

Operational Plan 2011-2015

DFID Palestinian Programme

July 2012

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Introduction

- The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.
- In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review to take a comprehensive and ambitious look at the countries in which DFID works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review, DFID assessed how effective the international organisations we fund are at tackling poverty.
- On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.
- DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more value for money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.
- The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The Operational Plans set out the vision, priorities and results that will be delivered in each of our country programmes.
- We will concentrate our efforts on supporting achievement of the Millennium Development Goals (MDGs), creating wealth in poor countries, strengthening their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

1) Context

According to World Bank figures, the Occupied Palestinian Territories (OPTs) is the poorest part of the Middle East and North Africa region apart from Sudan and Yemen, falling into the Lower Middle Income category. The key economic feature of the OPTs is the restrictions imposed by the Israeli government on the movement of people and goods within and outside the territories, and on access to natural resources. These have depressed average GDP per capita to \$2,058 in 2010. Unemployment rates in 2011 remained high at around 18% in the West Bank and 29% in Gaza, and poverty levels in 2010 were 18% for the West Bank and 38% for Gaza. There is high aid dependency and vulnerability among the Palestinian population, with around 5 million refugees in the region reliant on the United Nations for basic services. Israel's blockade of Gaza has not dislodged Hamas, but the economy, institutions and civil society are all suffering in a process described by the UN as 'de-development'. Israel relaxed some access restrictions after the events of summer 2010, but the situation remains bleak and fragile, and future humanitarian crises cannot be ruled out.

The Palestinian Authority (PA) has made impressive progress with institution-building, security and economic management since 2007. In 2011, the World Bank, International Monetary Fund (IMF) and UN assessed that the PA's governmental functions are now sufficient for a functioning state. However, the PA's ability to govern is limited geographically and financially. The restrictions imposed by the occupation mean that it is impossible for the PA to balance its books, making it dependent on aid to finance essential public services (with aid forming about 40% of the PA's budget). Due to austerity measures and some easing of restrictions, it has been successful in reducing the budget deficit from close to 24% of GDP in 2009 to 13% in 2011 (figures from the IMF and the Palestinian Central Bureau of Statistics). Reducing the restrictions is the only way to promote sustainable economic growth and reduce aid dependency.

Resolving the Israeli/Palestinian conflict is a longstanding UK international policy priority. The conflict resonates strongly with public opinion in the UK and abroad, exacerbates regional instability, and is a key driver of Islamic radicalisation. The UK wishes to see a viable, contiguous and democratic Palestinian state, alongside a secure and prosperous Israel, with Jerusalem as the future capital of both, and a fair settlement for refugees. The UK position remains that the best way for a Palestinian state to come about is through negotiations.

The prospects for peace have been complicated by internal Palestinian disputes. The UK continues to follow developments on Palestinian reconciliation closely. Any technocratic government should: be composed of figures committed to the principles set by President Abbas in Cairo in May 2011; uphold the principle of non-violence; be committed to a negotiated two-state solution, and accept previous agreements of the Palestinian Liberation Organisation. We have made it consistently clear that we will engage any Palestinian government that shows through their words and actions that they are committed to these principles.

Despite the lack of political progress, **DFID is still on track to deliver our key Operational Plan results.** In financial year 2011/12 we enabled 347 enterprises to improve their performance (on track to achieve our 4 year target of 250 per year), supported 201,253 poor Palestinians through cash transfers (already close to our 4 year target of 217,754) and supported 43,187 children to go to primary school (already exceeding our 4 year target of 36,216).

Given the unpredictable nature of the conflict and the uncertainty about prospects for peace, our development support is likely to need to respond to major changes in the political and operating environments over the course of this Operational Plan. **Our overall approach is to ensure that there is enough flexibility in our programme to respond quickly to changes, as far as is possible, whilst seeking to maximise the predictability of our aid.**

2) Vision

Overview – DFID will support the UK Government’s objectives for a successful Middle East Peace Process (MEPP) by helping build Palestinian institutions and promoting economic growth, so that any future state will be stable, prosperous, well-run, and an effective partner for peace with Israel.

1. State-building: we will continue to help the Palestinian Authority to deliver essential services such as health and education, while also continuing to build the institutions needed for a future Palestinian state to deliver its own development priorities within the context of a negotiated peace agreement. To do so we will support Prime Minister Fayyad’s Programme of the 13th Government, the 2011-13 Palestinian National Plan (PNP) and future plans. We will do this through: i) predictable financial support for reform, governed by a multi-year Memorandum of Understanding with the PA; ii) providing targeted expert support in key line ministries to improve budgeting and financial management; iii) boosting citizens’ rights by , helping the PA to be more accountable and responsive to the public including improving their services for female victims of violence.

2. Wealth creation: this promotes state and peace building by increasing fiscal sustainability, and reducing unemployment and poverty. Economic growth is stifled by Israeli-imposed movement and access restrictions that increase the costs and risks of doing business and, particularly in Gaza, impedes flows of imports and exports. Growth is also hampered by poor regulatory frameworks and market failures in particular sectors. To address these challenges we will deliver the following outcomes: i) reduced movement and access restrictions, through support to the Office of the Quartet Representative; ii) increased short-term growth and employment in the construction sector, through improving access to affordable housing and supporting reconstruction in Gaza; and iii) increased long-term growth and employment in key ‘tradable’ sectors (e.g. manufacturing, agriculture, tourism, Information and Communication Technology) by addressing government and market failures.

3. Poverty and vulnerability: despite recent overall economic growth, poverty is widespread in the OPTs and, while the occupation persists, the Millennium Development Goals will continue to be off track. The situation is particularly bad in Gaza, and for those living in Area C of the West Bank (under full Israeli control) and the seam zone (between the 1967 ‘green line’ and the separation barrier), due to various restrictions imposed by the Israeli authorities. Quality of, and access to, health and education are also concerns. Our programme seeks to address these problems by: i) ensuring that our financial assistance to the PA helps it deliver responsive and targeted services to the most vulnerable groups; ii) signing a new multi-year core funding agreement with the UN Relief and Works Agency (UNRWA), which provides basic services to around 5 million Palestinian refugees across the region, as well as providing additional support to construct UNRWA schools in Gaza ; iii) providing better access to legal services and representation for vulnerable households and individuals - including women headed households - in areas most affected by demolitions, house eviction, access to livelihood and/or services; iv) providing recovery and humanitarian support in Gaza, such as food vouchers and cash-for-work to poorer households, including those headed by women and with disabled members. Our support to the PA and UNRWA aims to encourage improvements in effectiveness, efficiency and accountability, rather than just supporting recurrent costs.

Alignment to DFID and wider UK Government priorities - Support to the MEPP is prioritised in the Coalition Programme for Government. The plan contributes to the UK Government’s broader goals of contributing to stability and prosperity in the Middle East. The UK Conflict Prevention Pool (DFID/Foreign and Commonwealth Office (FCO)/ Ministry of Defence (MOD)) complements our programme, providing support for security sector reform and funding to NGOs engaged in conflict resolution and human rights monitoring. We will continue to ensure our approach is guided by conflict and political sensitivities, including through close working with the FCO in London and in the region. Changing the lives of women and girls is an important part of our overall aim so, as well as the legal support outlined above, we will be helping the PA tackle violence against women by making sure that cases are effectively handled and passed on to the courts, refurbishing family protection units and helping ensure correct treatment of women prison inmates.

What we will stop doing - We will concentrate our resources on fewer, larger projects that are more strategically targeted. We will work intelligently with other donors, handing over the lead in certain sectors to others (for example in our private sector work, and support for negotiations).

3) Results

Headline results

Pillar/ Strategic Priority	Indicator	Baseline (including year)	Expected Results (including year)
Governance and Security	Proportion of activities completed in the Palestinian Authority's revenue reform plan	0% (2010)	70% (2013)
Wealth Creation	Number of enterprises each year reporting improved performances in annual sales or productivity as a result of DFID support	0 (2010)	250 each year (2012-2015)
MDGs – Poverty, Hunger and Vulnerability	Number of eviction or demolition orders suspended as a result of DFID-supported interventions	74 (2010)	141 (2013)
	Number of individuals covered by DFID-supported cash transfer programmes	174,085 (2010)	217,754 (2014)
MDGs – Education	Number of children supported by DFID in primary education	34,666 (2010) 17,599 boys 17,067 girls	36,216 (2014) 18,483 boys 17,733 girls
MDGs - Health	Percentage (and number attributable to DFID support) of pregnant women attending at least four antenatal care visits at UNRWA health clinics.	89% (6143) (2011)	95% (7162) (2014)

3) Results (continued)

Evidence supporting results - In general high quality, timely and comprehensive data are available for the OPTs. The Palestinian Central Bureau of Statistics (PCBS) is a good source, although data from PA line ministries are weaker. The evidence for the three programme pillars is as follows:

- **State-building:** DFID's State-building/Peace-building Framework, which underpins our plan, is based on evidence of the importance of addressing the causes and effects of conflict. However, the availability of good evidence underpinning results in the area of governance and security is relatively low. We will develop this as part of programme design along with partners, building on existing data and analysis.
- **Wealth creation:** There is a relatively good evidence base on the key binding constraints facing Palestinian businesses, as a result of analyses conducted by the World Bank, USAID, International Labour Organisation, and surveys by Paltrade and the Palestinian Federation of Industries on Gaza. We also have evidence on the needs of companies and their potential to benefit from donor assistance from our Facility for New Market Development (FNMD) project, which has helped over 600 companies in the West Bank and Gaza, growing exports and local sales by over \$100 million. There is less evidence on the most appropriate interventions to address market constraints; therefore our new projects will draw heavily from international best practice, will work in partnership with other major donors such as the World Bank and the EU and make extensive use of pilots.
- **Poverty and vulnerability:** Data on the provision of health, education and social protection to Palestinian refugees comes from UNRWA's Medium Term Strategy (MTS), the 2009 External Review of UNRWA programmes and from PCBS - all of which provide reliable data. The MTS has clear goals and indicators, but no specific targets as they are currently being developed. UNRWA has therefore provided us with estimates of reasonable targets. PCBS provides disaggregated data for the OPTs by refugee status, but no other reliable source exists for the other host countries (Syria, Jordan and Lebanon). Baseline data on the provision of health, education and social protection to non-refugees comes from PCBS and education and health information systems, while targets have been taken from the draft 2011-13 Palestinian National Plan and the sector strategies annexed to it (not published yet), which have benefitted from DFID technical assistance.

VFM rationale - Our programme has a high potential return, but is relatively high risk. We estimate, based on IMF scenarios, that a two-state solution could result in increased growth in the OPTs worth around \$30 billion over 15 years. Studies of the cost effectiveness of conflict prevention have generally found a high return (e.g. by Malcolm Chalmers), and the previous time the Palestinians turned to violent resistance (the Second Intifada) resulted in massive economic and social dislocation. However, since every conflict is unique, and the Palestinian-Israeli conflict is particularly entrenched, there is a risk of failure that is difficult to quantify. Nevertheless, our judgement is that given the potential return, this risk is worth taking. We also run the risk of entrenching organisations like UNRWA, which were supposed to be temporary, by continued support and promoting unsustainable dependency in general. There is a growing risk, in the absence of political progress, that continued investment in Palestinian development becomes unsustainable and increasingly expensive. We will regularly review this risk with the aim of ensuring that political and development efforts are mutually reinforcing. All proposed projects focus on areas of strategic importance where DFID has a comparative advantage compared to other donors. VFM highlights for the programme pillars are as follows:

- **Wealth Creation:** we estimate that our proposed interventions will cost £1,735 per job created. With our Affordable Housing project, our grant of \$20 million has catalysed over \$500 million of private finance to fund mortgages that will support affordable housing projects.
- **Poverty and Vulnerability:** use of a State-building Grant to fund the delivery of health, education and social services through the PA's budget represents good VFM; there is no other large scale mechanism for delivering services to the non-refugee population, and our support builds the PA's ability to provide services and reduces aid dependence, by being conditional on reforms to improve public finances. We are also the lead donor in ensuring that UNRWA delivers VFM, by linking our financial support to the achievement of performance targets.
- **State-building:** due to the quality of our assistance we are the PA's preferred partner for improving its budgeting, planning and revenue collection expertise and mechanisms. The VFM of this work will be maximised by increasing the use of local experts. Our security and justice programme fills an important niche in improving the accountability of the security sector and in tackling violence against women, which carries large economic as well as psychological costs.

4) Delivery and Resources

DFID's Palestinian Programme has staff in Jerusalem and London. The Jerusalem team includes Governance, Conflict and Economics advisers, and is organised in teams to deliver in three main areas - statebuilding, wealth creation, and poverty and vulnerability. Part time support is provided from London in other advisory areas. The London team primarily deals with Ministerial and Whitehall liaison. We will work through the following partners and mechanisms:

- **Other UK Government Departments:** we work closely, both in Whitehall and in country, with the FCO and other government departments who are engaged on the Middle East Peace Process. For example, close working with FCO and MOD provides entry points for political dialogue with the PA and partners on security and human rights, and contributes to delivering a strategic UK support package to the sector.
- **Aid coordination fora:** we play an important role within the established aid architecture. For example, we co-Chair the aid coordination forum in the security sector, which includes representing the EU on security sector funding issues. DFID is in a strong position to influence, promote coordination, and galvanise wider donor support in the sectors we have chosen to prioritise. We will continue to be energetic in working with Arab donors on funding for the PA and UNRWA, raising this in high level discussions on a regular basis as part of our overall Gulf Initiative to scale up development co-operation with these states.
- **Palestinian Authority:** a strong partnership with the PA is central to our programme, given our state-building objective, and because they are the main provider of public services to non-refugees in the OPTs. Our partnership is set out in a Memorandum of Understanding. This sets out mutual commitments around shared principles (poverty reduction, human rights, sound financial management and accountability). Our State-building Grant will help them to deliver the 2011-13 Palestinian National Plan (PNP), by providing direct financial assistance to the PA's budget via a World Bank Trust Fund, linked to progress on reforms. Our programme in general is aligned with priorities set out in the PNP.
- **United Nations:** we work closely with the UN system, using different agencies as programme implementers and co-operating on wider issues that affect the political and developmental environment. We aim to continue to provide substantial support to the UNRWA as the main provider of public services to Palestine refugees. As with the State-building Grant, our funding to UNRWA is designed to promote institutional reform and better performance. We have been innovative in our approach, linking some of our funding to performance (other donors have followed our lead). To date, results have been positive with UNRWA demonstrating better practice and performance. We aim to alleviate social deprivation, e.g. in Gaza, via support to UN agencies such as the World Food Programme, and by supporting mechanisms to improve access in general. We support the right to legal representation for Palestinians.
- **World Bank:** we will work through World Bank multi-donor Trust Funds where possible (e.g. for private sector development and the State-building Grant) in order to maximise donor harmonisation and minimise administration costs.
- **Multilaterals in general:** all of our plans for multilaterals take full account of the findings of the Multilateral Aid Review (MAR). All of our multilateral partners received positive MAR assessments, except for UN Women; our choice of UN Women as the implementing partner for the security and justice programme is based on a track record of effective delivery in the OPTs and we will work closely with them to ensure a strong grip on results and cost-effectiveness.
- **Private sector:** where appropriate we will work directly with the Palestinian private sector to promote innovation that addresses market failures. For instance, we will provide a grant to share risks with financial institutions in providing long-term mortgages.
- **Other actors:** we will use consultancy experts to provide technical assistance, ensuring that their knowledge is transferred as far as possible. For instance, our programme to strengthen the PA's public financial management will make considerable use of Palestinian experts and focus on capacity-building. We want to work more closely with Civil Society and Non Governmental Organisations as part of our citizen empowerment programme and work on accountable government. In this highly political environment we also work with a wide range of other partners, for example the Office of the UN Special Co-ordinator for the Middle East Peace Process, and the Office of the Quartet Representative.

4) Delivery and Resources

Planned Programme Spend ¹

Pillar/Strategic priority	2010/11 (outturn)		2011/12		2012/13		2013/14		2014/15		TOTAL 2011-15	
	Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital	Resource	Capital
Wealth Creation	9,261,535		6,573,276		3,436,953		12,825,402		9,695,402		32,531,033	0
Climate Change											0	0
Governance and Security	16,951,827		17,692,836		21,090,985		19,120,549		19,620,549		77,524,919	
Education	24,330,000		27,178,011		27,353,800		28,216,373		29,316,373		112,064,557	0
Reproductive, Maternal and Newborn Health											0	0
Malaria											0	0
HIV/Aids											0	0
Other Health	8,970,000		10,234,058		10,152,200		10,349,144		10,589,144		41,324,546	0
Water and Sanitation											0	0
Poverty, Hunger and Vulnerability	14,279,088		18,068,269		23,665,000		18,986,207		19,146,207		79,865,683	0
Humanitarian											0	0
Other MDG's											0	0
Global Partnerships											0	0
TOTAL	73,792,450		79,746,450	0	85,698,938	0	89,497,675	0	88,367,675	0	343,310,738	0

¹ The 2010/11 figures reflect actual outturn as the baseline year before the current spending review period. Figures for 2011/12 to 2014/15 are planned budgets within the spending review period. The 2012/13 figures differ from the previously published Operational Plan as the 2012/13 budget round has now taken place and updated allocations for this year have been agreed. 2013/14 and 2014/15 figures are subject to updates in subsequent years

4) Delivery and Resources (continued)

Planned Operating Costs ¹

	2010/11 (Outturn)	2011/12	2012/13	2013/14	2014/15	Total 2011-15
	£	£	£	£	£	£
Frontline staff costs - Pay	432544	736690	958000	768924	768924	3232538
Frontline staff costs - Non Pay	668869	904629	823000	789249	789249	3306127
Administrative Costs - Pay	338271	299171	394000	302898	304755	1300824
Administrative Costs - Non Pay	395991	264959	317000	287784	294686	1164429
Total	1835675	2205449	2492000	2148855	2157614	9003918

¹ The 2010/11 figures reflect actual outturn as the baseline year before the current spending review period. Figures for 2011/12 to 2014/15 are planned budgets within the spending review period. The 2012/13 figures differ from the previously published Operational Plan as the 2012/13 budget round has now taken place and updated allocations for this year have been agreed. 2013/14 and 2014/15 figures are subject to updates in subsequent years.

4) Delivery and Resources (continued)

Planned Efficiency Savings

Category	Details								Residual cost in the SR period £'000
Strategic Reprioritisation									
Further examples of Programme efficiency									
	2011/12		2012/13		2013/14		2014/15		
Administrative Cost Savings Initiative	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	
Reduction in Consultancy Payments		10		0		0		0	
Reduction in Travel		41		40		0		0	
Reduction in Training		9		6		0		0	
Reduction in Estates & Property Costs		21		0		0		0	
Restructuring		0							
Other Reductions		15		0		0		0	
Total	0	96	0	46	0	0	0	0	

Savings are down by 50% in FY 12/13 from original estimates and zero savings are anticipated in FYs 13/14 and 14/15. This is due to the high levels of savings made in FY11/12, the fact that we do not foresee additional savings on consultancy costs, the increased number of staff and a planned move to a new office in FY 12/13.

5) Delivering Value for Money (VFM)

Put simply, ‘delivering value for money’ is about maximising the benefits of our programme in reducing poverty and promoting prospects for peace, while minimising the financial costs to the British taxpayer. The vision underpinning our VFM Strategy is that we will be a model DFID programme in delivery and demonstrating VFM in a fragile state context. The key challenges to achieving this are:

- **Measuring and quantifying benefits:** risks are high and so have to be compared with benefits; it is difficult to measure the wider impact of projects on state- and peace-building; and the fact that each conflict is unique means that it is harder to rely on evidence of what has worked elsewhere or find comparator countries.
- **Staff capacity:** although maximising benefits and minimising costs is something that we are already focusing on, the increased focus on the quantification of benefits and costs will require increasing the knowledge and skills of staff, and the time spent considering VFM at every stage of the project management cycle.

A VFM Action Plan to achieve the Strategy was drafted and delivered in 2011/12, which aimed to make VFM and results central in strategic, programme, corporate and financial processes, and ensure that staff and partners have the skills, support and accountability to deliver the new processes. A new Plan will be drafted for 2012/13 following a review. Progress against the actions committed to in the original Operational Plan are as follows:

Key Action	Benefits	Progress
Every member of staff has at least one objective on VFM in their Performance Management Framework and where appropriate a learning and development goal is agreed for it.	Ensures that everyone is clear about their role in promoting VFM, that they will be held accountable for it, and that they have the knowledge and skills to deliver it.	Achieved (all staff have a minimum of two success criteria on VFM)
Early in the design of each project there is an opportunity for the whole office to brainstorm alternative ways to achieve its objectives.	Provides space for creative thinking to ensure that project designs are the best they can be, and harnesses the diverse range of knowledge and experience in the office.	Achieved
Every project has at least one unit cost identified during design to measure the cost of buying inputs (‘Economy’) and one unit cost for producing outputs (‘Efficiency’), and these are used throughout the life of the project to promote VFM.	Measuring unit costs allows us to compare the costs and efficiency of a project with other similar projects elsewhere to ensure the project design and procurement is optimal, to monitor them over time, and to promote efficiency savings.	Achieved (all new projects have unit costs for tracking in annual reviews)
Every project has a full assessment of its VFM at the design stage subject to the available evidence. This is then updated by the middle of its implementation by which time any data gaps can be filled.	Rate of return or cost effectiveness analysis is the best way to judge a project’s VFM, but can be difficult to do accurately before the project starts. Updating midway through projects allows time for changes to be made to the project design.	Partially (new projects have full assessment of VFM, but still developing plans for midway reviews)
VFM to be considered at every stage of tendering processes and an increased emphasis placed on better procurement and contracting.	Costs will be lowered and/or service standards increased	Partially (seeking more capacity in results-based contracting).
A team learning and development plan focused on developing VFM skills	Developing the necessary skills will improve team/individual ability and confidence to design and monitor programmes to maximise results.	Achieved

6) Monitoring and Evaluation (M&E)

Monitoring

How – each programme will have an M&E framework with robust quantifiable indicators and targets which are sex-disaggregated where appropriate and are monitored annually. Due to the high risk context of the work there will also be quarterly monitoring of both country level and specific programme level risks. In addition, all programmes scoring a B or below in their annual review will have a detailed Performance Improvement Plan.

Who – primary responsibility for monitoring will fall to programme partners, for example to UNRWA. Wherever possible we will undertake joint monitoring with government and other donors to ensure harmonisation and reduce work loads. The Senior Statistician will quality assure all new logframes and will spot-check annual reviews to ensure accuracy and consistency across the Department. DFID staff will assess performance in relation to the overall Operational Plan and make sure that all programmes deliver the information required to monitor the indicators in the results framework.

When – Programme level monitoring will be continuous with formal reporting through annual reviews. The risk to achieving each programme will be updated quarterly. The country results framework will be reviewed annually and the operational plan reviewed/refreshed annually.

What – We will use a range of methodologies depending on the particular programme. These will include quantitative surveys and qualitative information. The detailed Results Framework has been compiled from individual logframes and provides an overarching framework for the programme. The information will be used to both measure the impact of programmes and also to determine the future direction of work.

Evaluation - The MENAD Monitoring and Evaluation Strategy is the framework for our approach to evaluation during implementation of this Operational Plan. It sets out guidance on which programmes to evaluate, and how to plan, manage and communicate findings from evaluations. Independent, high quality evaluations will be conducted jointly with other donors of our State-building Grant to the PA, our core funding of UNRWA, and the World Bank Trust Fund for private sector development. At least 75% of our planned expenditure will be independently evaluated jointly with our implementing partners. Support to manage monitoring and evaluation will be led by a Senior Statistician, providing 20% of their time, along with support from the broader programme team and specifically from the MENAD Evaluation Adviser.

Building capacity of partners - the availability of statistics is relatively good in OPTs with the World Bank Statistics Capacity Building Indicator score of just 71/100 compared with an average score of 58/100 for the Middle East and North Africa. The Palestinian Central Bureau of Statistics (PCBS) has a comprehensive programme of surveys and censuses which use internationally recognised methodologies. In recognition of this they have recently received ISO9000 accreditation for their work which is an internationally recognised quality standard. They have also been recognised as meeting the IMF's Special Data Dissemination Standard. DFID is supporting a regional statistical capacity building programme through the Islamic Development Bank (£2m over four years) which is providing support to PCBS for their agricultural census that is currently underway and will produce results in mid-2011. PCBS is also developing a series of Memorandums of Understanding with key line ministries which outline their respective roles and responsibilities, and ensure that administrative data is produced using common definitions and methodologies. Our governance work with the PA will incorporate a significant element of M&E capacity building. M&E units will be established in a number of line ministries in providing advice to UNRWA ministries and the PA will publish bi-monthly monitoring reports related to the NDP. We will work with the Ministry of Interior and other donors to improve results measurement and reporting in the security sector. DFID has been central to providing advice to UNRWA on the development of an independent M&E system as part of their overall reform plan. We have linked our performance funding to this being taken forward successfully. We are also working with the US and EU to agree with UNRWA a joint M&E framework which will be used by all donors. We will look for opportunities to involve Gulf donors in joint M&E.

7) Transparency

We will meet the commitments made by DFID in the UK Aid Transparency Guarantee by publishing detailed information on all new programmes on the DFID website, and outlining any spend over £500. From April 2011 all project performance reviews and evaluations will also be published online. We will ensure that wherever possible all information provided to the public is comprehensive, accessible, accurate and timely and have put systems in place for quality assurance and the use of non technical terminology.

The PA has significantly improved the transparency of public finances (including the money we provide to them through our State-building Grant) through a number of measures with DFID support: monthly financial statements are being published on the Ministry of Finance’s website; the Government Accounts for 2008 have been prepared and audited by the Auditor General for the first time since 2003; the 2011 budget and subsequent budgets will show how spending is allocated between key programmes within Ministries, so the public can clearly see how their money is being spent. With DFID support, the PA has also established a database to provide accurate information on aid received from the international community. All UK aid is registered in this database, and we encourage other donors to do the same. We will help the PA build on their own accountability to citizens through our future programme of assistance on public financial management, as well as our security and justice support (which includes support for a complaints mechanism and an inspectorate general). At a strategic level, the UK’s relationship with the PA will be governed by our MoU which includes specific commitments on transparency, as well as predictable support and mutual accountability.

We have also been influential in promoting the transparency of UNRWA. All UNRWA reports are published on their website. Donors also receive detailed reports on reform as part of the advisory commission. We will continue to influence UNRWA to provide more transparent and detailed financial reporting. For both the PA and UNRWA we will increase transparency over their unit costs in delivery public services in order to promote improvements in value for money.

Other actions we will take include:

- We will provide information to the Local Aid Co-ordination Secretariat for use on their website. We will encourage partners to be more transparent with information and will look to see how this might be stipulated in any agreements signed with them.
- We will work with the PA and its Ministries to identify opportunities whereby our support could be publicised by them in Arabic and we will, depending on resourcing, look at ways that we might publish information in Arabic. Some of our implementing partners already do this.
- We will seek, in programme design and perhaps via informal consultation sessions, to increase opportunities for feedback by those benefitting from DFID programmes.
- We will continue our efforts, in liaison with the British Consulate in Jerusalem and DFID Press Office, to keep international and local journalists informed of our activity and results achieved at every opportunity. We will consider producing a six monthly information sheet on our main actions and results, and we will aim to have more input into the Consulates information provision e.g. via their website

We have developed and are implementing a transparency action plan, which sets out how we will deliver the commitments and actions outlined above, with clear responsibilities for staff and timelines for delivery.

8) UK Human Rights Assessment

Human rights context and direction of travel:

The human rights situation in the Occupied Palestinian Territories (OPTs) is heavily influenced by the unresolved Israeli-Palestinian conflict, the ongoing Israeli occupation, intermittent violence in Gaza and lack of progress on reconciliation between Palestinian factions. The PA, with whom the UK has a bilateral development assistance relationship, has committed to strengthening human rights as a cornerstone of its statebuilding programme, and while issues of concern remain, the PA is making progress in addressing human rights issues. However, the PA's ability to affect the overall human rights situation is constrained because its authority is limited to certain parts of the West Bank. As a result of the issues of concern listed below we consider the overall trend in the area to be negative.

Specific issues of concern - highlighted for example in the UK Foreign and Commonwealth Office 2011 report on Human Rights and Democracy, and reports by international and local human rights organisations including the Palestinian Independent Commission for Human Rights - have included:

- Increasing evictions and the demolitions of Palestinian homes and other structures by the Israeli authorities, and increasing violence by extremist Israeli settlers against Palestinians;
- Continued Israeli restrictions on Gaza and on Palestinian freedom of movement and development;
- The high proportion of civilian casualties and fatalities resulting from Israeli airstrikes in Gaza, and disproportionate Israeli responses to peaceful demonstrations;
- The treatment of Palestinian suspects, including children, within the Israeli military court system; mistreatment during arrest and in Israeli detention; conditions of detention; and the extensive use of administrative detention by Israeli authorities;
- Allegations of mistreatment of detainees by the Palestinian security forces, and cases where the Palestinian security forces have acted against peaceful protests;
- Cases of journalists and bloggers being arrested by Palestinian security forces, and actions taken against some websites and newspapers;
- The prevalence of violence against women in the OPTs;
- Weaknesses in the ability of Palestinians to hold authorities to account, including as a result of delays in holding elections and the lack of a functioning parliament;
- Under the de facto Hamas rule in Gaza: repression of dissent; curtailment of free speech and freedom of association; use of the death penalty; suppression of women's rights; harassment and detention of individuals suspected of "morality" offences; lack of independence of the judiciary, and mistreatment of detainees during interrogation; anti-Israeli incitement; and failure to deal with Palestinian militant groups who indiscriminately fire rockets into Israel.

There has been progress in a number of areas, including:

- The commitment by the Government of Israel to bring perpetrators of settler violence to justice, and raise the age of legal majority for Palestinian children in the Israeli military justice system;
- Commitments by the PA to stop bringing civilians before military courts, to discontinue discriminatory security vetting procedures, address threats to freedom of speech, improve police accountability, and tackle violence against women in Palestinian society.

UK approach:

- The UK regularly raises human rights issues at senior levels in the Israeli and Palestinian authorities, and works closely with bilateral and other partners such as the EU and civil society to monitor developments, including the implementation of commitments;
- The UK supports a number of projects that address human rights issues in the OPTs, for example integrating human rights issues into the professional training of the Palestinian security forces, and legal support to improve access to justice for Palestinian juveniles detained by the Israeli defence forces;
- Human rights issues are raised as a key part of the annual DFID-PA strategic dialogue;
- We are supporting the PA in improving police and justice services for women, and encouraging the inclusion of women's voices in the peace process;
- We support a programme that provides legal aid to Palestinians threatened by demolition orders and eviction.

Annex 1: Results Achieved

Progress towards headline results – one year on*

Pillar/ Strategic Priority	Indicator	Baseline (including year)	Progress towards results (including year)	Expected Results (including year)
Wealth Creation	Number of enterprises each year reporting improved performances in annual sales or productivity as a result of DFID support	0 (2010)	PROGRESS: OVERACHIEVING Milestone: 250 (2011) Actual: 347 in 2011/12	Annual snapshot 250 each year (2012-2015)
MDGs – Poverty, Hunger and Vulnerability	Number of eviction or demolition orders suspended as a result of DFID-supported interventions	74 (2010)	PROGRESS: OVERACHIEVING Milestone: 104 (2011) Actual: 124 in 2011/12	Annual snapshot 141 (2013)
	Number of individuals covered by DFID-supported cash transfer programmes	174,085 (2010)	PROGRESS: OVERACHIEVING Milestone: 192,858 (2011/12) Actual: 201,253 (2011/12)	Annual snapshot 217,754 (2014)
MDGs – Education	Number of children supported by DFID in primary education	34,666 (2010) 17,599 boys 17,067 girls	PROGRESS: OVERACHIEVING Milestone: 35,167 Actual: 43,187 in 2011/12 21,519 boys 21,668 girls	Annual snapshot 36,216 (2014) 18,483 boys 17,733 girls
MDGs - Health	Percentage (and number attributable to DFID support) of pregnant women attending at least four antenatal care visits at UNRWA health clinics.	6143 (2010) 74.8%	No milestone as new programme Actual: 89% (7,373)	Annual snapshot 95% (7162) (2014)
Governance and Security	Proportion of activities completed in the Palestinian Authority's revenue reform plan	0% (2010)	PROGRESS: Data not available	70% (2013)

* These results may not be directly aggregatable with other country results due to different measurement methodologies