

TECHNICAL & FINANCIAL FILE

CONSTRUCTION AND REHABILITATION OF SCHOOLS IN THE WEST BANK AND GAZA STRIP

PALESTINIAN TERRITORIES

**DGDC CODE: NN 3006054
NAVISION CODE: PZA 08 022 11**

CONTENTS

CONTENTS.....	2
ABBREVIATIONS.....	4
ANALYTICAL RECORD OF THE INTERVENTION	5
1. SITUATION ANALYSIS	6
1.1 General context	6
1.2 The Education Infrastructure Sector	6
1.2.1 Problem analysis	6
1.2.2 Education Development Strategic Plan 2008-2012.....	6
1.2.3 Palestinian Education Sector Partnership principles (Annexe 7.4).....	7
1.2.4 School building handbook.....	7
2. STRATEGY OF THE INTERVENTION.....	8
3. OPERATIONAL PLANNING	9
3.1 General objective.....	9
3.2 Specific objective.....	9
3.3 Beneficiaries	9
3.4 Results.....	9
3.5 Activities	10
3.6 Indicators and means of verification.....	12
4. RESOURCES.....	13
4.1 Human Resources	13
4.2 Financial Resources.....	13
4.2.1 Palestinian contribution.....	13
4.2.2 Belgian contribution.....	13
4.3 Material Resources	18
5. IMPLEMENTATION MODALITIES.....	19
5.1 Management modalities.....	19
5.2 Legal framework.....	19
5.3 Implementation structures.....	20
5.3.1 Project implementation bodies.....	20
5.3.2 Project Steering Committee (PSC).....	20
5.3.3 Project Management Unit (PMT).....	21
5.3.4 Financial Mechanism for the Belgian contribution	22
5.3.4.1 Bank accounts and authorizations.....	22
5.3.4.2 Request for funds	23
5.3.4.3 Financial reports	23
5.3.4.4 Budget Management.....	24
5.3.4.5 Procurement.....	24
5.3.4.6 Regulations on personnel recruitment.....	25
5.4 Monitoring and evaluation.....	25
5.4.1 Monitoring.....	25

5.4.2	Evaluation.....	26
5.4.3	Technical backstopping missions.....	26
5.4.4	Audits	26
5.4.4.1	BTC Audit	26
5.4.4.2	Project Audit	26
5.5	Changes to the TFF	26
5.6	Ending the cooperation activity	27
6.	CROSS-CUTTING THEMES	29
6.1	Environmental concerns	29
6.2	Children's' rights and Gender and equity issues.....	29
6.3	Socio-economic concerns	29
6.4	HIV/AIDS.....	29
7.	ANNEXES	30
7.1	Logical framework	30
7.2	Implementation Planning.....	32
7.3	Job descriptions	33
7.3.1	Chief Technical Advisor	33
7.3.2	Project Manager	33
7.3.3	Project Director	34
7.4	Palestinian Education Sector Partnership Principles	35

ABBREVIATIONS

BTC	Belgian Technical Cooperation
CTA	Chief Technical Advisor
DGDC	Directorate General of Development Cooperation
EUR	Euro, European Union Currency
GOB	Government of Belgium
IDF	Israeli Defence Force
ILS	Israeli Shekel
ODA	Official Development Assistance
MEHE	Ministry of Education and Higher Education
PA	Palestinian Authority
PMU	Project Management Unit
PSC	Project Steering Committee
TOR	Terms of Reference
UNRWA	United Nations Relief and Works Agency
USD	US Dollar

ANALYTICAL RECORD OF THE INTERVENTION

DGDC intervention number	NN 3006054
Pays partenaire	Palestinian territories
Navision code BTC	PZA 08 022 11
Partner institution	MEHE
Duration of Specific Agreement	72 months
Estimated starting date of intervention	January 2009
Partner's contribution	2.000.000 €
Belgian contribution	10.000.000 €*
Sector Code	11120 Education - Equipment
Overall Objective	To improve the quality of preliminary and secondary education in the Palestinian Territories
Specific Objective	To increase access to education in the occupied Palestinian Territories through an improved infrastructure and the creation of a healthy and safe education environment
Results	R1. School facilities are increased. R2. Health and safety conditions on the concerned school premises are optimised. R3. Quality of the concerned school facilities and environment is optimised. R4. The implementation of school construction and rehabilitation is supported.

* As requested by the Cabinet of the Belgian Minister of Development Cooperation, the project “School Construction, Rehabilitation and Equipment in the West Bank and Gaza” was finally formulated for a budget of 10 million EUR. Due to constraints in committing 4 million EUR budgeted for an E-learning intervention in 2008, the engagement of this amount was transferred to this project. The formulation of the E-learning project will start early 2009.

1. SITUATION ANALYSIS

1.1 GENERAL CONTEXT

Ever since the establishment of the Ministry of Education and Higher Education in 1994, it has had to maintain a difficult balance between, on the one hand, managing an educational system on the verge of collapse, and, on the other, developing a vision and plans for putting in place a modern system responsive to the social, cultural and economic needs of the Palestinians. Intensive efforts have been made since to improve the quality as well as the coverage by the Palestinian education system, including their physical infrastructure.

Population growth remains a major challenge to the education sector for the foreseeable future. The average yearly growth of the student number in the public schools is 29.853. This implies a need to build 746 classrooms per year. Despite the difficult situation, the enrolment rate for basic education is high – almost 100% - while being of 80% for secondary education.

The population growth and high enrollment rate also imply that the human resources necessary for progress (including teachers) will be available, provided that appropriate economic and social strategies are implemented.

1.2 THE EDUCATION INFRASTRUCTURE SECTOR

1.2.1 Problem analysis

The extent of neglect in the maintenance and expansion of the education system in the years of Israeli occupation has been very severe. In terms of infrastructure, there was a shortage of classrooms, therefore schools were overcrowded. A good number of school buildings were rented and inappropriate for use as schools. Aside from that, the uneven distribution of schools across the territory left some areas under served. Many rural areas had inadequate school buildings (often rented) and insufficient facilities for girls. In view of the shortage of facilities, many schools operated on a double shift basis and some, even, on three shifts per day. In terms of equipment and materials essential for teaching and learning, schools lacked the bare necessities, and there is a general shortage of specialized rooms. The Ministry is still trying to deal with this legacy. Meanwhile the population growth causes a high demand for schools, classrooms and teachers.

1.2.2 Education Development Strategic Plan 2008-2012

The main document of reference in the education sector is the Education Development Strategic Plan 2008 – 2012. This second 5-year plan was prepared via a participatory process involving all stakeholders and development partners

The 4 goals of the plan are:

- GOAL 1: to increase access of school-aged children and students of all education levels and improve the ability of the education system to retain them (ACCESS);
- GOAL 2: To improve the quality of teaching and learning (QUALITY)
- GOAL 3: To develop the capacity for planning and management and to improve the financial and management systems used (MANAGEMENT);

- GOAL 4 : To realise a gradual conversion of the HE sector and TVET sector from a supply-oriented to a demand-oriented sector, which, accordingly, guarantees more compatibility between outputs and labor market(s) needs (RELEVANCE).

The strategic plan is financed by the Ministry and by most donors active in Palestine. A complementarity between different donor's activities is encouraged by the Ministry to avoid overlapping and increase efficiency.

1.2.3 Palestinian Education Sector Partnership principles (Annexe 7.4)

The 'Palestinian education Sector Partnership Principles' (October 2008), a partnership between the Palestinian Authority and Development partners, discusses the coordination and harmonization of the support of the Education Development Strategic Plan 2008-2012.

The Partnership Principles translate global aid harmonization principles (ownership, alignment, harmonization...) into a Palestinian education context and are an important step towards a sector wide approach. This is not a legally binding document, but it expresses a strong commitment to strengthen dialogue between the Ministry, development partners and non-state education sector stakeholders. This intervention seeks to align on this document, taking into account the Belgian context and procedures.

1.2.4 School building handbook

A Handbook 'Nineteen Ninety-Eight – Future Schools in Palestine' has been developed by the Ministry of Education, with support from UNESCO and NORAD. This handbook still applies to the construction of school, but also defines standards for furniture and equipment. The handbook is improved in a continuous process. It is a reference guide for architects, consultants and donor agencies.

2. STRATEGY OF THE INTERVENTION

The project inserts itself into the ‘Education Development Strategic Plan 2008 – 2012. Towards Quality Education for Development’, and more specifically in goal 1 of this strategy, namely to ‘increase access of school-aged children and students of all education levels and improve the ability of the education system to retain them’.

The intervention will particularly contribute to the following results formulated for goal 1:

- New educational institutions, both governmental and non-governmental, will be established at all levels of education;
- The intake capacity of existing educational institutions will be increased and their ability to retain students will be improved through provision of more competent staff and better educational facilities, services and follow-up.

This project is a continuation of the ongoing school construction project, but its strategy has been revised slightly to adapt it to the dynamic context:

- The final list of to be constructed schools will be defined by the Steering Committee in 2 phases. Depending on the situation in Gaza, activities there may be postponed to the second phase;
- Synergies with the ‘E-learning curriculum in primary and secondary education in Palestine ’ program to be started up by the Belgian Cooperation will be actively encouraged, and the schools constructed can serve as pilot schools for implementation of this intervention. The Steering Committee will oversee this synergy between the two interventions.
- In the early stages of the project, the Steering Committee will analyse the opportunity to make use of Palestinian tendering procedures, based on a thorough analysis of those procedures.

3. OPERATIONAL PLANNING

3.1 GENERAL OBJECTIVE

The general objective of the project is:

“To improve the quality of primary and secondary education in the Palestinian Territories”

3.2 SPECIFIC OBJECTIVE

The specific objective of the project is:

“To increase access to education in the Palestinian Territories through an improved infrastructure and the creation of healthy and safe educational environment”

3.3 BENEFICIARIES

Direct beneficiaries of the project include:

- Male and female Students (about 4500), attending the schools constructed by this project. They will be provided with more adequate and appropriate educational facilities.
- Teachers, benefiting from an improved working environment, as well as headmasters.
- The Ministry of Education and Higher Education, who will be supported in its ‘Five Year Plan’.

Indirect beneficiaries of the project include:

- Current and future families of students attending the project’s schools.
- The Palestinian public institutions working in education together with the various municipalities and village councils.
- Local communities.
- Local contractors and local labourers involved in the project.

3.4 RESULTS

The specific project objective will be attained through the achievement of the following project results (outputs):

- R1. School facilities are increased.
- R2. Health and safety conditions on the concerned school premises are optimised.
- R3. Quality of the concerned school facilities and environment is optimised.
- R4. The implementation of school construction and rehabilitation is supported.

3.5 ACTIVITIES

Activities described hereafter are the concrete actions that will be carried out in order to achieve each result.

There will be 2 cycles or phases in the project, so every activity will be repeated twice in the project (see chronogram).

R1. School facilities are increased

1.1. Definition of the list of priority schools by the SC

The PMT will prepare a proposed list of priority schools. This list and the criteria on which the selection has been based will be presented to the Steering Committee for approval.

1.2. Preparation of Tender documents for consultancy and engineering

The programme management team will be responsible for the elaboration of the tender documents. The standards of the Handbook 'Future Schools in Palestine' shall be applied.

The Tender documents have to be submitted to the MEHE and BTC for approval.

The 'Consultancy and Engineering' contract will include site survey, finalisation of plans, obtaining building permits, site supervision and preparation of tender documents for the school construction and school furnishing and equipment.

1.3. Tendering and awarding service contract

The bidding documents will be opened in a public session according to Palestinian regulations. The awarding proposal and draft works contract will be submitted to the BTC.

After common approval by the MEHE and the BTC, the contract shall be signed by the MEHE.

1.4. Site survey and elaboration of school designs

The consultants selected in 1.2 will be responsible for this activity. They will be supervised by the PMT and the MEHE.

The PMT and MEHE, with guidance by the SC, will ensure that the necessary provisions for infrastructure as determined by the curriculum development program to be started up by the Belgian Cooperation will be incorporated in the school designs (e.g. computer lab requirements).

1.5. Preparation of Tender documents for school construction

The consultants selected in 1.2 will be responsible for the elaboration of the tender documents in collaboration with the PMT. The appropriate regulations (see chapter 5) shall apply.

The Tender documents have to be submitted to the BTC for approval.

1.6. Tendering and awarding works contract

The bidding documents will be opened according to the appropriate procedures (see chapter 5). The PMT will submit the awarding proposal and draft works contract to BTC.

After common approval by the MEHE and the BTC, the contract shall be signed by the MEHE.

1.7. Construction of the schools

The construction of the schools by the contractor shall be supervised by the PMT in collaboration with the MEHE.

R2. Health and safety conditions on the concerned school premises are optimised.

- 2.1. Preparation of Tender documents for school equipment
The PMT will be responsible for the elaboration of the tender documents. The appropriate regulations (see chapter 5) shall apply.
The Tender documents have to be submitted to the BTC for approval.
- 2.2. Tendering and awarding supply contract
The bidding documents will be opened according to the appropriate procedures (see chapter 5). The PMT will submit the awarding proposal and draft works contract to BTC.
After common approval by the MEHE and the BTC, the contract shall be signed by the MEHE.
- 2.3. Equipping the schools
Equipping the schools shall be done after completion of the construction works. The supplied equipment shall be inspected by the PMT.

R3. Quality of school facilities and environment is improved.

- 3.1. Preparation of Tender documents for school furnishings
The PMT will be responsible for the elaboration of the tender documents. The appropriate regulations (see chapter 5) shall apply.
The Tender documents have to be submitted to the BTC and MEHE for approval.
- 3.2. Tendering and awarding supply contract
The bidding documents will be opened according to appropriate procedures (see chapter 5). The PMT will submit the awarding proposal and draft works contract to BTC.
After common approval by the MEHE and the BTC, the contract shall be signed by the MEHE.
- 3.3. Furnishing the schools
Furnishing the schools shall be done after completion of the construction works. The supplied furnishings shall be inspected by the PMU.
- 3.4. The school premises are laid out
(This activity is included in R.1)
- 3.5. Personnel and teachers are trained in maintenance, environmental issues and School Health & Nutrition principles
The PMT will organise training by appropriate agencies or NGOs in how to ensure maintenance of the schools. Particular attention will be paid to environmental issues in the same or a separate training. Parents associations will be involved in this training.

R4. The implementation of school construction and rehabilitation is supported.

- 4.1. Technical follow-up of the project
A Chief Technical Advisor and an international backstopping will assure technical follow-up of the works and supplies, as well as of the hand-over of school and training in the project.
Technical backstopping from the BTC-HQ is also foreseen, according to the needs defined by the Representation and Technical Advisor.
- 4.2. Training, seminars and / or study tours
The PMT and other actors involved in implementation of the project (through the PMT) have access to a fund allowing them to participate in a training or seminar related to the project; or to organise a study tour.
- 4.3. Study and consultancy fund

The PMT and other actors involved in the project (through request of the PMT) can finance studies and consultancies related to the project, based on a needs assessment.

3.6 INDICATORS AND MEANS OF VERIFICATION

Indicators have been developed for the specific objective and the results. At the beginning of the implementation the PMT will conduct a baseline survey in order to measure the progress during the implementation of the project.

The means of verification indicate where and how information can be gathered in order to gauge the degree of achievement of the specific objective and the results.

The indicators and means of verification have been inserted in the logical framework.

4. RESOURCES

4.1 HUMAN RESOURCES

The PMT will be limited to the following members:

- A part time (duration of the project) Palestinian Project Director;
- A (duration of the project) Chief Technical Advisor who will act as the Co-Director;
- A project manager¹;
- A financial officer.

Backstopping by an international consultant and the BTC HQ and representation offices will support the PMT in its tasks.

For the field supervision during the implementation of the civil works the MEHE can also appeal to specialised technicians among the Ministry or Consultancy and Engineering Firms if needed.

4.2 FINANCIAL RESOURCES

4.2.1 Palestinian contribution

The Palestinian Authorities will exempt all goods, equipment and services purchased for the project from all custom duties and taxation.

The MEHE will bear the salaries of the Project Director and the MEHE staff involved in the project activities during implementation. They will provide appropriate infrastructure and cover the cost of operation and maintenance of the office infrastructure and equipment.

The Palestinian contribution also consists in providing land and access roads for the proposed schools.

The overall Palestinian contribution for the land and access roads, office infrastructure, equipment and salaries has been estimated at 2.000.000 EUR.

4.2.2 Belgian contribution

The Belgian contribution will finance all the other project activities.

The non-refundable Belgian contribution amounts to 10.000.000 EUR.

The distribution between BTC-Management and Co-Management is as follows:

BTC Management	169,500
Co-management	9,830,500

¹ A project manager has been recruited in the framework of the previous school construction project. This contract can be extended to assure follow-up of this intervention as well.

The budget is based on the following principles:

- The construction and supply contracts are implemented in 2 phases.
- The final list of selected schools will be adapted to the available budget after the completion of the design component and budget estimations by the Engineering and Consultancy study.
- The Furniture and equipment costs are calculated pro rata to the construction cost – based on previous projects.
- A large amount of contingencies is foreseen for the construction and supplies to allow for budget increases due to the volatile Palestinian market: changes in currency exchange rate, increased unit prices for construction materials, increased mobilisation costs, etc.

The details of the budget and planning of expenses can be found in the following table:

A	Budget Code		Description of the budget item	Mode	Unit cost (EUR)	Unit	# Units	TOTAL	Breakdown per year					
									Y1	Y2	Y3	Y4	Y5	
			To increase access to education in the Palestinian Territories through improved infrastructure and the creation of healthy and safe educational environment					9,589,340	139,300	1,194,425	2,578,592	2,841,012	2,836,012	
A	01		R1: Equitable access to school facilities is realised											
A	01	01		Engineering & consultancy	co-man	30,000	school	10	300,000	100,000	100,000	100,000		
A	01	02		Construction Schools	co-man	7,550,000		1	7,550,000		943,750	2,202,083	2,202,083	2,202,083
A	01	03		Contingencies construction schools (10%)	co-man	755,000			755,000		94,375	220,208	220,208	220,208
A	01		Sub-total Result 1						8,605,000	100,000	1,138,125	2,522,292	2,422,292	2,422,292
A	02		R2: Health and safety conditions on concerned school premises are optimised											
A	02	01		Equipment Schools	co-man	324,650		1	324,650				162,325	162,325
A	02	02		Training health and safety	co-man	1,000	school	10	10,000				5,000	5,000
A	02	03		Contingencies equipment (10%)	co-man	32,465			32,465				16,233	16,233
A	02		Sub-total Result 2						367,115				183,558	183,558
A	03		R3: Quality of school facilities and environment is improved											
A	03	01		Furnishing Schools	co-man	339,750	school	1	339,750				169,875	169,875
A	03	02		Lay out of school premises	co-man		included in R1							
A	03	03		Hand-over schools	co-man	1,000	school	8	8,000				4,000	4,000
A	03	04		Contingencies furnishing (10%)	co-man	33,975			33,975				16,988	16,988
A	03		Sub-total Result 3						381,725				190,863	190,863
A	04		R4: Implementation support											
A	04	01		Technical follow-up	BTC-mgt	10,000	mission	10	100,000	20,000	20,000	20,000	20,000	20,000
				National Technical Assistant	BTC-mgt	1,400	month	60	84,000	16,800	16,800	16,800	16,800	16,800
A	04	02		Training, seminar and/or Study Tour	co-man	5,000	unit	3	15,000		5,000	5,000	5,000	
A	04	03		BTC Backstopping	BTC-mgt	2,500	mission	5	12,500	2,500	2,500	2,500	2,500	2,500
A	04	04		Study and consultancy fund	co-man	12,000	study	2	24,000		12,000	12,000		
A	03		Sub-total Result 4						235,500	39,300	56,300	56,300	44,300	39,300

			Budget Code	Description of the budget item	Mode	Unit cost (EUR)	Unit	# Units	TOTAL	Breakdown per year				
										Y1	Y2	Y3	Y4	Y5
X	01		Reserve						48,660	0	2,000	15,553	15,553	15,553
X	01	01		Reserve BTC-mgt					8,000		2,000	2,000	2,000	2,000
X	01	02		Reserve Co-mgt					40,660			13,553	13,553	13,553
Z			General means											
Z	01		Ressources humaines											
Z	01	01		Financial Officer	BTC-mgt	1,900	month	60	114,000	22,800	22,800	22,800	22,800	22,800
Z	01	02		Project Manager	co-man	2,500	month	48	120,000		30,000	30,000	30,000	30,000
Z	02		Operational means											
Z	02	01		Miscellaneous (office supplies, operational costs)	co-man	300	month	60	18,000	6,000	3,000	3,000	3,000	3,000
Z	02	02		Financial costs	co-man	75	month	60	4,500	900	900	900	900	900
Z	02	03		Legal Advisor	BTC-mgt	750	tender	10	7,500	1,500	1,500	1,500	1,500	1,500
Z	03		Investment											
Z	03	01		Vehicles	co-man	25,000	vehicle	2	50,000	50,000				
				Office equipment	co-man	4,000	ff	2	8,000	8,000				
Z	04		Follow-up and evaluation											
Z	04	01		Audit	BTC-mgt	6,000	audit	2	12,000		6,000			6,000
Z	04	02		Evaluation	BTC-mgt	16,000	evaluatio	1	28,000			14,000		14,000
Z			Sub-total General means						362,000	89,200	64,200	72,200	58,200	78,200
TOTAL									10,000,000	228,500	1,260,625	2,666,345	2,914,765	2,929,765

4.3 MATERIAL RESOURCES

No separate Project Management Unit will be established. The Chief Technical Advisor will work in the MEHE or BTC offices according to the persons he/she is meeting.

Minor operational means are provided for in the budget to allow for smooth implementation of the project (site visits etc). 2 Vehicles are provided for as a logistical support to the MEHE to follow up the project.

Other operational costs will be born by the MEHE.

5. IMPLEMENTATION MODALITIES

5.1 MANAGEMENT MODALITIES

The project will be administered according to the principles of partnership and joint implementation and embedded in the framework of the Education development Strategic Plan 2008-2012.

The project will be managed according to “co-management” modalities, implying that the project funds are jointly managed by the partner country and BTC, according to the following three principles:

- The Palestinian Authority is the project owner and is the contracting authority;
- BTC ensures the appropriate use of the project funds and the respect of its procedures, and it contracts the necessary expertise;
- The project is managed according to procurement regulations of the World Bank²

The rule of “co-management” applies to all budget lines and types of expenditure, except for the national expertise, backstopping, reviews and audits, that will be managed according to the ‘direct management mode’ by the Belgian Technical Cooperation.

5.2 LEGAL FRAMEWORK

The Specific Agreement (SA) signed between the Palestinian and the Belgian Parties determines the legal framework of the project.

The Palestinian Authority designates the Ministry of Education and Higher Education, through its Directorate-General Buildings (DGB), as the administrative entity responsible for the implementation of the project.

. It will also authorize the financial flow to the project.

The Directorate-General for Development Cooperation (DGDC), under the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation”, has the responsibility to monitor policy issues and respect for the SA on behalf of the Belgian Party. The DGDC shall exercise this role through the Attaché for International Cooperation at the Belgian Consulate in Jerusalem.

As agency charged by the Belgian Party to perform its commitments in the facilitation of formulation, implementation and follow-up of the project, BTC will be responsible for monitoring all expenditures made under the Belgian budget and provide technical backstopping to the implementation of the project in the field. BTC shall exercise this role through its Resident Representative in Jerusalem who is the co-authorizing officer of the project.

² The feasibility to adopt the Palestinian procurement procedures is currently examined. Based on the results of the analysis, the Project Steering Committee will decide on adopting the Palestinian procedures.

5.3 IMPLEMENTATION STRUCTURES

5.3.1 Project implementation bodies

The overall execution of the program will be undertaken by the Directorate General Buildings (DGB) within the MEHE. That would entail the following responsibilities for the DGB:

- Ensuring that the project activities are in accordance with acceptable standards.
- Providing the technical assistance and managerial support needed the designs and technical documents and supervising the works in the field;
- Following up on project implementation and providing overall supervision of implemented activities.

The following provides a clearer description of the role of DGB and BTC in the implementation of the project:

- The project will be supervised by the DGB within the MEHE in close coordination with the BTC Technical Advisor and the Resident Representative in Jerusalem.
- The DGB will keep the BTC informed through implementation reports and financial progress reports as well as audited accounts in line with local (MEHE) reporting procedures. Six-monthly reports to be approved by the PSC will be prepared by the Project Manager. This local Project Manager will be appointed by the DGB after local advertising of the post. Activities of the project manager will be monitored by the DGB and BTC.
- In order to ease implementation and exchange of information between MEHE and BTC, a technical committee can be created between members of DGB, the Finance Department of the MEHE, the Tendering Department of the MEHE and the BTC. This committee will then be responsible for follow-up of tender procedures, design and construction works and primary and final handing over of the buildings.

5.3.2 Project Steering Committee (PSC)

The **Project Steering Committee** (PSC) represents the highest management level of the project. It is responsible to provide the necessary strategic guidance to all project implementers and assures that project objectives are timely attained.

The composition of the Steering Committee is as follows:

- The Director-General of Buildings (MEHE) – chair of the Steering Committee;
- The project authorising officer (MEHE);
- The BTC resident representative;
- The Ministry of Planning Representative
- The PMT will assure the secretariat of the Steering Committee.

Any of the members might delegate his/her authorities to a representative in writing.

The Steering Committee may invite, as observers or experts, any other person contributing to the project.

The Steering Committee will:

- Approve the state of progress of the Project and the achievement of its specific objective on the basis of the progress reports;
- Approve the work plan of the Project;
- Approve the list of schools selected for construction or rehabilitation;
- Oversee and encourage synergies with the school curriculum development project to be started up by the Belgian Cooperation. For this subject, the relevant MEHE Directorate will be invited to the Steering Committee;
- Approve the proposals relating to adjustment or modification of the intermediate results and their respective budgets, in compliance with the agreed specific objective and subject to the limit of the approved budget;
- Approve the way in which the Belgian contribution is made available (own management / co-management), the financial modalities, budget revisions and reallocations between budget lines as long as those revisions do not affect the project specific objective and results and remain within the approved budget.
- Approve the proposals related to modifications to specific objective indicators and result indicators;
- Approve the changes proposed related to the composition and responsibilities of the Steering Committee and the mechanism to change the TFF.
- If necessary, seek approval of both Governments for modifications of the duration of the Specific Agreement, the total Belgian financial contribution and the Specific Objective of the intervention.
- Identify any problem relating to the management of the resources (human, financial or material) or the interpretation of the Agreement or to the TFF, which may pose a threat to the smooth course of the Project;
- Approve the financial audits and the monitoring reports;
- Formulate recommendations on possible necessary changes in the Project components, budgets and future directions; and
- Approve the final report and close the Project.

5.3.3 Project Management Unit (PMT)

The second management level consists of the Project Management Team (PMT). The PMT facilitates and manages the daily implementation of the project. It is responsible for assuring the good governance of all project resources (human and material). It provides conceptual inputs with regard to project design & strategy and makes policy recommendations.

The PMT will be mandated to verify whether activities are properly implemented, mobilize & guide the project implementers and coordinate with government institutions and offices on all aspects affecting the project.

The Project Management Unit (PMU) will report to the Steering Committee.

In view of its implementing mandate, the PMT membership will be limited to the following members:

- The Palestinian Project Director (designated by the General Directorate for Buildings and Projects);
- The BTC Chief Technical Advisor who is the Co-Director;
- The Project manager.

The PMT assures the coordination and day-to-day management of the whole project and is responsible for:

- Overall planning of the project activities;
- Planning of activities per school and preparation of detailed budget estimated per activity per school;
- Organizing, coordinating and supervising the implementation of project activities in accordance with the approved project work plans;
- Technical guidance on project methodology and strategy;
- Supervise engineers and consultants during the preparation and tendering of contracts for procurement of works, goods and services;
- Submit monthly accounting reports according to a BTC imposed format;
- Provide financial management, accounting and timely compilation of progress reports and budgeted work plans for the following period for consideration by the SC;
- The secretariat of the SC (dissemination of reports, proposal of agenda, drafting of minutes of SC meetings etc);
- Compilation of the project final report at the end of the project;
- Coordination and networking with other national and international partners.

The PMT will be supported by the MEHE in the execution of its tasks.

5.3.4 Financial Mechanism for the Belgian contribution

The Belgian contribution will be managed in two different modes indicated as co-management and BTC direct-management.

5.3.4.1 Bank accounts and authorizations

A separate '**main project account**' named 'Belgian contribution – School building II' shall be opened for the (financially) co-managed Belgian contribution at a commercial Bank.

The signatories of this account will be the Palestinian authorizing officer and the BTC Resident Representative in Jerusalem as Co-authorizing officer, or their delegates.

This account will be replenished by BTC Brussels in quarterly instalments based on the provisions made in the approved work-plans

The project will also open **an operational project account** for expenses related to the management of the project . This account will be activated through the joint signature of the project director and co-director. This operational account will be used for expenditures under the threshold of 12.500 €. Above this amount, the main project account will have to be used.

This operational account will be replenished every three months, following the BTC procedures, at the demand of the director and co-authorizing officer .

A bank account will also be opened in a local bank for expenditures in direct management, the signatories being the Chief Technical advisor, co-director of the project and the resident representative, or their delegates.

5.3.4.2 Request for funds

For the main account

From the moment an implementation agreement is signed between the Belgian State and BTC, a first request for funds can be done by Authorising & co-authorising officers. The requested amount should correspond to the financial needs of the first three months and will follow the BTC internal procedures.

To receive the following requests, the director and co-director of the project must introduce to the BTC Representative in Jerusalem a cash call at the beginning of the month before the next quarter. This cash call must be signed by project director and co-director and approved by Authorising & co-authorising officers.

The amount of the cash call is equal to the needs estimated in treasury for the following quarter with a cash buffer. The transfer of funds by the BTC is done at the beginning of the quarter.

The transfer of the funds is done only if:

- The accounting for the previous quarter has been transferred to the BTC representation in Jerusalem;
- An updated financial planning of the current quarter was transmitted to and validated by BTC Representative;
- The amount of the requested transfer is not higher than the available budget.

For the project account

The project account will be replenished by the main accounts on a regular basis, according to the needs (see reporting hereafter).

5.3.4.3 Financial reports

Budget follow-up reports

The project will follow the BTC internal procedures. The PMT shall send a monthly Financial reporting, signed by the Director and Co-director to Authorising Officer and the BTC representation in Jerusalem, together with a copy of all related invoices, receipts, and supporting documents. BTC should control, verify and send its feedback report to the PMT and MEHE. BTC Jerusalem will then approve and send the Financial report to BTC Brussels.

Any needed corrections should be adjusted and rectified in the next month's accounting period.

Financial planning

Every quarter, the PMT will prepare a financial planning for the current quarter and upcoming quarters of the current year and the future years.

The financial planning must be done in accordance with the BTC internal procedures and must be sent to the BTC Representation in Jerusalem.

Accounting

The accounting of the project must be elaborated and approved following the BTC internal procedures. The accounting must be signed by the director and co-director and sent to the BTC Representative.

The following must be forwarded by the project to the BTC Representative :

- Electronic account files.
- Bank statements and signed cash statements.
- All supporting documents (originals).
- Justifications (complete files) of the registered replenishment of the districts bank accounts.

Other financial reports

At the SC meetings, the director and co-director will present the following financial information:

- Budget monitoring reports
- Updated financial planning's
- List of the main engagements
- Bank accounts statements
- List of the received funds
- Budget change proposal if needed
- Action plan related to audit requirements

5.3.4.4 Budget Management

The budget of the project gives the budgetary constraints in which the project must be carried out. Each change of budget must be approved by the SC on the basis of proposal worked out by the PMT. The possible budgetary changes are:

- Change of the budget structure
- Transfer of resources between existing budget lines
- Use of the reserve (the budgetary reserve can only be used for activities of project and after agreement of the SC. Its use must always be accompanied by a change of the budget.)

Budget changes must be managed according to BTC procedures.

The total budget amount cannot be exceeded. If a budgetary increase is necessary, a justified request for increase must be introduced by the Palestinian part at the Belgian State after having received the agreement of the SC. If Belgium accepts the request, the two parties must sign an exchange of letters.

5.3.4.5 Procurement

Co-management

Except for the remuneration of the Technical Advisor, backstopping, monitoring and evaluation and audits activities, which are directly managed by BTC according to Belgian procedures, the other activities funded by the Belgian budget will be managed according to the appropriate procedures.

At the very beginning of the project the feasibility and the modalities for adopting the Palestinian procurement procedures will be examined (through a study external to the project). The PMT will follow up the analysis of Palestinian tendering procedures and will propose the necessary changes to the TFF to the Steering Committee if a switch is made to the Palestinian procedures.³ Up to that time, the World Bank procedures on Public Procurement will govern the procurement for works, supply and services.

All contracts, invoices and payments to be charged on the co-managed Belgian contribution must be endorsed in writing by the Project Director and the Technical Advisor.

Any contract or single expenditure above 12.500 Euro must be approved by the BTC Resident Representative.

BTC direct-management

The other budget lines, such as the Technical advisor, the technical backstopping, the audits and other monitoring and evaluation activities will be managed in direct BTC management (“régie”) according to the Belgian procurement regulations.

Nevertheless the procurement of works, supplies and consultancies in BTC direct management will be conducted in close collaboration with the Palestinian counterpart.

5.3.4.6 Regulations on personnel recruitment

The local staff (the project manager and financial officer) is recruited as per Palestinian rules and regulations. The technical advisor is recruited by BTC. The provisions of the General Agreement signed between the Palestinian Authority and the Belgian Government shall prevail.

5.4 MONITORING AND EVALUATION

5.4.1 Monitoring

The PMT will be responsible for the coordination of the planning between all partners and the establishment of the project working plan and budget that will be presented by the PMT to the SC during the first three months of the project.

The supervision and backstopping to monitoring of activities will be a responsibility of the PMT.

An annual report will be produced according to the BTC templates and endorsed by the SC.

The PMT will compile the information for the six-monthly implementation reports (semi-annual review of the planning), which will be presented to the SC.

³ If use of Palestinian tendering procedures is proposed, the specific conditions and all communication related to the tendering shall be conducted in English. The BTC Technical Advisor or his/her representative will be an observer in the tender committees.

5.4.2 Evaluation

A **baseline survey** will be carried out in the project area by the PMT at the very beginning of the project. This survey will be undertaken in a comprehensive manner, and cover the indicators mentioned in the logical framework. It will provide the reference points against which the achievements of the project must be compared.

An **external mid term review** will be conducted at the end of the project's second year. The terms of reference will be prepared by the PMT and forwarded to the SC for approval. The main objective of the mid-term review is to assess the progress of the project activities against planning (efficiency) and the extent to which the results and objective are going to be achieved during the course of the intervention (effectiveness). The review will also examine the financial, institutional and managerial setting of the intervention. The mission will formulate recommendations for the second half of the projects. It will insist in particular on the mechanisms that have been / or should be put in place to ensure sustainability of the results. Its findings and recommendations will be presented to the SC.

A final evaluation will be conducted at the end of the project implementation.

The evaluation modalities will be aligned on the modalities proposed in the document 'Palestinian Education Sector Partnership principles', taking into account the Belgian procedures.

5.4.3 Technical backstopping missions

A provision is made for international or national consultants who will provide on demand technical backstopping for specific aspects of the project beside the infrastructure domain.

Periodical backstopping from BTC headquarters can also be provided according to the needs.

5.4.4 Audits

5.4.4.1 BTC Audit

Each year auditors audit the accounts of the BTC. Within this framework, they may also carry out audits of projects in the Palestinian Territories.

5.4.4.2 Project Audit

A qualified financial expert who is to be selected jointly by both parties and contracted by BTC will execute the external auditing. The SC asks the BTC Representative in Jerusalem to define the terms of reference and to select the firm of audit, including:

- Evaluation of the existence and the respect of procedures
- Evaluation if the accounts of the project reflect reality

Reports of the auditor and the monitoring mission will be forwarded to the SC.

The SC can require additional audits if necessary.

5.5 CHANGES TO THE TFF

The formal agreement of the Belgian State is needed to change the duration of the specific agreement or the total Belgian financial contribution or the specific objective of the project.

The request of the above modifications has to be motivated by the PMT and approved by the SC. The exchange of letters requesting these modifications shall be initiated by the Palestinian party and shall be addressed to the Belgian Embassy.

Other changes can be brought to the TFF by MEHE and BTC if requested.

The following changes need to be approved by the SC.

- The list of priority schools included in the project;
- The way in which the Belgian contribution is made available (own management / co-management);
- The financial modalities;
- Project results and their respective budgets;
- Specific objective and result indicators;
- Composition and responsibilities of the Steering Committee;
- The mechanism to approve the changes to the TFF.

They will be noted in the minutes of the SC meeting approving them and will be included in the annual report. The Belgian State must be informed about the changes.

Any other change to the TFF can be decided and implemented by the PMT.

5.6 ENDING THE COOPERATION ACTIVITY

A **final evaluation** will be organised at the end of the project, as discussed above (see 5.4).

During the last phase of the project all parties will ensure that the following actions are taken:

- An end-of-project report has been presented to the SC;
- Destination of remaining assets and budget is agreed upon;
- Preparations for the closure of accounts have been made.

The PMT shall compile and prepare a general end-of-project report that can be presented and discussed at SC before the project comes officially to a close. Its final version will include the minutes of this SC meeting including the remarks made about content and conclusions of the end-of-project report.

The end-of project-report shall give a full account of the expenditures of both the Palestinian and the Belgian contributions. It must include a list of all equipment to be handed-over. The SC will approve the plan for handing over the equipment bought from the Belgian contribution.

Amounts managed with BTC-responsibility and not used at the end of the project, and the balance of the financial contribution not sent on project bank accounts will fall in cancellation at the end of the project. The balance of the project bank accounts in co-management will be allocated by mutual agreement.

After the remaining budget has been transferred according to the decision of SC, both authorizing officers of the project will take all necessary steps described by law and banking procedures, to close all project accounts. Documents confirming the closure of the accounts shall be copied to the BTC Brussels and MEHE.

After the end of the Specific Agreement, no expenditure will be authorized except if they are related to commitments entered into before the end of Specific Agreement and who are acts in the statement of the SC.

6. CROSS-CUTTING THEMES

6.1 ENVIRONMENTAL CONCERNS

Environmental concerns will be taken in concern when choosing materials for the construction of schools, and when selecting furniture and equipment.

Excavation works will be reduced as much as possible, while valuable plant species present on the school premises will be safeguarded as much as possible. Planting of endemic plants species by the school committees will be actively encouraged.

Waste water drainage will be handled adequately; and will be either discharged into the sewer system or into isolated septic tanks.

It is worthwhile to mention that mainstreaming environmental issues has been identified as a major goal of the Palestinian education system. In association with the Ministry of Agriculture, the Ministry of Education has incorporated an environmental perspective into the national curriculum, to raise awareness of the problems facing the environment and to highlight solutions.

6.2 CHILDREN'S' RIGHTS AND GENDER AND EQUITY ISSUES

The project obviously concerns children's rights to schooling and wants to create a healthy and safe environment for them.

Furthermore, ensuring equity in the education system is one of the priorities in the MEHE. Presently, more than 50% of the students attending school is female in governmental schools. In private schools the percentage lies lower.

In general, the project wants to ensure that no double standards are applied, for example between different areas, or when dealing with cities versus villages. The MEHE plan is to provide equal schooling opportunities for all students in the Palestinian Territories.

6.3 SOCIO-ECONOMIC CONCERNS

The project will contribute to the social development in the concerned communities, firstly by providing access to education facilities, and secondly by providing a location for community activities such as meetings, training, etc. The community will also have access to the computer labs and playgrounds. It is already a policy in the West Bank and Gaza Strip to open all schools to community activities.

Aside from that, the project will strengthen the relatively recent Palestinian companies and thus stimulate economic growth.

6.4 HIV/AIDS

The project does not specifically deal with HIV/AIDS issues.

7. ANNEXES

7.1 LOGICAL FRAMEWORK

Project title:	School Construction in Palestine 2010
Global Objective:	To improve the quality of primary and secondary education in the Palestinian Territories

SPECIFIC OBJECTIVE	INDICATORS	MEANS OF VERIFICATION	RISKS AND ASSUMPTIONS
To increase access to education in the Palestinian Territories through improved infrastructure and the creation of healthy and safe educational environment	<ul style="list-style-type: none"> ▪ School enrolment in the concerned villages and cities ▪ Total amount of students graduating primary school in the concerned villages and cities ▪ Total amount of students graduating secondary school in the concerned villages and cities 	<ul style="list-style-type: none"> ▪ Concerned schools' database ▪ MEHE database ▪ Baseline study 	<ul style="list-style-type: none"> ▪ Local authorities and communities continue to maintain school facilities ▪ Local Authorities and communities continue to prioritise education and to prioritise equity ▪ General safety in the concerned villages and cities allows students to attend school ▪ Curfews and road blocks don't inhibit school attendance ▪ Enough adequate teachers are available ▪ Pedagogic equipment is made available and adequately used ▪ Construction costs and exchange rates remain relatively stable

No.	RESULT	INDICATORS	MEANS OF VERIFICATION	RISKS AND ASSUMPTIONS
R1	School facilities are increased	<ul style="list-style-type: none"> ▪ Total amount of students attending school in concerned villages/cities ▪ Total amount of girls attending school in concerned villages/cities ▪ Amount of schools operating with shifts systems in concerned villages/cities ▪ Distance between home and school in concerned villages/cities 	<ul style="list-style-type: none"> ▪ MEHE database ▪ Concerned schools' enrolment lists 	<ul style="list-style-type: none"> ▪ Construction permits are granted ▪ Access roads to the schools are provided ▪ Teachers and supportive personnel are available ▪ Management and maintenance of schools is assured
R2	Health and safety conditions on project school premises are optimised	<ul style="list-style-type: none"> ▪ Amount of toilets per student ▪ Water consumption and amount of water access facilities in concerned schools ▪ Attendance rates in concerned schools 	<ul style="list-style-type: none"> ▪ Project plans ▪ Concerned schools' enrolment lists ▪ Concerned schools' attendance lists ▪ MEHE existing school plans ▪ MEHE database 	<ul style="list-style-type: none"> ▪ Sanitary facilities are kept clean and are maintained
R3	Quality of school facilities and environment is optimised	<ul style="list-style-type: none"> ▪ Amount of students per classroom in concerned villages/cities ▪ Amount of students attending school in school buildings (instead of unsuitable rented buildings) in concerned villages/cities ▪ Number of side-events and non-school related activities and initiatives organised by community in concerned schools 	<ul style="list-style-type: none"> ▪ Project plans ▪ Concerned schools' enrolment lists ▪ Concerned schools' attendance lists ▪ MEHE existing school plans ▪ MEHE database 	<ul style="list-style-type: none"> ▪ School environment is maintained and maintenance training is given to concerned persons
R4	The implementation of school construction and rehabilitation is supported.	<ul style="list-style-type: none"> ▪ Project plans respect the Palestinian standards ▪ Studies and consultancies executed ▪ Trainings and seminars attended 	<ul style="list-style-type: none"> ▪ Project plans ▪ Handbook for school design ▪ Project reports 	

7.2 IMPLEMENTATION PLANNING

[illegible]

7.3 JOB DESCRIPTIONS

7.3.1 Chief Technical Advisor

The TA will be the co-director of the project. In consultation with the MEHE, the expert will manage the implementation of the project, including supervision of procurement of works, supplies and services. He/she will be a member of the PMT and will contribute to the supervision of task of the project manager.

The specific tasks for the TA include:

- Contribution to overall planning of the project activities;
- Organizing, coordinating and supervising the implementation of project activities in accordance with the approved project work plans;
- Technical guidance on project methodology and strategy;
- Supervise engineers and consultants during the preparation and tendering of contracts for procurement of works, goods and services;
- Supervise financial management, accounting and timely compilation of quarterly progress reports and budgeted work plans for the following period for consideration by the PSC;
- Contribution to compilation of the project final report at the end of the project;
- Coordination and networking with other national and international partners.

Qualifications:

- degree in engineering or architectural engineering
- at least 10 years experience
- Fluent in English
- Experience in school building projects

7.3.2 Project Manager

The project manager will be recruited to operate within the MEHE. He/she will be one of the 3 members of the PMT, and will work under supervision of the project director and co-director.

His/her specific tasks include:

- Overall planning of the project activities;
- Organising and coordinating MEHE inputs in the project;
- Organizing, coordinating and supervising the implementation of project activities in accordance with the approved project work plans;
- Supervise engineers and consultants during the preparation and tendering of contracts for procurement of works, goods and services;
- Submit monthly financial reports according to a BTC imposed format;
- Provide financial management, accounting and timely compilation of quarterly progress reports and budgeted work plans for the following period for consideration by the PSC;
- The secretariat of the PSC (dissemination of reports, proposal of agenda, drafting of minutes of PSC meetings etc);

- Compilation of the project final report at the end of the project;
- Coordination and networking with other national and international partners.

Qualifications:

- degree in engineering or architectural engineering
- at least 10 years experience
- Fluent in English
- Experience in school building projects
- Experience in working with donors.

7.3.3 Project Director

The project director shall be designated by Directorate-General of Buildings in the MEHE. He/she will be one of the 3 members of the PMT, and will work in consultance with the project co-director and will supervise the project manager.

His/her specific tasks include:

- Contribution to overall planning of the project activities;
- Organizing, coordinating and supervising the implementation of project activities in accordance with the approved project work plans;
- Technical guidance on project methodology and strategy;
- Supervise engineers and consultants during the preparation and tendering of contracts for procurement of works, goods and services;
- Supervise financial management, accounting and timely compilation of quarterly progress reports and budgeted work plans for the following period for consideration by the PSC;
- Contribution to compilation of the project final report at the end of the project;
- Coordination and networking with other national and international partners.

7.4 PALESTINIAN EDUCATION SECTOR PARTNERSHIP PRINCIPLES

Palestinian Education Sector Partnership Principles

between
the Palestinian Authority (PA)
and
Development Partners

on

Coordination and Harmonization
of the support to the
Education Development Strategic Plan 2008 - 2012

Ramallah
October 2008

A Preamble

1. The Palestinian Authority and development partners¹ hereby confirm their commitment to the Declaration adopted at the High Level Forum on Aid Harmonisation in Rome (2003) and the Paris Declaration on Aid Effectiveness (2006) to harmonise and align aid delivery.
2. The Partnership Principles translate global aid harmonization principles (ownership, alignment, harmonization, managing for results and mutual accountability) into a Palestinian context.
3. The Partnership Principles are an important step towards a sector wide approach in the education sector and will be signed by all key development partners contributing to the education sector.
4. The Partnership Principles are supporting the Palestinian Reform and Development Plan and the Education Development Strategic Plan, EDSP (2008-2012).
5. A Joint Financing Arrangement is being developed in parallel which allows for increased financial harmonization for development partners able to pool their funds with other agencies and agree on common procedures. This will be captured in a separate document.
6. The Partnership Principles are not a legally binding document, but express a strong commitment to strengthen dialogue between the Ministry, development partners and non-state education sector stakeholders to improve aid effectiveness and coherence in the support of the education sector.
7. Signatory parties commit themselves to work in support of the common EDSP framework in an efficient and transparent cooperation structure, with a sector wide and program based approach. Signatories will reconcile bilateral agreements on new cooperation programmes and financial support with the framework drawn up in the Partnership Principles.

B Introduction

8. The Partnership Principles reflect understandings reached with respect to harmonization and coordination in support of the EDSP.
9. The Ministry of Education and Higher Education (MoEHE) has developed its second sector strategy, the EDSP, based on a comprehensive sector analysis and a wide a consultation process. The EDSP is integrated into the Palestinian Reform and Development Plan (PRDP).
10. Development partners intend to reinforce their support to the Palestinian education sector by harmonizing their financial and technical contributions to the sector under the framework of the PRDP, the Medium Term Expenditure Framework (MTEF) and the EDSP. This calls for an increased alignment of programming cycles and financial disbursements with the PA's budget cycle.

¹ Development partner includes bilateral and multilateral organizations, but not NGOs

11. The commitment of signatory parties to the Partnership Principles will be reviewed in the larger aid harmonization plan and M&E framework developed by the Ministry of Planning. However, a frank discussion and self assessment will take place once a year in an education sector working group meeting devoted only to this topic.

C Rationale

12. The EDSP has been developed upon the initiative of the MoEHE and the need for increased coordination and harmonization of development support under a sector wide approach. With the EDSP, MoEHE has presented an essential first step towards working under a program based approach in the education sector.
13. The MoEHE will strengthen its coordination with UNRWA and other non-governmental bodies providing educational services. The MoEHE is overall responsible for overseeing the implementation of the EDSP; however appropriate partners (UN, NGOs, consultants,) can support the MoEHE in implementing the EDSP either through direct project implementation or through capacity development in coordination with the MoEHE. The EDSP will ultimately evolve into a National Education Strategic Plan encompassing the whole education sector in Palestine.
14. The sector wide approach allows for pooling all efforts to support the sector, including public expenditures and financial contributions of development partners, in order to enhance coherence and effectiveness in the implementation of the EDSP. It also provides predictability for future planning and funding of the EDSP. This will enable the MoEHE to exercise effective leadership over the EDSP and co-ordinate development actions to its support. Regular policy dialogue between MoEHE and development partners and jointly defined monitoring procedures will help managing resources and improving decision-making for results.
15. Against this background development partners intend:
 - a. to allocate all financial and technical support destined to the education sector in Palestine to programs under the EDSP. This also includes other education providers' alignment with the EDSP such as non governmental actors.
 - b. to increasingly strive towards using common procedures for financial disbursement, and reporting and where ever possible to rely on the use of government procedures
 - c. to foster joint policy dialogue among development partners and with the MOEHE on education sector targets, results and overall progress of the EDSP implementation
 - d. to adopt a joint schedule and procedures for monitoring and evaluation of their contributions
 - e. to undertake joint analytical work, joint missions, to share draft terms of references for program design and technical assistance with the education sector working group members.
16. Any development cooperation in the education sector shall be in line with a sector wide approach and in support of the EDSP; however the financing of the development intervention can take various forms. The PA's preferred financing modality is through the central treasury account and education sector budget support. However, this document

does only reflect commitment to programmatic harmonization and does not prescribe a certain financial modality.

D Aid modalities supporting the sector wide approach²

17. Development assistance contributions can be made according to various different modalities (project, basket and sector budget support), corresponding to increasing degrees of harmonization and alignment to Palestinian Authority procedures. The choice of aid modality depends on the Ministry's capacity to manage coordination, the performance assessment of the public financial management system and results in the education sector on the one side and on the different rules and regulations governing disbursement of aid for development partners on the other.

E Roles and responsibilities of the partners

18. The MoEHE and development partners are mutually accountable for results achieved through the program. MoEHE assumes the responsibility for the implementation of the EDSP and provides for consistency of all activities in the sector with regard to EDSP goals and priorities, whereas development partners assume accountability over providing predictable and timely financial and technical support to identified priority areas according to an agreed budget and action plan.

Mutual responsibilities

19. Within this framework all signatories are prepared to:
- a. MoEHE and development partners will regularly inform sector working group members about all ongoing and planned support in the education sector. This will allow increased transparency and efficiency in avoiding overlaps between projects, programs and activities;
 - b. establish a meaningful sector dialogue by
 - supporting relevant technical thematic groups under the Education Sector Working Group (ESWG), e.g. Higher Education, TVET, etc.
 - increase efforts to streamline intervention mechanisms under the EDSP by using the ESWG for discussing sector wide issues and monitoring progress;
 - c. use the EDSP monitoring information system as main source of education information and reduce demands for additional data;
 - d. establish a joint annual review cycle to review overall progress and set targets for implementation. The annual review will take place in April or May of each year so as to allow for the outcomes of the review to be used in planning and budgeting for the following calendar year;

² Annex 1: aid financing modalities

Responsibilities of the Palestinian Authority

20. The **MoEHE on behalf of the Palestinian Authority** will facilitate the successful implementation of the EDSP and to that end is prepared to:

- a. draw up annual operational plans and budgets on district and central level in accordance with and in clear support of the EDSP objectives and make them available to all partners;
- b. continuously improve performance, budget and results frameworks
- c. decline projects, programs which are not in line with EDSP
- d. share with development partners the financial procedures (audit reports, etc) and the education budget and provide any clarification needed;
- e. devote dedicated human resources to sector harmonization, responsible for channelling information and preparation of ESWG meetings and the annual review;
- f. elaborate and provide minimum two weeks in advance of the joint annual review the necessary information and reports for all members of the education sector working group, the Ministry of Planning and Ministry of Finance:
 - the annual progress report on the EDSP targets ,
 - report on implementation of operational planning including report on expenditures,
 - budget execution reports,
 - report on personnel planning for the year to come;
 - report on key developments in the sector since last annual review
- g. ensure, that all interested stakeholders can contribute and benefit from the joint annual review;
- h. lead the joint annual reviews.
- i. to provide regular information to the ESWG on technical assistance received

Responsibilities of the development partners

21. Development partners on their part are prepared to:

- a. commit themselves to aligning their project and program activities with sector goals and priorities as outlined in the EDSP;
- b. in order to facilitate long-term planning based on predictable external financing, development partners will strive to provide the PA and MOEHE with information of indicative 3-year financing for the sector
- c. work towards harmonisation under EDSP in terms of content of activities, procedures and funding channels. Where possible, development partners will pool their funding in the form of a basket or sector budget support or co-finance activities so as to reduce transaction costs for the Palestinian Authority;

- d. ensure that the results of the interventions under their supervision will be communicated in time to the MoEHE as an input for the annual progress report or other reports as requested;
- e. co-ordinate the timing and content of all incoming missions and where possible reduce the number of review missions, in favour of the joint annual review; preceded by a joint annual review mission and share the missions results and reports;
- f. participate actively in the education sector working group and allow for a rotation of the donor co-chair³ based on agreed ToRs for the education sector working group
- g. coordinate and undertake joint analytical work
- h. develop a joint assessment in a joint Aide Mémoire at the end of the annual review which will be communicated to all education sector working group members
- i. consolidate international and regional professional networks and SWAP information exchange, including provision of technical assistance and capacity development to the MOEHE for a successful SWAP.

F Further arrangements

Good financial management practices

22. MoEHE will ensure compliance with internationally accepted accounting and auditing standards and will inform development partners on any actions pursued in contradiction to good financial management practice.

Modifications

23. Any modification/amendment of/to the terms and provisions of these Partnership Principles will only be approved if agreed in writing by all Signatories to this agreement.

New partners membership

24. The signatories to this agreement welcome participation in these Partnership Principles by other development partners who wish to support the Palestinian education sector.

Withdrawal of a partner

25. Despite the non-binding nature of the Partnership Principles, the development partners agree to give two months written notice to all other signatories to this agreement prior to withdrawing from the cooperation under the Partnership Principles.

Dispute settlement

26. If any dispute arises between signatories as to the interpretation, application or implementation of these Partnership Principles, signatories will consult with each other in order to reach an amicable solution.

³ Annex 4: ToRs of the Education Sector Working Group

Ramallah, xxx 2008

For MoEHE
xxx

For the Ministry of Finance
xxxx

For the Ministry of Planning
xxx

For the French Cooperation
xxxx

For
xxx

For
xxxx

For
xxx

For
xxxx

For
xxx

For
xxxx

Annex 1: Aid financing modalities

Annex 2: Draft Terms of Reference for the joint annual review

Annex 3: Joint Financing Arrangements once ready

Annex 4: Education sector working group Terms of Reference once ready

Partnership Principles
Annex 1: Aid modalities

Project support

1. Education project support will only contribute to objectives, targets and programs spelled out in the Education Development Strategic Plan (EDSP). Projects will be implemented according to the procedures defined in the individual project document. This could mean that some activities are being implemented by UN or NGOs, but according to an agreed framework of cooperation with the MoEHE.
2. Projects use as far as possible the procedures of the Palestinian Authority. Projects that are being implemented by other partners require the implementing agency to inform the MoEHE on all activities relevant to EDSP and coordinate with MoEHE as far as possible.
3. Monitoring and evaluation is aligned to the schedule of monitoring the EDSP. The EDSP monitoring system is used as far as possible for reporting purposes.
4. Project aid will be reported on budget by timely announcements by the development partner of annual project disbursements and other related expenditure to the Ministry of Planning and Ministry of Finance.

Basket funding/Pooling of funds

5. Development Partners can decide to pool their sector contributions into a basket funding mechanism, ad hoc or permanent, with the purpose of funding EDSP as a whole or one of its sub-programs
6. All resources and expenditures shall be reported on the general budget of Ministry of Finance and to the Ministry of Planning. Development Partners' contributions will be fungible within the basket supporting an overall agreed programmatic framework and individual contributions shall not be earmarked to a specific activity.
7. The yearly calendar for reviews, assessments and ensuing disbursements will match the requirements of the budget cycle.
8. Disbursement procedures for such basket funding will be agreed upon in a separate Joint Financial Agreement.

Sector budget support

9. Sector budget support comprises the whole budget for the education sector- current and capital costs.
10. Sector budget support can be arranged bilaterally or within a Joint Financing Arrangement.
11. Sector budget support is disbursed through the Central Treasury Account and fully uses the Palestinian Authority's budgetary procedures. Additional

controls, as audits for selected areas of the education or public expenditure tracking surveys for the education sector can be agreed between the Palestinian Authority and Development Partners.

12. Sector budget support is not earmarked for education expenditures. However, disbursements are related to the progress in implementation of EDSP, based on an agreed performance assessment framework derived from EDSP.

Annex II: Palestine Joint Annual Education Sector Review

Draft Terms of Reference

1. Introduction

Every year around March/April a joint Annual Review is undertaken focusing on the education sector progress, constraints and future priorities. This process is led by the Ministry of Education and Higher Education (MoEHE), with close collaboration of other parts of government (Ministry of Planning, Finance, Labor, Local Government), development partners, other education sector stakeholders and civil society. The envisaged time for the annual review is in March/April so as to better align with the budget cycle and better input to annual Medium Term Expenditure Framework and General Budget Support preparations. The Annual Reviews are being preceded by a joint technical review of the education sector performance.

Areas to be covered during the review are:

- Technical review report which addresses the state of education and education performance: Main Findings, implications for short-term (FY09/10 PRDP and MTEF) and the Education Development Strategic Plan (EDSP).
- Update on the EDSP
- Update on the Joint Financing Arrangements
- Education Sector Expenditures & Education Sector Audits
- Update on the teacher training strategy and implementation
- Update on Higher Education and TVET

2. Objectives

1. Jointly consider the findings of the technical review and agree on main issues and actions
2. Share information on FY08/09 developments, achievements and challenges in implementing the EDSP
 - a. Progress against targets
 - b. Implementation of the EDSP
 - c. Service delivery performance in FY08/09 (education sector performance, PRDP programs, routine data across districts, and other sources of service delivery performance which may be available)
 - d. Budget execution on approved budget; actual disbursements of the budget and actual expenditure against disbursements and releases
3. Review resource allocation and management;
4. Receive progress reports from Higher Education, teacher training, planning, school construction, local government, etc.
5. Review progress of the Partnership Principles implementation

3. Process and Preparation

The presentations and reports at the Annual Review day workshop are being prepared by the Ministry of Education and Higher Education with the support of development

partners as requested. The technical review report is ready one week in advance and will be shared with education sector working group members. The report is being commissioned by the education sector working group and opportunity will be provided to comment on the draft report. The final version will then be presented at the Annual Review.

A joint task force from the education sector working group led by a focal point of the Ministry of Education and Higher Education (MoEHE) will take overall responsibility for the planning, preparation and co-ordination of the Annual Review and will draw upon other education sector working group members as necessary.

MoEHE, Ministry of Finance and Ministry of Planning staff will be advised early on about the preparatory work necessary for reporting on implementation, progress against targets and other key documentation.

4. Deliverable

The final output of the whole Annual Review Process will be a joint aid memoire which captures the proceedings of the Review, conclusions reached and priorities agreed for the year ahead. This report will be supported by the technical review report, together with other documents tabled for discussion at the Annual Review.

5. Timing and Schedule

to be added in discussion with the MoEHE