



Department  
for International  
Development



Rt Hon Alistair Burt MP  
Minister of State

Our ref

189776

December 2018

Thank you for your recent correspondence regarding UK aid to the Palestinian Authority (PA).

Anti-Semitism, violence and hate have no place in society, let alone in a school curriculum. The UK government shares your deep concern about the textbook content revealed in the Institute for Monitoring Peace and Cultural Tolerance in school education (IMPACT-se) report into the PA's new curriculum. We are taking action on this issue, as I will outline below.

The UK remains firmly committed to a just peace between a stable, democratic Palestinian State and Israel. Our financial assistance to support a stable Palestinian Authority, able to act as an effective partner for peace with Israel, is essential to prepare the ground for a two-state solution. The PA needs to be financially sustainable to: ensure stability; deliver services to Palestinians; and to fulfil its responsibilities under the Oslo Accords. The Government recognises the risks associated with funding the PA, which is why we have put in place extremely rigorous controls, and frequently raise issues of concern with the PA. I set out below my response to the specific issues you raise.

### **PA-DFID Memorandum of Understanding**

You raised concerns that PA payments to prisoners and their families constitutes a breach of the Memorandum of Understanding (MoU) between DFID and the PA. The MoU underpins DFID's support to the PA, which requires the PA to commit to the principle of non-violence. The most recent assessment of this commitment, in May 2018, concluded that the Palestinian Authority continues to demonstrate a credible commitment to a range of DFID 'partnership principles', including the principle of non-violence, under increasingly fragile and volatile conditions. The next assessment will take place in May 2019.

I assure you that no UK aid is used for prisoner payments. Our financial aid to the PA is used exclusively to pay the salaries of vetted health and education public servants, including teachers, doctors and nurses, in the West Bank. The UK government continues to press the PA to reform the prisoner payments system to become more needs-based, transparent and affordable. I have raised these concerns with the Palestinian Foreign Minister, and my officials regularly do likewise, most recently at a 6 December dialogue with the Palestinian Ministry of Finance and Planning.

I also want to assure you that the Government is taking action on our concerns relating to incitement too. Most recently, my officials met with the PA's Minister for Education on 4 December to express the UK Government's deep concern about the allegations of the incitement in the textbooks, and to raise troubling examples. I am committed to commissioning a thorough UK review of textbook content which will be completed by September 2019, and I am pleased that the PA has agreed to take account of its findings.

You expressed concern that the UK and EU reacted differently to the findings of the IMPACT-se report, but this is not the case. Although the European Parliament Committee on Budgets proposed an amendment suspending some payments to the PA in response to material in textbooks, this proposal was voted down in the plenary, and never enacted. No EU aid to the PA was suspended in this case.

### **EU PEGASE System**

I can assure you that PEGASE (the vehicle through which the EU transfers payments to the PA) provides sufficient assurance that EU and UK funding is not diverted.

UK aid to the PA is used exclusively to pay the salaries of teachers, doctors and other public servants working in the health and education sectors. Our money goes into a special, dedicated bank account before being paid to individuals who have been vetted in advance. Independent auditors then check that the money paid out of the UK dedicated bank account goes only to these vetted individuals after every disbursement.

You expressed concern that DFID does not know the identity of the 85,000 public servants whose salaries we pay. DFID does not hold a central copy of the list because it includes personal details, including names and bank account numbers; but DFID officials have visited the EU's office to see the list of vetted individuals, including the Director of the Middle East and North Africa Division in April 2018.

### **World Bank Trust Fund**

You raised concerns that the World Bank Trust Fund (through which DFID channelled PA funding from 2010 to 2016) did not have sufficiently strong controls in place to ensure that UK funds were not diverted from their intended use is misplaced. DFID works with the World Bank across the globe, and the World Bank has stringent controls in place to prevent misuse or diversion of aid. There is no evidence that management of funds from multiple donors, or the currency conversion involved in this process, carries increased risk of funds being diverted. You have also suggested that DFID officials and Ministers ignored the 2014 International Development Committee report on DFID funding to the PA. In fact, DFID took the recommendations of the 2014 IDC report very seriously and issued an updated response on their implementation after one year. However, we disagreed with some of its recommendations, and were clear that we had effective controls in place to protect UK funds. We still assess that to be the case, given the robust safeguards of the EU PEGASE mechanism.

## **Release of Audits**

You asked why DFID has not released audits of our financial aid programmes in the Occupied Palestinian Territories between 2010 and 2015, following a Freedom of Information Act request from UK Lawyers for Israel. This decision was not taken lightly. After consulting with the PA, which owns or is the intended recipient of the audit reports in question, officials judged that releasing the reports would be likely to damage our relationship with the PA. DFID depends on maintaining good relationships with our international partners in order to conduct our work, and the reports were therefore exempted from release in line with Section 27 (1) (a) (b) (c) and (d) (2) (3) (International Relations) and Section 40 (2) (Personal Information) of the Freedom of Information Act.

Finally, I would like to spell out that the UK strongly condemns all acts of terrorism, violence and incitement to violence, and urges Israel and the Palestinians to work together to promote peace. I am personally horrified by such terrible acts of violence such as the murder of Kristine Luken and the attempted murder of Kay Wilson. There can be no justification for such appalling acts of violence. However, I am equally clear that suspending UK aid to the PA would impede progress towards peace.

The UK takes all possible measures to ensure that no UK aid is diverted or misused; and I am proud that UK financial assistance to the PA this year has paid the salaries of up to 39,000 teachers, doctors, nurses, midwives and other health and education public servants in the West Bank. These staff have immunised up to 3,700 children and provided around 185,000 medical consultations annually; and educated around 24,000 young Palestinians. This provides hope to Palestinians that a peaceful future within a two-state solution is achievable; and the UK Government will continue to do all we can to bring this about, including by continuing to fund the PA, for the benefit of Palestinians, Israel and the wider region.

**ALISTAIR BURT**