



Department
for International
Development

Operational Plan 2011-2015

DFID Palestinian Programme

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Introduction

The UK Government is determined to help end extreme poverty around the world. We believe that international development is not just the right thing to do, but the smart thing to do. Britain has never stood on the sidelines, and it is in all our interests for countries around the world to be stable and secure, to have educated and healthy populations and to have growing economies. DFID aims to end aid dependency through jobs – building the economies of developing countries so that they can stand on their own feet.

No country can develop with only half of the population involved, that is why DFID is scaling up its support for women and girls across all of our country programmes, including an increased emphasis on girls education and preventing violence against women and girls.

We are also focussing on what works, investing in research and taking advantage of new technology to ensure that UK development support has the greatest impact.

DFID is committed to being a global leader on transparency, and in 2012 was ranked the top aid organisation in the world for transparency. Transparency is fundamental to improving accountability both to UK citizens and to citizens in the countries where we work. Transparency also helps us achieve greater value for money and improves the effectiveness of aid. As part of our commitment to transparency we publish Operational Plans for each area of our work setting out what we will achieve and how we will achieve it. In June 2013 DFID launched a new online tool, Development Tracker, to provide an easy way to access information and data about DFID programmes.

With less than 1000 days to go, we will continue to focus our efforts on delivering the Millennium Development Goals, 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 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 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 female 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 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 tri-departmental UK Conflict Prevention Pool 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 Foreign & Commonwealth Office (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 Revenue Action Plan targets met where DFID is providing support.	0% (2010)	40% (2014)
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)	545 (2014)
	Number of households provided with information, advice and legal assistance services	0 (2010)	3,000 (2014)
	Number of individuals covered by DFID-supported cash transfer programmes.	174,085 (2010)	220,000 (2014)
MDGs – Education	Number of children supported by DFID in primary education.	34,666 (2010) 17,599 boys 17,067 girls	36,000 (2014) 18,500 boys 17,500 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% (7,100) (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 - state-building, 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:** 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 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 (continued)

Planned Programme Spend

Pillar/Strategic priority	2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL 2011-15	
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000
Wealth Creation	5,750	0	16,303	0	1,962	0	4,414	0	12,916	0	35,595	0
Climate Change	0	0	0	0	0	0	0	0	0	0	0	0
Governance and Security	15,801	0	12,658	0	16,981	0	22,411	0	14,558	0	66,608	0
Education	24,330	0	31,931	0	34,352	0	29,564	0	22,495	0	118,342	0
Reproductive, Maternal and Newborn Health	0	0	0	0	0	0	0	0	0	0	0	0
Malaria	0	0	0	0	0	0	0	0	0	0	0	0
HIV/Aids	0	0	0	0	0	0	0	0	0	0	0	0
Other Health	8,971	0	11,284	0	12,310	0	10,825	0	8,050	0	42,469	0
Water and Sanitation	0	0	0	0	0	0	0	0	0	0	0	0
Poverty, Hunger and Vulnerability	18,720	0	19,036	0	22,080	0	26,570	0	22,681	0	90,367	0
Humanitarian	0	0	0	0	0	0	0	0	0	0	0	0
Other MDG's	0	0	0	0	0	0	0	0	0	0	0	0
Global Partnerships	0	0	0	0	0	0	0	0	0	0	0	0

* Figures for: 2010-11 and 2011-12 are actual outturn; 2012-13 are provisional outturn; 2013-14 and 2014-15 are planned budgets.



4) Delivery and Resources (continued)

Planned Operating Costs

	2010/11	2011/12	2012/13	2013/14	2014/15	Total 2011-15
	£'000	£'000	£'000	£'000	£'000	£'000
Frontline staff costs - Pay	419	597	706	1,291	1,327	3,921
Frontline staff costs - Non	541	758	847	628	699	2,932
Administrative Costs - Pay	347	268	278	402	469	1,417
Administrative Costs - Non	389	283	317	183	254	1,037

* Figures for: 2010-11 and 2011-12 are actual outturn; 2012-13 are provisional outturn; 2013-14 and 2014-15 are planned budgets.



4) Delivery and Resources (continued)

Planned Efficiency Savings

Category	Details	Residual cost in the SR period £'000
Strategic Reprioritisation	N/A	0
Further examples of Programme efficiency	N/A	0

	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	0	10	0	0	0	0	0	0
Reduction in Travel	0	41	0	40	0	0	0	0
Reduction in Training	0	9	0	6	0	0	0	0
Reduction in Estates & Property Costs	0	21	0	0	0	0	0	0
Reduction in costs as a result of Office Restructuring	0	0	0	0	0	0	0	0
Other Reductions	0	15	0	0	0	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

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 has been 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 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 some 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.	Achieved
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

Monitoring

How – each programme will have a Monitoring and Evaluation (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 to provide advice to UNRWA ministries and the PA will publish bi-monthly monitoring reports related to the National Development Plan. 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. In addition all of our programmes are audited to ensure funds are used as intended and we ensure all partners comply with UK and EU anti-terrorist legislation.



7) Transparency

Transparency is one of the top priorities for the UK government. We will ensure that we continue to meet our commitments under the UK Aid Transparency Guarantee including publishing detailed information about DFID projects, including programme documents and we will provide opportunities for those directly affected by our projects to provide feedback.

Since April 2011 all project performance reviews and evaluations have been published online and we have outlined any spend over £500. 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 Memorandum of Understanding (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 of 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 from those benefitting from DFID programmes.
- We will seek to expand our interaction, in liaison with the British Consulate in Jerusalem, with international and local journalists, and will consider producing a biannual information sheet on our main actions and results. We will aim to input more into Consulate communications 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

The UK recognises that the realisation of all human rights underpins sustainable development. Through its development programmes, DFID aims to support civil society and governments to build open economies and open societies in which citizens have freedom, dignity, choice and control over their lives, and institutions are accountable, inclusive and responsive.

Human rights context: The human rights situation in the Occupied Palestinian Territories (OPTs) is heavily influenced by the unresolved Israeli-Palestinian conflict, the on-going Israeli occupation, intermittent violence in Gaza and lack of progress on reconciliation between Palestinian factions. The PA is constrained in its ability to improve the overall human rights situation across the OPTs as its authority is limited to certain parts of the West Bank only. Whilst there is a wide range of national data for OPTs, very little exists for internationally comparable data sources such as the Human Development Index or the Gender Inequality Index.

- **Economic and social rights:** OPTs is making progress against most MDGs having already met the targets in education, water and sanitation. The right to an adequate standard of living is challenged by continuing high levels of poverty currently at 26% across OPTs (PCBS). There are similar levels of boys and girls in primary school and more girls than boys at secondary and tertiary levels of education. Israeli restrictions on Gaza and on Palestinian freedom of movement and development - including evictions and demolition of Palestinian homes and other structures by the Israeli authorities, and Israeli settlement-building on occupied land, have serious impacts on the economic and social rights of Palestinians.
- **Non-discrimination:** There are wide differences between West Bank and Gaza, with poverty, for example at 39% in Gaza compared to 18% in the West Bank (PCBS). Maternal mortality is low at only 64 per 100,000 live births (PCBS). There are high levels of violence against women with 37% of married women being exposed to one form of violence by their husbands (PCBS), and impediments to women's access to security and justice services.
- **Civil and political rights:** In 2012 Freedom House rated OPTs as 'not free' on civil rights (scoring 5 in West Bank and 6 in Gaza) and political rights (scoring 6 in both West Bank and Gaza). Key concerns include the impact on the civilian population resulting from Israeli military responses to rocket attacks from Gaza; the manner in which the Israeli Defence Forces respond to protests, including use of live fire; violence by extremist settlers against Palestinians; conditions of arrest, detention, and treatment of Palestinian suspects, including children, by the Israeli authorities; allegations of abuse of detainees by Palestinian security forces and lack of proper investigation/action, and failure to implement court decisions; actions by the Palestinian authorities against free speech; impediments faced by Palestinians in holding the authorities to account, including as a result of delays in holding national elections and the lack of a functioning parliament. Under the de facto Hamas rule in Gaza, key concerns include: curtailment of free speech and freedom of association; use of the death penalty; suppression of women's rights; mistreatment of detainees during interrogation, and indiscriminate firing of rockets into Israel.

Direction of travel: The human rights picture is complex, and trends difficult to disaggregate, with progress in some areas and under the different authorities, and negative trends under others. On balance we consider the overall trend across the above three categories to be negative primarily as a result of the lack of progress on reducing the impact of the occupation, on Palestinian reconciliation, and towards a negotiated peace agreement.

UK approach and focus includes:

- Taking up human rights concerns at senior levels in the Israeli and Palestinian authorities;
- Working to protect and support vulnerable Palestinian communities threatened by demolition orders and eviction by the Israeli authorities;
- Improving movement and access, meeting basic needs, and promoting economic participation and inclusive service delivery;
- Supporting the development of accountable Palestinian institutions, including justice and security institutions - with an emphasis on inculcating international human rights standards; tackling violence against women and improving women's access to justice and security;
- Encouraging elections and women's political participation, and empowering citizens' voices and ability to more effectively demand accountability



Annex A: Revisions to Operational Plan 2012/13

Headline Results

The Governance and Security indicator has been reformulated and includes a revised target as the programme has been redesigned. A new indicator has been included on the number of households receiving information, advice and legal assistance services. Targets are now rounded and there has been a slight revision upwards to the cash transfer target and the evictions target.

Delivery and Resources

The figures have been updated.

Human Rights Assessment

All Operational Plans are required to publish an assessment of human rights. Since the last operational plan, the human rights indicators have been updated with more recent statistics and a subsequent review of the direction of travel has been undertaken.



Annex B: Results Progress

Progress towards headline results – 2011 to 2013

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 (2013) Actual: 347 by 2012/13	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: ON TRACK Milestone: 350 (2012) Actual: 348 by 2012/13	Cumulative 545 (2014)
	Number of individuals covered by DFID-supported cash transfer programmes	174,085 (2010)	PROGRESS: OVERACHIEVING Milestone: 210,000 (2013) Actual: 250,000 in 2012/13	Annual snapshot 220,000 (2014)
MDGs – Education	Number of children supported by DFID in primary education	34,666 (2010) 17,599 boys 17,067 girls	PROGRESS: OVERACHIEVING Milestone: 36,000 Actual: 50,000 in 2012/13 25,000 boys 25,000 girls	Annual snapshot 36,000 (2014) 18,500 boys 17,500 girls
MDGs - Health	Percentage (and number attributable to DFID support) of pregnant women attending at least four antenatal care visits at UNRWA health clinics.	7716 (2010) 87.9%	PROGRESS: SLIGHTLY OFF TRACK Milestone: 90% (8,000) (2012) Actual: 86% (7,000) in 2012/13	Annual snapshot 95% (7,100) (2014)
Governance and Security	Proportion of activities completed in the Palestinian Authority's revenue reform plan	0% (2010)	PROGRESS: ON TRACK Milestone: 0% (2012) Actual: 40% (2012/13)	Cumulative 40% (2014)

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