



Final Report

Joint Financing Arrangement II (JFA II)

2015 – 2018

Palestine

DGD Code: 3016980

Enabel Code: PZA1503511

## Basic Data of the Belgian Contribution

Title of the program	Joint Financing Arrangement – phase 2 (JFA 2)	
Earmarking	Education sector	
Country	Occupied Palestinian Territory	
Period	2015 - 2018	
Financial data	Belgian contribution <i>2013<sup>1</sup> – 2018</i>	All JFA donors <i>2010 – 2018</i>
	12 million €  JFA 1: € 3 M (2013 – 2014)  JFA 2: € 9 M (2015 – 2017)	128.8 million €  Belgium: € 12 M Germany: € 58.3 M Finland: € 18 M Ireland: € 16.5 M Norway: € 24 M
DAC – Code /Sector	11000 (education) 3016980 (ODA – budget support)	
NI – Code		
NAV – Code	PZA1503511	

<sup>1</sup> Belgium became Joint Financing Partner of the JFA in 2013.

## Table of contents

<b>BASIC DATA OF THE BELGIAN CONTRIBUTION.....</b>	<b>1</b>
<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>LIST OF ACRONYMS.....</b>	<b>3</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>5</b>
The Joint Financing Arrangement (JFA) .....	5
Summary of major sector evolutions.....	6
Effectiveness of the JFA II.....	7
Lessons learned .....	8
<b>SECTION 1: BELGIUM'S CONTRIBUTION TO THE JOINT FINANCING ARRANGEMENT .....</b>	<b>10</b>
1.1. The Programme.....	10
1.2. The JFA as part of Belgium's education sector portfolio .....	11
1.3. Belgium's Contribution to the JFA.....	11
1.4. Implementation of Belgium's contribution to the JFA .....	12
1.5. Suspension of Belgium's contribution to the JFA.....	13
<b>SECTION 2: EVOLUTION IN EDUCATION SECTOR PERFORMANCE .....</b>	<b>14</b>
2.1 Access to education .....	14
2.2 Quality of education .....	16
<b>SECTION 3. EVOLUTION IN POLICY AND PLANNING.....</b>	<b>18</b>
3.1: National strategic plans .....	18
3.2: Sector strategic plans.....	18
3.3: Main policy reforms .....	19
<b>SECTION 4. EVOLUTION IN MONITORING &amp; EVALUATION .....</b>	<b>22</b>
<b>SECTION 5. EVOLUTION IN SECTOR PUBLIC FINANCE MANAGEMENT .....</b>	<b>24</b>
5.1 PFM performance and reforms at national level .....	24
5.2 Sector PFM performance and reforms .....	24
<b>SECTION 6. EVOLUTION IN AID EFFECTIVENESS: BASKET FUNDING AS A MODALITY IN SWAP CONTEXT.....</b>	<b>27</b>

## List of acronyms

ASR	Annual Sector Review
AWPB	Annual Work Plan and Budget
CMO	Implementation Agreement (Convention de Mise en Oeuvre)
DFID	Department For International Development
DFS	Direct Financial Support (EU support programme)
ECIB	Enhancing Capacity and Institutional Building
EDSP	Education Development Strategic Plan
EiE	Education in Emergencies
EJ	East Jerusalem
EMIS	Education Management Information System
ESWG	Education Sector Working Group
EU	European Union
FCA	Foreign Currency Account
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GIZ	Gesellschaft für Internationale Zusammenarbeit (German Development Agency)
ICP	Indicative Cooperation Programme
ICT	Information and Communications Technology
IFMIS	Integrated Finance Management Information System
IMF	International Monetary Fund
JEA	Jerusalem Education Administration
JFA	Joint Financing Arrangement
JFP(s)	Joint Financing Partner(s)
KfW	Kreditanstalt für Wiederaufbau (German development bank)
LACS	Local Aid Coordination Secretariat
M&E	Monitoring and Evaluation
MoEHE	Ministry of Education and Higher Education
MoF	Ministry of Finance (since 2015 MoFP after merging with MoPAD)
MoFP	Ministry of Finance and Planning
MoPAD	Ministry of Planning and Development (until 2015)
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review

NGO	Non-Governmental Organisation
NRC	Norwegian Refugee Council
NIS	New Israeli Shekel
NPA	National Policy Agenda
PA	Palestinian Authority
PEFA	Public Expenditure and Financial Accountability
PEGASE	Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique
PER	Public Expenditure Review
PFM	Public Finance Management
PNDP	Palestinian National Development Plan
PP	Partnership Principles (for the Palestinian Education Sector)
ROF	Results-Oriented Framework
SAACB	State Audit and Administrative Control Bureau
STEM	Science, Technology, Engineering and Mathematics
SWAp	Sector Wide Approach
TES	Teacher Education Strategy
TWG	Technical Working Group ( <i>under the ESWG</i> )
TVET	Technical, Vocational Education and Training
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency
USD	United States Dollar
VAT	Value Added Tax
WB	World Bank

## Executive Summary

This final report concerns the second phase of Belgium's contribution to the Joint Financing Arrangement over the period 2015 to 2018.

While focused on Belgium's contribution in this specific period, the report also considers the broader context of the evolution and progress of the education sector and the Joint Financing Arrangement since the establishment of the latter in 2010.

This report is based on data and analysis as of the suspension of Belgium's support to the Joint Financing Arrangement as of the end of 2018.

### The Joint Financing Arrangement (JFA)

The Joint Financing Arrangement (JFA) is a basket fund which was established in 2010, and has since been supporting the implementation of successive Palestinian Education Sector Plans.

The JFA objectives have been to provide:

- A predictable and reliable source of financing for the implementation of education sector policies and plans;
- A solid platform for dialogue on key education policies and foundational reforms;
- A driver for structural improvements in the management of the education system towards strategic and results-based management;
- A vehicle for donor coordination and harmonization.

The JFA has been financed by Belgium, Finland, Germany, Ireland and Norway - the so-called Joint Financing Partners (JFPs) - for a total amount of 128.8 million € during the period 2010 – 2018. The JFA remains supported by the latter four partners to this day, following the suspension of Belgium's support in 2018.

Belgium officially joined the JFA in July 2013, and contributed to the instrument with financial and technical support over the period 2013-2018.

Belgium's financial support was provided in two phases, with a total financial contribution of 12 million euros - 3 million euros in phase I in two tranches (2013-2014), and 9 million euros in phase II in three tranches (2015-2017).

In terms of technical support, Belgium actively monitored sector performance and participated in the policy dialogue. Belgium mobilized technical expertise to support the policy dialogue. Education expertise and – in the second phase of Belgian support - Public Finance Management (PFM) expertise were mobilized to support the Consulate General to effectively carry out its policy dialogue, to contribute to the work of the JFPs towards MOEHE, and more generally, to support the MOEHE and MoFP towards the achievement of the Education Sector Strategic Plans.

Although the financial support to the JFA was not earmarked to specific sub-sectors, Belgium's focus in the policy dialogue has been on i) the quality of education, ii) technical and vocational education and training, iii) Gaza, East-Jerusalem and Area C, and iv) education sector dialogue, governance and management (Sector-Wide Approach, Public Finance Management, Monitoring and Evaluation).

Belgium's support to the JFA was suspended in the course of 2018 in relation to the name attributed at community level to a school built under Belgian funding through another intervention in the bilateral portfolio.

## Summary of major sector evolutions

In less than two decades of operation, the education sector in Palestine has made remarkable progress in improving access to education. Palestine has made consistent progress with regards to primary enrolment rates, reaching levels on par with many European countries and among the highest in the region.

This notable achievement has been counterbalanced by persisting challenges, mainly over access to secondary education and the quality of education. Despite sustained improvements in learning achievements, student performance remains fairly weak overall. School dropout has been an issue of concern in particular at secondary level. While being addressed in recent years by policy reforms (curriculum, teacher training), the quality of education has remained affected by traditional ways of teaching.

The education sector has been characterized by ambitious leadership, robust sector strategic plans, and substantial policy and institutional reforms. The MoEHE's capacity has remained good in comparison to other ministries, although challenges have remained in terms of policy development, reform implementation, and sector management.

The education sector has made substantial progress in terms of policy development over the period, with notable achievements among others in the areas of curriculum development, teacher training, as well as ICT and technology. Policies in education have been guided by international commitments such as Education for All, the Sustainable Development Goals (SDGs), and the Convention of the Rights of the Child. Nevertheless, remaining policy gaps have implied persisting weaknesses in the policy framework guiding the functions of planning and budgeting, and review and evaluation.

The MoEHE has been at the forefront of reforms and innovations in sector management, as supported through the Joint Financing Arrangement. Since its creation, the JFA has been a key driver to transform the management system of MoEHE towards results-based management. With the adoption of the Education Development Strategic Plan 2014-2019 (EDSP III), the MoEHE was the first line ministry to pilot and institutionalize sector-wide programme-based and medium-term planning and budgeting. The implementation of the EDSP has shown however that the sector would benefit from further improvements in the integration of policy development, planning & budgeting, and review and evaluation.

The domestic resources available to the education sector have remained unpredictable and largely insufficient to implement strategic plans, affecting the ability of the sector to deliver on its ambitions. These resources have been limited by chronic and acute fiscal deficits in a macro-fiscal context characterized by constrained growth, restrictions on the movement of goods and people under Israeli occupation, the unreliability of clearance revenues from Israel, and a decline in foreign aid in general, and budget support in particular.

Remarkable progress has been achieved in donor harmonisation and aid effectiveness, mainly through the Joint Financing Arrangement. The JFA has developed and stabilized into a key source of financing for the MoEHE development budget. Sector Wide approach (SWAp) structures have been well established, and the framework largely owned and appreciated by the MoEHE. The education policy dialogue has however not always been as dynamic and effective as it could. There has also remained room for improvement in terms of wider donor coordination beyond the framework of the JFA.

Over the period, the right to education in Palestine has remained under multiple threats, attacks and impediments in relation to the Israeli occupation as well as internal Palestinian divisions. The physical availability of educational institutions has been undermined as a result of a discriminatory planning regime under the Israeli occupation (East Jerusalem, area C), as well as the destruction and demolition of school buildings, the imposition of stop work orders, *etc.* The physical accessibility of educational institutions has been compromised, *inter alia*, by the imposition of restrictions on movement and access, detention of and excessive use of force against minors, as well as incidents of settler violence and harassment. Finally, the internal political crisis between Fatah and Hamas has been a major hurdle to the improvement of education in the Gaza strip.

## **Effectiveness of the JFA II**

The Joint Financing Arrangement has been an effective mechanism of sector financing, donor coordination and harmonisation, and a driver of policy and management reforms. Having matured over time, it has been widely considered as best practice in Palestine, and a model to other sectors.

The external mid-term review (MTR) of the JFA II (2017) mainly focused on the relevance, effectiveness and efficiency of the instrument, and reached largely positive conclusions. The final report (2018) describes the JFA as playing a major role in the implementation of the education sector plan, with key achievements including:

- The provision of relevant, sizeable and predictable financing that has led to improved sector plan implementation;
- The leading role of the JFP's as a group in the sector dialogue, due to their technical expertise, the financial weight they carry, and the establishment of a valuable relationship of partnership with the MoEHE. A highly harmonized approach was made possible because JFP's are 'like-minded' and have been willing and able to coordinate and speak with one voice;
- The establishment and enhancement of sector management instruments which have worked relatively smoothly, have supported increasing absorption of JFA resources, while ensuring accountability to the JFPs;
- A reduction of transaction costs for the MoEHE, and to some extent a mitigation of political risks for the JFPs.

Education in Palestine, however, has precisely been subject to political instrumentalization, whether by Israel, the Palestinian Authority, and/or various pressure groups. In view of its particular profile as an (effective) aid instrument, the JFA has been prominently a target of political manoeuvres, as experienced by Belgium from Israeli lobby groups through the school naming issue.

Such interference has not only threatened the existence of the Joint Financing Arrangement, but also somewhat reduced its effectiveness in recent years, notably because of the time and energy invested in protecting the instrument. A key illustration, which is pointed in the JFA MTR, is the way in which political pressures from Israeli lobby groups on the education sector have led JFPs to increasingly position their review of MoEHE annual plans at the level of individual activities



(as part of their ‘political risk’ management strategy) at the expense of a more strategic type of engagement in policy dialogue.

While the mechanism has been durably put on the defensive, affecting its functioning in practice and threatening its very existence, it has also proven resilient. The institutional setting of the JFA has so far remained unchanged and most of its key strengths have remained, even following Belgium’s decision to suspend its support. The future of the JFA will now depend on the will and ability of European capitals to provide and sustain political support to the instrument.

## Lessons learned

- Basket Funding can be a relevant, effective and efficient aid instrument in a fragile context.
- By allowing variations in the degree of alignment to national systems, the basket fund modality can be particularly relevant in situations of fragility, where full alignment is usually not feasible, and non-alignment may not be desirable from an aid effectiveness perspective.
- In setting up such modality in a fragile context, a tailor-made and flexible approach should be taken in order to maximize their potential:
  - The setup of basket fund should achieve a well-informed balance between the aid effectiveness principles and the imperatives of risk management (whether political, fiduciary, *etc.*).
  - Sufficient flexibility should be built in the set-up to accommodate adjustments as may be required by a potentially evolving context.
- Basket fund interventions in situations of fragility should be part of a broader portfolio approach, where:
  - Various modalities are used in a complementary and mutually-reinforcing fashion with sector plans being supported both at policy and technical levels, and both from a sector-wide perspective and sub-sector and thematic anchorages;
  - Risks are spread across different interventions with different modalities;
  - The relative merits of baskets funds include the fact that they allow donors to maximise harmonisation and optimise alignment; while other instruments, considered less risky, can be utilised to achieve different and/or complementary outputs.
- A key factor of the effectiveness of such mechanism is the willingness and ability of donors to coordinate and speak with one voice.
- In situations of fragility, a mixed composition of the donor group involved in policy dialogue (political and technical representation) is particularly recommendable so as to cover both political and technical aspects of policy dialogue.

- In such a context, it is also essential for the different actors contributing to policy dialogue (both political and technical) to join efforts and to work towards the same direction.
- In a fragile context, aid interventions with a more prominent profile (*e.g.* basket funds) require strong political will and backing on the donor side, otherwise:
  - Such mechanisms (*because* of their profile, and where applicable their effectiveness) may end up being the target of political instrumentalization, be put on the defensive, and their effectiveness reduced over time.
  - Unnecessary time and energy may be spent in protecting such mechanisms from external interference, diverting the implementation from its objectives and underlying principles.
  - The use of *technical* arguments to protect from *political* attacks may be ineffective in the long run.
  - Eventually, the mechanism may succumb to external pressures.

## Section 1: Belgium's Contribution to the Joint Financing Arrangement

### 1.1. The Programme

The Joint Financing Arrangement (JFA) is a basket fund that supports financially and technically the implementation and management of education sector plans.

The JFA was established in 2010 with support from Finland, Germany (KfW), Ireland and Norway - the so-called 'Joint Financing Partners' (JFPs). Belgium officially joined the basket fund in July 2013. The instrument has supported the implementation of several education sector plans under two distinct phases (JFA I and II). By the end of 2018, a third phase of JFA support (JFA III) was under preparation. Over the period 2010 – 2018, the JFPs have provided a total amount of 128.8 million € in financial contributions through the JFA.

The Joint Financing Arrangement is rooted in the aid effectiveness principles (ownership, alignment, harmonization, managing for results, and mutual accountability), as reflected in the Palestinian Education Sector Partnership Principles (2014). The instrument is aligned to and supports the implementation of education sector plans. Its objectives are to provide:

- i) a predictable and reliable source of financing;
- ii) a platform for dialogue on key education policies and foundational reforms;
- iii) a driver for structural improvements in the management of the education system towards strategic and results-based management; and
- iv) a vehicle for donor coordination and harmonization.

JFP resources are pooled and delivered through a program-based approach, reflecting the structure of the education sector plan. The Ministry of Finance and Planning (MoFP) and the Ministry of Education and Higher Education (MoEHE) are respectively responsible for the management of the Joint Financing Partner's financial contributions to the JFA, and the implementation of the education sector plans. By aligning to national systems and regulations, the JFA targets institutional strengthening throughout the main management functions (policy and planning, budgetary management, accounting and reporting, monitoring & evaluation, auditing).

The mechanism is associated with a number of measures of control and quality assurance exercised by the Joint Financing Partners, and designed to mitigate the fiduciary risks associated with the modality:

- i) Approval of JFA allocations in the MoEHE annual plans and budgets;
- ii) Approval of major infrastructure projects;
- iii) Quality control on procurement procedures, and no-objections on large expenditure items;
- iv) no-objections on quarterly financial reports as a basis for quarterly withdrawals from the basket fund;
- v) approval of annual sector audit process as a basis for annual disbursements into the basket fund.

The JFA is integrated into the Education Sector Working Group, which is the main platform for sector coordination and policy dialogue in education. Dialogue between the Ministry of Education and Higher Education (MoEHE) and JFPs takes place at policy and technical levels.

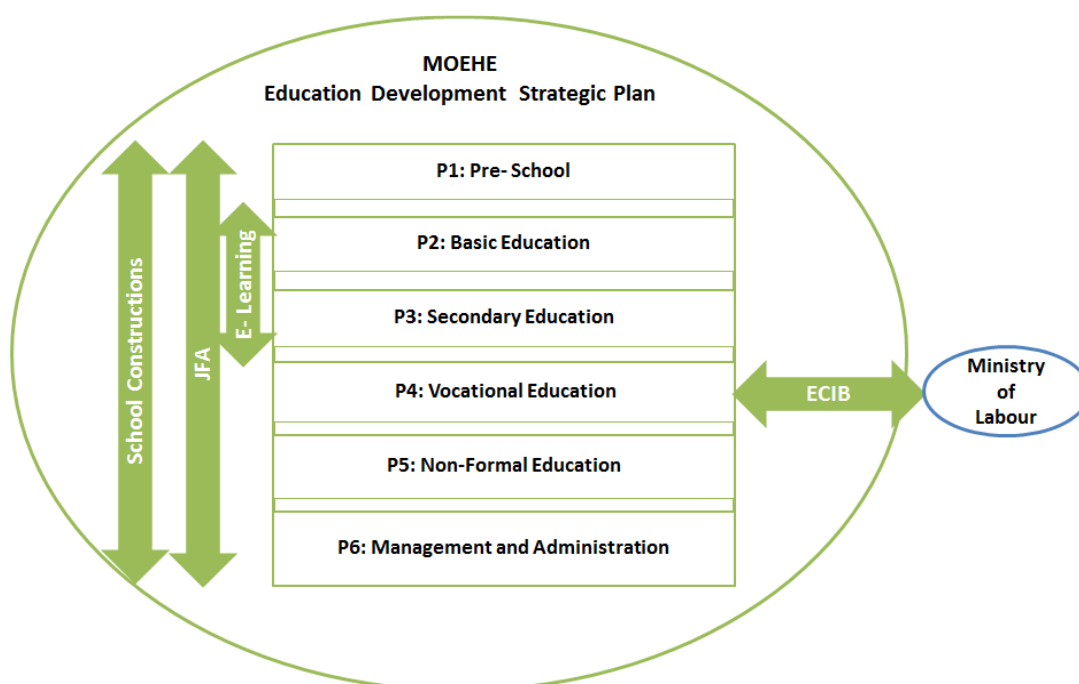
## 1.2. The JFA as part of Belgium's education sector portfolio

Belgium's contribution to the Joint Financing Arrangement, and more broadly, to the education sector in Palestine was formally foreseen by the Indicative Cooperation Program (ICP) 2012-2015, which was agreed upon in November 2011.

Building on more than a decade of Belgian support to the education sector in Palestine, the ICP upheld education as one of the two priority sectors of cooperation. An envelope of 33 million Euro was foreseen for the sector, with three components: 1) an intervention supporting school construction, rehabilitation and equipment (16M €), 2) a contribution to the Joint Financing Arrangement (12M €), and 3) an intervention supporting the institutionalisation of work-based learning in the Technical and Vocational Education and Training (TVET) sub-sector (5M €). An intervention from the previous ICP – the E-learning programme – was further mainstreamed into JFA support.

Belgium's portfolio approach was based on complementary and mutually-reinforcing interventions, supporting the implementation of the education sector plans both at policy and technical levels, and both from a sector-wide perspective and sub-sector and thematic anchorages. The approach was associated with a mix of aid delivery methods - namely projects and basket funding - a step that represented a major breakthrough from the previous cooperation programmes.

**Figure 1: Belgian Support to the Education Sector**



## 1.3. Belgium's Contribution to the JFA

Belgium's contribution to the JFA has involved a financial envelope of 12 million euros. Belgium's support was provided in two consecutive phases. In July 2013, a Specific Agreement for 3 million Euros was signed for two instalments of 1.5 million Euro. In 2015, a second Specific Agreement was signed for the remaining 9 million Euro, to be disbursed in three annual instalments of 3 million Euro.

In addition to the financial envelope, Belgium mobilized technical expertise to support the policy dialogue. Education expertise and – in the second phase of Belgian support - Public Finance Management (PFM) expertise were mobilized to support the Consulate General to effectively carry out its policy dialogue, to contribute to the work of the JFPs towards MOEHE, and more generally, to support the MOEHE and MoFP towards the achievement of the Education Sector Strategic Plans.

Although the financial support to the JFA was not earmarked to specific sub-sectors, Belgium's focus in the policy dialogue has been on i) the quality of education, ii) technical and vocational education and training, iii) Gaza, East-Jerusalem and Area C, and iv) education sector dialogue, governance and management (Sector-Wide Approach, Public Finance Management, Monitoring and Evaluation).

#### **1.4. Implementation of Belgium's contribution to the JFA**

Belgium's financial contribution to the JFA was implemented smoothly, and according to plan. The two instalments of the first phase of Belgian support were disbursed respectively in October 2013 and December 2014. The three instalments of the second phase were disbursed respectively in December 2015, 2016, and 2017. Belgium has thereby contributed to some of the key achievements of the JFA: providing relevant, sizeable and predictable financing that has led to improved sector plan implementation, while at the same time minimizing transaction costs for the MoEHE.

Belgium's contribution to the sector in terms of policy dialogue and technical support has been widely recognized and highly appreciated by sector stakeholders at various levels including the MoEHE, the JFPs, as well as the larger ESWG. As a result, Belgium was appointed as co-chair of the ESWG (role held from mid-2014 to end-2016), an important role which increased its visibility and leverage to support long-term sustainable changes for the sector.

Through its focus in the policy dialogue, Belgium has been able to contribute to the following:

- Sector Wide Approach (SWAp): Supporting the effectiveness of the SWAp and the JFA in terms of ownership, alignment, coordination, results-based management, accountability, and policy dialogue.
- Quality of education: Supporting a shift in policy orientations and support interventions from merely expanding the education system in terms of access towards the quality of education, with a focus on teaching and learning methods, innovation, and teacher education.
- Equitable access: Supporting enhanced attention and support to underserved areas, such as East Jerusalem, Area C and Gaza.
- Technical and Vocational Education and Training (TVET): Supporting the expansion of the TVET system, its increased relevance and responsiveness to labour market needs, as well as underlying reforms of the institutional landscape for skills development.
- School infrastructure: Dialogue on the establishment of systems and tools for needs analysis and prioritization of school infrastructure development across Palestine.
- E-learning: Ensuring the sustainability of the Belgian funded E-learning project.

- Public Finance Management (PFM) at sector level: Supporting enhanced efficiency of the education system, alignment between budgets and policy objectives, allocations between programs, and strengthened Public Finance Management in line with the expectations of performance-based management.
- Monitoring & Evaluation (M&E): Supporting the enhanced relevance of the MoEHE M&E system as key tool to inform policy dialogue and sector plans; and focusing on a limited number of indicators to support high-level dialogue on sector performance.

Key to the recognition and leverage of Belgium in policy dialogue were i) the good collaboration between Belgium's Consulate General in Jerusalem and Enabel in both the political and technical dialogue, ii) the formulation of Belgium's contribution to the JFA as part of a broader portfolio approach with various anchorages, and iii) the provision of experienced and specialised human resources for the technical dialogue.

### **1.5. Suspension of Belgium's contribution to the JFA**

Belgium's contribution to the JFA was eventually suspended as of end-2018. This decision was rooted in political (not technical) considerations.

## Section 2: Evolution in Education Sector Performance

In less than two decades of operation, the education sector in Palestine has made remarkable progress in improving access to basic education. Whilst increasing access for basic education was a logical and appropriate starting point, there have remained challenges however in improving access to secondary education and there has been continued concern about the quality of education.

This chapter deals mostly with the education sector under the mandate of the Ministry of Education and Higher Education. Data are taken from the M&E report 2017 of the MoEHE (published in late 2018), unless mentioned otherwise.

### 2.1 Access to education

The **Pre-School Program**<sup>2</sup> has been mainly provided by private institutions. Results have shown an increase in the Gross Enrolment Rate (GER) in from 55.1% in 2014 to 58% in 2017. In public schools, the percentage of children enrolled in governmental pre-school classrooms increased from 0.7% in 2014 to 2.2% in 2017. Enhancing the enrolment rate for Pre-school has been considered as one of the main priorities in the new EDSP.

For **Basic Education**<sup>3</sup>, almost universal enrolment rate has been attained, reaching an Adjusted Net Enrolment Rate (NERA) of 99% in 2017. The progress to reach this SDG 4.1 target has been consistent and puts Palestine at the same level as Switzerland and many other European countries.

While universal education in Basic Education has almost been achieved, **Secondary Education**<sup>4</sup> enrolment has shown a more challenging picture. While the Adjusted Net Enrolment Rate (NERA) had been declining over the period 2014 (68.1%) to 2016 (66%), the expansion of secondary education from years 10 to 12 - with year 10 being made compulsory - contributed to improve data in 2017. Still, by 2017, 22,6% of the appropriate age cohort had not entered secondary education, with a clear disadvantage of boys over girls (respectively 31.8%, and 13.1%). Amongst multiple reasons for dropout have been low academic achievement and lack of interest in education, closely related to the quality of education, poverty and the need to earn an income, external shocks, and the negative effects of the occupation and conflict. Drop-out rates are higher in the West Bank than in Gaza, especially in Area C and East-Jerusalem. Marginalized groups such as children with disabilities encounter additional barriers to education.

Secondary education is divided into the Academic Stream (97,9% of students) and the Vocational and Technical stream (representing only 2,1%). Looking deeper into the Academic stream, there is a clear dominance of enrolment into the literary stream (69.9% of students) putting pressure on areas of innovations in Science, Technology, Engineering and Mathematics (STEM). By 2018, the MoEHE was increasingly prioritizing STEM as an effort to build the skills demanded by the 21st century and digital age.

**For Technical and Vocational Education and Training**, enrolment rates have remained low and marked by gender bias, as a consequence of vocational stigmatisation. The percentage of students enrolled in public Vocational Secondary Schools out of the total cohort for secondary

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<sup>2</sup> Not more than 2 years before primary education (not yet compulsory but in process to make it compulsory).

<sup>3</sup> Basic education used to be 10 years and compulsory but according to the new law, this is now 9 years and compulsory.

<sup>4</sup> Secondary education is 3 years (1st year which is 10th grade is compulsory, last 2 years are not compulsory). Secondary education is divided into academic stream & Vocational and technical stream. The Ministry holds a General Secondary Examination (called Al-Injaz – previously Tawjihee) at the end of the secondary stage.



education was fairly stable at 2.3% in 2017, with only 1% of all girls in secondary education enrolled in VET streams<sup>5</sup>. The Ministry has been looking to increase the enrolment rate for vocational education via different measures such as the integration of TVET competences in the basic grades 7 – 9, and the instalment of transition grade 10 where a vocational stream can be chosen.

Palestine enjoys one of the highest **literacy rates** in the world, especially in Gaza, outperforming the other countries in the MENA regions, according to the Central Bureau of Statistics.

With regards to access education and **gender**, the picture looks equal with a small advantage for girls against boys, especially apparent in secondary education. A clear exception to this is the participation of girls in TVET secondary education. The picture becomes problematic though when looking at the labour market entrance. According to a Labour Market Survey<sup>6</sup> of 2015, the labour force participation rate in the West Bank was 46.1% and 45.3% in Gaza Strip. The gap in participation rate between male and female is very large though with 71.9% for males compared with 19.1% for females in 2015.

### School infrastructure

**Demographic pressure on the education system.** According to the 2017 UNFPA (United Nations Population Fund) report ‘Palestine 2030. Demographic Change’, Palestine’s school age population is expected to grow due to demographic factors and improvement of education enrolment rates from pre-primary to university for both males and females. The school age population for ages 4-22 will increase from 2.1 in 2017 to 2.4 million in 2030 and to 3.1 million in 2050, a relative increase of 48%. Especially the Gaza population is expected to grow strongly. By 2030, an additional 32.000 teachers will be needed, of which 23.000 for the Gaza Strip. 1.650 new schools will be required, 750 of them in the West Bank and 900 in the Gaza Strip<sup>7</sup>.

In this context, the rate of **appropriate classrooms** in the **West Bank** has improved progressively in recent years, from 84.3% in 2014 to 85% in 2017 in basic education, and from 83.9% to 84.7% in secondary education. Data on **East Jerusalem** have shown a worsening trend however, with respectively only 61.7% (basic education) and 74.5% (secondary education) of classrooms being appropriate to standards in 2017.

Separate data on this indicator have not been available for Area C and Gaza. There is however a fragility indicator that measures ‘the percentage of achievements in terms of construction, furnishing and equipping new classrooms according to the annual needs of the **marginalized area and Area C**’ which stood at 35% in 2017, with a target of 40% for 2019. On **Gaza**, UNOCHA (United Nations Office for the Coordination of Humanitarian Affairs) provides the following information: “All 252 damaged schools of the 2014 war have been repaired, but reconstruction of six of the seven totally destroyed schools is still incomplete. Schools are overcrowded and their facilities are often used in double shifts (67% of public schools), At least 20 new schools need to be built in Gaza each year to keep pace with population growth, but only 20 new schools have been built over the past eight years (all in 2013)”<sup>8</sup>.

In the absence of an overall integrated **system for needs assessments or a school mapping** for school construction and rehabilitation in place, despite several years of pressure by Joint Financing Partners, the perspective on infrastructure needs remained scattered and incomplete,

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<sup>5</sup> It is important to note that the Ministry of Education and Higher Education excludes the commercial schools from the TVET sector as they are considered to be part of Secondary General Education, representing 4.2% of the population.

<sup>6</sup> By the Palestinian Central Bureau of Statistics (PCBS)

<sup>7</sup> UNFPA (2017). Palestine 2030. Demographic Change: Opportunities for Development. Ramallah, Palestinian Territory.

<sup>8</sup> <https://www.ochaopt.org/content/start-new-school-year-gaza>



especially in relation to vulnerable areas. The lack of standardized data on East Jerusalem, Area C and Gaza have obviously been a fundamental constraint to this approach. In the meantime, an ad hoc system of needs assessment has been put into place where the MoEHE prepares a needs assessment report for the JFP's non-objection for all renovations with a cost above \$250.000, an extension of more than 2 classrooms or a new school.

### **Specific challenges on access**

As established by the Committee on Economic, Social and Cultural Rights (CESR), in order for the right to education to be fully realised, education in all its forms and all levels must exhibit the essential elements of availability, accessibility, acceptability and adaptability. Throughout the Palestinian territory, these elements are under constant threat and attack from the Israeli occupation and are also impeded by internal conflict.

The physical **availability** of educational institutions is undermined through the destruction and demolition of school buildings, the imposition of stop work orders and the inability to carry out repairs, maintenance and reconstruction.

- in 2016, 14,982 students and 946 teachers were affected in attacks on schools or confiscations and demolitions
- Area C faces continuous restrictions to obtain building permits.
- In East Jerusalem, a discriminatory and restrictive planning and zoning regime has allocated just 2.6% of the land in East Jerusalem for the development of public buildings for Palestinians resulting in a shortage of 2,247 classrooms.
- In the Gaza Strip 73% of UNRWA schools and 65% MoEHE schools operate on triple & double shift system to accommodate the high number of students.

The **physical accessibility** of educational institutions is compromised, inter alia, by the imposition of restrictions on movement and access, detention of and excessive use of force against minors, incidents of settler violence and harassment and impediments to developing sufficient educational facilities as a result of the discriminatory planning regime.

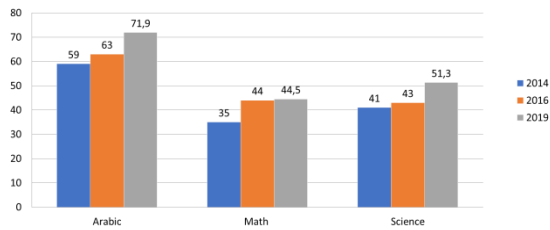
In 2015 there were 22 students killed, 774 injured, 265 arrested and 75 detained students registered in the West Bank; and 1 teacher killed, 45 injured, 11 arrested and 30 detained. In total 9,322 class hours were lost in 2015, affecting 3,840 teachers and 53,998 students.

Finally, the internal political crisis between Fatah and Hamas has been a major hurdle to the improvement of **education in the Gaza strip**.

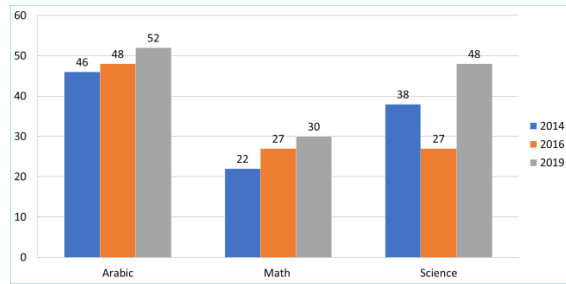
## **2.2 Quality of education**

Despite sustained improvements in learning outcomes, **student performance** has remained weak, with girls performing generally better than boys. The national standardized tests for Arabic, Math and Science have shown a positive trend for grades 4 and grades 8, especially in the area of Mathematics. There was however a more worrying result for the Science achievements in grade 10 in 2016 which showed a significant decrease that would merit further analysis. The results of 5<sup>th</sup> and 9<sup>th</sup> graders in national tests in 2017 continued to indicate the need for improvement in student performance, in particular in science and mathematics.

*Achievement Average of Grade 4 in Arabic Language , Math & Science (National Tests)*



*Achievement Average of Grade 10 in Arabic Language, Math & Science (National Tests)*



Low learning outcomes can be to a great extent attributed to the low quality of education and teaching.

MoEHE has done substantial efforts increase the number of **qualified teachers** in accordance with the Teacher Education Strategy (TES). The percentage of qualified teachers increased from 44.2% in 2014 to 68.3% in 2017 for primary teachers and from 19% to 38.8% for secondary teachers. These data have shown consistent improvement, albeit from a low baseline.

Particular challenges in addition to qualification are traditional teacher mindsets, outdated methods of teaching, and the stressful and coercive environment affecting teacher morale and well-being. The **reform of the curriculum** (see section 3 below) has been carried out with the objective to reform the methods of teaching, and improve the quality of education.

## Section 3. Evolution in Policy and Planning

Education policies and planning in Palestine have made tremendous progress over the past 20 years. Education has been a priority sector in successive national strategic plans<sup>9</sup>, and has been supported by robust Education sector strategic plans. Policies in education have been guided by international commitments such as Education for All, the Sustainable Development Goals (SDGs), and the Convention of the Rights of the Child.

### 3.1: National strategic plans

The Palestinian National Development Plan (PNDP 2014-2016) stated that: *‘a concerted effort will be made to improve the quality of education as a pivotal strategic component to build an educated, productive society’*. The PNDP focused on the quality of education in general, including TVET in order to *‘providing adaptation to society and labour market needs’*.

In December 2016, the PA approved the National Policy Agenda (NPA), 2017-2022, which replaced the PNDP. The NPA is fundamentally rooted in the SDG’s, with SDG 4 the main basis on education. Amongst the NPA’s national priorities is ‘Quality Education for All’; which is declined in three main goals:

- Improving early childhood and pre-school education;
- Improving primary and secondary education;
- Improving transition from education to employment.

### 3.2: Sector strategic plans

The Education Development Sector Plan (EDSP III) spanned from 2015-2019. The plan aimed at advancing two systemic transformations:

- Transforming from a largely memorisation and test driven education model to a student-centred dynamic pedagogy
- Transforming from a largely input- and supply-driven function to a system-wide and result-based management structure and operations.

The specific vision of EDSP III was: *“A results-based and student-centred education system that provides 21st century relevant education services at all levels with high quality and full equity considering individual needs and being at the heart of the political, economic, and social development in and for Palestine”*.

This vision was further detailed in three sector goals:

- Ensuring safe, inclusive, and equitable access to education at all levels of the system;
- Developing a student-based teaching and learning pedagogy and environment;
- Enhancing accountable and results-based leadership, governance and management.

The strategy outlined an ambitious reform programme targeting the very foundations of the education system, namely Curriculum Reform, School Level Restructuring, Management Reform, and Adoption of an Education Law.

The strategy involved the move to a Direct Service-Delivery Programme Structure - a major reform by itself – as supported by a newly introduced programme structure: (1) Pre-school, (2)

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<sup>9</sup> Palestinian National Development Plan (PNDP, 2014-2016); and the National Policy Agenda (NPA, 2017-2022)

Basic, (3) Secondary, (4) Vocational, (5) Non-Formal education, (6) Management. This new programme structure was meant to enhance implementation management, accountability, stimulate and enable system-wide reforms, and improve educational service delivery to the Palestinian public.

In line with the new National Policy Agenda, the EDSP III was extended to 2022. The so-called Education Sector Strategic Plan (ESSP, 2017-2022) was seen as an extension (or update) of EDSP III, but it also brought in some new elements, starting with a new vision on education. The vision defines the ultimate purpose of the education system in Palestine: “a Palestinian society that has values, culture and technology to produce knowledge and employ it for liberation and development”.

The ESSP has maintained the same sector strategic goals of the EDSP III. In line with the SDG4 targets, there was a renewed emphasis on:

1. Increasing **pre-school** enrolment and providing integrated, easy to use and all-inclusive programmes, services and infrastructure for early childhood (cfr. SDG 4.2)
2. Increase enrolment in **technical and vocational training** at secondary and higher education level, especially for girls, focused on labour market requirements (cfr. SDG 4.3, 4.4. and 4.5).
3. Designing, implementing, monitoring and evaluating a new **student-centred curriculum**, gender sensitive, with attention for sustainable development and human rights. (cfr. SDG 4.7)
4. Enhance **safe access** to educational services for vulnerable groups, such as people with disabilities, children from the vulnerable areas (East Jerusalem and Area C) through increased school transportation, emergency preparedness in schools, offering various forms of distance education (especially at the level of higher education) (cfr. SDG 4.a)
5. Planning and executing **child friendly and environmentally friendly school construction** taking into account the foreseen population growth until 2030 (cfr. SDG 4.a)
6. Enhancing **teacher capacity** by developing and implementing a new teacher development strategy, including a supervision reform (cfr. SDG 4.c)
7. Equipping teachers with the appropriate **technological skills** to enable them to use ICT.
8. Development of secondary education branches and tracks to create more opportunities for male and female students according to their abilities. This would also **boost enrolment ratios in the scientific, vocational and commercial stream**.

The ESSP introduced a new programme 7 on higher education, albeit still rudimentary. As this programme 7 was not a part of the original EDSP III, it remained out of the scope of the JFA.

An external appraisal of the ESSP, conducted in 2018, concluded that the latter “*fulfils its purpose as a strategic plan and a fitting replacement for the EDSP III. It has a high level of government leadership, and was developed through a highly participatory process using a number of key reports as reference. As with EDSP III, it provides a comprehensive and detailed overview of the challenges and developmental needs of the sector, clearly justifying the goals, policies and strategies proposed.*”

### 3.3: Main policy reforms

#### 3.3.1. Curriculum and teacher development

One of the major reforms led by the education sector in recent years has been **the development**

**of a new curriculum** to support the transformation from a largely memorisation and test-driven education model to a student-centred dynamic pedagogy. Following a rapid evaluation of the previous curriculum, a new general framework for the curriculum was developed in 2015-2016. The specific curricula for grades 1-4 and 5-11 were then successively developed, piloted and rolled out respectively for scholastic years 2016-17 and 2017-18. The roll-out included textbook production and distribution, as well as teacher training in summer months.

By the end of 2018, there had remained some technical concerns on the curriculum reform, amongst other the occurrence of some inconsistencies with the new education law, the speed of the reform which entailed some risks of compromising on quality and coherence, and the need for further teacher training to make the reform tangible and actually reflect its innovations in the classroom.

With regards to teacher training and supervision, it had become clear by the time of the Annual Sector Review in 2016 that teachers needed to be re-tooled on the new curriculum, the integration of vocational education in the basic curriculum, as well as on the use in ICT, science, and mathematics. As a response, a proposal was introduced in the policy dialogue to develop and implement a new teacher development strategy, which would involve a new system of supervision. The proposal was later taken up in the new ESSP.

Overall, and from a purely technical point of view, the achievements of the curriculum reform should not be understated. The MoEHE has by and large succeeded in developing and rolling out the new curriculum across the territory, including Gaza and East Jerusalem, in a very short timeline despite all the challenges associated with the delivery of textbooks and teacher training under the Israeli occupation.

### 3.3.2 TVET

The MoEHE conducted an assessment of the TVET Curriculum in 2015<sup>10</sup>, which emphasised the mismatch between the skills and qualifications of the work force and the needs of companies. The study further stressed a lack of coherence in the curriculum, a shortage in attention to transversal skills, and a lack of standardisation in the terminology of the textbooks. The study attributed the lack of relevance and quality of TVET to multiple factors including a lack of overall coordination of the TVET system, a lack of quality assurance, the low involvement of the private sector and non-state stakeholders, and a systemic lack of funding and qualified human resources.

As a response, the Palestinian Authority reactivated the Higher Council for TVET in 2015, under alternate chairmanship by the MoEHE and the Ministry of Labour. The latter had been established a decade earlier but had remained dormant since. At the same time, a Development Centre for TVET was created - as an implementing body of the Higher Council - to implement the TVET strategy. By 2018, a Director had been appointed by the Cabinet for the Development Centre, and the latter was working with few seconded staff from MoEHE to establish and implement the approved structure of the Development Center.

By the end of 2018, the re-installment of the Higher Council for TVET, and the start of the Development Centre indicated positive momentum with regards to TVET reform and governance. Meanwhile, the design of new curriculum was under development, with the support of GIZ, and efforts had been undertaken to introduce children from an earlier age to TVET related skills. Finally, through the support of bilateral programmes such as ECIB (funded by Belgium and implemented through Enabel), new models such as work-based learning in companies and dual

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<sup>10</sup> Study on 'degree of vocational education curricula containing tasks, duties and skills required by the labour market in terms of the needed professions and specializations'.

studies had successfully been introduced at all levels of TVET in an effort to enhance the relevance of training.

### **3.3.3 ICT and technology**

A policy on **ICT and technology** was developed in 2015 (at the end of the Belgian E-Learning project). Since 2016 JFA supported the MoEHE in the roll-out of digitalisation in education through:

- providing 800 schools with internet connections
- Training 1.800 teachers on the use of ICT in education
- Upgrade and install 60 computer labs
- Installing 40 technology labs
- Training 1299 teachers and 5 supervisors in technology

With various ongoing initiatives in the area of ICT and technology, combined with the growing awareness that more students need to choose for the science and TVET careers, Belgium's focus in policy dialogue revolved around the development of **an integrated STEM approach**, as an important step forward for the MoEHE. By the end of 2018, this approach was still under development. It has since been integrated in the MoEHE strategic priorities.

## Section 4. Evolution in Monitoring & Evaluation

The Technical Note which had formed the basis of Belgium's second phase of contribution to the JFA had identified Monitoring & Evaluation as a key domain of focus for Belgium in policy dialogue. The Basket Funding modality relies first and foremost on the national M&E system, in this case primarily the M&E system of the Ministry of Education. Through an active involvement in and dialogue on the sector, the Belgian development cooperation has since 2013 acquired an accurate view on sector performance and wider governance challenges.

The MoEHE has made substantial progress in the past decade with regards to the Monitoring and Evaluation function. The M&E system has undergone considerable development and been regularly adjusted to ensure alignment with broader governance reforms as well as successive sector strategic plans. The M&E system has played an essential role in the analysis of sector performance.

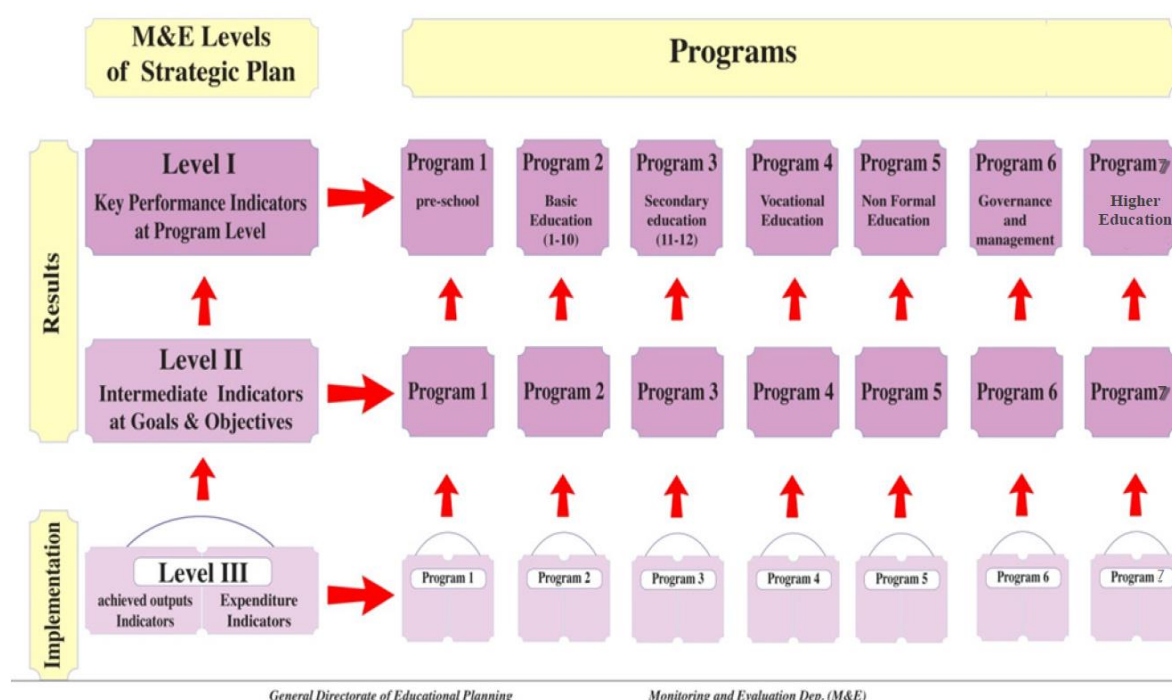
In 2007, The M&E department was established under the Directorate-General of Planning, with three divisions: M&E, Evaluation and Data Entry. Being part of the DG Planning, its vocation has extended beyond the function of monitoring and evaluation, also feeding into the planning and budgeting cycles. Since its creation, the M&E department had published annual M&E reports both for the central ministry covering the whole education system as well as for each district with a strong focus on school, teacher, and student performance.

With the entry into force of the EDSP III in 2014, and the introduction of a new program structure, there was a need to review the education M&E system in order to transform it into a fully-fledged Results-Based M&E System. A new M&E system was developed in the course of 2014 in close alignment with the newly introduced logic of the sector plan in terms of Program Goals and Objectives. Linking the M&E system directly to the service-delivery programs allowed to institutionalize the result based management approach (RBM), which the ministry had begun to adopt gradually in all its operations and management. The main objectives of this new M&E system were the following:

- Strengthening results-based management and accountability across the education system;
- Assessing the suitability of policies through verifying the correlation between implementation and results (objectives, goals, program outcomes) and providing reasons in case of deficiencies;
- Tracking the achievement level of program outputs, objectives and goals;
- Using the annual M&E evidence as reference points during the annual planning cycle and for policy making and management.

This M&E system has been reorganized to track the program outcome, goal and objective level as well as output implementation and expenditure level for each program as indicated in the figure below. Over the years, the M&E system has been updated on an annual basis as follows: additional indicators were introduced, the level of disaggregation of data was increased, and new thematic chapters were added, *e.g.* on East Jerusalem and fragility.





Source: EDSP III – 2017-2022 (MOEHE – 2017)

The extension and adjustment of the EDSP III into the new ESSP 2017- 2022 required to update and realign the M&E framework. The latter was updated and a new baseline was established in the course of 2018, taking into account most recent reforms and reflecting the ESSP alignment to the SDGs through the selection of SDG4 indicators. By the end of 2018, dialogue was ongoing with the Joint Financing Partners to identify a limited selection of indicators from this adjusted M&E Framework to form Performance Assessment Framework for the sector.

Throughout the years, the M&E system has been a functional instrument of the MoEHE, playing an essential role in the analysis of sector performance. The system has been extensive, with many useful data being captured and systematically analysed. The M&E system has served as a basis for the production of reports on education performance. The quality of the data and analysis has kept on improving over the years. The timeliness of reports has however remained an issue throughout the years, and there has remained room for improvement in assuring that sector performance analysis be used systematically in the functions of policy development and sector planning. By the end of 2018, the JFPs were engaged in dialogue with the MoEHE to articulate better the functions of monitoring and evaluation and performance review with those of policy development and planning.



## Section 5. Evolution in Sector Public Finance Management

### 5.1 PFM performance and reforms at national level

The PFM reform trajectory of the Palestinian Authority (PA) has been characterized by a challenging political and economic context. Despite high and low tides of reform, the overall trajectory has remained positive.

Impressive waves of reforms took place in the 2000s, pursued as a central element of a broader agenda to develop the structures and capabilities of a sovereign state and achieve international recognition. Reforms involved re-building basic PFM systems almost from scratch and establishing PFM institutions in the West Bank to replace those previously operating in Gaza. The progress made in this regard within a relatively short period of time was particularly impressive. Two successive PEFA analyses conducted in Palestine, respectively in 2007 and 2013 clearly attested to this progress. In the 2013 PEFA, 21 out of the 22 indicators related to the performance of the PA were either rated higher than or equal to the indicators measured in 2007.

Following this successful phase of reform, PFM reform in Palestine typically entered a consolidation phase, (sustaining and consolidating previous achievements, while tackling remaining system weaknesses). Since 2013, however, the PA has been operating in an increasingly unstable and tight fiscal context, while the political environment and prospects for a settlement with Israel has remained highly uncertain. The volatile context has put the PFM system and its reform agenda repeatedly under stress, leading to ups and downs in the reform path.

After a period of comparatively weak engagement, there has been some renewed momentum in recent years with regards to selected PFM reform tracks, as supported on a bilateral basis by a number of development partners (DFID, EU, IMF, World Bank) with varying degrees of success. In 2017, a PFM reform strategy (2017-2022) was adopted in the context of the National Policy Agenda, including a body of relevant reforms, but lacking costing and prioritisation. By 2018, a new PEFA assessment was ongoing to provide a new diagnostic analysis to serve as a basis for dialogue on PFM reforms, and inform the implementation and future updates of the PFM reform strategy.

### 5.2 Sector PFM performance and reforms

Within this broader context, the MoEHE has been at the forefront of reforms and innovations in Public Finance Management, as supported through the Joint Financing Arrangement. Since its creation, the JFA has been a key driver to transform the management system of MoEHE towards results-based management. With the adoption of the Education Development Strategic Plan 2014-2019 (EDSP III), the MoEHE was the first line ministry to pilot and institutionalize sector-wide programme-based and medium-term planning and budgeting. The MoEHE has also been the only ministry to undertake a comprehensive annual audit as conducted under the oversight of the SAACB by an external international audit firm. As such, the MoEHE has established itself as a forerunner of PFM reforms within the PA.

The achievements of the MoEHE in terms of piloting and institutionalizing a comprehensive, program-based, and medium-term planning and budgeting process should not be underrated. Over the years, the MoEHE Planning Department has gained experience and capacity in managing the process and improving the quality of sector Annual Work Plans and Budgets (AWPB). The JFPs have played a constructive and supporting role in this regard, emphasizing issues such as the adherence to the EDSP and sector policies, the effective use of the sector's management cycle (translation of M&E findings as well as recommendations from Annual Sector

Reviews and annual reports into the AWPB), the equitable implementation of the EDSP (with a focus on vulnerable areas: East Jerusalem, Area C, and Gaza), as well as the balance between access and quality oriented interventions. As a result, the MoEHE Annual Work Plan and Budget has gradually improved over the years in terms of structure, relevance, and detail.

Under the EDSP III, the execution rate of the AWPBs have improved gradually, albeit from a low baseline, reflecting the development of this instrument from merely a list of projects in the early 2010s to an integrated budgeting framework, in coherence with and responding to the needs of the sector, as well as providing enhanced and much needed budget predictability in a context otherwise affected by substantial economic and fiscal uncertainty. The JFA, in particular, has established itself as the AWPB source of financing with the highest execution rate, consistently at least 10% higher than the average execution rate of development expenditures in the sector, in spite of various built-in *ex-ante* fiduciary control mechanisms<sup>11</sup>.

Financial reporting for the education sector has become more detailed and advanced than for other line ministries. In addition to the general monthly financial reports published on the MoFP website with regards to the overall PA expenditures, the MoFP, in coordination with MoEHE, has been producing more detailed Quarterly Financial Reports (QFRs) with regards to education sector expenditures. The QFRs have served well accountability purposes in the JFA context, but their use by MoEHE for management purposes has varied over time. Their quality has also varied over time linked to some discontinuity in the position of JFA focal point at MoFP. In particular, there has been a lack of consistency in the presentation of financial data, implying a limited utility of the reports for purposes of medium term analysis. In recent years, however, the appointment of a new JFA focal point at MoFP as well as renewed involvement from the JFPs have helped to gradually improve the format and quality of the QFRs.

The MoEHE has been the only ministry of the Palestinian Authority thus far to undertake a comprehensive annual financial and compliance audit. The annual audit of the MoEHE has been conducted under the oversight of the State Audit and Administrative Control Bureau (SAACB) by an external international audit firm. This arrangement, as foreseen in the Joint Financing Arrangement, has been meant to play a fiduciary management role for the JFA while at the same time reflecting the ambition to develop and strengthen sector wide management and processes. In practice, the audit arrangement has indeed been fulfilling its fiduciary risk management role, as audit reports have not pointed to evident risks for the JFA execution. The audit arrangement has however shown structural limitations with regards to its sector wide management ambitions:

- As MoEHE is not an accounting unit per se, it has limited control on a large part of its expenditures, and limited authority/role with regards to the follow up to external audit recommendations.
- Substantial and structural delays in the issuance by MoFP of the consolidated financial statements for the Palestinian Authority have implied recurrent qualifications in the audit reports produced under the arrangement;

In such context, satisfactory audit follow up has proven difficult to implement, despite the establishment of a dedicated audit taskforce including MoFP, MoEHE, SAACB and JFPs. Most of the follow-up actions have concerned MoFP, as many issues identified have related to structural

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<sup>11</sup> i) approval of annual JFA allocations in the Ministry of Education's Annual Work Plan and Budget (AWPB); ii) no-objections on Quarterly Financial Reports as a basis for withdrawals from the FCA; iii) quality control on procurement procedures and no-objections on the procurement of large expenditure items; iv) approval of annual external sector audit reports and related management response as a basis for disbursements. Since 2016, the JFPs also provide a no-objection on needs assessments for most JFA-financed school infrastructure projects.

weaknesses around PFM systems, especially linked to the lack of decentralisation of financial management to line ministries. From that perspective, the incentives for the MoFP to actively follow up have been fairly limited, as also reflected in the management responses of MoFP. At a broader level, the PFM reform agenda of the PA has been showing uneven traction, and it has appeared unlikely that an audit commissioned by MoEHE could radically alter the national PFM reform dynamics.

## Section 6. Evolution in Aid Effectiveness: Basket Funding as a modality in SWAp context

The Joint Financing Arrangement has been an effective mechanism of sector financing, donor coordination and harmonisation, and a driver of policy and management reforms. Having matured over time, it has been widely considered as best practice in Palestine, and a model to other sectors. In recent years, however, the JFA has been a target of political instrumentalization by Israeli lobby groups, which has not only led to the suspension of Belgium's support to the JFA, but also threatened its very existence, and somewhat reduced its effectiveness.

An external mid-term review (MTR) of the JFA II was conducted in 2017. The review was mainly focused on the relevance, effectiveness and efficiency of the instrument, and reached largely positive conclusions. The final report (February 2018) describes the JFA as playing a major role in the implementation of the education sector plan. The conclusions of the report are summarized in the box below, and further elaborated upon in the narrative below.

### JFA II Mid Term Review: Summary of conclusions

#### Main Conclusions:

- The overall conclusion about the relevance, efficiency and effectiveness of the JFA is largely positive. The JFA has played a major role in the implementation of the EDSP. The JFA as a mechanism has been efficient.
- While there was a strong 'institutional building'/alignment and ownership focus in the initial setting of the instrument, this has shifted to some extent to efficiency and risk management.

#### Conclusions on main review criteria:

- The relevance of the JFA has been generally high, although some of the initial underlying principles behind the instrument are less central than initially envisaged. The strong emphasis on ownership has been appropriate, but the difficult operational environment has made the application of that principle challenging.
- As a funding mechanism, the JFA has worked well. The mechanism has provided relevant, sizeable and predictable funding to improved EDSP implementation, while ensuring accountability to the JFPs. The various management instruments associated with the JFA have delivered, although there is room for improvement.
- The dialogue in the education sector is comprehensive. The JFPs as a group are playing a leading role, due to their technical expertise, the financial weight they carry, their willingness and ability to speak with one voice, and the establishment of a valuable relationship of partnership with the MoEHE. The quality of sector dialogue could benefit from a further strengthening of the policy framework.
- The pooling of funds has been a highly relevant feature of the JFA. It has helped to reduce transaction costs for MoEHE, and to mitigate political risks for JFPs.

The JFA has been successful overall as an aid instrument. The JFPs and MoEHE have been closely cooperating in the past decade in a strong partnership based on trust, dialogue and a genuine commitment to make the JFA a success. There has been a great openness to discuss issues from both sides, to search for solutions together in order to make the collaboration as good as possible. As mentioned in the JFA MTR, though, the "operational environment" of the JFA (e.g. political pressures from lobby groups) have let the partnership to evolve in practice, with a

gradually enhanced emphasis on risk management and efficiency. This has to some extent taken place at the expense of some of the other underlying principles of the JFA (*e.g.* ownership and alignment). As of 2018, the JFA had been effectively put on the defensive, with its existence being threatened, as highlighted by the suspension of Belgium's support.

As a funding instrument, the JFA has worked very well. It has been providing the MoEHE with a fairly predictable and reliable source of financing in a context significantly affected by political, economic and fiscal vulnerability. JFA funds have been filling a critical finance gap in education, reflecting a high dependency on external support to finance development expenditures. The JFA has largely contributed to maintaining a larger proportion of development expenditures in the education sector, as compared to the national average. The JFA has financed annually between 50 to 60% of the sector's development expenditures. Despite initial concerns in the first years of implementation, the absorption capacity of the JFA has increased considerably over time. For the period 2010–2015 (6 years), the JFA spent a total amount of 64.1 million Euro. For the period 2016–2018 (3 years), an envelope of 64.7 million Euro was made available. The JFA has also involved adequate measures of control and quality assurance mitigating fiduciary risks for the JFPs.

The JFA has been oriented towards policy development. It has provided a platform for policy dialogue and continuous policy support on key education issues. As the major contributor to the development budget of the education sector, and in view of the nature of the JFA as an aid instrument, the JFP's collectively have had a central position and major influence in the sector. JFP's have provided important technical contributions to the policy work including foundational reforms (curriculum reform, management reform and school harmonization). In addition, the budget dialogue on JFA has been mainly policy oriented. Both political and technical aspects of the education sector have been addressed through dialogue, because of the composition of the JFP's with consular (political) representation, but also technical agencies such as Enabel and KfW. While policy dialogue has been comprehensive, its quality could have benefitted from a further strengthening of the policy framework. A critical issue has remained the lack of a comprehensive set of clear education policies in several areas, which would provide a clearer policy framework for the dialogue.

Overall, the alignment to national policies and systems has allowed both parties to have a shared vision on the transformation of the education sector as defined in the EDSP, and to strengthen national and sector rules and regulations. The JFA has initially been a strong catalyst for institutional change, contributing to the state-building agenda. Significant achievements in this area have been: i) shifting the management system towards results-based management, planning and budgeting; ii) strengthening the audit function of the PA by conducting annual sector audits; iii) supporting the improvement of the M&E function of MoEHE; and iv) strengthening the function of the Education Sector Working Group and its Thematic Working Groups to foster policy dialogue. Conversely, the initial focus on alignment, ownership and institutional building has gradually shifted over time to an increased attention to efficiency and risk management. Eventually, the emphasis has been on developing an instrument, which on one hand works for MoEHE and on the other mitigates the political and fiduciary risks of the JFPs. The deviation from some of the underlying principles has led to some operational inefficiencies, in particular around budgeting and auditing. A key illustration, which is pointed in the JFA MTR, is the way in which political pressures from Israeli lobby groups on the education sector have led JFPs to increasingly position their review of MoEHE annual plans at the level of individual activities (as part of their 'political risk' management strategy) at the expense of a more strategic type of engagement in policy dialogue.

The JFA set-up has facilitated donor harmonisation and coordination and has reduced the transaction costs for the Ministry of Education. JFPs have been acting mostly as one donor, and the internal coordination between JFP's has been intensive with regular meetings and a clear division of tasks and responsibilities. To a certain extent, the pooling of resources has also contributed to mitigate the political risks incurred by the JFPs. In this specific case, however, this may perhaps not have been a sufficient guarantee.