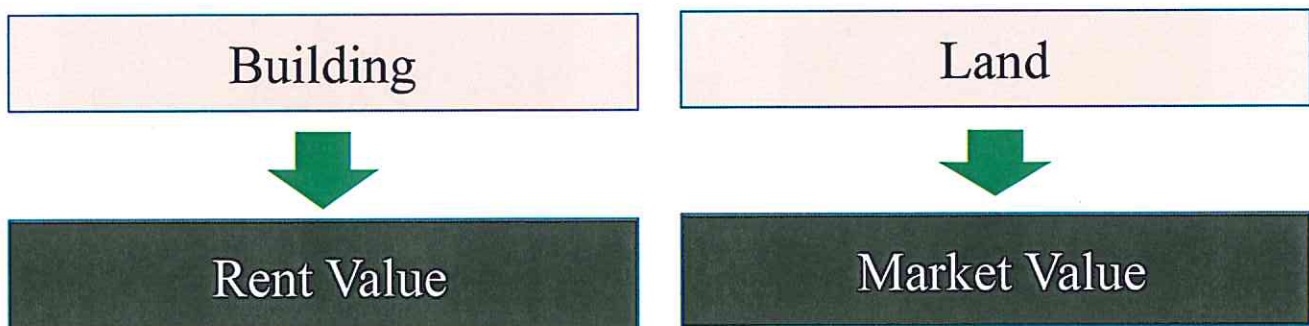
A23-3

Ch. 2 Principles



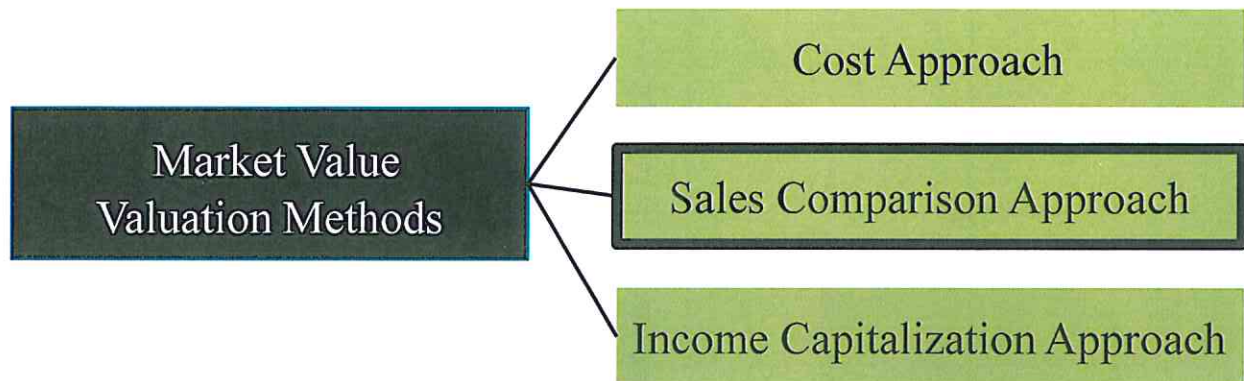
A23-4

Ch. 2 Methodologies



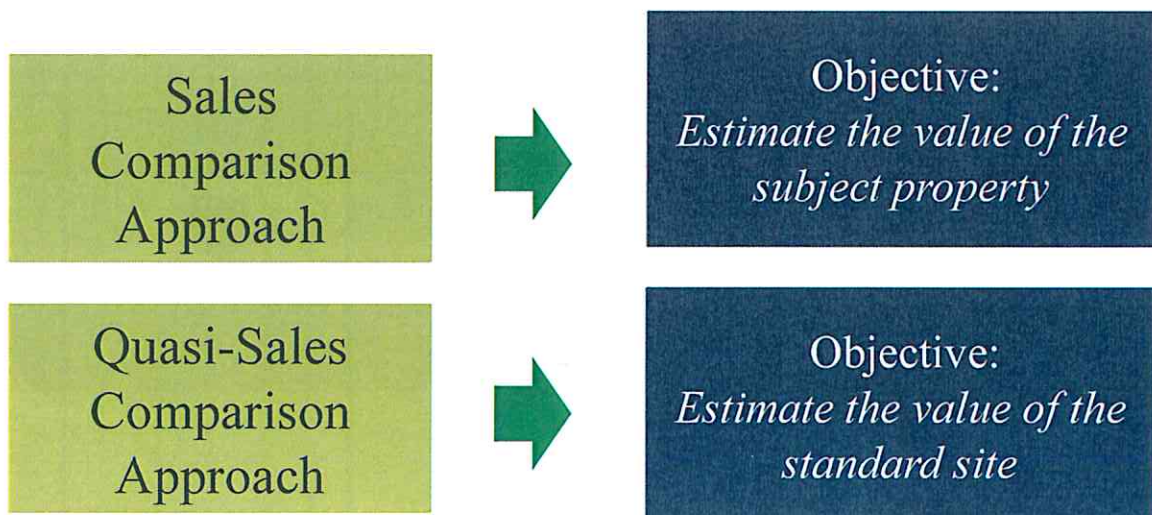
A23-5

Ch. 2 Methodologies



A23-6

Ch. 2 Methodologies



A23-7

Ch. 2 Methodologies

Sales Comparison Approach Procedure

- Research the market for information on sales, listings and offerings.
- Verify the information.
- Select relevant units of comparison. (e.g. price per square meter)
- Look for relevant differences in the comparable properties and adjust accordingly.
- Reconcile the value conclusions into a single point estimate.

A23-8



Ch. 2 Methodologies

Quasi-Sales Comparison Approach Procedure

- Determine the standard *rent value* of land
- Research the market for information on sales, listings and offering.
- Verify the information.
- Select relevant units of comparison. (e.g. price per square meter)
- Look for relevant differences in the comparable properties and adjust accordingly.
- Reconcile the value conclusions into a single point estimate.

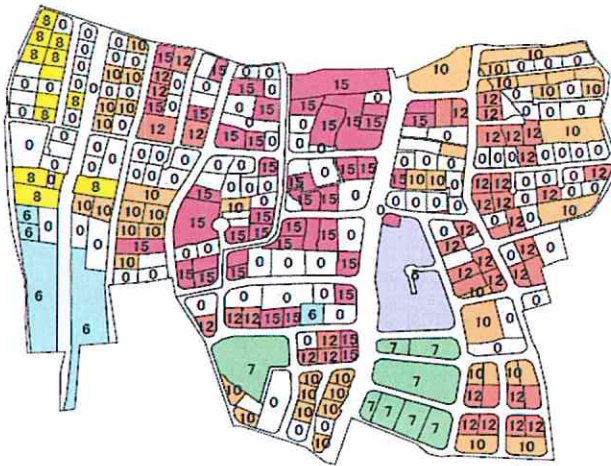
A23-9



Ch. 2 Methodologies

Quasi-Sales Comparison Approach Procedure

- Determine the standard *rent value* of land.



e.g.
11 JD/sq.m.

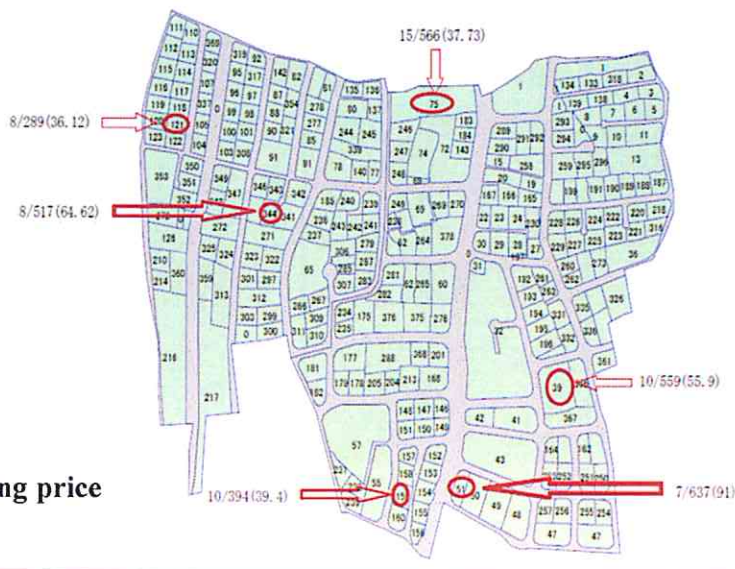
A23- 10



Ch. 2 Methodologies

Quasi-Sales Comparison Approach Procedure

- Look for relevant differences in the comparable properties and adjust accordingly.



Rent value/Selling price
(ratio)

A23-11



Ch. 2 Methodologies

Quasi-Sales Comparison Approach Procedure

➤ Reconcile the value conclusions into a single point estimate.

- a. Calculate the average ratio of rent value vis-a-vis selling price, which is 53.46. But let's just use 50.
- b. Remember that the standard rent value of land in Al Masyoon is 11.
- c. Multiply the standard rent value of land in Al Masyoon, that is 11, by the multiplier, that is 50.



Standard site value: 550 JD/sq.m.



A23-12

2. Application

1. Which municipality?



Beitonyia



Category 2



A23-13

2. Application

2. Which block/quarter?



Block 1
(Only parcels 1 – 11)



A23- 14

2. Application



A23- 15

2. Application



A23-16



2. Application

Parcel 1



A23-17



2. Application

Parcel 2



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2. Application

Parcel 3



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2. Application

Parcel 4



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2. Application

Parcel 5



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2. Application

Parcel 6



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2. Application

Parcel 7



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2. Application

Parcel 8



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2. Application

Parcel 9



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2. Application

Parcel 10



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2. Application

Parcel 11



A23 -27



2. Application

3. Land (only) or
Land & Building?

Land (only)



Parcels 1, 7, 8, 9, 10, 11



A23 -28

2. Application

3. Land (only) or
Land & Building?

Land & Building



Parcels 2, 3, 4, 5, 6



A23 -29

2. Application

4. Land classification

No.	Parcel number	Area type (Physical plan)	Parcel area [A]
1	1	Commercial	1,767
2	2	Residential	623
3	3	Residential	623
4	4	Residential	637
5	5	Residential	580
6	6	Residential	666
7	7	Commercial	1,134
8	8	Commercial	998
9	9	Residential	669
10	10	Residential	654
11	11	Residential	642

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2. Application

5. Building classification

No.	Parcel number	Actual use	Flat type	Floor
1	2	Residential	Apartment	-1
		Residential	Apartment	-1
		Residential	Apartment	0
		Residential	Apartment	0
		Residential	Apartment	1
		Residential	Apartment	1
		Residential	Apartment	2
		Residential	Apartment	2
		Residential	Apartment	3
		Residential	Apartment	3
2	3	Commercial	Representative of India	Roof
		Commercial		0
		Commercial		1
		Commercial		2
		Commercial	3	
3	4	Residential	Villa	Roof
		Residential		-1
		Residential		0
		Residential		1
4	5	Commercial	Furniture store	0
		Residential	Apartment	1
		Residential	Apartment	2
		Residential	Apartment	3
		Residential	Apartment	3
5	6	Residential	Apartment	0
		Residential	Apartment	1
		Residential	Apartment	2

A23 -31



2. Application

6. Standard points and their values

Standard site

[Method of determination still under discussion]

Beitonyia_block 1_parcel_stats			
Number of parcels			125
Of which, parcel area data are available			55
Average area of those 55 parcels			1,459 sqm
Standard deviation (δ)			1,380 sqm
Average $\pm \delta$			79 - 2,839 sqm
Truncated mean (discarding 20% from each end of the range)			1,173 sqm

A23 -32



2. Application

6. Standard points and their values

Standard site value

[Method of determination still under discussion]

e.g.			
Standards site value_Ramallah_residential			550
Standards site value_Ramallah_commercial			640
Standards site value_Beitonyia_residential			495
Standards site value_Beitonyia_commercial			576

A23 -33



2. Application

6. Standard points and their values

Standard building point

[Method of determination still under discussion]

Beitonyia_block 1_building_stats			
Total number of flats			566
Total rent value			852,613 JD
Average rent value per flat			1,506 JD
Median value			550 JD
[Reference]			
Total number of flats_Beitonyia			7,712
Total rent value_Beitonyia			8,521,194 JD
Average rent value per flat_Beitonyia			1,105 JD

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2. Application

6. Standard points and their values

Standard building point value

[Method of determination still under discussion]

e.g.			
Standard building point value_Beitonyia_residential_apartment			4.5 JD/sqm
Standard building point value_Beitonyia_residential_non apartment_independer			4.5 JD/sqm
Standard building point value_Beitonyia_residential_non apartment_villa			5.4 JD/sqm
Standard building point value_Beitonyia_commercial			9.0 JD/sqm

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2. Application

7. Value matrix tables - Land

No	Parcel number	Area type (Physical plan)	Parcel area [A]	Road width (m)	Road width Type	Road width Adjustment factor		Linkage Adjustment factor		Pavement Adjustment factor	
						[1]	Linkage	[2]	Pavement	[3]	
1	1	Commercial	1,767	22	Wide	1.02	Standard	1.00	Paved	1.00	1.00
2	2	Residential	623	5	Narrow	0.98	Standard	1.00	Paved	1.00	1.00
3	3	Residential	623	10	Standard	1.00	Standard	1.00	Paved	1.00	1.00
4	4	Residential	637	10	Standard	1.00	Standard	1.00	Paved	1.00	1.00
5	5	Residential	580	10	Standard	1.00	Standard	1.00	Paved	1.00	1.00
6	6	Residential	666	10	Standard	1.00	Standard	1.00	Paved	1.00	1.00
7	7	Commercial	1,134	22	Wide	1.02	Standard	1.00	Paved	1.00	1.00
8	8	Commercial	998	22	Wide	1.02	Standard	1.00	Paved	1.00	1.00
9	9	Residential	669	5	Narrow	0.98	Standard	1.00	Paved	1.00	1.00
10	10	Residential	654	5	Narrow	0.98	Standard	1.00	Paved	1.00	1.00
11	11	Residential	642	10	Standard	1.00	Standard	1.00	Paved	1.00	1.00

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2. Application

7. Value matrix tables - Land

No	Parcel number	Access to the center of municipality		Access to the main street/road		Availability of public transportation	Availability of public transportation Adjustment factor [6]	Proximity to retail stores		Proximity to public facilities	
		Adjustment factor [4]	Access to the main street/road	Adjustment factor [5]	Proximity to retail stores Adjustment factor [7]			Proximity to public facilities Adjustment factor [8]			
1	1	Standard	1.00	Standard	1.00	Yes	1.00	n/a	Standard	1.00	1.00
2	2	Standard	1.00	Standard	1.00	Yes	1.00	Standard	1.00	Standard	1.00
3	3	Standard	1.00	Standard	1.00	Yes	1.00	Standard	1.00	Standard	1.00
4	4	Standard	1.00	Standard	1.00	Yes	1.00	Standard	1.00	Standard	1.00
5	5	Standard	1.00	Standard	1.00	Yes	1.00	Standard	1.00	Standard	1.00
6	6	Standard	1.00	Standard	1.00	Yes	1.00	Standard	1.00	Standard	1.00
7	7	Standard	1.00	Standard	1.00	Yes	1.00	n/a	Standard	1.00	1.00
8	8	Standard	1.00	Standard	1.00	Yes	1.00	n/a	Standard	1.00	1.00
9	9	Standard	1.00	Standard	1.00	Yes	1.00	Standard	1.00	Standard	1.00
10	10	Standard	1.00	Standard	1.00	Yes	1.00	Standard	1.00	Standard	1.00
11	11	Standard	1.00	Standard	1.00	Yes	1.00	Standard	1.00	Standard	1.00

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2. Application

7. Value matrix tables - Land

No.	Parcel number	Water, electricity, etc.	Water, electricity, etc. Adjustment factor [9]	Residential environment	Residential environment Adjustment factor [10]	Business environment	Business environment Adjustment factor [11]	Proximity to Nuisances	Proximity to Nuisances Adjustment factor [12]
1	1	Standard	1.00	n/a		Standard	1.00	n/a	
2	2	Standard	1.00	Standard	1.00	n/a		No	1.00
3	3	Standard	1.00	Standard	1.00	n/a		No	1.00
4	4	Standard	1.00	Standard	1.00	n/a		No	1.00
5	5	Standard	1.00	Standard	1.00	n/a		No	1.00
6	6	Standard	1.00	Standard	1.00	n/a		No	1.00
7	7	Standard	1.00	n/a		Standard	1.00	n/a	
8	8	Standard	1.00	n/a		Standard	1.00	n/a	
9	9	Standard	1.00	Standard	1.00	n/a		No	1.00
10	10	Standard	1.00	Standard	1.00	n/a		No	1.00
11	11	Standard	1.00	Standard	1.00	n/a		No	1.00

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2. Application

7. Value matrix tables - Land

No.	Parcel number	Frontage	Frontage Adjustment factor [13]	Shape	Shape Adjustment factor [14]	Area	Area Adjustment factor [15]	Topography	Topography Adjustment factor [16]
1	1	Corner lot	1.02	Standard	1.00	Standard	1.00	Standard	1.00
2	2	2 Frontages	1.01	Standard	1.00	Standard	1.00	Standard	1.00
3	3	Corner lot	1.02	Standard	1.00	Standard	1.00	Standard	1.00
4	4	Interior lot	1.00	Standard	1.00	Standard	1.00	Standard	1.00
5	5	Corner lot	1.02	Standard	1.00	Standard	1.00	Standard	1.00
6	6	2 Frontages	1.01	Standard	1.00	Standard	1.00	Standard	1.00
7	7	Corner lot	1.02	Standard	1.00	Standard	1.00	Standard	1.00
8	8	Interior lot	1.00	Standard	1.00	Standard	1.00	Standard	1.00
9	9	Interior lot	1.00	Odd-shaped	0.85	Standard	1.00	Standard	1.00
10	10	Interior lot	1.00	Odd-shaped	0.85	Standard	1.00	Standard	1.00
11	11	Interior lot	1.00	Standard	1.00	Standard	1.00	Standard	1.00

A23 -39



2. Application

7. Value matrix tables - Building

No.	Parcel number	Actual use	Flat type	Floor	Building area (estimate)		Building age	Building age Adjustment factor [1]	Quality of construction	Quality of construction Adjustment factor [2]	Floor location	Floor location Adjustment factor [3]	Upkeep and maintenance	Upkeep and maintenance Adjustment factor [4]
					[A]	[B]								
1	2	Residential	Apartment	-1	100	Standard	1.00	Standard	1.00	-1	0.98	Standard	1.00	
		Residential	Apartment	-1	100	Standard	1.00	Standard	1.00	-1	0.98	Standard	1.00	
		Residential	Apartment	0	100	Standard	1.00	Standard	1.00	0	1.00	Standard	1.00	
		Residential	Apartment	0	100	Standard	1.00	Standard	1.00	0	1.00	Standard	1.00	
		Residential	Apartment	1	100	Standard	1.00	Standard	1.00	1	1.02	Standard	1.00	
		Residential	Apartment	1	100	Standard	1.00	Standard	1.00	1	1.02	Standard	1.00	
		Residential	Apartment	2	100	Standard	1.00	Standard	1.00	2	1.04	Standard	1.00	
		Residential	Apartment	2	100	Standard	1.00	Standard	1.00	2	1.04	Standard	1.00	
		Residential	Apartment	3	100	Standard	1.00	Standard	1.00	3	1.06	Standard	1.00	
		Residential	Apartment	3	100	Standard	1.00	Standard	1.00	3	1.06	Standard	1.00	
		Residential	Apartment	Roof	160	Standard	1.00	Standard	1.00	4	1.08	Standard	1.00	
2	3	Commercial	Representative of India	0	300	Standard	1.00	Highly superior	1.02	n/a		Standard	1.00	
		Commercial	Representative of India	1	300									
		Commercial	Representative of India	2	300									
		Commercial	Representative of India	3	300									
		Commercial	Representative of India	Roof	240									
3	4	Residential	Villa	-1	230	Standard	1.00	Highly superior	1.02	n/a		Standard	1.00	
		Residential	Villa	0	230									
		Residential	Villa	1	230									
		Residential	Villa	2	230									
4	5	Commercial	Furniture store	0	180	Old	0.90	Standard	1.00	0	1.00	Standard	1.00	
		Residential	Apartment	1	180	Old	0.90	Standard	1.00	1	1.02	Standard	1.00	
		Residential	Apartment	2	180	Old	0.90	Standard	1.00	2	1.04	Standard	1.00	
		Residential	Apartment	3	180	Old	0.90	Standard	1.00	3	1.06	Standard	1.00	
5	6	Residential	Apartment	0	300	Standard	1.00	Standard	1.00	0	1.00	Standard	1.00	
		Residential	Apartment	1	300	Standard	1.00	Standard	1.00	1	1.02	Standard	1.00	
		Residential	Apartment	2	300	Standard	1.00	Standard	1.00	2	1.04	Standard	1.00	

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2. Application

7. Value matrix tables - Building

No.	Parcel number	Actual use	Flat type	Floor	Building area (estimate)		Building age	Building age Adjustment factor [1]	Elevators	Elevators Adjustment factor [5]	Parking space	Parking space Adjustment factor [7]	Location of the building on the site	Location of the building on the site Adjustment factor [8]
					[A]	[B]								
1	2	Residential	Apartment	-1	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	-1	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	0	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	0	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	1	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	1	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	2	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	2	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	3	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	3	100	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	Roof	160	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
2	3	Commercial	Representative of India	0	300	Superior	1.04	Not available	0.95	Available	1.00	Standard	1.00	
		Commercial	Representative of India	1	300									
		Commercial	Representative of India	2	300									
		Commercial	Representative of India	3	300									
		Commercial	Representative of India	Roof	240									
3	4	Residential	Villa	-1	230	Superior	1.04	Not available	0.95	Available	1.00	Good	1.02	
		Residential	Villa	0	230									
		Residential	Villa	1	230									
		Residential	Villa	2	230									
4	5	Commercial	Furniture store	0	180	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	1	180	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	2	180	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
		Residential	Apartment	3	180	Standard	1.00	Not available	0.95	Not available	0.95	Standard	1.00	
5	6	Residential	Apartment	0	300	Superior	1.04	Not available	0.95	Available	1.00	Standard	1.00	
		Residential	Apartment	1	300	Superior	1.04	Not available	0.95	Available	1.00	Standard	1.00	
		Residential	Apartment	2	300	Superior	1.04	Not available	0.95	Available	1.00	Standard	1.00	

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2. Application

8. Value estimate

Standard point value

×

Area

×

Net adjustment

=

Value



A23 -42

2. Application

8. Value estimate - Land

No.	Parcel number	Area type (Physical plan)	Parcel area [A]	GDPT valuation (JD/sqm) [B]	GDPT valuation (JD) [C] = [A]*[B]	J-PVP Quasi-market value (JD/sqm) [W]	Aggregated Adj. Factor [1]*[2] ...*[16] [X]	J-PVP value estimate (JD/sqm) ([W]*[X]) [Y]	J-PVP value estimate entire value (JD) ([A]*[Y]) [Z]	Difference [Z],[C]
1	1	Commercial	1,767	7	12,372	576	1.04	599	1,058,714	86
2	2	Residential	623	6	3,740	495	0.99	490	305,433	82
3	3	Residential	623	6	3,740	495	1.02	505	314,749	84
4	4	Residential	637	6	3,824	495	1.00	495	315,451	83
5	5	Residential	380	6	3,482	495	1.02	505	293,040	84
6	6	Residential	666	6	3,996	495	1.01	500	333,217	83
7	7	Commercial	1,134	7	7,940	576	1.04	599	679,465	86
8	8	Commercial	998	7	6,986	576	1.02	588	586,779	84
9	9	Residential	669	6	4,012	495	0.83	412	275,512	69
10	10	Residential	654	6	3,926	495	0.83	412	269,606	69
11	11	Residential	642	6	3,852	495	1.00	495	317,824	83



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2. Application

8. Value estimate - Building

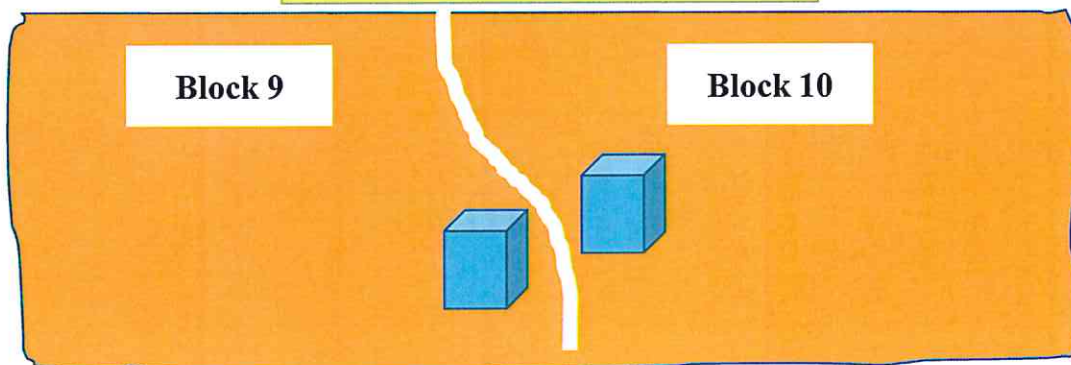
No.	Parcel number	Actual use	Flat type	Floor	Building area (estimate) [A]	GDFT Valuation [B]	GDFT Valuation (JD/sqm) [C]=[B]/[A]	J-PVP Rent value (JD/sqm) [W]	Aggregated Adj. Factor [1]*[2]...*[3] [X]	J-PVP value estimate (JD/sqm) ([W]*[X]) [Y]	J-PVP value estimate entire value (JD) ([A]*[Y]) [Z]	Difference [Z]/[B]
1	2	Residential	Apartment	-1	100			4.5	0.88	4.00	400	
		Residential	Apartment	-1	100	400	4.0	4.5	0.88	4.00	400	1.00
		Residential	Apartment	0	100	500	5.0	4.5	0.90	4.00	400	0.80
		Residential	Apartment	0	100	500	5.0	4.5	0.90	4.00	400	0.80
		Residential	Apartment	1	100			4.5	0.92	4.00	400	
		Residential	Apartment	1	100			4.5	0.92	4.00	400	
		Residential	Apartment	2	100			4.5	0.94	4.00	400	
		Residential	Apartment	2	100			4.5	0.94	4.00	400	
		Residential	Apartment	3	100			4.5	0.96	4.00	400	
		Residential	Apartment	3	100			4.5	0.96	4.00	400	
2	3	Commercial	Representative of India	Roof	160			4.5	0.97	4.00	640	
		Commercial		1	300							
		Commercial		1	300	30,000	20.0	9.0	1.01	9.00	12,960	0.43
		Commercial		2	300							
		Commercial		2	300							
3	4	Residential	Villa	-1	230							
		Residential		0	230	2,500	2.7	5.4	1.03	6.00	5,520	2.21
		Residential		1	230							
		Residential		2	230							
4	5	Commercial	Furniture store	0	180	1650	9.2	9.0	0.81	7.00	1,260	0.76
		Residential	Apartment	1	180	400	2.2	4.5	0.83	4.00	720	1.80
		Residential	Apartment	2	180			4.5	0.84	4.00	720	
		Residential	Apartment	3	180			4.5	0.86	4.00	720	
		Residential	Apartment	0	300	400	1.3	4.5	0.99	4.00	1,200	3.00
5	6	Residential	Apartment	1	300	400	1.3	4.5	1.01	5.00	1,500	3.75
		Residential	Apartment	2	300	150	0.5	4.5	1.03	5.00	1,500	10.00

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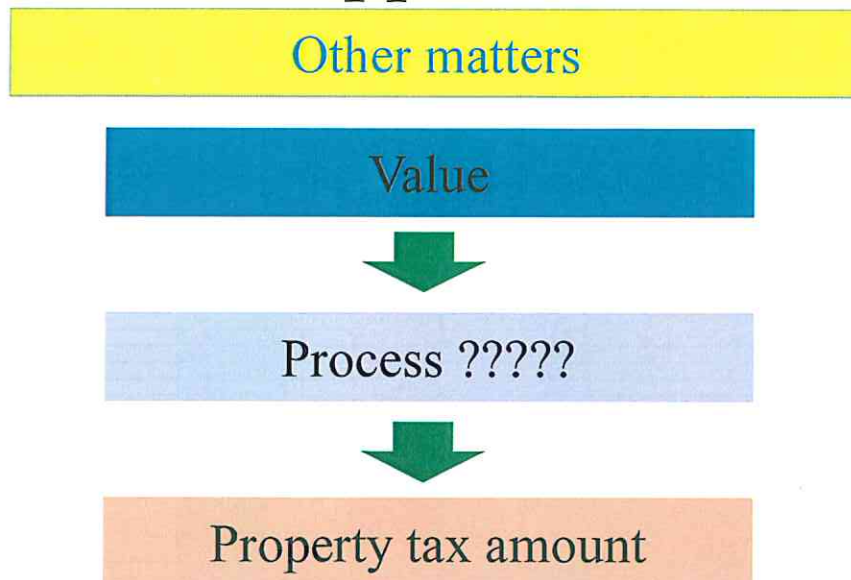
Ch. 3 Procedures

Other matters



A23 -45

2. Application



A23 -46

3. Manual



A23 -47

What's next?

- Completion of the Manual
- Trial applications

The END

شكرا

A23 -48



Response to Dr. Ibrahim Ayyoub's comments

Dr. Ibrahim Ayyoub, a Jordanian property taxation expert, visited Ramallah from 9 to 15 May. During and after his visit to Ramallah he made several comments about JICA's local finance project in Palestine (J-PVP). Those comments were compiled in three different documents dated 13, 14 and 22 May respectively. What follows is J-PVP's response to Dr. Ayyoub's comments. We should mention at the outset that our response is primarily focused on those points raised by Dr. Ayyoub regarding valuation standards and the accompanying manual.

1. May 13 comment

In his May 13 comment, Dr. Ayyoub summarized J-PVP version of the Valuation Standards and Manual as "Option no. 1", Mr. Nofal's idea as "Option no. 2" and one other idea as "Option no. 3". According to what Dr. Ayyoub says – which echoes Mr. Nofal's opinion – both GDPT and J-PVP staff ought to consider how best to proceed with the formulation of the valuation standards and the manual based on these three options.

[J-PVP's response]

We should not consider these options as mutually exclusionary in nature. Some of the ideas expressed in one of the options can be incorporated in other options. So, it may be worthwhile trying to forge a better option by weighing pros and cons of these options. Also, it can be said that it will be in the best interest of everyone concerned to adopt an option that will best serve the purpose of the JICA project, namely to improve the local finance system in Palestine.

2. May 14 comment

(Dr. Ayyoub) 6. The principals and methodologies of the new valuation standards indicate that it will valuate buildings and lands separately, regardless of the land area on which a building was constructed, and I consider this methodology unfair and it is doubling of valuation value.

[J-PVP's response]

To some extent, what Dr. Ayyoub is saying has a point. Valuation of buildings is based on rent value. Rent value (of a building) captures the value not just of building but the value of land on which the building is built. So, when we conduct building valuation under the new valuation standards, there is a likelihood of conducting the valuation of land twice.

However, Dr. Ayyoub may be making an error by putting all eggs in one basket. Important as it is, valuation is just one aspect of property taxation and it should not be lumped together with collection. Conducting building valuation based on rent value, as has been just explained above, concurrently with conducting land valuation (based on market value) may result in, to use Dr. Ayyoub's words, "doubling of valuation value". Yet, taxpayers will not be unfairly treated if, outside the realm of valuation, a certain degree of policy consideration can be incorporated, such as the introduction of different tax rates, among other measures.

(Dr. Ayyoub) 8 A) Following standards points (benchmarks) and weights might be difficult to implement.

[J-PVP's response]

We will do our utmost to facilitate the understanding of standard points among the GDPT staff.

(Dr. Ayyoub) 8 B) The existence of valuation matrix to follow suitable real estate appraisers that affect the value of the property does not reflect the reality in a comprehensive picture which might has inaccuracies on the ground.

[J-PVP's response]

We are not sure on what basis Dr. Ayyoub is saying that the "valuation matrix ... does not reflect the reality". A questionnaire survey regarding value influence factors was conducted in the summer of 2013. The result of the survey was carefully studied and eventuated in the formulation of the value matrix tables (VMT). Beyond that, during the course of formulating the latest VMT the Japanese experts have repeatedly asked for comment from the GDPT valuers, to which they responded. Though we do not deny the possibility of changing the contents of the VMT further depending on the outcome of the trial applications of the Valuation Standards and the Manual, which are scheduled to take place later this year, we do certainly believe that Dr. Ayyoub's comment is slightly groundless.

(Dr. Ayyoub) 8 C) the list of 11 indicators, which influence the valuations, needs more explanation, longer period of time for training, so it can be understood well by valuers, especially the part related to the matrix in the draft.

[J-PVP's response]

We will do our utmost to explain in more detail the value influence factors to the valuers.

(Dr. Ayyoub) 8 D) The process of deriving an estimated value as a final step in property valuation process deals with three main elements:

- **The value of standard point for land or building.**
- **Area of building or land**
- **Net adjustment factor**

Here, there is a difficulty in the implementation, due to the presence of more than one unknown variables in the formula.

[J-PVP's response]

It is certainly true that there are “unknown variables” in the formula, especially the first two elements. The first element, the value of standard points, is what we consider to be one of the most contentious issues among the three issues. We have delineated the method of determining the value of standard points in our manual. The second element, determination of building or land area, is another issue that needs some technical expertise. As for the area size of land, GDPT has a stock of data pertaining to the TABO land. As for the area size of building (flat), we have several options: 1) we understand that there are several municipalities in the West Bank which keep construction permits from which the area size of a flat can be obtained; 2) we could use GIS technology or other technology which will enable us to measure the area size of a flat; 3) valuers could make a rough estimate of the area size by themselves through on-site observation; 4) we could calculate the area size of a flat by using the number of room and room area data on GDPT ledger. Which one of these options (or combinations of the options) we should use depend on the outcome of a discussion between J-PVP and GDPT.

(Dr. Ayyoub) Recommendations (3) Each part of the valuation standards should be explained and clarified to a group of staff. Staff needs trainings in order to achieve the objective and the purpose of these standards, and the expert could give more explanation in case he escorts the valuation committees.

[J-PVP's response]

Staff training is one of the things we are planning to do towards the end of this year. A training plan will be prepared in cooperation with the TDMMU coordinator.

(Dr. Ayyoub) Recommendations (4) It is better to change the narrative text into points or bullets to make it easier to refer and to implement these numbers or points.

[J-PVP's response]

We believe Dr. Ayyoub is making a good point. Our idea, which is inspired by Dr. Ayyoub, is to compose a document where the essence of the valuation standards and the manual are explained by using “points or bullets”.

3. May 22 comment

(Dr. Ayyoub) Recommendations (1) It is good to have the valuation standards operating manual if the data of the real-estate and lands are linked to the GIS; therefore, a unified database should be created for all centers which work on the inspection and property tax collection. Additionally, training of all staff on utilizing the automated system and improving their technical and management capacity is required.

[J-PVP’s response]

Mr. Nagai, a GIS expert, came to Ramallah twice this year to conduct a study on the feasibility of introducing GIS techniques and components into our project. His conclusion is that it is still premature for GDPT to introduce and correlate GIS techniques with the new valuation standards. Ms. Mitsui, chief representative of JICA Palestine Office, in her discussion with Mr. Nofal on 10 June told Mr. Nofal that JICA would not be extending support in regard to GIS, to which Mr. Nofal opposed. Thus, GIS has become a pending matter.

(Dr. Ayyoub) Recommendations (2) With respect to the valuation standards, a partial study and revision should be done to some parts, particularly the part related to the value matrix tables which needs to be simplified and specified as follows:

[J-PVP’s response]

Valuation matrix tables (VMT) have been revised several times over the past year or so. The revision has been conducted after hearing comments and advices from GDPT staff. It is true that some part of the VMT may still need improvement, if not simplification. We will consult the matter with GDPT staff and see what we can do.

(Dr. Ayyoub) Recommendations (2) a) The scope of the preferential treatment of properties must be defined as much as possible, so if the government imposes taxes on commercial properties at prices higher than those imposed on industrial properties, it might affect the decisions made by the companies in relation to the locations which in turn creates market distortions that might lead to undesired results.

[J-PVP’s response]

Properties are classified into four categories: residential, commercial, industrial and tourism. This is because the way in which properties in one classification is being influenced by (value-influence) factors differs from other properties in other classifications. As a consequence, the value estimates of residential properties will be different from those of other properties in different categories. This is, in no sense, “the preferential treatment of properties”. It may be that Dr. Ayyoub is using the word “preferential” for “different”. Also, Dr. Ayyoub may be referring to what Mr. Nofal has expressed in his opinion as business property tax and residential property tax. This is a policy matter and hence should be dealt with by GDPT.

(Dr. Ayyoub) Recommendations (2) b) The desired preferential treatment should be applied in terms of “tax rate” rather than the “estimated value” per se. (e.g. in case there are two identical properties: one commercial and one residential, in this case the estimate value for both properties should be the same, however the tax rate shall be different according to the usage of individual properties).

[J-PVP’s response]

First, it is plausible to say that we have “two identical properties: one commercial and one residential”, but only in a physical sense. There is no way that two properties used for different purposes (one commercial and one residential) can be identical in terms of value. Next, if we follow Dr. Ayyoub’s recommendation, a logical consequence would be to have a single standard point for land and building in each block. This is an idea which, we believe, is too simplistic. The classification of properties into different categories are conducted in many parts of the world including Palestine because, as has just been said above, the value formulation of residential properties are different from properties in other categories, such as business properties. Finally, as has already been mentioned, “tax rate” is something J-PVP will not touch upon.

(Dr. Ayyoub) Recommendations (5) Practical examples could be given to the valuers, in order to explain and elaborate the valuation standards and the value matrix tables, additionally, it is necessary to mention if other countries are using these standards, and this depends on the following issues:

First issue: Who will set the policy of determining the tax rate?

Second issue: Define how the various tax rates are imposed on the different types of properties (residential, commercial, Industrial).

Third issue: The determined level of tax rates particularly in the third world countries, taking into account the growing rent value factor.

[J-PVP's response]

As for what Dr. Ayyoub mentions by “practical examples”, though we do not understand what is meant by the term, later this year we are going to conduct trial applications of the standards (including VMT) and the manual on the field. We hope “practical examples” could be given to GDPT staff through conducting these trial applications. Additionally, if we are to conduct a training program abroad, the training might provide the participants from GDPT with a chance to know how, in other countries, the concept similar to VMT is utilized in the valuation work. As for tax rate matters Dr. Ayyoub mentions, as we have repeatedly mentioned above, J-PVP will not deal with them.

(Dr. Ayyoub) Recommendations (6) After reaching the consensus on the standards and the manual it should be integrated to the law which is prepared by a committee, in order to conduct a comprehensive valuation based on the valuation standards and the provision of the law.

[J-PVP's response]

What Dr. Ayyoub recommends here should be dealt with by GDPT. We believe it is one of the tasks assigned to the legal committee.

(Dr. Ayyoub) Fifth: Proposed solutions to develop the valuation standards:

There are many issues that should be taken into consideration upon setting the valuation standards for the real-estates and properties such as:

10. It is necessary to determine the purpose and goal of formulating the valuation standards and value matrix tables based on standard points, which are characterized by being simple, understandable, with no complications, and objective regardless of personal preferences.

[J-PVP's response]

What Dr. Ayyoub pointed out has been explained in the VS draft. Dr. Ayyoub can be reassured that both he and J-PVP are on the same page regarding this matter.

END

#	Main Topic	Comments
	Response	
1	Valuation Standards Draft (in general)	(1) To minimize the detailed text and convert it into bullets and numbers in order to make it easier for reference and application.
	We understand that this comment by Dr. Ayyoub was meant for the VS. We think it more appropriate if we could convert the text of the <i>Manual</i> (not VS) into something easier for GDPT staff to understand. But, first, we should wait and see what kind of comments we could obtain from those to whom we gave a copy of the Manual. We can revise and modify the Manual in response to those comments and at the same time work on this so-called "conversion".	
3	Classification of Municipalities	The "Bases Setters Committee" shall classify the municipalities for the purpose of valuation.
	We understand that this is one of the topics which is currently being discussed at the Base Committee. Since municipality classification is at the core of the valuation process in the VS, J-PVP will devise a list of municipalities in the West Bank which is categorized by just one criterion, population. The members of the Base Committee can then revise the list by incorporating several other factors they wish to incorporate.	
5	"Value Estimate Formula" and "Value Matrix Tables"	(1) Difficulty in the application of the "value estimate formula" (Due to the existence of two unknown variables in the formula). (2) Difficulty in the application of the "value matrix tables" (not pragmatic, takes too much time for application, values are not accurate).
	We think it important to hire a new VSF. We need someone who can work as a linchpin between J-PVP and GDPT. We believe that the comments made by many GDPT staff are as much to do with the difficulty of understanding the VS and the Manual as the lack of personnel who can facilitate the understanding of the VS and the Manual among GDPT staff.	
6	Rent Value	Difficulty in obtaining the rent value.
	First, we think it important to make the calculation method of rent value slightly simpler. We are planning to hold a small workshop focusing on the calculation method of rent value as it entails the use of spreadsheet techniques.	
7	Area Size	Difficulty in obtaining the area size for some properties.
	We understand that it is of utmost importance for the project to have some kind of tools to determine the area size of buildings (floor area) and land. It can be GIS. Or it can be something else. Regardless, the fact remains that we need to have tools. A questionnaire was distributed among Base Committee members. Their unanimous response was that we have to have a tool to measure the area size.	
10	Land vs. Building Valuation	Three ideas for valuation: (1) Valuation of Land and building (separately), here there is duplication in the valuation of the land underneath the building. (2) Subtraction of the area size underneath the building from the total area size of the land. (3) A part of the land surrounding the building will be evaluated along with the building itself (this part usually includes gardens, pools, etc..)
	J-PVP has already made itself clear. The valuation should be conducted for both buildings and land. However, we admit that there is a possibility of duplication in the valuation because the building value captures not only the value of a building per se but also the land on which it stands. We believe that the situation can be solved by adjusting the standard building point value slightly downwards. For example, if, without having any regard to the duplication in the valuation, the standard building point value for commercial building is 50 JD/sqm in a certain place. Our proposal is to have 45 JD/sqm as the standard building point value instead.	
12	VS Operational Manual	It is good if the entire data concerning the real estates are linked to the GIS system.
	In our meeting with JICA (Ms. Mitsui and others) on 5 July, JICA has started showing its willingness to, at least, consider the possibility of incorporating some components of GIS into this project. We have to wait and see what the eventual outcome of the JICA's decision will be.	
13	VS Operational Manual	The operational manual should be clear and simple, it should incorporate direct and clear work mechanisms in addition to definitions for all terminologies and vocabulary aiming to unify the concepts.
	We understand that the operation manual is not entirely workable in itself. We will try to modify the manual as has been suggested.	

Technical Note

The reasons why each administrative use category¹ in a block² should not have more than one Standard Point

12 November 2015

JPT

1. Basic idea of the VS draft

VS draft stipulates that only single standard point is determined within each administrative use category in a block. Blocks are the small areas that are divided within administrative boundary (municipality in the current J-PVP's context), and they are under the influence of similar value-influence factors of property. Both buildings and lands are classified into four categories: namely, (i) residential, (ii) commercial, (iii) industrial and (iv) tourism. Value-influence factors affect the value of a property in various different ways; and the way in which they influence the values differ among differently-categorized properties. Buildings and lands categorized as "commercial" are valued with the focus on profitability. On the other hands, buildings and lands categorized as "residential"³ are valued with the focus on convenience and comfort.

In principle, only single standard point should be determined within each administrative use category in a block. The reason of this is that blocks are relatively small areas and the value of properties in a block is in most cases very close. Therefore, by applying the detailed Value Matrix Tables the valuers can compare the value of a standard point and a certain building/land in a block, to conduct the efficient and balanced valuation.

It should be noted that "**standard point**" is a **conceptual one** as VS Manual (draft) mentions (refer to VS Manual (draft) - 20. Standard Unit Rental Value (8) Future Issue (b) *Adopt an actual property as a standard point*). It is known that there are two methods for the setting of standard point; 1. Select from existing real building/land, 2. Set standard point conceptually. In order to set a standard point from existing real building/land, well-trained and highly-skilled real-estate appraisers have to conduct on-site surveys for a certain period of time⁴. However, since it is judged that there are no such skilled real-estate appraisers in Palestine, it is difficult to conduct on-site surveys for a certain period of time. Due to these reasons, the VS draft adopts the idea that standard point is conceptually determined on the central area of the block.

The desk trial currently ongoing shows that the valuation based on this basic idea of the VS draft is sound enough.

¹ The terms 'administrative use category' can be interchangeably used with 'land use classification' in the context of urban planning (land use management or physical master plan in Palestine) or use classification of buildings in general.

² A block is a minimum unit for appraisal of values of properties for taxation in Palestine. Depending upon size of properties in number or the pattern of similarities on types of properties, a smaller unit of a block, i.e. quarter, is currently used for some municipalities in Palestine. Thus, the term block can be read as block/quarter in Palestine to refer to the minimum unit for appraisal of values of properties for taxation in Palestine.

³ Please note that the term 'residential' is classified into "independent house" and "flat".

⁴ This sentence should be carefully read and understood together with four issues described in the subsequent section under the sub-heading 'Having plural standard points within each administrative use category in a block is impracticable'.

2. Having plural standard points within each administrative use category in a block is impracticable

The issues described below will emerge if plural standard points are set within each administrative use category in a block. These issues will explain the reasons why having plural standard points within each administrative use category in a block is impracticable and is not recommended.

• Estimation of the value of standard points will be difficult

Currently each block has rental value data⁵. So the estimation of the value of standard points can be done through the calculation of the average of the rental value of each classification in a block. However, it is impracticable to adopt this method if there will be more than one standard point within each administrative use category in a block. In order to set plural standard points within each administrative use category in a block, rental value data on the current ledger has to be subdivided and linked to appropriate standard points. This work not only takes loads of time but also causes a possibility that different valuers may estimate buildings/lands with different value since the subdividing and linking of rental value data cannot be conducted automatically. Moreover, subdividing of samples will be resulted in the reduction of the number of data of the blocks, and this will lead to the emergence of outlier values during statistical processing.

• Additional works for checking of the balance of the values of plural standard points will be necessitated

Even if the values of plural standard points are estimated, the balance of the value of those standard points has to be checked carefully as the estimated value may not be necessarily reliable. This work requires special knowledge and long experience. As there is no such expert in Palestine, it is considered that valuers will face difficulties and confusions during valuation.

• Additional works of linking of plural standard points and each building/land will be necessitated

Supposing there are two standard points - "A" and "B". In this case, each building/land has to be linked with either "A" or "B" for its reference. It will take a lot of time since this linking has to be done one by one. Moreover, it is considered that the elimination of arbitrariness of valuers during this work is impossible. Currently the VS draft stipulates that only single standard point is determined within each administrative use category in a block, and estimation of value of each building/land is conducted by referring single standard point. This enables the saving of the workloads of the valuers with maintaining the coherence of the methodology and at the same time eliminating the arbitrariness in valuation.

• Handling of complaints from tax payers will be troublesome

Supposing there are two standard points - "A" and "B". Majority of complaints from tax payers shall be the setting of the standard point linked with their own building/land. Valuers are required to answer reasonably to the questions such as "why B, but not A". If valuers fail to answer to those questions appropriately, tax payers' confidence to property tax valuation will be deteriorated. There is no such risk in the current VS draft.

As explained above, since currently in Palestine there are limited data of property values and little number of experts on property tax valuation, it is concluded that having plural standard points within each administrative use category in a block is impracticable.

End.

⁵ Only official data source registered in GDPT.

Summary Records of VS Workshops held during September 2015 to April 2016 in the Phase 4 of the Project

1. Workshop on the formula of the new Valuation Standards: September 9, 2015

After conducting a series of discussions on the draft of Valuation Standards with Dr. Ibrahim Ayoub in May 2015 as well as subsequently submitting the first draft of technical manual for the new Valuation Standards in July 2015, the JPT had received several comments on the draft Valuation Standards and its Manual. Those comments could be broadly summarized as follows (See the completion report of the Third Phase for details);

- Basic concepts of valuation standards, especially bases for valuation (i.e. market value for land, and rental value for building), are well accepted (Dr. Ayoub)
- Inclusion of area-size in valuation formula is well understood as basis for valuation (Dr. Ayoub).
- Although the draft valuation formula can be considered as a simplified and internationally acceptable method, basic technical procedures to obtain two variables, i.e. standard value and area-size out of three variables of valuation formula, are found not to be clarified without significant understandings by valuers. Thus, such technical methods on how to calculate standard value and how to obtain area size of properties (especially building) should be articulated.
- Approach to valuation of land with building should be further discussed for making consensus.
- The draft Valuation Standards might be needed to be re-edited to change present style into more legally acceptable form. For instance, the present narrative descriptions can be re-arranged by separating each sentence one by one using dotted sub-heading.

In parallel with the above comments, GDPT took its own initiatives to estimate standard values of blocks based on their empirical knowledge. In this regard, GDPT set up a committee entitled 'Base Committee' in July 2015. During the period of two months in July and August, Base Committee tentatively estimated standard values, and found it necessary to compare their results with the ones to be appraised by the draft Valuation Standards.

In this context, a workshop on the formula of the new Valuation Standards was held on 9 September 2015 with three main objectives that were:

- 1) To present and discuss on valuation method based on the new Valuation Standards;
- 2) To present and discuss on work result (estimation result) of standard value of block by the Base Committee: and,
- 3) To compare estimated values of J-PVP with the ones of Base Committee for making a certain consensus.

JICA Project Team made its presentation on valuation procedure based on the draft Valuation Standards. The presentation included the following contents: valuation formula, valuation process of parcel, actual workflow and steps of calculating standard values of a quarter (sample presentation on Al-Bireh Block 28 Quarter 31) by using P-TAX data, appraising value of

individual property. Based on this presentation, rapid comparison with the results of the Base Committee was made through floor discussions and resulted in the following main conclusion:

- The formula suggested by the draft Valuation Standards was accepted in principle and it was needed to be refined.
- Trial application should be conducted in order to study rates of market ratio (which is interchangeably called as multiplier) through verification of P-TAX data with other official data such as PLA's data, PCMA's data, and other available data.
- Linkage of GIS with the draft Valuation Standards were understood in the context of the operationalization of standards. GIS activity should be focused on estimating area-size of building. For this case, Beitunia municipality was accepted to be a pilot area.

2. Office Directors' Meeting: December 30, 2015

At the end of GDPT's fiscal year of 2015, the Office Directors' Meeting was held on December 30, 2015 with the following main agenda:

- 1) Requirements of branch offices
- 2) Valuation of newly established municipalities
- 3) Presentation and discussion of the Valuation Standards
- 4) Presentation and discussion of standard values of blocks, multipliers with GIS
- 5) Presentation and discussion on facilities of using GeoPTax in valuation operation

JICA Project Team was invited to the above meeting and also requested to make presentations on the above topics No. 3, 4 and 5 for discussions.

Through presentation and discussion as above, main conclusions related to J-PVP can be broadly summarized as follows:

- Appreciations were expressed by Mr. Nofal for J-PVP on how detailed and carefully official data was handled for calculating standard values of blocks.
- Weakness of the current P-TAX which highlights the absence of area-size of flat and usage category of properties in P-TAX is officially admitted as one of achievements of J-PVP.
- GDPT's position to make comparison between outcomes to be obtained from two projects' activities, i.e. J-PVP and VNG, was officially mentioned.
- Progress on verifying market ratio was acknowledged, and needs to collect relevant official data was emphasized.
- Usefulness of GIS was introduced and needs of basic training in GIS was emphasized.

3. Presentation Session for the Valuation Standards Final Draft and its Manual: April 05, 2016

DATE: Tuesday April 05, 2016

TIME: 10:00 to 12:00

VENUE: GDPT, Third floor

AGENDA: To present the final draft of the valuation standards and the manual.

PARTICIPANTS: DG, Head of Valuation Department, Head of Inspection and Tax Verification

Department, Valuators, and JPVP project team

MAIN POINTS OF DISCUSSION

1) Market Adjustment Ratio for Land (Multiplier)

- a) How was the ratio of 40 calculated? (The methodology of calculation should be displayed).
- b) Was this ratio applied and tested to various properties in order to verify the validity of the ratio?

2) Flat Area Size

- a) What is the most appropriate tool to estimate the area size of a flat?
- b) There are several sources to obtain the area size:
 - i. Construction permits obtained from the municipality.
 - ii. In case data cannot be obtained from the municipality, then the next source would be the total built up area divided by the number of flats in each floor. (i.e. by using GIS). Furthermore, GDPT shall manage cases of objections and appeals.
- c) A proposition was made to introduce data of area size for newly established municipalities (e.g. Surda and Abu Qash) into the PTAX system.

3) Building Value Influencing Factors

- a) The four main elements universally known to affect the value of properties whether land or buildings (as indicated by Mr. Robert-VNG Project) are as follows: a) Classification, b) Location, c) Quality and d) Area Size.

4) Rental Values for Buildings

- a) The data of buildings recorded in the PTAX represents the “nominal rent” or in other words “the annual rent of buildings at which they are to be leased per annum” rather than the actual rent values.

5) Standard Values for Buildings

- a) Does the project have accomplished the set of standard values for buildings per quarter/block?

CONCLUSION

1) Multiplier:

- ✓ To apply the ratio of 40 (market adjustment ratio) to 30 parcels in 10 blocks in order to verify the accuracy and reliability of the multiplier.
- ✓ To generate “rental adjustment ratio” for buildings, by conducting a comparative study between the existing data in GDPT and actual rental values from contracts obtained from municipalities, land authority and GDPT. Then testing should be executed to the multiplier in order to verify its validity. The test can be done at GDPT without the need of going to the field.

2) Flat Area Size

- ✓ Collaboration between GDPT and municipalities is set in order to obtain data with respect to flat area size. In this regards a focal person from GDPT shall follow up this matter.

3) Building Value Influence Factors

- ✓ “Location” and “Quality” should not be included in the value adjustment matrix. In other words, the influence of these two elements is very strong, hence they should be considered separately (outside the box of the matrix).
- ✓ GDPT should decide the value influence factors that are accountable to the public.

4) Standard Values for Buildings

- ✓ Standard values for buildings should be calculated and determined. Then they should be tested in order to verify validity (A similar method to the one used for land should be applied to buildings).

5) Others

- ✓ The Method applied by the experts is sound and logic, however some of the inputs were not appropriate therefore inappropriateness was reflected in the outputs.
- ✓ A follow up meeting shall be conducted in two weeks or so, in order to discuss the progress in the upcoming activities.

JPT's Responses to the questions (Comments) on New Valuation Standards submitted by GDPT
on 16 June 2016

Project Team

13 July 2016

Comment 1 :

Adopting the principle of market value for lands and the rental value for buildings was based on a recommendation persistently made by the General Directorate of Property Tax despite the hesitation expressed by the experts team, and not based on a preliminary study conducted by the project as stated in the draft.

Approach being implemented in Japan is based on the market value for both buildings and lands.

Response:

The VS stipulates “Base of valuation for land is market value, while base of valuation for building is rental value (II-3).”

The VS Technical Manual II-3 explains “The reason behind this is that it is rather easy to obtain data samples for rental value of building, while that is not the case for land (especially large vacant land). For land, using market value is more convincing due to its higher level of objectivity and universality.”

“The approach being implemented in Japan is based on the market value for both building and lane” is a correct statement.

We are not sure what you are referring to by “a preliminary study conducted by the project as stated in the draft”, so we cannot respond to this particular comment.

Comment 2 :

There is confusion in the definition of market value, where in the draft a duality exists between the sales value and market value, knowing that the sales value is based on declaration made by the concerned people, whereas the market value is based on an estimated price set by a competent appraisal committee.

Response:

The arguments on the difference between sales value and market value are common. Based on the arguments, the VS manual II-3 stipulates internationally acceptable definition of a)market value and b)rental value. We strongly encourage you to carefully read and understand the chapter, especially definitions of market value and rent value over and over again.

Any valuation committee specialized in this field of expertise can set and use certain value as “market value”. In that case, the committee must be able to clearly explain to the taxpayers the reason behind and procedures to calculate the market value.

Comment 3 :

Regarding the principle of calculating the standard value for land based on the market value,

The mechanism that has been put forward in this draft to calculate the standard value is neither logical nor applicable for the following reasons:

- ** The basis of calculation is weak (available data in the PTAX system).**
- ** The year of last valuation varies between different municipalities.**
- ** The market ratio not only varies between different municipalities, but also between blocks within the same municipality.**
- ** Standard value for land: Calculations made by the project team were based on an erroneous basis. Where the value of square meter price depicted in the automated system is the sale price per square meter rather than the rent allowance, yet the project team set their study on the basis of rent allowance. Accordingly, the result on anything that has been built on an error shall be wrong as well.**
- **This mechanism is a complex one and has not been depicted in the Japanese Model.**

**** The basis of calculation is weak (available data in the PTAX system).**

Response:

GDPT has been officially levying the property tax based on the PTAX data which is officially registered record in the official ledger book. To make a change to the PTAX data will lead to self-denying of taxation and collection which GDPT has been practicing all these years, and will cause hardship and extremely serious difficulties on GDPT in explaining to the tax payers.

**** The year of last valuation varies between different municipalities.**

Response:

It is desirable to have the same latest valuation year for all the municipalities/ blocks. However, the existing data of municipalities /blocks in P-TAX does not have the same latest valuation year. Hence, GDPT is advised to calculate the reference standard values (explained in the VS Manual II-4 and Annex 4) and validate the standard value through comparison with the reference standard value. When the gap between the standard value and the reference standard value is significant, the standard value needs to be adjusted so that it will not be an extreme value.

**** Standard point for land: Calculations made by the project team were based on an erroneous basis. Where the value of square meter price depicted in the automated system is the sale price per square meter rather than the rent allowance, yet the project team set their study on the basis of rent allowance. Accordingly, the result on anything that has been built on an error shall be wrong as well.**

Response:

*Standard Point shall be corrected as Standard Value.

Since We (Japanese side) had an understanding that the PTAX value of land is rental value, we are deeply shocked to hear that PTAX land value actually is sales value. Our understanding was built through the series of interviews we had with GDPT side since 2013. The Completion Report of the

phase 2 (June 2014) also states PTAX value of land is rental value as our mutual understanding.

If the PTAX data is actually sales value, not rental allowance, then PTAX data is a market value (because the sales value is almost equivalent to market value). In this case, it becomes baseless and irrational to create the new concept of the market ratio and use it (multiplier) stipulated in the VS.

**** The market ratio not only varies between different municipalities, but also between blocks within the same municipality.**

Response:

There is a possibility of different market ratio among blocks in a same municipality. However it takes significant amount of time and effort to find that out, and we may not find it due to lack of data. Also, the simplicity is one of the key principles of the new VS. We believe that it is the best to take municipality as a unit of grouping in order to assign market ratio.

To repeat, should the value recorded in PTAX is sales value, there needs to change the name and notion of “market ratio”, since sales value is equivalent to market value as opposed to rental value.

To introduce Japanese case for your information, generally sales value and market value are close, and it will be a rare case if the gap between the two values is several-fold.

****This mechanism is a complex one and has not been depicted in the Japanese Model.**

Response:

In history of Japanese property valuation, we had several transition times. The market ratio is expected to be used only once at the first time the new VS is applied.

(When major tax reform was conducted after the W.W. II based on the recommendation made in the Report On Japanese Taxation By The Shoup Mission, the rental value of property was multiplied by 200 in order to adjust pre-war rental value to post-war market value, and then again multiplied by 5 to calculate capital value. A year later, it was decided to multiply the value of land in the ledger book: for agricultural land by 1080, and the rest of the land by 900.)

Comment 4 :

Classification of municipalities into the various categories : It has been prepared by the Base committee . In this regard, the project did not mention any approach or scientific suggestion. Knowing that the project team is assumed to offer a scientific method that demonstrate the foundations that should be followed in the classification of municipality Categories which are one of the fundamentals of the standards.

Response:

We believe this question is the same as one we received during the training in Japan (specifically, Q10). Accordingly, we repeat the answer: The project team respected GDPT's will to apply the municipality category which was made by GDPT itself. As GDPT is responsible to be accountable to tax payers, it is desirable that GDPT use the category which GDPT can explain.

If GDPT still requests us to advise on the categorization, we would say Population density, Income Standard, Commercial Sales scale should be used as main parameters for categorization.

Comment 5 :

The need for emphasizing on using officially publicized data in the process of municipality classification.

Response:

We believe this question is the same as one we received during the training in Japan (specifically, Q10). Accordingly, we repeat the answer: The project team respected GDPT's will to apply the municipality category which was made by GDPT itself. As GDPT is responsible to be accountable to tax payers, it is desirable that GDPT use the category which GDPT can explain.

If GDPT still requests us to advise on the categorization, we would say Population density, Income Standard, Commercial Sales scale should be used as main parameters for categorization.

Comment 6 :

To add the agricultural classification (to be determined by the Base Committee).

Response:

1. Classification of agricultural land in Japan

- Agricultural land is categorized into paddy field and other agricultural fields.
- Each category is further categorized into three levels, 1) high, 2) middle and 3) low according to its quality of land which is determined by its environment including soil condition, insolation condition, accessibility to irrigation and farm road environment.
- Japanese government has long been implementing the protective policy for farmers, and it has been decades since the government revised property tax policy.
- From the reason above, the appraisal scheme of agricultural land property in Japan is not exactly updated hence not suitable for technical transfer.

2. Our recommendation

- Since the most important agricultural product in Palestine is olive, classification of agricultural land can be (agricultural) field only, unlike classification of Japan.
- The priority of property valuation in Palestine is to establish valuation standards for land with building (such as residential, commercial and industrial). Hence, it is more realistic to start working on valuation of agricultural land after the valuation of land with buildings are conducted thoroughly.
- With that being said, below is the suggestion of methodology of agricultural land valuation.
 - ✚ When transaction data of agricultural land is obtainable
 - Collect and analyze the data of each municipality and understand the standard level of agricultural land price.
 - Divide the data into three levels: 1) High, 2) Middle and 3) Low and set the standard

value for each level.

✚ When transaction data is not obtainable

-Find out the appraised value of neighboring land and multiply it with a certain number (e.g. 0.3), and take the result as the agricultural land value.

*In this case there needs a careful consideration of agricultural policy of Palestinian Authority. We strongly recommend that you have thorough discussion with relevant authorities such as Ministry of Agriculture and Ministry of National Economy.

Comment 7 :

Calculation of the standard rental value for buildings:

The draft has not provided a clear formula for buildings. Accordingly, the Japanese side should set a clear method for calculating the standard points of buildings and hence evaluating the buildings.

Response:

Please refer to the VS Manual III-3.

The term used for “Standard Point” is now “Standard Value”.

The new VS adopts the PTAX data whether the flat is for rent or own use. The reason is as follows:

- GDPT has been officially levying the property tax based on the PTAX data. To make a change to the PTAX data will lead to self-denying of taxation and collection which GDPT has been practicing all these years, and will cause hardship and extremely serious difficulties on GDPT in explaining to the tax payers.
- Using PTAX data as it is accords with “Simplicity”, one of the principles of the new VS, and will prevent human errors.
- Each block has different proportion of buildings/flats for own use, making it inappropriate to assign a flat adjustment rate. To find out an adjustment rate for each block will be unrealistic due to enormous time and effort required.

Comment 8:

The special cases have not been mentioned (owned commercial sector, banks, hotels, gas stations).

Response:

The new VS stipulates in III-6-D that buildings/flats which are not classified as residential, industrial or tourist should be classified as commercial. However, if you wish to differentiate those special cases and be accountable to taxpayers, we will consider adding a new Annex to the VS Manual where it explains the way to calculate adjustment weight for the special cases.

Comment 9: A clear and practical mechanism for the valuation of lands with buildings has not been determined.

Response:

Land is subject to valuation whether or not there is a building on it. Please refer to the new VS II-1 and the VS Manual II-1 “Target of Valuation”.

Comment 10:

A clear and practical mechanism for dealing with building cases straddling between two parcels has not been determined.

Response:

The number of the parcel that has the biggest area-size can be used as representative.

Comment 11:

The need for adopting the findings of the working group regarding the value influence factors, and setting a clear and scientific mechanism to determine weights for these factors.

Response:

Generally, to determine weights requires understanding of the correlation between property value and value influence factor by statistically analyzing transaction data. However, collecting transaction data is tough and difficult in Palestine (in the terms of both quality and quantity of data), hence the weights of new VS is based on PTAX data, which are verified by trial application by trial areas. The result of the trial is included in the Completion Report of Phase 3 (Annex 10 and 12).

Based on the trial result and empirical data from Japan, we initially proposed fifteen value influence factors for land and nine value influence factors for building.

Afterwards, through the discussion held by us and GDPT in a series of working group meetings, we respect GDPT’s opinion and reduced the number of factors to five for land and building respectively. (Among the five, two is yet to be finalized.) The reason why we respected GDPT’s opinion is, in the end GDPT is accountable to taxpayers.

Summary Record of GDPT Seminar

Prepared by: JPT

Date: 24 July 2016

(1) Summary of the GDPT Seminar

1. Under the initiative of GDPT, GDPT Seminar was held during the period from 19 to 21 July 2016 at Jericho with the primary purpose to penetrate the draft new valuation standards into GDPT staff.
 2. GDPT Seminar was conducted under the notions addressed, guided and emphasized by Director General of GDPT that had twofold as below:
 - (i) the finalization of the draft new valuation standards through possible reflection of outcomes from GDPT Seminar shall be done with Dr. Ibrahim Ayoub in Jordan with Director General of GDPT and selected GDPT staff who shall be despatched with the financial assistance of JICA; and,
 - (ii) the preparedness of GDPT to take over all challenging issues related to the draft new valuation standards in order to make the public announcement to apply the new valuation standards into Palestine from 1 January 2017.
 3. Under the notions above, the set objectives of GDPT Seminar have been achieved through carrying out all the planned activities for GDPT Seminar as follow:
 - (i) Presentation and clarification of the essence of the draft new valuation standards as a refreshment session by JICA Project Team:
 - (ii) Presentation and clarification on JICA Project Team's responses to 11 comments made by GDPT:
 - (iii) Supplementary presentation and clarification on valuation for building by JICA Project Team
 - (iv) Group works and presentations on identification of challenging issues and anticipated obstacles as well as actions to be taken for the coming months until the end of 2016; and
 - (v) Self-internalisation through presenting understandings on valuation procedures by participants.
- (2) Summary of Group Work (1): Identification of Challenging Issues and anticipated obstacles as well as actions to be taken

The outline of main challenging issues and anticipated obstacles as well as suggested actions to be taken is presented as below and summarised in Table 1.

- 1) Absence of the amendment of law concerning buildings and lands tax within the jurisdictions of municipalities to legislate the draft new valuation standards
- 2) Insufficient level of public awareness on the draft new valuation standards
 - Insufficient awareness and readiness of taxpayers for application of new valuation standards
 - Insufficient readiness and preparedness to explain anticipated increase in tax amount though the application of the new valuation standards
- 3) Insufficient availability of data required for valuation
 - Current insufficient availability of data required for valuation, i.e. flat area size, physical master plan, area-photo, etc.
 - Significant weakness in data acquisition, utilization and management of necessary data among partner organizations, i.e. PLA, local authorities.
 - Insufficient uniformity in numbering method of blocks, buildings, flats as well as parcels.
- 4) Insufficient organizational arrangement
 - (external issue) Insufficient cooperative work relationship among relevant organizations and institutions, i.e. GDPT, local authorities, PLA, etc.
 - (internal issue) Workable organizational arrangement after the JICA project is completed on 31 August 2016
- 5) Insufficient availability of human resources and equipment
- 6) Insufficient level of understandings on the draft new valuation standards among GDPT staff
 - Number of standard value in each block
 - How to deal with anticipated gaps (or increase) of tax amount through the application of the draft new valuation standards
- 7) Time constraints for making it possible to apply the draft new valuation standards into Palestine from 1 January 2017
- 8) Political issue with Israeli administration on taxation for any property in Area C.

By referring to the above points, it can be summed up that no issue concerning substantial aspects of the draft new valuation standards and its methodologies has been raised and discussed throughout GDPT Seminar, except current insufficient availability of necessary data required for valuation and number of standards value in each block. Rather it is importantly noted herewith that GDPT expressed her

strong self-commitment to take over the new valuation standards and tackle all the issues related to the application of the draft new valuation standards.

(3) Summary of actions to be taken by GDPT to tackle with issues raised in Group work

- 1) Amendment of law
- 2) Conducting public awareness campaigns
- 3) Continued efforts to collect necessary data to be provided by relevant organizations or through alternative to use modern technologies including GIS.
- 4) Institutional arrangement by which GDPT is authorised to be given necessary data by relevant authorities concerned
- 5) Re-shuffling the currently available GDPT staff for conducting valuation by applying the new valuation standards.
- 6) Continued conducting necessary training in the draft new valuation standards

Incl.

During the seminar, an appropriate method to conduct field application of the new valuation standards has been discussed. It reached to a conclusion in principle that different valuers will conduct exercise to appraise same properties in order to find out to which extent the process is got systemized through examining the attainment of the least value in difference among the individuals based on the standards and criteria developed.

- 7) Making self-commitment through the formation of necessary committee and plan of actions of GDPT
- 8) Possible arrangements and negotiations with relevant Israeli Administration office

(4) GDPT internal re-organization towards the application of the draft new valuation standards

To sum up, the following committees are decided to be formed within GDPT.

- Logistic committee to take care of human resources and technical support
 - Mr. Nasser / Mr. Murad / Mr. Wael / Ms. May and Mr. Mohammed Yousuf
- Supreme Reference Committee
- NVS Follow up, executive and supervising Committee
- Formulation Committee (both for the finalization of the new valuation standards and for necessary legal documents)
- Public Awareness Campaign Committee
- Action Plan Committee

All the seminar participants agreed that each plan of action per committee shall be prepared and submitted to Director General of GDPT in two-week time.

Annex 1: GDPT Seminar Program

Annex 2: Table-1 Results from Group Works

Annex 3: Group Formation

Executive Summary End:

MoF (GDPT)/JICA Project for Improvement of Local Finance System in Palestine

Program Outline of GDPT Seminar
19 to 21 July 2016, Jericho OASIS Hotel

Purpose

To penetrate the new valuation standards with relevant GDPT staff

Objectives

- (1) To present the new valuation standards with explanation and clarification by JICA Project Team referring to the comments and questions made by GDPT.
- (2) To deepen understandings on the new valuation standards through indentifying, clarifying and discussing raised issues.
- (3) To identify any issues for internalization of the new valuation standards into GDPT and possible measures to be taken by the end of 2016.
- (4) To compile comments in the form of a report.

Organizational arrangement:

In order to effectively organize GDPT seminar, a tentative organizational arrangement shall be suggested as follows:

- a) To set up an organizing committee in order to supervise outcomes of GDPT Seminar; and,
- b) To assign the Base Committee to lead the group works and presentations as well as to make every effort to effectively conduct floor discussions with the organizing committee.

Tentative Program

Timeframe		Main Agenda
19 July	0900-1000	Reception
	1000-1045	Opening Session - Opening Address by Mr. Nofal - Welcome Address by Ms. Mitsui - Introductory Note on GDPT Seminar by Mr. Ninomiya
	1045-1145	Session #1: Refreshment Session on NVS - Explanation by Mr. Nagasawa assisted by Mr. Ishikawa
	1145-1215	Coffee/Tea Break
	1215-1430	Session #2: NVS Clarification Session - Explanation by Mr. Nagasawa assisted by Mr. Ishikawa
	1430-1530	Lunch Break
	1530	Check-in
	1900-2000	Preparatory meeting for Day 2

Timeframe		Main Agenda
	2000-	Dinner
20 July	0800-1000	Session #2: NVS Clarification Session - Supplementary Explanation on valuation of buildings by Mr. Nagasawa assisted by Mr. Ishikawa
	1000-1030	Coffee/Tea Break
	1030-1230	Session #3: Topic-based Clarification Session: - Group Formation and Basic Instruction for Group Work - Group Work (1) Identification of challenging issues and measures to be taken
	1230-1430	Session #4: Group Work Presentation Session (1) - Presentation of each Group - Floor Discussion
	1430-1530	Lunch Break
	1900-2000	Preparatory meeting for Day 3
	2000-	Dinner
21 July	0800-1000	Session #5: Group Work (2) on necessary organizational arrangement - Group work - Presentation and discussion
	1000-1030	Coffee/Tea Break
	1030-1200	- Examination session on valuation procedures - Discussion on how to conduct field trial
	1200-1300	Session #6: Wrap Up Session
	1300-1400	Lunch

Expected Output

Clarified new valuation standards in order for GDPT relevant staff to apply into Palestine.

Table 1: Results from Group Work: Presentation on Anticipated Risks & Challenges and Suggested Solutions

Group No	Risks & Challenges	Suggested Solutions
Group 1	1 : Acceptance of NVS by the peoples 2 : Availability of data for applying VS formula 3 : Logistic Support 4 : Time – related Elements (Time constraints)	1 : Setting up a media unit for Public Awareness as a new trial 2 : Ensuring area size related data by using advanced equipment (+Collecting building construction permits from concerned authority) 3 : Ensuring human resources and high-tech equipment 4 : Ensuring enough time for preparation of NVS application
Group 2	1 : Acceptance of appraised value based on NVS by the people 2 : Logistic support (Staff & equipment) 3 : Lack of data in the partner organizations=PLA & Municipalities (Unavailability of Physical maps • names of property users) 4 : Lack of communications between GDPT and partner authorities concerning the project (The partner authorities=authority that can provide GDPT data	1 : Enactment of Law for the execution of the project. Carrying out public awareness activities concerning the Project through media and periodical publications 2 : Additional deployment of staff who will work in the valuation operation in the field and (The said staff will be chosen among those who have attended training courses). Promotion of exchange and collaboration between the staff of GDPT branch, especially between valuers. 3 : Mutual application of new and old data and interconnection on GIS system 4 : Enactment of law that obligate concerned organizations to provide GDPT with any new information that arise in the future .

Group No	Risks & Challenges	Suggested Solutions
	concerning the project)	Ensuring the new information exchange system and its development.
Group 3	1 : Lack of maps and drawings • Aerial Photographing • G I S 2 : No law concerning buildings and lands 3 : Present situation (Political situation)	1 : Asking solutions from concerned authorities (Donor countries) 2 : Ensuring financial budget from donor organizations in the form of advance payment. 3 : Continuation of legislation activities ~ submission to concerned authorities and approval 4 : Coordination activities with concerned authorities.
Group 4	1 : Existence of gap between appraised values . Feeling of satisfaction among the peoples regarding gap between appraised values 2 : Logistics – related matters 3 : Human resources 4 : Lack of training opportunities	1 : Balancing between real value and imaginary value. Making the people interested in the value. 2 : Logistics related matters 3 : Human resources 4 : Training program. Staff training : Training should cover all aspects in NVS
Group 5	1 : Human Resources	1 : Ensuring enough number of staff (Valuators) in the first Stage of NVS application. : Carrying out intensive training for coming NVS application Activities.

Group No	Risks & Challenges	Suggested Solutions
	2 : Standard Point (Standard value) 3 : Difference between appraised values 4 : Ensuring data	2 : Setting several standard point in one block. : Setting margin between highest standard point and lowest Standard point for one block. 3 : Carrying out public awareness activities for taxpayers. 4 : Establishment of electronic connection system between GDPT and concerned authorities in order to obtain data.
Group 6	1 : Allocation of numbers (Block. Parcel. Building. Flat) 2 : Calculation of area size (Area size are not available from concerned authorities) . 3 : The Project will end 31, August 2016	1 : Establishment of number unification system in order to obtain information from building construction permits and concerned authorities . 2 : Ensuring measuring equipment. 3 : Since this project has started through initiative of JICA. So, Continuation of the project should be carried out through new agreement with JICA.

Source: JPT's translation of Group work presentations

Group Formation

GDPT Seminar						
Participants list (Group Work)						
19-21 July 2016 at OASIS Hotel (Jericho)						
Group #	#	Name	Position	Place of work	Presenter	Supervisor (Base Committee Member)
Group 1	1	Mr. Khalid Hmaidat	Director	Hebron Office	Ms. Khuloud assisted by Mr. Nael	Mr. Adel Ali Melhem
	2	Mr. Nael Sami Shareef	Valuator	Ramallah Office		
	3	Mr. Adel Ali Melhem	Valuator	Jenin Office		
	4	Ms. Khuloud Abu Ghazal		Nablus Office		
	5	Mr. Hisham Ahmad AL Basha	Collection	Ramallah Office		
	6	Mr. Naser AL Khatib	Inspection Director	GDPT		
Group 2	1	Mr. Amer AL Khatib	Director	Bethlehem Office	Mr. Amer assisted by Mr. Ismael	Mr. Amer AL Khatib
	2	Mr. Ghassan Sajdieh	Valuator	GDPT		
	3	Mr. Eid Mohammad Abdelraziq	Valuator	Jenin Office		
	4	Mr. Osama Abu Khalil	IT	Nablus Office		
	5	Mr. Hussien Shtayeh	Valuator	Salfeet Office		
	6	Mr. Ismael Za'areer	Valuator	Yatta Office		
Group 3	1	Mr. Bassam Abu Daya	Director	Jericho Office	Ms. May assisted by Mr. Wael	Ms. May Ismael
	2	Mr. Ibrahim Abu Hussein	Valuator	Toulkarem Office		
	3	Mr. Abdelfattah Nofal	Valuator	Hebron Office		
	4	Ms. May Ismael	Director	Qaliqilia Office		
	5	Mr. Hazem Sha'an	Valuator	GDPT		
	6	Mr. Wael Joudeh	Valuation	Nablus Office		
Group 4	1	Mr. Hisham Turk	Director	Ramallah Office	Mr. Hisham assisted by Mr. Ayed	Mr. Hisham Turk
	2	Mr. Ayed Zaben	IT	GDPT		
	3	Mr. Rajeh Adel Nazzal	Valuator	Jenin Office		
	4	Ms. Tamadur Huwwari		Nablus Office		
	5	Mr. Ahmad Ali Khadraj	Valuator	Qaliqilia Office		
	6	Mr. Ayman Hawamdeh	IT Director	GDPT		
	7	Ahmad Abu Awad	JPVP	GDPT		
Group 5	1	Mr. Burhan Mashaki	Director	Toulkarem Office	Mr. Khalid assisted by Mr. Mohammad	Mr. Khalid Farajallah
	2	Mr. Mohammad Jihad AL Ghoul	Valuator	Ramallah Office		
	3	Mr. Khalid Yousef Farajallah	Valuator	Hebron Office		
	4	Ms. Fatima Abu Qbaita	Accounting Director	GDPT		
	5	Mr. Jawad Naser	Director	Abu Dees Office		
Group 6	1	Mr. Samer Manna	Director	Nablus Office	Mr. Samer assisted by Mr. Ayman	Mr. Samer Manna
	2	Mr. Husam George Kassees	Valuator	Ramallah Office		
	3	Mr. Murad Sa'di Daies	Valuator	Hebron Office		
	4	Ms. Enas Abu Sair		Qaliqilia Office		
	5	Mr. Mahmoud Hamayel	Accounting	GDPT		
	6	Ayman Zaben	Administrator	GDPT		

Results from Group Works (1)
Comparison Table between NVS-appraised values and Current Values

Type of Property: LAND

Parcel #	SV	Area Size	NAW	Appraised Values (1: NVS)	Appraised Values (2: current)	Ratio (1/2)
23	250	705	1.08	190,350 ^{*1}	4,230 (2010)	45.0
9	250	669	0.892	149,253.9 ^{*2}	4,014	37.2
18	350	716	1.165	292,036.7 ^{*3}	5,012 (2010) ^{*4}	58.3

Type of Property: Building

Parcel #	SV	Area Size	NAW	Appraised Values (NVS)	Appraised Values (current)	Ratio (1/2)
12	20	130 ^{*5}	1.20	3,129.6	375	8.3
29	20	180 ^{*6}	0.98	3,522.6	250	14.1
18	30	300 ^{*7}	1.22	10,936.6	17,500	0.6
40	30	150 ^{*8}	1.15	5,175.0	750	6.9

*1: Results of Group 1 and 2 on the first day were taken.

*2: Results of Group 1 and 2 on the last day were taken.

*3: Results of four individual participants on the last day were taken.

*4: When the building on parcel #18 was appraised in 2014, the land was not subject to valuation because of its area size with less than 1.7 dunums. Thus, value appraised in 2010 when land was vacant was extracted from P-TAX for the comparison purpose.

*5: Though 120 m² was given through the estimation by GIS, some groups have adopted 130 m² for valuation during the field exercise.

*6: An area-size with 180 m², which one participant estimated by using a measuring tape taking into considerations the inclusion of balcony into the area, was taken for this paper. It is noted herewith that a lots of arguments can be made whether or not a balcony should be included. In reference to definitions of building stated in the Technical Manual, a balcony should not be included in the property subject to valuation.

*7: 156 m² as an estimated area size by GIS was given, but 300 m² was adopted by participants through their field observation. This difference in estimation of flat area size by GIS may be assumed to incur concerning on how to delineate a building by GIS without field investigation on a building which connects with adjacent next buildings.

*8: Even though GIS-estimated figure with 60 m² was given, participants took 150 m² as flat-area size. Reasons behind remain unknown since no discussion on this particular issue was made during the session.

وزارة المالية / دائرة ضريبة الاملاك

نافذة

الأظمنة الرئيسية --> ضريبة الاملاك --> التخمين --> السجلات --> تخمين ضريبة الاملاك

معلومات من السجل

المكتب 5 دائرة ضريبة أملاك رام الله و البيرة
المدينة / القرية 60003 بيتونيا
المحلة 60015 نسوية بيتونيا
الحوض 1 الصنطار ويتر الشماس

الحجى 0 الحالة 23 رقم التغطية 25/2/6 نوع التسجيل ٢٥٠ المساحة 705

06311700024

تثبيت التخمين
الغاء التثبيت

سجلات التخمين
تخمين
الأيولة

لمشاهدة إجمالي قيم التخمين للسنوات (CTRL+H)

تخمين الأرض
تخمين البناء
تخمين البناء الاخير

السنة نظام التخمين الاستخدام تصنيف المساحة متر المربع سعر المتر صافي التعديل قيمة الأرض تخمين الأرض المالك = المالك

السنة	نظام التخمين	التصنيف	المساحة متر المربع	سعر المتر	صافي التعديل	قيمة الأرض	تخمين الأرض	المالك = المالك
2017	جديد	1	705	250	1.080	190350	11,421	الحركات
2010	قديم		705	6		4230	254	الحركات

ملاحظات تخمين عام , سكاني وصف تصنيف الاستخدام

المالكين رقم المالك اسم المالك حصة المالك حصة المالك /طابو

رقم المالك	اسم المالك	حصة المالك	حصة المالك /طابو
79527	محمد نادي بدوان	1	1/1

الحالة ١ مجموع الحصص ١ الحالة ١ مجموع الحصص ١

رقم المعاملة نوع العقد التاريخ ملاحظات

حفظ

ORA

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وزارة المالية / دائرة ضريبة الاملاك

نافذة

الأظمة الرئيسية -- ضريبة الاملاك -- التخمين -- السجلات -- تخمين ضريبة الاملاك

معلومات من السجل

المكتب 6 دائرة ضريبة أطلاك رام الله و البيرة
المدينة / القرية 60003 بيتونيا
المحلة 60015 تنسوية بيتونيا
الحوض 1 المنطار وبكر الشماس

الحالة 0 الجي
رقم القطعة 9
نوع التسجيل 19/4 الرقم السابق
مس 669 المساحة

ملاحظات [فرزت الى القطع التالية من ١/٩ - ٤/٩ ص ٥٤ من جلد ١ ١٩٨٥/٢/٢١

لمشاهدة إجمالي قيم التخمين للسنوات (CTRL+H)

تخمين الأرض | تخمين البناء | تخمين البناء الأخير

السنة نظام التخمين الاستخدام المساحة تصنيف سعر المتر صافي قيمة الأرض تخمين الأرض المكلف = المالك

السنة	نظام التخمين	الاستخدام	المساحة متر المربع	تصنيف	سعر المتر	صافي التعديل	قيمة الأرض	تخمين الأرض	المكلف = المالك
2017	جديد	1	669	1	250	0.892	149253.9	8,955	طابو مرحل الحركات
2010	قديم	669	669	6	6		4014	241	طابو مرحل الحركات

وصف تصنيف الاستخدام سكاني ملاحظات

المالكين

رقم المالك	اسم المالك	حصة المالك	حصة المالك/طابو	رقم المكلف	اسم المكلف	الحصة
12852	خليل اسعد خليل العمري	1	1/3	12852	خليل اسعد خليل العمري	1
14532	راسم اسعد خليل العمري	1	1/3	14532	راسم اسعد خليل العمري	1
41612	صوفى اسعد خليل العمري	1	1/3	41612	صوفى اسعد خليل العمري	1

الحالة 3 مجموع الحصص

رقم المعاملة 3 التاريخ نوع العمد

ملاحظات

ORA MIDDLEWARE

Start startWebLogic.cmd - Sho... Start Weblogic Server - ... Start Weblogic Server - ... 172.20.2.72:9002/repor... وزارة المالية / دائرة ضريبة الاملاك Pictures AR 2:14 PM

وزارة المالية / دائرة ضريبة الاملاك

نافذة

الأظمة الرئيسية -- ضريبة الاملاك -- التخمين -- تخمين ضريبة الاملاك -- تخمين ضريبة الاملاك -- إدخال سجلات الميدان

معلومات من السجل

سبب التخمين: 1 تخمين عام
سنة التخمين: 2017
المكتب: 6 دائرة ضريبة أملاك رام الله و
المدينة / القرية: 60003 بيتونيا

المجلة: 60015 تسوية بيتونيا
الحوض:
تصنيف البلدية: ب الفئة الثانية
رقم الحي:
رقم القطعة:
سجل الميدان: 06311700024

تثبيت التخمين
الغاء التثبيت

تخمين الأرض تخمين البناء

رقم الحوض	رقم القطعة الحالي	رقم القطعة السابق	رقم الحوض	رقم القطعة الحالي	رقم القطعة السابق	نظام التخمين	تصنيف الاستخدام	المساحة بالمتر المربع	سعر المتر تخمين	صافي التعديل	قيمة الأرض	عوامل التخمين	احتساب التخمين	مثبت
1	0	9	1	0	9	جديد	1	669	250.000	0.892	149253.9	تخمين	احتساب	<input checked="" type="checkbox"/>
1	0	12	1	0	12	جديد	1	693	250.000		0	تخمين	احتساب	<input type="checkbox"/>
1	0	18	2	0	18	جديد	2	716	350.000	1.165	292036.77	تخمين	احتساب	<input checked="" type="checkbox"/>
1	0	23	1	0	23	جديد	1	705	250.000	1.080	190350	تخمين	احتساب	<input checked="" type="checkbox"/>
1	0	29		0	29	جديد		1346	.000		0	تخمين	احتساب	<input type="checkbox"/>
1	0	40		0	40	جديد		750	250.000		186300	تخمين	احتساب	<input type="checkbox"/>
1	0	104		0	104	جديد		1641	.000		0	تخمين	احتساب	<input type="checkbox"/>
												تخمين	احتساب	<input type="checkbox"/>

رقم القطعة السابق 23 فئة الاستخدام تجاري

ملاحظات ٢٠١٧

المكلمين: 61666 خالد وليد اسماعيل التخمين

الحصة: 1

ملاحظات

حفظ

ORA MIDDLEWARE

Start startWebLogic.cmd -... Start Weblogic Serve... Start Weblogic Serve... 172.20.2.72:9002/re... دائرة / المالية / Calculator Calculator EN 1:33 PM

وزارة المالية / دائرة ضريبة الاملاك

باقة

الأظمة الرئيسية -- ضريبة الاملاك -- التخمين -- السجلات -- تخمين ضريبة الاملاك

معلومات من السجل

المكتب 6 دائرة ضريبة أطلك رام الله و البيرة
المدينة / القرية 60003 بيتونيا
المحلة 60015 تنسوية بيتونيا
الحوض 1 المنطار وبكر الشماس
ملاحظات

الحالة 0 الجي
رقم القطعة 12
نوع التسجيل 25/2/5 الرقم السابق
مساحة 693 المساحة

سجلات التخمين
الأيلولة

لمشاهدة إجمالي قيم التخمين للسنوات (CTRL+H)

تخمين الأرض تخمين البناء تخمين البناء الاخير

سنة التخمين	تسلسل الشقة	نظام التخمين	نوع البناء/الاستخدام	تصنيف البناء	رقم الطابق	رقم الشقة	مساحة البناء	سعر المتر	صافي التعديل	القيمة	التخمين	المكلف هو المالك
2017	75632	جديد	1	1	0	0	130	20	1.20	3129.6447	1252	التخمين
2013	75632	قديم								375	300	احتساب
2010	75632	قديم								375	300	الحركات
2013	75633	قديم								375	300	تفاصيل

وصف الإستعمال 3 المالك

الحالة: فعال سكاني تصنيف الاستخدام

نوع البناء شقة

متسلسل المكلف	إسم المكلف	الحصة من الشقة	الحالة
50866	عفيفه ربحي عوض ابو جوده	156	فعال
50867	هناء ربحي عوض ابو جوده	156	فعال
50861	عبد عوض حسين جوده	606	فعال
79505	سميه حسين عقاب ابو جوده	27	فعال
50864	عزيره جوده حسين جوده	27	فعال

ملاحظات تخمين سنة 2010

ORA MIDDLEWARE

Start startWebLogic.cmd - Sho... Start Weblogic Server - ... Start Weblogic Server - ... 172.20.2.72:9002/repor... وزارة المالية / دائرة ضريبة الاملاك Calculator AR 2:12 PM

EXPERTS Turnkey Solutions

باقة

الأنظمة الرئيسية -- ضريبة الاملاك -- التخمين -- تخمين ضريبة الاملاك -- تخمين ضريبة الاملاك -- إدخال سجلات الميدان

معلومات من السجل

سبب التخمين: 1 تخمين عام
سنة التخمين: 2017
المكتب: 6 دائرة ضريبة أملاك رام الله و
المدينة / القرية: 60003 بيتونيا

المجلة: 60015 تسوية بيتونيا
الحوض: 1
تصنيف البلدية: ب
رقم الحي: 0

حالة الطلب: الكل
رقم الطلب: 06311700024
رمز اللجنة: 25/2/1
سجل الميدان: 29

تثبيت التخمين
الغاء التثبيت

تخمين الأرض
تخمين البناء

سنة التخمين	المكتب	المدينة / القرية	المجلة	الحوض	الحي	رقم القطعة السابق	رقم القطعة الحالي
2017	6	60003	60015	1	0	25/2/1	29

المتسلسل	نظام التخمين	نوع البناء	تصنيف البناء	رقم الطابق	رقم الشقة	مساحة البناء	سعر المتر	صافي التعديل	القيمة	قيمة التخمين القديم	قيمة التخمين	موايل	أحساب	مشت
75694	جديد	1	1	0	0	180	20	0.98	3522.6	1409	120	تخمين	احتساب	
75695	جديد	1	1	0	0	180	20	0.98	3522.6	1409	40	تخمين	احتساب	
75696	جديد	2	2	0	0	180	20	0.98	3522.6	1409	40	تخمين	احتساب	

نوع البناء شقة
وصف الإستعمال: 3 المالك
فرقة: 4
ليوان: 1
مطبخ: 1
حمام: 1
مرحاض: 1
فرنجة: 1
كراج: 1
مخزن: 1
دكان: 1
بناء مدور: 1

الإيجار: من تاريخ: إلى: موقع الشقة: المالك هو المكلّف

ملاحظات: ٢٠١٠ تخمين سنة

المكلمين - حسب سجل التخمين

إسم المالك	الحصة من الشقة
حسام خالد اسماعيل حداد	1

المكلمين الجدد

إسم المالك	الحصة من الشقة

ملاحظات

حفظ المداخلات F10
إدخال عقد الإيجار

ORA MIDDLEWARE

Start startWebLogic.cmd - Sho... Start Weblogic Server - ... Start Weblogic Server - ... 172.20.2.72:9002/repor... EXPERTS Turnkey Sol... Calculator AR 1:50 PM

EXPERTS Turnkey Solutions

باقة

الأنظمة الرئيسية -- ضريبة الاملاك -- التخمين -- تخمين ضريبة الاملاك -- تخمين ضريبة الاملاك -- إدخال سجلات الميدان

معلومات من السجل

سبب التخمين: 1 تخمين عام
سنة التخمين: 2017
المكتب: 6 دائرة ضريبة أملاك رام الله و
المدينة / القرية: 60003 بيتونيا

المجلة: 60015 تسوية بيتونيا
الحوض: الحوض
تصنيف البلدية: ب الفئة الثانية
رقم الحي: رقم النطحة

حالة الطلب: الكل
رقم الطلب: رقم الطلب
رمز اللجنة: رمز اللجنة
سجل الميدان: 06311700024

تثبيت التخمين
الغاء التثبيت

تخمين الأرض
تخمين البناء

سنة التخمين	المكتب	المدينة / القرية	المجلة	الحوض	الحي	رقم النطحة السابق	رقم النطحة الحالي
2017	6	60003	60015	1	0	23	18

المتسلسل	نظام التخمين	نوع البناء	تصنيف البناء	رقم الطابق	رقم الشقة	مساحة البناء	سعر المتر	صافي التعديل	القيمة	قيمة التخمين القديم	قيمة التخمين	هوامل الترخمين	احتساب	مشت
156768	جديد	1	2	0	0	300	30	1.22	10936.560	8749		تخمين	احتساب	<input checked="" type="checkbox"/>
156769	جديد	0	1	0	0					400		تخصت	احتساب	<input type="checkbox"/>
217221	جديد	0	1	0	0					1600		تخمين	احتساب	<input type="checkbox"/>
217222	جديد	1	2	0	0	300	30	1.20	10833.38	8667		تخمين	احتساب	<input checked="" type="checkbox"/>
												تخصت	احتساب	<input type="checkbox"/>

الإيجار: من تاريخ: إلى: الإيجار

تصنيف الاستخدام: تجاري
البيعية الاستخدام: B16 market

وصف الإستعمال: 1 صوحر
فرقة ليوان مطبخ حمام مرحاض فرندة كراج مخزن دكان بناء مدور

موقع الشقة: المالك هو المكلف 6

ملاحظات:

المكلمين - حسب سجل التخمين

إسم المالك	الحصة من الشقة
61666 خالد وليد اسماعيل التخمين	1

المكلمين الجدد

إسم المالك	الحصة من الشقة

ملاحظات:

حفظ المداخلات F10 إدخال عقد الإيجار

ORA MIDDLEWARE

Start startWebLogic.cmd - Sho... Start Weblogic Server - ... Start Weblogic Server - ... 172.20.2.72:9002/repor... EXPERTS Turnkey Sol... Calculator AR 1:56 PM

وزارة المالية - دائرة ضريبة الأملاك

باقة

الأنظمة الرئيسية -- ضريبة الأملاك -- التخمين -- تخمين ضريبة الأملاك -- تخمين ضريبة الأملاك -- إدخال سجلات الميدان

معلومات من السجل

سبب التخمين: 1 تخمين عام
سنة التخمين: 2017
المكتب: 6 دائرة ضريبة أملاك رام الله و
المدينة / القرية: 60003 بيتونيا

المجلة: 60015 تسوية بيتونيا
الحوض: الحوض
تصنيف البلدية: ب الفئة الثانية
رقم الحي: رقم النطقة

حالة الطلب: الكل
رقم الطلب:
رمز اللجنة:
سجل الميدان: 06311700024

تثبيت التخمين:
إلغاء التثبيت:

تخمين الأرض تخمين البناء

سنة التخمين	المكتب	المدينة / القرية	المجلة	الحوض	الحي	رقم النطقة السابق	رقم النطقة الحالي
2017	6	60003	60015	1	0	17/11	40

المتسلسل	نظام التخمين	نوع البناء	تصنيف البناء	رقم الطابق	رقم الشقة	مساحة البناء	سعر المتر	صافي التعديل	القيمة	قيمة التخمين القديم	قيمة التخمين	هوامل	احتساب	مشت
75747	جديد	1	0	0	-1	0	20						تخمين	احتساب
75748	جديد	0	0	0	0	0				600			تخصن	احتساب
75749	جديد	0	0	0	0	0				3600			تخمين	احتساب
75750	جديد	1	2	0	0	150	30	1.15	5158.755	4127	600		تخمين	احتساب
75751	جديد	0	0	0	0					600			تخصن	احتساب

الإيجار: من تاريخ: إلى:

تصنيف الاستخدام: تجاري

وصف الإستعمال: 1 صوحر

طبيعة الإستعمال: سكني تجاري صناعي زراعي سياحي ترفيهي تعليمي صحي رياضي ثقافي علمي فني حرفي مهني إداري عسكري ديني تعليمي صحي رياضي ثقافي علمي فني حرفي مهني إداري عسكري ديني

فرقة: ليون مطبخ حمام مرحاض فرن كراج مخزن دكان بناء مدور

موقع الشقة: المالك هو المالك 1

ملاحظات:

المالكين - حسب سجل التخمين

الحصة من الشقة	إسم المالك	المالكين الجدد	الحصة من الشقة	إسم المالك
1	حسن عبد خالد عاصي			

ملاحظات: 2010 تخمين سنة

ORA MIDDLEWARE

Start startWebLogic.cmd - Sho... Start Weblogic Server - ... Start Weblogic Server - ... 172.20.2.72:9002/rep... وزارة المالية - دائرة ضريبة الأملاك Pictures AR 2:26 PM

Training in Field Trial Application: Data Processing Sheet of Group Work (For Internal use for trainers and GDPT officials only)

Parcel #	Type	Group	SV	x	Area Size	x	VIF 1 Road Width	x	VIF 2 Location	x	VIF 3 Topograpgy	x	VIF 4 Shape	x	VIF 5 Frontage	=	Appraised Value (NVS)	Values appraised before
23	Land	Group 1	250	x	705	x	1.00	x	1.08	x	1.00	x	1.00	x	1.00	=	190,350.00	4,230
		Group 2	250	x	705	x	1.00	x	1.08	x	1.00	x	1.00	x	1.00	=	190,350.00	4,230
		Group 3	250	x	705	x	1.08	x	1.08	x	1.00	x	1.00	x	1.03	=	211,745.34	4,230
9	Land	Group 1	250	x	669	x	0.92	x	1.08	x	1.00	x	1.00	x	0.97	=	161,194.21	4,014
		Group 2	250	x	669	x	0.92	x	1.00	x	1.00	x	1.00	x	0.97	=	149,253.90	4,014
		Group 3	250	x	669	x	0.92	x		x	1.00	x	1.00	x	0.97	=	0.00	4,014
18 (L)	Land	Group 1	350	x	716	x	1.08	x	1.08	x	1.00	x	1.00	x	1.03	=	301,068.84	5,012
		Group 2	350	x	716	x	1.08	x	1.08	x	1.00	x	1.00	x	1.03	=	301,068.84	5,012
		Group 3	350	x	716	x	1.08	x	1.08	x	1.00	x	0.97	x	1.03	=	292,036.77	5,012

* Standard: 1 Inferior: See VIF; Superior: See VIF

** Net Adjustment Weight: VIF 1 x VIF 2 x VIF 3 x VIF 4 x VIF 5 = NAW

Training in Field Trial Application: Data Processing Sheet of Group Work (For Internal use for trainers and GDPT officials only)																	
Parcel #	Group #	SV	x	Area Size	x	(1) Road Width	x	(2) Location	x	(3) Topography	x	(4) Shape of Parcel	x	(5) Fondatge	=	Appraised Value (NVS)	Values appraised before
9	Group 1	250	x	669	x	0.92	x	1	x	1	x	1	x	0.97	=	149,253.9	4,014
	Group 2	250	x	669	x	0.92	x	1	x	1	x	1	x	0.97	=	149,253.9	4,014

* Standard: 1 Inferior: See VIF; Superior: See VIF

** Net Adjustment Weight: VIF 1 x VIF 2 x VIF 3 x VIF 4 x VIF 5 = NAW

Training in Field Trial Application: Data Processing Sheet of Group Work (For Internal use for trainers and GDPT officials only)																	
Parcel #	Valuator	SV	x	Area Size	x	(1) Road Width	x	(2) Location	x	(3) Topography	x	(4) Shape of Parcel	x	(5) Fondatge	=	Appraised Value (NVS)	Values appraised before
18 Land	A	350	x	716	x	1.08	x	1.08	x	1	x	0.97	x	1.03	=	292,036.8	5,012
	B	350	x	716	x	1.08	x	1.08	x	1	x	0.97	x	1	=	283,530.8	
	C	350	x	716	x	1.08	x	1.08	x	1	x	1	x	1.03	=	301,068.8	
	D	350	x	716	x	1.08	x	1.08	x	1	x	0.97	x	1.03	=	292,036.8	5,012
	E	350	x	716	x	1.08	x	1.08	x	1	x	0.97	x	1.03	=	292,036.8	5,012
	F	350	x	716	x	1.08	x	1.08	x	1	x	0.97	x	1.03	=	292,036.8	5,012

* Standard: 1 Inferior: See VIF; Superior: See VIF

** Net Adjustment Weight: VIF 1 x VIF 2 x VIF 3 x VIF 4 x VIF 5 = NAW

Training in Field Trial Application: Data Processing Sheet of Group Work (For Internal use for trainers and GDPT officials only)

Parcel #	Type	Group	SV	x	Area Size	x	VIF 1 Quality and Conditions	x	VIF 2 Localtion	x	VIF 3 Services	x	VIF 4 Floor Location	x	VIF 5 Building Age	=	Appraisaed Value (NVS)	Values appraised before
12	Building	Group 1	20	x	130	x	1.00	x	1.06	x	1.05	x	1.03	x	1.05	=	3,129.64	375
		Group 2	20	x	130	x	1.00	x	1.06	x	1.05	x	1.03	x	1.05	=	3,129.64	375
		Group 3	20	x	120	x	1.00	x	1.06	x	1.05	x	1.03	x	1.05	=	2,888.90	

* Standard: 1 Inferior: See VIF; Superior: See VIF

** Net Adjustment Weight: VIF 1 x VIF 2 x VIF 3 x VIF 4 x VIF 5 = NAW

Training in Field Trial Application: Data Processing Sheet of Group Work (For Internal use for trainers and GDPT officials only)																		
Parcel #	Group #	SV	x	Area Size	x	(1) Quality & Condition2	x	(2) Location	x	(3) Services	x	(4) Floor Location	x	(5) Building Age	=	Appraisaed Value (NVS)	Values appraised before	
29	Group 1	20	x	150	x	1	x	1	x	1	x	1.03	x	0.95	=	2,935.5	250	
	Group 2	20	x	180	x	1	x	1	x	1	x	1.03	x	0.95	=	3,522.6	250	

* Standard: 1 Inferior: See VIF; Superior: See VIF

Training in Field Trial Application: Data Processing Sheet of Group Work (For Internal use for trainers and GDPT officials only)

Parcel #	Valuator	SV	x	Area Size	x	(1) Quality & Condition	x	(2) Location	x	(3) Services	x	(4) Floor Location	x	(5) Building Age	=	Appraised Value (NVS)	Values appraised before
18 Building	A	30	x	300	x	1.06	x	1.06	x	1.05	x	1.03	x	1.05	=	11,483.4	
	B	30	x	300	x	1	x	1	x	0.95	x	1.03	x	1.05	=	9,246.8	
	C	30	x	310	x	1.06	x	1.06	x	1.05	x	1.03	x	1.05	=	11,866.2	
	D	30	x	270	x	1	x	1.06	x	1	x	1.03	x	1.05	=	9,285.8	
	E	30	x	300	x	1.06	x	1.06	x	1.05	x	1.03	x	1.05	=	11,483.4	
	F	30	x	300	x	1.06	x	1.06	x	1	x	1.03	x	1.05	=	10,936.6	17,500

* Standard: 1 Inferior: See VIF; Superior: See VIF

** Net Adjustment Weight: VIF 1 x VIF 2 x VIF 3 x VIF 4 x VIF 5 = NAW

Discussion Note for Operation Improvement GDPT
Performance Monitoring Structure

Monitoring Category	Monitoring Report Title	Frequency	Contents	Submission		Target Setting (Report Title)	Quantitative Indicator	Purpose	Note	Steps for Operationalization	
				1	2						
Individual Performance Monitoring	Daily Work Report	Daily	Activities done in the day	Staff→Director	Director→Performance Monitoring Committee	N/A	N/A	1. Check daily work of each staff 2. Evaluate Individual performance of the day	Commence in the middle of February, 2014	1. Fix the reporting format	
	Monthly Work Report	Monthly	Activities done in the month			(to be confirmed)	(to be confirmed)	1. Check monthly work of each staff 2. Evaluate Individual performance of the month			
	Daily Individual Performance Monitoring Summary	Weekly	Verificatin result of the Daily Work Report	Performance Monitoring Committee→DG	N/A	N/A	N/A	N/A	1. Report verification result to DG 2. Advise DG the staff to be inspected		
	Monthly Individual Performance Monitoring Summary	Monthly	Verificatin result of the Monthly Work Report			N/A	N/A	N/A	1. Report verification result to DG 2. Advise DG the staff to be inspected		
Branch Office Performance Monitoring	Daily Office Data Summary	Daily	Daily data to measure office performance	1. IT Department→DG 2. IT Department→Office Director	N/A	N/A	(to be confirmed)	Check daily performance of each Office		1. Identify the data required 2. Check the data availability 3. Design reporting format 4. Fix the reporting format 5. Develop IT system for reporting	
	Weekly Office Data Summary	Weekly	Weekly data to measure office performance			GDPT Annual Plan (Monthly Target)	(to be confirmed)	1. Check weekly performance of each Office 2. Evaluate office performance of the week			
	Monthly Office Data Summary	Monthly	Monthly data to measure office performance			GDPT Annual Plan (Monthly Target)	(to be confirmed)	1. Check monthly performance of each Office 2. Evaluate Office performance of the month 3. Adjust annual monthly target of the Office			
	Yearly Office Data Summary	Yearly	Yearly data to measure office performance			GDPT Annual Plan GDPT Master Plan (Yearly Target)	(to be confirmed)	1. Check yearly performance of each Office 2. Evaluate Office performance of the year 3. Adjust next year's target of the Office			
	Weekly Office Report	Weekly	Weekly qualitative summary of office operatoin	Office Director → DG	N/A	GDPT Annual Plan (Monthly Target)	N/A	1. Identify the issues the Office of the week 2. Identify the reasons of high/low performance of the Office of the week			
	Monthly Office Report	Monthly	Monthly qualitative summary of office operatoin			GDPT Annual Plan (Monthly Target)	N/A	1. Identify the issues of the Office of the month 2. Identify the reasons of high/low performance of the Office of the month 3. Adjust annual monthly target of the Office			
	Yearly Office Report	Yearly	Yearly qualitative summary of office operatoin			GDPT Annual Plan GDPT Master Plan (Yearly Target)	N/A	1. Identify the issues of the Office of the year 2. Identify the reasons of high/low performance of the Office of the year 3. Adjust annual target of the Office			
Department Performance Monitoring	Weekly Department Report	Weekly	Weekly summary (quantative, auolitative) of Department operatoin	Department Director → DG	N/A	GDPT Annual Plan (Monthly Target)	(to be confirmed)	1. Check weekly performance of the Department 2. Evaluate Department performance of the week 3. Identify the issues of the Department of the week 4. Identify the reasons of high/low performance of the Department of the week	Quantitative indicator should be decided by each Department resexctively		
	Monthly Department Report	Monthly	Monthly summary (quantative, auolitative) of Department operatoin			GDPT Annual Plan (Monthly Target)	(to be confirmed)	1. Check monthly performance of the Department 2. Evaluate Department performance of the month 3. Identify the issues of the Department of the month 4. Identify the reasons of high/low performance of the Department of the month 5. Adjust annual monthly target of the Department	Quantitative indicator should be decided by each Department resexctively		
	Yearly Department Report	Yearly	Yearly summary (quantative, auolitative) of Department operatoin			GDPT Annual Plan GDPT Master Plan (Yearly Target)	(to be confirmed)	1. Check yearly performance of the Department 2. Evaluate Department performance of the year 3. Identify the issues of the Department of the year 4. Identify the reasons of high/low performance of the Department of the year 5. Adjust annual target of the Department	Quantitative indicator should be decided by each Department resexctively		
GDPT Performance Monitoring	Monthly GDPT Data Summary	Monthly	Monthly data to measure office performance	IT Department → DG IT Department → all the Directors	N/A	N/A	(to be confirmed)	1. Check monthly performance of GDPT 2. Evaluate GDPT performance of the month 3. Identify the issues of GDPT of the month 4. Identify the reasons of high/low performance of GDPT of the month 5. Adjust annual monthly target of GDPT		1. Identify the data required 2. Check the data availability 3. Design reporting format 4. Fix the reporting format 5. Develop IT system for reporting	
	Annual GDPT Report	Yearly	Yearly report (quantative, auolitative) of GDPT operatoin	TDMU → DG	DG → Minister, MoF	GDPT Annual Plan	(to be confirmed)	1. Check yearly performance of GDPT 2. Evaluate GDPT performance of the year 3. Identify the issues of GDPT of the year 4. Identify the reasons of high/low performance of GDPT of the year 5. Adjust annual target of GDPT			
	3 Years GDPT Report	3 years	3 year report (quantative, auolitative) of GDPT operatoin			GDPT Master Plan	(to be confirmed)	1. Check 3 years performance of GDPT 2. Evaluate GDPT performance of the 3 years 3. Identify the issues of GDPT of the 3 years 4. Identify the reasons of high/low performance of GDPT of the 3 years 5. Set nest 3 years target			

Group	Course Category	Newly Employed Staff	Fresh Staff	Mid-Level Staff	Senior Staff	Management Level
Common Training	GDPT Common	Introduction to GDPT	Workshop: Mission of GDPT I	Workshop: Mission of GDPT II	Workshop: Mission of GDPT III	Compliance
	Property Tax	Basics of Property Tax	Property Tax Administration I	Property Tax Administration II	Property Tax Administration	PT Administration in other countries
	Interpersonal & Human Skill			Team Building	Coaching	Leadership
	Business Skill	Documentation	Customer Satisfaction I	Customer Satisfaction II	Customer Relationship II	Top Management
	IT System	PC Basic		Sharepoint Basic		P-Tax Basic
Specialized Training	Valuation	Basics of Valuation	Workshop: Valuation Case I	Workshop: Valuation Case II	Workshop: Valuation Case III	Introduction of New Valuation Standard
	Collection	Basics of Collection	Workshop: Collection Case I	Workshop: Collection Case II	Workshop: Collection Case III	Introduction of New Valuation Standard
	Accounting	Collection Procedures		Detection of Fraud and Forgery		
	IT	Legal Framework of Collection I	Negotiation Skill	Negotiation Simulation I	Negotiation Simulation II	
Other Training	Other Training					

