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**Evaluation of 2016/2017 PEGASE Direct Financial Support to the Palestinian
Authority (PEGASE DFS)**

Final Report
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Glossary

Item	Description
Action	Project or Programme
AECID	<i>Agencia Española de Cooperación Internacional para el Desarrollo</i>
AFD	<i>Agence Française de Développement</i>
AMAN	The Coalition for Accountability & Integrity
ARIJ	The Applied Research Institute – Jerusalem/ Society
CSP	Civil Service & Pensions
CTP	Cash Transfer Programme
DEEP	Deprived Families Economic Empowerment Programme
DFS	Direct Financial Support
DP	Development Partner
DPG	Development Policy Grant [World Bank]
DRG	Diagnosis-Related Group
ECA	European Court of Auditors
EDP	European Development Partner
EEAS	European External Action Service
EJH	East Jerusalem Hospitals
EJS	European Joint Strategy in Support of Palestine 2017-20
ENP/ENI	European Neighbourhood Programme/European Neighbourhood Instrument
EU	European Union
EUMS	EU Member State
EUR	Euro
FA	Financing Agreement
GPC	General Personnel Council
HLDP	High-Level Policy Dialogue
ILS	New Israeli Shekel
JCI	Joint Commission International
LACS	Local Aid Coordination System/Secretariat
MIFTAH	Palestinian Initiative for the Promotion of Global Dialogue & Democracy
MoEHE	Ministry of Education & Higher Education
MoFP	Ministry of Finance & Planning
MoH	Ministry Health
MoSD	Ministry of Social Development
MoU	Memorandum of Understanding
MTTF	Medium-Term Fiscal Framework
NCG	National Consensus Government
NGO	Non-Governmental Organisation
OMR	Outside Medical Referrals
OO	Overall Objective
OOP	Out-of-pocket expenses (direct payments by patients to health care providers at service use (WHO))
PA	Palestinian Authority
PCBS	Palestinian Central Bureau of Statistics

Item	Description
PRDP	Palestine Recovery & Development Programme (WB-administered multi-donor trust fund)
PDFS	PEGASE Direct Financial Support
PEGASE	<i>Mécanisme Pales</i> no-Européen de Gestion et d'Aide Socio-Économique
PFM	Public Financial Management
PHCP	Palestinian Health Capacity Project
PMO	Prime Minister's Office
PMTF	Proxy Means Testing Formula (an eligibility criterion for selecting poor/vulnerable households)
PNPA	Palestinian National Policy Agenda 2017-22
PNPD	Palestinian National Development Plan 2014-16; preceded by PNPD 2011-13 and PNPD 2008-10
PRDP	Palestinian Recovery & Development Programme (WB-administered Trust Fund)
PwD	Person with Disabilities
ROF	Results-Oriented Framework
SDG	Sustainable Development Goal
SMART	Specific, Measurable, Attainable, Relevant & Time-bound
SPU	Service Purchasing Unit (MoH)
PSSC	Palestinian Social Security Corporation
SSF	Single Support Framework (2014-16)
TA	Technical Assistance
TAPS	Technical & Administrative Provisions
ToC	Theory of Change
ToR	Terms of Reference
UNRWA	United Nations Relief & Works Agency (for Palestinian Refugees in the Near East)
UNSCO	Office of the United Nations Special Coordinator for the Middle East Peace Process
UNSD	United Nations Statistics Division
USAID	United States Agency for International Development
USD	United States Dollar
VPF	Vulnerable Palestinian Families
MoWA	Ministry of Women Affairs
WB	World Bank
WHO	World Health Organisation

1 INTRODUCTION

1.1 Purpose and Structure of the Report

1. The purpose of the present report is to present the analysis, finding, conclusions and recommendations of an evaluation commissioned by EUREP (the Office of the EU Representative, West Bank and Gaza, the United Nations Relief & Works Agency (UNRWA)) PEGASE Direct Financial Support (PDFS) provided by the European Union (EU) and eight EU Member States (EUMS) to the Palestinian Authority (PA) under the Financing Agreements (FA) for the programme years 2016 & 2017.
2. The evaluation was carried out in March-April 2018 and included a field mission that took place in the period 09-23 April 2018.
3. The report consists of the following sections:
 - Chapter 2: Findings
 - Chapter 3: Conclusions & Recommendations; and
 - Twelve annexes, with more detail on salient aspects of the evaluation.

1.2 Action Context and Background

4. Palestine¹ has a total population of 4.78 million [2017], of which nearly 2.9 million (60%) live in the West Bank and 1.9 million (40%) in the Gaza Strip. The population density is very high, with 509 people per km² in the West Bank and 5,203/km² in the Gaza Strip. The average rate of natural population growth in Palestine in 2016 was 2.8% (2.5% in West Bank and 3.3% in the Gaza Strip). The average growth rate is maintained through the low level of mortality and high fertility rates.
5. Palestine is marked by two generations of conflict and territorial fragmentation, and several failed attempts to achieve a Two-State solution to the Palestinian-Israeli conflict. Nearly 25 years after the 1994 Oslo Accords that gave birth to the PA, the latter has full security and authority in only 18% of the West Bank, and limited effectiveness in the Gaza Strip.
6. Medical referrals to non-Ministry of Health (MoH) hospitals consume a large portion of the PA's health budget.
7. MoH tertiary care services are limited but expanding. They are mainly offered by the six private East Jerusalem hospitals, and to a much lesser extent, by outside institutions in Israel and neighbouring countries. These referrals consume a large part of the PA health budget.
8. Public investment is limited and although the PA has managed to reduce revenue gaps, arrears to suppliers and borrowing from domestic banks has increased. It remains necessary to reduce the public-sector wage bill and recurrent spending and to reform the pension system and the health finance/insurance system.
9. The PA has limited control of its borders, resources and revenues. The latter are subject to losses under the sharing and clearance arrangements with Israel. These severe political, security and socio-economic constraints are compounded by the high generational

¹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

dependency ratio². The PA faces severe constraints to development and the negative consequences of the refugee status of 40% of the population, high poverty rates with a worsening situation in Gaza [53% in the Gaza Strip and 13.9% in the West Bank in 2017 compared to 38.8% and 17.8% in 2011, according to the Palestinian Central Bureau of Statistics (PCBS)] ; high unemployment rates – 27% for Palestine as whole, 48% in Gaza³ and 13% in the West Bank⁴, especially amongst youth and limited representation of women (2017)⁵.

10. The international community aims to underpin the viability of a Two-State solution to the Palestinian-Israeli conflict by providing the PA with substantial contributions to its revenues. These have helped the PA to drive a measure of economic growth, maintain a floor of disposable income, and safeguard recurrent expenditure and delivery of services.
11. Since 2008, EU and EUMS support to the PA's recurrent expenditure has amounted to more than EUR 2.3 billion⁶ through the PDFS⁷ mechanism⁸, mainly:
 - the Civil Service & Pensions (CSP) programme addressing payment of civil servants' salaries and pensions;
 - the Vulnerable Palestinian Families (VPF) programme supporting the PA Cash Transfer Programme (CTP); and
 - the East Jerusalem Hospitals (EJH) programme accommodating part of the costs of outside medical referrals (OMR) to the EJH for tertiary health care.
12. The support by EU and EUMS to these programmes in 2016-17 is set out in **Table 1**.

1.3 Approach and Methodology

13. In line with EU regulations in place and applicable methodological stipulations⁹, the terms of reference (ToR) for the present evaluation [**Annex 1**] stipulated a results-oriented approach to serve both accountability (summative) and learning (formative) purposes. It

² Nearly 50% of the population is younger than 18 years of age, and almost 75% is younger than 30. The average household size is 5.1 persons for Palestine as a whole, 4.8 persons in the West Bank and 5.6 in the Gaza Strip (preliminary census figures, 2017).

³ An increase of 6% from 42% in 2016.

⁴ A decrease of 5% from 18% in 2016.

⁵ Data source: Palestine in Figures 2016 (PCBS, March 2017) and Preliminary Results of the Population, Housing & Establishments Census 2017, PCBS, February 2018.

⁶ This amount includes minor contributions through PEGASE to other programmes, such as support to agriculture, private sector and the Jericho Industrial Park.

⁷ Mécanisme Palesno-Européen de Gestion et d'Aide Socio-Économique.

⁸ The references to main constituent elements of the PDFS – i.e. the CSP, VPF and EJH programmes – throughout the report are 'shorthand' for what these programmes embody: payment of salaries, social allowances and referral arrears; as well as the related outputs in terms of access to education for children and to education and health services for the vulnerable population. The evaluation focuses not the instruments *per se*, but on the change they aim at.

⁹ COM(2013) 686 final – [Strengthening the foundations of Smart Regulation – Improving Evaluation](#); EU Financial regulation (art 27); Regulation (EC) N° 1905/2006; Regulation (EC) N° 1889/2006; Regulation (EC) N° 1638/2006; Regulation (EC) N° 1717/2006; Council Regulation (EC) N° 215/2008; SEC (2007)213 – [Responding to Strategic Needs: Reinforcing the Use of Evaluation](#); SWD (2015)111 [Better Regulation Guidelines](#); Regulation (EU) No 236/2014 – [Laying down common rules and procedures for the implementation of the Union's instruments for financing external action](#); and COM (2011) 637 final – [Increasing the impact of EU Development Policy: an Agenda for Change](#).

aims to provide PDFS stakeholders (the PA, the EU, EUMS, other international Development Partners (DP) and financial institutions, as well as the general public), with:

- an independent assessment of the performance of PDFS to the recurrent expenditure of the PA in the period 2016-17, with a focus on the results vis-à-vis the objectives of that support; and
- lessons and recommendations that might improve current & future support of this type.

Table 1: EU and EUMS Commitments to PDFS, 2016-17 [in EUR]

Nº	DPs	Commitments by Programme Year		Commitments by Component [EUR]			Totals [EUR]
		2016	2017	CSP	VPF	EJH	
1	Austria	1,500,000	0	0	1,500,000	0	1,500,000
2		0	1,250,000	0	1,250,000	0	1,250,000
3	Finland	4,000,000	0	0	0	4,000,000	4,000,000
4	Italy		1,000,000			1,000,000	1,000,000
5	Ireland	1,000,000	280,000	300,000	980,000	0	1,280,000
6		0	500,000	0	500,000	0	500,000
7	Netherlands	4,000,000	0	4,000,000	0	0	4,000,000
8		0	1,500,000	1,500,000	0	0	1,500,000
9	Portugal	25,000	0	0	25,000	0	25,000
10	Spain	1,000,000	0	0	1,000,000	0	1,000,000
11		0	1,000,000	0	1,000,000	0	1,000,000
12	Sweden	4,968,566	0	4,968,566	0	0	4,968,566
13	European Union	168,000,000	0	115,000,000	40,000,000	13,000,000	168,000,000
14		0	158,000,000	85,000,000	60,000,000	13,000,000	158,000,000
15	United Kingdom	0	29,308,324	29,308,324	0	0	29,308,324
16		0	22,821,932	22,821,932	0	0	22,821,932
Totals		204,534	215,660,256	564,419	106,255,000	31	926,449

Source: PEGASE database

14. The evaluation should provide analytical findings and conclusions on why, whether and how results link to PDFS interventions and identify the factors driving or hindering progress. It should provide realistic recommendations for the strengthening or, as the case may be, removal of those factors. Part and parcel of this approach is revisiting the risks and assumptions underpinning the PDFS programmes for 2016-17.
15. The evaluation team of three experts [Annex 2] carried out a 10-day field visit for interviews, including focus groups discussions with representatives of PDFS stakeholders, including the PA, EUREP, representations of EUMS and other international DPs, beneficiary institutions, as well as individual beneficiaries. The interviews were semi-structured, based on the agreed evaluation questions and judgement criteria [Annex 4].
16. Prior to the mission, they did an initial review of documentation [Annex 11] received from EUREP and the team leader met with DG NEAR Units B1 & R4 in Brussels (09 March 2019).
17. The Inception Report for the evaluation, as submitted on 12 March 2018, included a **reconstruction of the intervention logic** of the Action, as well as its theory-of-change, which was subject of discussion during the field mission [Annex 5].
18. The inception period yielded two options for the **evaluation design matrix**, which contains the evaluation questions (EQ), the related judgement criteria and indicators, as well as the

sources of information and data. The second of these options was chosen as the basis for the present evaluation [**Annex 4**]. The details of the approach and methodology are in **Annex 3**.

2 FINDINGS

2.1 General

Evaluation Question 1: Relevance

Does the PEGASE DFS programme continue to meet the needs of the Palestinian Authority and its people?

Much Appreciation

19. PDFS is much appreciated by the PA, both in its own right and as a catalyst for attracting contributions from other than European Development Partners (EDP). More than that, the PA considers the PDFS a 'lifesaver'. That is how one Palestinian official interviewed succinctly put a view shared by other PA interlocutors. It is not difficult to see why. The CSP component contributes substantially to civil service salaries and pensions, its VPF component helps an average of 71,400 poor households out of some 110,000 registered by the Ministry of Social Development (MoSD) and the EJP component helps ensure access to quality health care services by covering part of the PA arrears for referrals to outside medical facilities. The accumulated experience on the part of the European Commission and EUREP, as well as other DPs in operating the PDFS system, combined with ECA and evaluators' recommendations, resulted in a series of adjustments and refinements of the PDFS, as well as other EU and EUMS support programmes in Palestine since 2014.

CSP Component

20. The PA has substantial fiscal deficits and a large wage bill. The public sector wage bill (largely consisting of education and health sector personnel) amounted to 17% of GDP in 2012 and 14% of GDP in 2017. In GDP-terms, the PA wage bill ranks amongst the highest in the world whether compared to developed, developing, or fragile and post-conflict states.¹⁰
21. **Table 2** shows that the PA's recurrent expenditure has remained constant over the period 2014-17 as a share of GDP (at around 30% of GDP). **External financing** dropped over the same period from approximately 10% of GDP in 2014 to around 4% in 2017. The CSP share (EU and EUMS financed) in this external financing increased from nearly 17% to 23%.¹¹
22. The PA, as well as a number of DPs, view the Civil Servants & Pensioners (CSP) programme as a 'necessary' and also relied-upon contribution to the PA civil service wage & pensions bill.

Table 2: PA GDP Total Expenditure and Wage Bill: 2017 [in USD million & % of GDP]

Nº	Item	2014		2015		2016		2017	
		MUSD	% of GDP	MUSD	% of GDP	MUSD	% of GDP	MUSD	% of GDP
1	GDP (nominal)	12,697	100.0	12,702	100	13,553	100.0	15,011	100.0
2	Total Net Revenues	2,744	21.6	2,756	21.7	3,457	25.5	3,567	23.8
3	Gross Domestic Revenues	870	6.9	855	6.7	1,224	9.0	1,154	7.7
4	Tax Revenues	601	4.7	606	4.8	623	4.6	764	5.1

¹⁰ Public Expenditure Review of the Palestinian Authority – Towards Enhanced Public Finance Management and Improved Fiscal Sustainability (PEF), World Bank, Sep 2016. This percentage may increase by up to 4% upon the merger of the West Bank and Gaza administrations under a consensus government.

¹¹ With an average of 22%, largely due to a peak share of 28% in 2016.

Nº	Item	2014		2015		2016		2017	
		MUSD	% of GDP	MUSD	% of GDP	MUSD	% of GDP	MUSD	% of GDP
5	Non-Tax Revenues	270	2.1	249	2.0	601	4.4	390	2.6
6	Clearance Revenues	2,049	14.7	2,055	16.2	2,325	17.2	2,486	16.6
7	Recurrent Expenditure & Net Lending	4,068	32.0	3,976	31.3	4,202	31.0	4,370	29.1
8	External Financing for Recurrent Expenditure	1,027	9.6	709	5.6	603	4.5	546	3.6
	Of which: CSP	172 [16.7%]	1.4	138 [19.5%]	1.1	171 [28.4%]	1.3	123 [22.5%]	0.8
9	Wage Expenditure	2,050	16.1	1,914	15.1	2,041	15.1	2,120	14.1
	Of which: CSP	172 [8.4%]	--	138 [7.2%]	--	171 [8.4%]	--	123 [5.8%]	--
10	Non-Wage Expenditure	1,732	13.6	1,761	13.9	1,893	14.0	1,983	13.2
11	Net Lending	286	2.3	301	2.4	268	2.0	267	1.8
12	Recurrent Balance	-1,324	-10.4	-1,220	-9.6	-745	-5.5	-803	5.3
13	Development Expenditure	262	2.1	230	1.8	335	2.5	367	1.7
14	Overall Balance (before external support)	-1,586	-12.5	-1,450	-11.4	-1,080	-8.0	-1,170	-7.8
15	Arrears (net)	493	3.9	483	3.8	442	3.2	363	2.4
16	Financing Gap	5	0	5	0.0	5	0.0	0	0.0

Source: Report to Ad Hoc Liaison Committee, IMF, April 2017 & March 2018; based on Ministry of Finance & Planning figures. Shaded rows (CSP): team calculations.

VPF Component

23. The purpose of the PEGASE programme, *Supporting the Palestinian Social Protection System*, is to support households living in extreme poverty in the West Bank and Gaza who receive quarterly social allowances under the national CTP managed by MoSD.¹²
24. PDFS/VPF contributes to the quarterly payment of social allowances to poor and vulnerable Palestinian families in the West Bank and the Gaza Strip registered in the PA's national CTP database.¹³ The PDFS/VPF financial contribution has been guaranteeing the basic needs for the poor segments of the Palestinian population. VPF is contributing to the legitimacy of the PA by enabling it to deliver a basic level of social protection.¹⁴
25. The VPF component of PDFS contributed an amount of EUR 415,358,739 million to the CTP in the period 2008-2017¹⁵. In 2016, VPF contributed EUR 55,108,969, which represented 43.1% of the total CTP budget (EUR 128 million). In 2017, the CTP budget totalled EUR 123.4 million, with EUR 51,838,250 (41.6%) provided by the EU and EUMS.¹⁶ Furthermore, EU provided an annual EUR 10 million to Gaza to counter the deterioration of the social and economic situation following the 2014 hostilities.
26. From the PA point of view and that of social protection stakeholders, the VPF instrument plays an essential role in providing a minimum income to poor families.

¹² Memorandum of Understanding – *Mécanisme Palestino Européen de Gestion et d'aide Socio-Economique* – Component 2: Supporting the Palestinian Social Protection System, Ares (2017)5675372-21/11/2017.

¹³ FA: PDFS 2016 (ibid).

¹⁴ Evaluation of EU Support to Social Protection in External Action 2007-2013, Final Report, Volume II, Country Report – Palestine, Particip Consortium, January 2018.

¹⁵ PEGASE database 2017, See Table 5.

¹⁶ PEGASE database 2017, See Table 5.

27. The PA sees social protection as a human rights tool that contributes to ensure decent standards of living to the poorest strata of the population and respect their rights and dignity.
28. The VPF aligns with four (out of ten) national priorities listed in the *Palestinian National Policy Agenda* (PNPA) 2017-22: Social Justice & Rule of Law, Citizen-Centred Government; Inclusive, Quality Education for All; Inclusive and Quality Health Care for All. The VPF is relevant to Pillar 3 of the *European Joint Strategy in Support of Palestine 2017-2020* (EJS) relating to sustainable service delivery, which covers the Education, Health and Social Protection sectors.
29. VPF is relevant to the vision of the *Social Protection Sector Strategy* (SPSS) 2017-2022. The strategy pursues a resilient, cohesive, productive and innovative Palestinian society that provides dignified life for all its members and unleashes their potentials and believes in rights, equality, justice, partnership and inclusivity.

EJH Component

30. The epidemiological transition from infectious diseases to non-communicable diseases creates a heavy burden on tertiary healthcare services for which the public sector is still ill equipped to address. Operational support to the six East Jerusalem non-governmental organisation (NGO) hospitals, who raise their own capital requirements through their own DP networks, reduces the need for expensive referrals to Israeli and neighbouring country hospitals. This support furthermore sustains the PA's institutional presence in Jerusalem, which is no longer the case in most sectors other than health.

Robust but Complex Mechanism

31. The PDFS system is – in the view of the PA, the EU and DPs – a robust and rigorous system of IT-based financial control, as well as an internal and externally contracted, independent ex-ante, ex-post and annual audit.¹⁷ It has been subjected to European Court of Auditors (ECA) performance audit (2013), as well as a series of independent evaluations, most recently in 2016 for the period 2014-2015¹⁸.
32. The system remains complex, even in spite of several attempts at its simplification since being established in 2008, most recently in 2014. Its procedures involve a total of 27 steps that are repeated during each payment and subject to very close timing. On the Commission's side the system involves 13 staff¹⁹ at any one time.
33. As observed by independent auditors in 2016, the lack of automated updates of the human resources database operated by the General Personnel Council (GPC) and the payments database operated by MoFP continues to be a major bottleneck for CSP, involving much hard copy-based verification²⁰.
34. Given the earlier simplification attempts and the current generally acknowledged robustness of the system, the PDFS mechanism is likely to continue to operate as is. On the PA side, the MoFP appears to have accepted this, although its Chief Accountant expressed a desire to involve at least three banks (instead of the current single bank) in negotiating

¹⁷ The PEGASE related external contracts include, in addition to the three audit ones, a contract for managing the PEGASE database and a contract for screening PEGASE DFS beneficiaries against international sanction and other lists.

¹⁸ Evaluation of the PEGASE Programmes of Direct Financial Support to the Palestinian Authority and Results Oriented Framework in the period 2014-2105 – Ref: 2016/370455 – Final Report.

¹⁹ Nine staff at EUREP and 4 staff at Brussels headquarters.

²⁰ Evaluation of the PEGASE Programmes 2014-15, *ibid*, page 5.

exchange rates²¹ and an easing of the requirement that all payments be made on a single day (P), by also allowing payments on days P-1 and P+1 for CSP.

35. Until the end of 2017, PDFS was not subject to the 'conditionality' that often applies to EU budget support in other parts of the world.

Evaluation Question 2: Policy Dialogue Facilitation

Does the PDFS have an EU added value and facilitate an evidence based, coherent policy dialogue with the PA, amongst the EUMS and the donor community at large?

Assistance Coordination & Ownership

36. Development aid coordination has been organised through the *Local Aid Coordination System/Secretariat* (LACS) since 2011. In January 2018, LACS was restructured so as to align it to the PNPA and facilitate policy dialogue, instead of merely maintaining records of aid flows and exchanging information. LACS is under the umbrella of the PMO and is supported by Norway, the Office of the UN Special Coordinator for the Middle East Peace Process (UNSCO) and the WB. However, LACS efforts are still insufficient, given PA ministries' limited capacity to engage in DP coordination. The sector working group in Health, Education (deputy chair: Finland) and Social Protection (deputy chair: EU) meet regularly. The Public Financial Management (PFM) working group was not functional, but a DP group led by the IMF meets regularly. The new LACS structure foresees a PFM working group, chaired by the MoFP.

EU & PA Coordination and Policy Dialogue

37. The 2013 ECA performance audit and the July 2014 external evaluation of the EU cooperation with Palestine recommended to shift PEGASE DFS towards a 'results-oriented approach' aiming to guide/formalise a more structured, coherent results-oriented policy dialogue, with stronger monitoring and evaluation of PA's achievements in key areas. Following these recommendations, the EU and the PA agreed on a pilot Results Oriented Framework (ROF) for the period April 2015 to December 2015. It was then extended until December 2016.
38. The Pilot ROF covered 6 sectors under the umbrella of two pillars: (1) Fiscal consolidation and policy reforms with (a) Macro-economic support/Fiscal outlook – led by the EU, (b) PFM – led by the EU, (c) Public Administrative Reform (PAR) led by the United Kingdom (UK), and (2) Service Delivery with (a) Education – led by Belgium, (b) Health – led by Italy, (c) Social Protection – led by the EU. The selection of EU Leads was determined by the EU/MS division of labour included in the Local Development Strategy in Palestine. Under this framework, 29 indicators were negotiated with the PA; first at sector level with the relevant line ministries/agencies, then at central level with the PMO. Civil society, other DPs and relevant stakeholders were also consulted. The EU lead DPs (mainly at the level of Heads of Cooperation) conducted sector-level quarterly meetings with their relevant counterparts to follow-up on latest developments and progress toward agreed targets. Twice a year, EUREP (Head of Cooperation) and the PMO (Head, Policy Priorities & Reform Unit) co-chaired high-level policy dialogue meetings where progress and challenges on the overall ROF were discussed.

²¹ According to EUREP, the MoFP were supposed to come forward with a proposal on how to ensure competition for exchange rates and handle the corresponding transfers between – in that case – more than one account.

39. Since 2015, EDPs have been working on developing the first-ever EJS for the period 2017-2022, closely aligned to the new PNPA 2017-2022 and in line with the SDGs. It was endorsed by Heads of Mission in December 2016 and entered into force at the end of 2017.
40. At the same time, the PA completed the PNPA 2017-2022. **Table 3** may show that the EJS and the NPA cover largely the same ground, but the two documents differ considerably in purpose, structure and content.

Table 3: PNPA 2017-2022 Pillars & Priorities and EJS 2017-2020 Pillars

		European Joint Strategy (EJS) 2017-2020: 5 Pillars				
		Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5
Palestine National Policy Agency (PNPA) 2017-2022: 3 Pillars, 10 National Priorities		Governance Reform, Fiscal Consolidation & Policy	Rule of Law, Justice, Citizen Safety & Human Rights	Sustainable Service Delivery	Access to Self-Sufficient Water & Energy Services	Sustainable Economic Development
Pillar 1 – Path to Independence						
1	Ending the Occupation; Achieving Independence	✓				✓
2	National Unity	✓	✓			
3	Strengthening Palestine's International Status	✓	✓			
Pillar 2 – Government Reform						
4	Citizen-Centred Government		✓	✓	✓	
5	Effective Government	✓	✓	✓		
Pillar 3 – Sustainable Development						
6	Economic Independence	✓				✓
7	Social Justice & Rule of Law		✓			
8	Quality Education for All			✓		
9	Quality Health Care for All			✓		
10	Resilient Communities		✓	✓	✓	✓

41. **The EJS 2017-20 is much lauded as a joint programming effort**, although DP representatives acknowledged that it cannot overly influence capitals' priorities and funding decisions. At the moment, only the EU has replaced its strategic and programming document with the EJS.

A New ROF beyond PDFS

42. In 2017, the PA and EDPs decided to develop further strategic and result/performance-based approaches to development and extend the initial pilot PEGASE joint result monitoring to the EJS five pillars and respective sectors as well as to cross-cutting themes (gender, youth and environment).
43. The work on the ROF, the EJS and the PNPA in the course of 2016-17 and the frequent consultations amongst DPs and between DPs and the PA appears to have stimulated the policy dialogue between DPs and the PA. In general, the DP and PA representatives consulted in the context of this evaluation commented positively on the process, outcome and future sustainability of the policy dialogue, although some considered this a matter for countries and Commission headquarters in Brussels.

²² *European Joint Strategy in Support of Palestine 2017-2020 – Towards a democratic and accountable Palestinian State*. The EJS addresses five 'pillars': governance reform; rule of law & human rights; sustained service delivery; access to water & energy; and sustainable economic development.

44. EUREP and the PA took the lead in the preparation of a new ROF for the period 2018-20 in 2017, with the help of consultants who started work in August of that year. The new ROF – scheduled for completion in mid-2018 – is a work in progress, but one that has been subject to much discussion between DPs in 2017 and the beginning of 2018.
45. As a result of those discussions, as well as the earlier work on the EJS, the new ROF departs in design from the pilot 2015-16 ROF related to PEGASE. It is less process and output, and much more impact and outcome-oriented. Its core is the ROF matrix, a spreadsheet setting out the intervention logic for 16 sectors and cross-cutting issues. The indicators include baselines, milestones (2018 and 2019) and targets (2020) and have been taken from the relevant PA sectors strategies. The template includes space for recording progress against each indicator.

Linking up with the SDGs

46. Several EDP representatives referred to their countries' commitment to linking EU support to the SDGs and mentioned the need to reduce statisticians' work load and the duplication of effort²³. In effect, PDFS 2016-17 consists of interventions that link to, respectively: SDG1 – No Poverty, SDG3 – Good Health & Well-Being, SDG4 – Quality Education, SDG 10 – Reduced Inequalities, SDG16 – Peace, Justice & Strong Institutions; and SDG17 – Partnerships for the Goals (including PFM). EUREP confirmed that – in accordance with the 2017 *European Consensus on Development* – even more heed will be taken of the SDGs in future programming, which should flow above all from the sector strategies and ultimately the PNPA. It is estimated that 14 of the 17 SDGs are directly relevant to EU and EDPs support to the PA.
47. The LACS confirmed that it had not yet focused on SDGs but acknowledged that an evaluation of the first year of the PNPA in the first half of 2018, would make a good starting point.
48. SDGs gained the attention of the PA only relatively recently, however:
 - Palestine hosted the *United Nations High-level Group for Partnership, Coordination & Capacity-Building for Statistics* in July 2017.
 - Some SDG indicators and targets appear in sectoral strategies and the Government endorsed the *National Development Strategy for Statistics 2018-22* developed by the PCBS and which acknowledges the need to address SDGs.
 - The PCBS has stated that it covers 70% of SDGs in one way or another in the medium-term planning for its statistical work.
 - Although the PNPA does not include SDGs and related targets and indicators, they are included in various sector strategies that will be fed back into the PNPA in the future.
 - The PCBS is working together with the United Nations Statistics Division (UNSD) on a digital online 2030 Agenda implementation monitoring tool, together with 19 countries. First results of this cooperation are expected by end-2018.
49. In this context it is to be noted that the EU supports the work of the PCBS with grants; in particular funding was provided for the Population, Housing and Establishment Census 2017. The grants enable the PCBS to cover the cost of the large number of part-time field workers that surveys – inter alia necessary for monitoring PA strategy and SDG implementation – typically require.

²³ For instance, during the meeting of the Reference Group on 19 April 2018.

Evaluation Question 3: Contribution to the Two-State Solution; Political & Socio-Economic

Given the political situation in Palestine, has the PDFS mechanism been able to contribute in a sustainable manner to the viability of the Two-State solution and sustenance of the basic living conditions of its people?

PDFS Upholds Human Rights and Dignity

50. PA interlocutors tend to emphasise the human rights/dignity aspects of PDFS: ensuring minimum living standards/services. Many interlocutors within the PA administration and amongst NGO representatives consider this the main point of the PDFS, i.e. helping those in need who have the least power to influence the administration. Without PDFS, vulnerable Palestinian families, including women-headed and refugee households, would find it hard to make ends meet, adding to the mix of factors potentially causing social unrest, as confirmed in interviews conducted by the evaluation team with PA (MoSD and MoFP) staff, NGO representatives in Nablus, and beneficiaries in Ramallah. However, this argument has more bearing on the VPF and EJH components of the PDFS than on its CSP component.
51. The PDFS mechanism *raison d'être* combines a number of arguments (its firm audit base and trusted payment routines) with an appreciated indication that the human rights and dignity of the Palestinian people matter to the international community.

PDFS: Necessary but Not Sufficient

52. Most interlocutors agree that the overall objective of PDFS to '***maintain the viability of the Two-State solution***' remains opportune in that it contributes to:
 - sustaining the PA as a viable sovereign entity (political); and
 - enhancing trust between the PA and the Palestinian population to ensure basic (socio-economic) living conditions.
53. **PDFS is seen by many DPs as 'a necessary, but not sufficient instrument'**, given the political – and often overly politicised – context, but one that merits continuation, if only for want of any obvious, better alternative. This and the realisation that the PA is in a very difficult place, keeping it running to maintain the viability of the Two-State solution strikes many DPs as paramount.
54. Judging by the reaction of many PA interlocutors with regard to this overall objective, PDFS is not as visible within the PA as might be expected, given its 10-year history.
55. The analysis of the intervention logic and the 'reconstruction' of the theory of change recognise that '*maintaining the viability of the Two-State solution*' is the overall objective of PDFS (FAs for 2016 and 2017). However, the theory of change, though plausible in many respects, cannot easily make the jump from the three types of impact just under the apex of the theory-of-change (ToC) – i.e. *Palestinian People's Human Rights Protected*, *Palestinian People's Dignity Safeguarded* and *Social Cohesion Enhanced* – to that very apex, i.e. *Viability of the Two-State Solution Maintained*. In this context, it should be noted that the EU as programme implementor is a contributor towards – and not solely responsible for – achieving the desired impact.
56. The political character of the PDFS overall objective was strongly felt in the previous evaluation of PDFS (for the 2014-15 programme year) and repeated by DP interlocutors for the present evaluation.²⁴

²⁴ Evaluation of PEGASE Programmes 2014-2015 (ibid), page 8: which are essentially to support the viability of the 'Two State Solution' and as such is essentially political in nature.

Key Assumptions

57. The political character appears to be confirmed by the somewhat surprising fact that pursuit of the viability of the Two-State Solution is not only the stated overall objective of PDFS, but also the key and first-listed of the assumptions underpinning the PDFS for 2016 and 2017 [Table 4²⁵]. It cannot be both a goal and an assumption, and the circular reasoning involved may be indicative of a felt need to stress the desirability of the Two-State Solution.
58. This view is reinforced by the fact that no stakeholder representative, with one exception referred to the third assumption [Table 4], which relates to the Government of Israel respecting its obligations under the Oslo/Paris accords. That Government's continued ignoring of those obligations – thereby negating another key assumption underpinning PDFS 2016-17 – has not had any material consequences in terms of the continuation of the PDFS.
59. This seems to underline the notion that the pursuit of the Two-State solution is a higher political goal, quite beyond any intervention logic pertaining to the PDFS instrument itself. This demonstrates the limits of the logframe and ToC approaches in the design and implementation of this kind of financial support, given that budget support is normally subject to strict conditionality²⁶, including periodical assessment of the risks and assumptions.

Table 4: PDFS 2016-2017 – Assumptions²⁷

Assumptions	Assessment/Remarks
The two-State solution is still the political aim supported by the EU, and the EU continues supporting the <i>PA as part of EU support for a peaceful solution</i> (2016) or <i>in view of a peaceful solution</i> (2017)	There is a mix up of goal and assumption: The EU has set furtherance of the two-State solution as the ultimate goal of PDFS. It cannot, at the same time, be a key assumption for realising that particular impact. The slight change in the wording between 2016 and 2017 of this assumption seems unintentional
The PA continues to be committed to its statehood agenda and the reconciliation process	Plausible assumption
The Government of Israel respects its Oslo/Paris agreements' commitments, notably in terms of transfer of clearance revenues, and does not impose further restrictions under the occupation	Assumption <i>de facto</i> not validated, but without consequences in terms of amendment of PDFS
Contributions from EU Member States and other DPs will be made available during the implementation period to complement the proposed funds	Assumption validated
Full co-operation with the PA is essential. This co-operation needs to be maintained, in particular for the identification of eligible beneficiaries and timing of payments and for the identification of eligible expenditure	Plausible assumption; EUREP has actively and consistently sought full cooperation with the PA on this since the advent of PDFS (Several assessments and evaluations attest to this)

²⁵ Table 2 is an excerpt of the intervention logic of PDFS as summarised in Parts C & D of Annex 5.

²⁶ As pointed out by EUREP's Finance & Control in relation to the lack – until the 2018-20 programme – of a conditionality link between the PDFS and policy, including reform. The new Incentives-Conditionalities Matrix 2018-20 contains 16 indicators (with baselines, priorities and milestones for 2018, 2019 & 2010), related to public administration, civil service and PFM reform.

²⁷ **Source:** Action Documents PEGASE DFS 2016 and 2017. Differences in the relevant sections of the Action Documents for 2016 and 2017 are marked in *italic* font.

From a Political to a Pragmatic Goal

60. It is noted that the Commission Services have adopted a more technical and measurable approach to the intervention logic of PDFS for the three-year period 2018-20, with a more realistic overall objective. The Financing Agreement states that the Action **overall objective** is to *build effective and accountable institutions ready for statehood and enable inclusive social development*. The achievement of that overall objective will be easier to monitor and assess, and improves the rigour of the intervention logic.
61. The new approach of 2018 PFDS is reflected in a single, clearer **specific objective**: *Improved public services responding to citizens' needs, including those of marginalised groups*. Also, the four expected results underpinning the objectives breathe a more realistic air:
 - **Result 1**: Selected institutions deliver efficient and needs-based services;
 - **Result 2**: Timely and regular payment of salaries and pensions are made by the PA;
 - **Result 3**: Timely and regular payments of social allowances are made by the PA;
 - **Result 4**: People in need of medical referrals have access to East Jerusalem Hospitals.
62. The actions set out for PDFS 2018-2020 are explicitly linked to the EJS 2018-20, in particular Pillar 1 – *Governance Reform, Fiscal Consolidation & Policy* and Pillar 3 – *Sustainable Service Delivery*. Importantly, the PDFS allocation for 2018-20 includes a specific provision (EUR 13.2 million) for *Result 1 – Selected institutions deliver efficient and needs-based services*, which will include complementary institutional capacity building activities, and other reform related interventions.

2.2 Civil Service & Pensions (CSP) Component

Evaluation Question 4: CSP Support to Service Delivery

Does the support to the Palestinian administration contribute to the effective delivery of transparent and sustainable services in a socially acceptable manner?

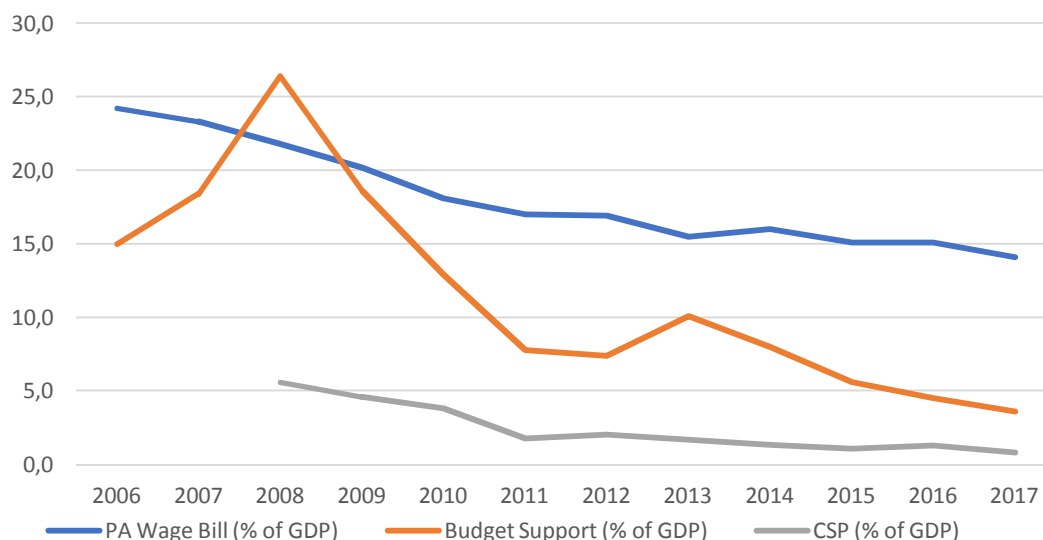
PA Wage Bill & CSP

63. As noted above, the Civil Servants & Pensioners (CSP) programme is viewed – by the PA, as well as some (not all) EDPs – as a 'necessary' and also relied-upon contribution to the PA civil service wage & pensions bill.
64. In 2016 the total number of the CSP potential eligible beneficiaries was around 68,000 beneficiaries in West Bank and Gaza, out of which 12% were identified as pensioners and 88% civil servants, based on October 2009 and June 2015 payrolls. In early 2017, a new reference population of potential eligible beneficiaries was identified based on October 2014 and November 2016 payrolls (Gaza civil servants and pensioners became ineligible). The 2017 CSP reference population includes around 58,000 beneficiaries, out of which 16% are pensioners²⁸.
65. As shown in **Table 2** above, the PA total wage bill remained constant over the four years at around USD 2 billion per year, representing 50% of recurrent expenditure in the period 2014-17. The share of CSP payments in the wage bill fluctuated between 8% in 2014 and 6% in 2017.

²⁸ The Financing agreement (FA) for PDFS 2018-20 speaks of 58,000 CSP recipients and CTP to 70,000 families (80% of the latter in Gaza).

66. The PA wage bill as a percentage of GDP shows a downward trend since 2006, amounting to 10% over the decade until 2017, i.e. a steady decrease of about 1% of GDP per year, mainly due to increasing GDP [Figure 1].

Figure 1: PA Wage Bill and Budget Support 2006-17 and CSP payments, 2008-17 (as % of GDP)



67. External financing of recurrent expenditure (budget support) over the period shows a much steeper decline, from 26.4% in 2008 to 3.6% of GDP in 2017, i.e. an average decrease of 2.5% per annum since 2008.
68. The PDFS component for CSP decreased from a level of around 4-5% of GDP in the period 2008-2010, to around 2% of GDP in 2011-2013 with a slow decline to under 1% in 2017.
69. For the period 2018-2020, PDFS expenditure on CSP (not including any EUMS contributions) is forecast to amount to EUR 85 million per annum or approximately 0.6% of GDP²⁹.

Recurrent Expenditure & Budget Support

70. In its October 2017 proposal for a new USD 30 million Development Policy Grant (DPG), the WB assessed Palestine macroeconomic risk as high. The macro-fiscal outlook is poor with considerable downside risks, related to possible conflict in both Gaza and the West Bank which will affect business confidence. Further decline in the budget support provided by DPs would make the outlook worse. The PA narrow tax base and lack of access to international financial markets, combined with declining DP support and faltering economic growth pose risks to the sustainability of the PA's public debt (36.1% of GDP).³⁰
71. **Figure 1** (based on IMF figures) confirms the WB observation that external financing both for recurrent expenditure (budget support), including development expenditure dropped significantly from its peak of nearly 30% of GDP in 2008. By 2014, external financing – almost entirely grants – had dropped to 10% of GDP. If DPs' contributions to Gaza reconstruction after August 2014 are excluded, external financing for the PA fell to 7% of GDP in 2015. In nominal terms, external funding for the PA budget in 2016 amounted to

²⁹ Based on IMF forecast for GDP (in million USD, nominal) for 2018-20, calculated at constant exchange rate EUR/USD of 1.23 for the period. The high EUR/USD exchange rate in the period 2008-2014 (>1.35:1 compared with 1.12:1 until end-2017) inflates the drop slightly.

³⁰ EUREP's Head of Finance & Contracts concurred in this risk assessment by pointing to the continuous deficit the PA runs (at around an annual 7% of GDP). This deficit, combined with a lack of access to the international financial markets, leads to delayed payments for goods and services and hollows out of the PA's pension fund, with possible repercussions on the sustainability of the PA and – by implication – the viability of the Two-State Solution.

some USD 800 million, i.e. USD 1,000 million less than in 2008. While budget support and DP aid directed toward development projects were both reduced, the most significant drop occurred in budget support grants.³¹

CSP Impact

72. It is hard to assess to which extent the PDFS is a stimulus for enhancing public services delivery 'across-the-board'. This is largely the result of interlocutors being at a loss to pinpoint specific improvements in service delivery, and partly a consequence of perception on the part of the PA and DPs both. The impact of the CSP programme will be more easily assessable at sectoral level (education, health and justice) where key SMART (*Specific, Measurable, Attainable, Relevant & Time-bound*) outcome indicators for programmes in those spheres can be measured and related to outputs/inputs.
73. PA interlocutors do not generally see a direct connection between CSP and global service delivery, although interlocutors did not offer an explanation.³²
74. For DPs, a main feature of the PDFS mechanism, and especially its CSP component is that it protects their money and also provides the capacity to absorb rapidly any funds undisbursed under a strict annual budgeting & disbursement regime. Quite apart from reform, a number of DPs see the CSP component as essential because without it there might not be a civil service to work with.

Evaluation Question 5: CSP Support to System Reform

Does the support to the Palestinian administration and services facilitate the civil service reform process?

Civil Service & PFM Reform

75. DPs did not generally link the 2016-17 PDFS CSP component to effective public administration reform, including PFM reform. The work on ROF 2018-20 and the EJS has raised expectations amongst DPs that more effective leverage be obtained in the coming years, *inter alia* in respect of health, education and justice.
76. Several DPs expressed doubt with regard to the extent to which the PDFS at large and the CSP component in particular acted as a lever to the further enhancement and reform of the public administration in Palestine.³³ The Dutch *Inspection of Development Cooperation* published a report (2016) that found such leverage to be insufficient. Some, but not all DPs, shared an expectation that an incentive-based CSP component might increase leverage.³⁴

³¹ Public Expenditure Review of the Palestinian Authority (PEF), World Bank, September 2016.

³² This is unlikely to be due to insufficient 'visibility effort' on the part of the Commission or the PA. PDFS exists since 2008 and has a large footprint, especially where its VPF component is concerned. More probably, it results from PDFS having become 'routine', a standard part of the PA's household.

³³ As stated (§72) there is no hard evidence to underpin the success or otherwise of PAR in terms of services delivery. After Denmark in 2014, Sweden discontinued its contribution to the CSP component in 2017. Although satisfied with the security of payments, it sensed a lack of accompanying reform. Other DPs see leverage provided by the VPF component, but little evidence of leverage resulting from the CSP component. This contrasts with the substantial contributions to CSP of some EUR 52 million by the United Kingdom (2016-17) and of EUR 1.5 million by the Netherlands (2017).

³⁴ One DP considers the PDFS unsuitable for reform. It sees it as a secure payment targeting instrument, but one that cannot and should not be used to leverage reform. In its view, only capacity building can be expected to induce reform.

77. The PFM Sector Strategy 2017-2022 has a number of good features, including an expansive monitoring and implementation framework³⁵, containing a long list of procedures and measures, many of which accompanied by specific indicators. Although quite of number of these were supposed to have been rolled out in 2017 (e.g. enhancement of the *Medium-Term Fiscal Framework*), there is little clarity on whether the related work on the part of the PA had actually commenced. MoFP stated that, for the moment, the focus was on reducing red tape³⁶ and less on individual measures. That said, the bulk of the measures are foreseen to be implemented from the beginning of 2018 onwards and positive impact can only be assessed in the future.
78. Strong economic growth between 2007 and 2012 contributed to the continued reduction of the PA wage bill relative to GDP. In 2013, however, the PA wage bill was still equivalent to 49.5% of total expenditure, 52% of recurrent expenditure, and 83% of PA revenues.³⁷
79. Notwithstanding the size of its wage bill, the overall size of the PA public employment is not large relative to that of other countries. Public sector employment in the West Bank and Gaza is equivalent to only 4.6% of the Palestinian population.³⁸ The large wage bill is due mainly to the high average salary paid to PA employees. The PA average wage relative to GDP/capita is higher than in any other region in the world relative to the size of its economy (with the exception of some African countries with a much smaller government sector), as a result of government policies and wage bill management practices.
80. These practices include substantial increases³⁹ in the number of public employees outside of the education, health and security sectors until 2013, the absolute level of public sector salaries, a large (non-police/prison staff) public security sector, a relatively overstaffed education and health sector, a generous allowances system, use of temporary, better-than-average paid public personnel and a public sector wage structure higher than that of the private sector.
81. Due to stalling growth and increasing fiscal challenges in 2012, the PA adopted a “zero-net-hiring” policy that continues to be in force. Ministries and agencies are permitted to replace staff who leave but not to add new positions or fill existing vacancies.
82. EU, EUMS and other DPs, as well as PA efforts are resulting in reforms aimed at limiting the wage bill and improving hierarchical balance in the civil service, including:
 - job classifications and job descriptions;
 - transparent recruitment; and
 - performance appraisal.
83. The EU provided the GPC with technical assistance (TA) in the form of the Support Civil Service Reform in the West Bank and Gaza Strip project⁴⁰. The project supported the PA’s efforts to modernise and streamline its public administration, develop a professional and

³⁵ PFM Strategy, pp. 16-18.

³⁶ Without compromising on security and transparency with regard to PDFS payments (be they CSP, VPF or EIH related). Any mistakes would necessitate repayment under already strained budgetary conditions.

³⁷ This compares with an average wage bill/revenue ratio 25% for 154 countries (PEF, WB, *ibid.*)

³⁸ Some 17% below the average for 75 selected developed and developing countries (PEF, WB, *ibid.*)

³⁹ *Spurred inter alia* by context-specific limitations such as the lack of opportunity in a private sector stunted by occupation-related consequences on trade, commercial enterprises and the economy at large.

⁴⁰ Duration: 30 months, until May 2016; budget: EUR 1.4 million. Achieved deliverables: new civil service law (now in third reading), a modern human resources framework and training needs-based human resources management training.

impartial civil service with an organisational culture based on responsiveness to citizens' needs.

84. In 2014, the PA – represented in this case by the GPC – embarked upon developing a public sector personnel strategy geared towards the introduction of a new civil service law⁴¹, flanked with job classification, detailed job descriptions for each position, transparent recruitment, more stringent use of annual performance appraisal, merit-based, non-cross-service promotion and a new allowance and incentive scheme.⁴² The new civil service legislation is currently in third reading by the Cabinet. The GPC expects additional TA⁴³ and possible Twinning with a EUMS administration⁴⁴ will complete the civil services procedures reform over the next two years until end-2019.
85. Although many interlocutors mentioned an improved atmosphere for increased policy dialogue on agreed upon reforms, over the two-year period under consideration, this does not cover all sectors. With the ministry focussing until recently on liquidity and cash flow management, the MoFP reportedly paid little attention to further improvement of public financial management (PFM). Several interlocutors quoted this as the reason for the comparatively late completion (in 2017) of the PFM Sector Strategy.

Introduction a PDFS Incentive System for the CSP component 2018-2020

86. The EU and some EUMS trust that the present volume of the CSP and the incentive approach for over 20% of the CSP component (i.e. one of the five annual CSP payment tranches for the three-year period 2018-20 and representing EUR 20 million of a total wage bill of EUR 85 million) may help propel PFM reform in the medium-term. Disbursement of this tranche for PEGASE 2018-2020 would thus become subject to the PA meeting detailed criteria related to PFM reform and an important aspect of civil service reform.⁴⁵
87. The incentives cover 4 specific areas in the sphere of PFM, most being under the control of the MoFP and one under that of the *State Audit & Administrative Control Bureau*. These areas concern: (i) budget transparency (budget preparation, monitoring & reporting); (ii) public procurement transparency; (iii) payroll control & system modernisation; and (iv) control process effectiveness.
88. The incentive approach defines indicators, with priorities, baselines and milestones ('medium-term reform expectations') for each of these four areas. The draft seen by the evaluation team includes a full set of nine indicators and plausible baselines and milestones for area (i) – budget transparency. The same applies for the two indicators and the priorities and milestones for area (iv) – control process. The four indicators and related baselines and priorities for area (iii) – payroll modernisation – are defined plausibly, although the 2019 and 2010 milestones for two indicators in this area remain to be formulated. The priority and milestones for the single indicator for area (ii) – public procurement – are foreseen to be defined in the first half of 2018.
89. Some DPs expressed a preference for softer performance indicators and above all ones accepted as practical by the PA. Only PA ownership of the conditionality may in this view be

⁴¹ Replacing legislation dating from 2005.

⁴² A 'no-growth' hiring policy is already in place, with new hiring limited to the replacement (once) of deceased and resigned staff. The policy does not apply to MoEHE and MoH staff.

⁴³ Including TAEX support commencing in July 2018.

⁴⁴ Initially in the areas of Audit, Customs and Statistics, but to be rolled-out to another five areas.

⁴⁵ The limited amount of CSP contributions to the wage bill and the fungibility of PDFS payment tranches (5 out of 12 annual payments) may undercut the effectiveness of linked conditionality, which in any case will be applied to only one tranche.

expected to leverage reform. Such ownership would be thwarted by having too many indicators on the table at the same time, especially if the indicators agreed with the various DPs pull in different directions. EUREP in this connection points to the fact that the selection process, which involved the DPs and the PA from July 2017, was intensive and that the number of indicators selected for 2018 is limited to 10. Practice will show whether this number is appropriate.

Divergent Views on Conditionality

90. The IMF would link conditionality to small, technical, clearly identifiable steps in reform, including PFM reform. The Fund, but also the WB, urge a 'selective' instead of a holistic approach to conditionality. In this view, the PFM Strategy (July 2017) must be seen as an attempt to satisfy DPs rather than as the PA tool for PFM and wider reform. There is a real fear that the search for long-term positive effects, such as raising the low level of foreign direct investment (averaging at 2-3% of GDP, 2008-17)⁴⁶ could jeopardize the fragile prevailing political equilibrium. Conditionality or a general incentive scheme aiming at reform is, in the eyes of some, perhaps too blunt an instrument in an environment where it pays to work closely with selected, trusted higher-level officials, amongst whom several are keen to implement the various sector strategies, including the PMF strategy.
91. The MoFP expressed commitment to an incentive-based approach and referred in this context to how the pilot ROF process 2015-2016 and the work on the EJS had signally demanded more attention on the part of the PA for better PFM (including the formulation of the PFM Sector Strategy and heightened accountability of the PA, the MoFP in particular). The MoFP ascribed lack of progress in the implementation of the PFM strategy to a lack of motivation amongst key staff. An incentive programme for staff to work with experts would increase motivation.
92. The MoFP, however, had not yet agreed to the stipulations of the new 2018-20 ROF and the link to the PFM Sector Strategy and the PNPA.⁴⁷ MoFP had made comments but would also insist on its own priorities being heeded. Reference was made in this context to the WB DPG in the amount of USD 30 million to promote fiscal stability & business environment in the West Bank and Gaza the indicators and the conditionality for which also need to be considered.
93. The WB sees its DPG as a signal to DPs of the importance it attaches to progress in implementing the PA's policy agenda. The DPG is expected to leverage around USD 45 million in additional resources through the Palestinian Recovery & Development Programme (PRDP) Trust Fund, which the Bank administers, thus mitigating the risk of reduced DP assistance on the PA finances. The WB counts on the simple design of the DPG

Palestine Recovery & Development Programme

The PRDP multi-donor trust fund (established in March 2018) was designed to help donors support the PA's policies as expressed in the PNPA 2017-22, by channelling budget support for its implementation. Budgetary support is provided directly to the Central Treasury Account of the MoFP. DP-provided contributions to the Trust Fund are untied and un-earmarked and linked to implementation of the PRDP policy agenda, which is monitored by the WB. Nine DPs – including 4 EUMS – contribute to the PRDP (Australia, Canada, Finland, France, Japan, Kuwait, Norway, Poland and the UK). The total of funding amounts to USD 1.541 billion (April 2018). The disbursement horizon of the Fund is 01 August 2020.

⁴⁶ Putting it in rank 101 in international foreign direct investment comparison (2016). *Source*: Global Economy.com.

⁴⁷ During the period covered by the evaluation most – and in any case the most important part – of the work on the ROF and developing the incentive approach was done. The adopted incentive approach plausibly followed from the work on the ROF.

and the Trust Fund⁴⁸, as well as strong PA ownership of the PNPA, to contribute to fiscal consolidation and reduced reliance on DP assistance over the medium term.⁴⁹

94. A significant difference between the workings of the PDFS and the WB's Palestinian Recovery & Development Programme (PRDP) appears to be that the former relies on essential procedural provisions for targeting beneficiaries (involving ex ante, ex-post financial controls and outside audit) and the latter on hands-on quarterly assessments by WB and IMF staff, in dialogue with the PA. Another difference is that the PRDP continues to be linked directly to the satisfactory implementation of the PA development plans, including the PNPA. Such an explicit link between the PDFS and the PNPA, through the ROF and EJS instruments, was introduced – as indicated above – for the first time in the PDFS for the period 2018-20.
95. The IMF regrets the decline in DP support and in particular budget support⁵⁰, including the EU contribution under the CSP component of PDFS, also because it forces the PA to resort to the financing of medium-term expenditure by short-term financing through 6-month promissory notes. In addition, DPs' increased short-term emergency assistance to Gaza has, in its view, a negative effect on the reform process of the PA, which relies on continued budget support. The IMF is less pessimistic about the MoFP technical ability to engage in PFM reform. One obstacle is the ministry's not unreasonable pre-occupation with putting out fires and balancing the books (given the March 2018 IMF forecast of a financing cap of more than USD 520 million in 2018 increasing to over USD 700 million in 2023). This fully occupies its higher-level officials and limits their degrees of freedom to pursue PFM, as well as other reform, such as in the area of pensions.

2.3 Vulnerable Palestinian Families (VPF) Component

Evaluation Question 6: VPF Support to Service Delivery

Does the support to the Palestinian social protection system through the Cash Transfer Programme reach the most vulnerable population in a sustainable manner?

96. As the findings in this section may show, PDFS/VPF 2016-17 support to the Palestinian social protection system centred on the PA's CTP has reached the most vulnerable population in a sustainable manner, but sustainability is linked to continued EU and EUMS funding of a substantial portion of the CTP, due to the PA depending on external assistance.

Poverty Context

97. Poverty and unemployment levels remain of serious concern in the West Bank and Gaza. Available PCBS data from 2011 indicate that poverty rates reached 18% in the West Bank and 39% in Gaza, with 70% of the population in Gaza being aid-dependent. These figures

⁴⁸ The PA provides quarterly reports on progress towards NPA goals. The WB, in consultation with the IMF, reviews these reports and makes disbursement decisions based upon satisfactory progress. The (typically quarterly) disbursements are made only after: (i) a rigorous assessment of the public financial management procedures adopted by the MoFP; (ii) a satisfactory assessment of the viability and priorities of the PA's annual budget; and (iii) a satisfactory assessment of the progress of implementation of the NPA. Over the 10 years of the PRDP's existence, it occurred only once that a quarterly payment had to be postponed as a result of requirements not having been met.

⁴⁹ From: WB, DPG, 13 Oct 2017.

⁵⁰ EUREP pointed in this context to a recommendation in the ECA Special Report 14/2013, to the effect that the EEAS and the Commission should reach an agreement with the PA for the funding of salaries and pensions from PEGASE DFS for civil servants in Gaza to be discontinued and redirected to the West Bank. As a result, a total of EUR 20 million was diverted to from Gaza to the West Bank, with 20 EUR million going towards the VPF component there and a further 10 EUR million taken from PEGASE for Gaza and directed towards productive investment in the Strip.

have increased due to the 2014 hostilities in Gaza, which pushed many Gazan families (even further) into poverty.⁵¹

98. The economy has not been able to create enough jobs, resulting in structural unemployment and unemployment rates reaching 27% in 2016 (18 % in the West Bank and 42% in Gaza, with youth unemployment at 58% in both West Bank and Gaza). It is estimated that poverty levels remained at around 25% of the total population in 2016.⁵²
99. In 2017, poverty was more widespread than previously believed; 29.2% of individuals were living below the poverty level. This is higher than the corresponding rate of nearly 26% in 2011. Moreover, deep poverty – i.e. inability to meet the minimum required for food, clothing and housing – increased from nearly 13% in 2011 to 16.8% in 2017.⁵³
100. In 2017, the Gaza Strip accounted for a higher percentage of national poverty than the West Bank: 71.2% as compared to 28.8%, respectively. Moreover, 33.7% of individuals living in Gaza Strip were suffering from deep poverty, compared with 5.8% in the West Bank. Deep poverty in West Bank decreased from 7.6% in 2011 to 5.8% in 2017.⁵⁴

PDFS/VPF Finance, Management & Auditing Regulations

101. EU support to the PA is governed by the interim Association Agreement, the Action Plan of the *European Neighbourhood Policy* (ENP), and the relevant MoU concluded between the EU and the PA in 2016 and 2017. The VPF financial contribution builds upon a scheme established under the *Temporary International Mechanism* (TIM) in 2006-2007. Since 2008, that support has been channelled through PDFS/VPF financed under the *European Neighbourhood Instrument* (ENI).⁵⁵
102. On the PA side, the leading partners in the implementation of the PDFS/VPF programme are the MoSD, as well as the MoFP (in relation to the execution of payments to final beneficiaries).⁵⁶ Since December 2010, a sub-account of the Single Treasury Account of the PA was opened specifically for EU and EUMS contributions to the programme. Payments to poor and vulnerable Palestinian families in the West Bank and the Gaza Strip are executed in accordance with Commission regulations. A sophisticated quarterly financial reporting system is in place and provides detailed information on all payments processed.⁵⁷
103. High standards of control have been achieved through audit, verification, control and monitoring systems governing the PDFS/VPF component. MoFP provides all necessary information and documentation to enable EUREP to implement it, while ensuring the highest level of verification and control over the use of resources. These systems are subject to continuous scrutiny by independent auditors. Ex-ante verification for payments includes identifying PEGASE eligible beneficiaries and/or invoices on the basis of criteria defined by the EU. Ex-post verification includes confirming that the funds were duly disbursed to eligible beneficiaries. Moreover, all direct beneficiaries of contributions

⁵¹ FA: PEGASE: *Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2016*.

⁵² Annual Report – Results-Oriented Framework – 01/01/2016 -31/12/2016.

⁵³ Poverty Profile in Palestine 2017, PCBS.

⁵⁴ Poverty Profile (ibid).

⁵⁵ TAPS-Appendix 1 – Component 2: Supporting the Palestinian social protection system; ref: Ares (2017)717482 – 09/02/2017; inclusion and resilience: the way forward for social safety nets in the Middle East and North African regions, World Bank, 2012 MENA Report.

⁵⁶ FA 2016 (ibid).

⁵⁷ FA 2016 (ibid).

channelled through PDFS/VPF are screened against international sanction lists, using specialised software.⁵⁸

VPF and CTP

104. EU-funded payments under PDFS/VPF, through the PA CTP, amounted to EUR 419,358,738 over the period 2008-2017 [Table 5]. The EU eligibility criteria for the PDFS/VPF payments include but are not limited to⁵⁹:
- Only beneficiaries below the deep poverty line as per the application of a proxy means testing formula (PMTF) are eligible. PDFS/VPF pays the social assistance allowance directly into beneficiaries' bank accounts or in cash over-the-counter at local banks (in Gaza only).
 - Beneficiaries have to be part of the reference population screened by the PEGASE VPF Global Assessment (last one done in 2016 by Deloitte). Ex-ante verification will exclude (the list is not limited): beneficiaries who are also beneficiary under CSP, whose name is matching World Check or World Compliance databases or appear on sanction lists.
105. Eligible beneficiaries are made aware of the date of payment through Palestine radio and TV announcements by the MoFP or by their contacting MoSD regional directorate offices. MoSD, with EU support, has developed limited promotion materials for PDFS/VPF.

Table 5: PDFS/VPF Financial Contributions, 2008-2017

Summary of Funds Disbursed Through PEGASE/VPF			
Year	Amounts [EUR]	Year	Amounts (EUR)
2008	32,923,848	2013	29,385,387
2009	40,939,269	2014	35,752,547
2010	36,672,705	2015	55,207,378
2011	41,125,991	2016	55,108,969
2012	40,404,394	2017	51,838,250
Total 2008-12	192,066,207	Total 2013-17	227,292,531
Grand Total 2008-17			419,358,738

Source: EUREP (July 2018)

106. By end-2016, some 112,984 poor and vulnerable households were registered on the CTP, including 73,141 in Gaza (64.7%). The 2016 CTP budget totalled EUR 128 million, equivalent to just over 1% of GDP and 4% of the PA's total expenditure and net lending. The EU and some EUMS contributed around 43% of the PA CTP budget. For 2017, the PA, by Ministerial Council decision, allocated EUR 123.4 million to the CTP, including a PDFS contribution of EUR 51.8 million, for an annual average family allowance of ILS 4,640 (EUR 1,100). By end of 2016 -2017, the CPT provided social allowances to an average of some 113,300 vulnerable families in the West Bank and the Gaza Strip, i.e. around 680,000 persons, based on an average family size of six.⁶⁰ Over the period 2016-2017, the EU contributed to the payment of allowances to an average of 71,782 families, 80% living in Gaza. The World Bank also contributed to payments to a fixed caseload of 4,633 CTP beneficiaries living in extreme poverty.

⁵⁸ FA 2016 (ibid).

⁵⁹ FA 2016 (ibid).

⁶⁰ CTP database; Evaluation of EU Support to Social Protection in External Action 2007-2013 (ibid), dated January 2018.

107. For 2018, the CTP database managed by MoSD contains information on a total of 116,727 beneficiary households of which 39,635 in the West Bank (34%) and 77,092 in Gaza (66%).⁶¹ Some families are on the waiting list (5,000 in Gaza and 1,000 in the West Bank, according to MoSD (2018) and cannot be supported due to budget constraints.⁶²
108. Although the PA is committed to making CTP payments on a quarterly basis, it is not always able to honour this commitment, causing liquidity problems for beneficiaries. Payment delays occurred twice over the evaluation period, mainly due to MoFP fiscal concerns and priorities. The last of four quarterly payments for 2016 was made in April 2017 and the last payment for 2017 in January 2018.⁶³
109. VPF uses the CTP database to select eligible beneficiaries. MoSD introduced the CTP database in April 2010 with full integration of Gaza in December 2011. The CTP was developed in the framework of the EU and World Bank supported *Palestinian National Programme for Social Protection*. The Proxy-Means-Testing Formula (PMTF)-based targeting modalities are used to identify the most vulnerable households. MoSD is addressing weaknesses in relation to PMTF-error-based exclusions and the related heavy load of administrative- and field-work of social workers.
110. The database contains information for each beneficiary, including identity card details, number of dependents, disabilities, health reports and house leases. It can be easily monitored and audited by third parties, including the EU, and allows the generation of statistical reports. Regular, global assessments are undertaken by the EU to pre-select the number of beneficiaries of PDFS/VPF. The latest was finalised by Deloitte in 2016 and identified as the reference population a total of 87,961 cases, for a total amount of ILS 108,766,704 per quarterly payment.
111. Re-certification of CTP beneficiaries is carried out regularly. Although only 10,118 (42%) out of 23,961 CTP beneficiary households were visited and re-certified in 2016, re-certification of 18,713 (89%) out of 21,000 households was achieved in 2017. The database of CTP beneficiaries is updated regularly to reflect potential changes in data and family score. It meets satisfactory data quality standards. The PMTF is run quarterly to update CTP beneficiaries and households before processing payments.
112. Households eligible for CTP receive a monthly allowance that varies between ILS 250-600, based on their poverty score. This compares with the poverty line set at ILS 2,470/month and a deep poverty line of ILS 1,974/month).⁶⁴
113. Eligible CTP beneficiaries have access to state health insurance, school fee exemptions and free textbooks (except English books). All school administrations have access to the CTP database⁶⁵ and receive MoEHE guidance on how to deal with students from CTP beneficiary families. MoEHE confirmed to the evaluation mission that the cost of these exemptions, which is covered by the MoFP, amounts to ILS 1.5 million/year.⁶⁶ CTP beneficiaries such as women, the elderly and persons with disabilities (PwD), get regular complementarity

⁶¹ 2016-17 information from the MoSD database (end-April 2018). The total number of individual beneficiaries in the West bank reached 171,454 in 2016 and 194,801 in 2017, while in Gaza it reached 478,151 in 2016 and 492,634 in 2017.

⁶² MoSD database, 2018.

⁶³ This finding was confirmed during an interview with the MoSD Deputy Minister, the annual report on the ROF 2016 and the evaluation of EU support to social protection in external action 2007-2013 (Jan 2018).

⁶⁴ Poverty Profile (ibid).

⁶⁵ Operated by MoSD and linked to the PMTF.

⁶⁶ Interview with MoEHE.

support services from MoSD and from other entities, such as the Palestinian Zakat Commission⁶⁷, the World Food Programme (WFP) e-voucher programme and NGOs.

114. In 2016-17, MoSD regularly shared lists of CTP beneficiaries with 'refugee status' with UNRWA to enable cross-checking for the purpose of avoiding duplication of assistance under various support programmes. UNRWA and some other stakeholders can access the *Unified Portal* under conditions of confidentiality and protection of data.⁶⁸ The lists of CTP beneficiaries in the West Bank and Gaza were cross-checked with UNRWA at least twice a year. Synergy and collaboration with UNRWA social protection programme was achieved. MoSD and UNRWA signed an MoU to institutionalise their collaboration in the West Bank. The collaboration entails exchanging data of beneficiary for cross-checking, joint work on referral cases, use of MoSD protection protocols for gender-based violence and child protection, engagement of UNRWA with the Unified Portal, and sharing experiences and capacity building at Regional Directorate level.
115. To complement the PDFS/VPF component, the EU supports the MoSD reform process with a capacity building project *Technical assistance to improve and develop the social protection system in Palestine through partnership planning and institutional capacity building* (Phase II). The project started in 2014 and has been extended until March 2019.⁶⁹
116. It supports MoSD in delivering inclusive and quality social services, through improving monitoring and evaluation social services, developing and scaling-up its case management system in Regional Directorates to address the specific needs of elderly, PwDs, children and women, and finally to support public private partnership for provision of social services. The new World Bank programme will provide further logistics support and resources for the case management system implementation by social workers.⁷⁰
117. It is to be noted that the MoSD has launched a new *Unified Portal for Social Assistance & Services* endorsed by Council of Ministers Decision in January 2017. It records all cash and non-cash assistance provided by various service providers, as well as the different types of social assistance (school/university fee exemptions and national health insurance) for CTP beneficiaries. It aims at achieving inclusive coordination among all partners providing social services and assistance by signing MoUs with providers; achieve the broadest possible coverage of needy and poor households; prevent duplication in assistance delivery (to ensure equitable access/distribution); plan and coordinate assistance at national level and optimally use the available financial resources.⁷¹

Cross cutting Issues

118. The MoSD *Women & Gender Department* is responsible for ensuring gender mainstreaming. Italy is the lead EU Development Partner (DP) on gender mainstreaming. The 2015 *Gender Profile for Palestine* identified social protection as a priority sector for gender and some of the main recommendations were to support the PA and the Ministry of

⁶⁷ The term *zakat* in general refers a form of alms-giving treated in Islam as a religious obligation. In this particular case, Zakat denotes a specific programme run by zakat committees established in each Regional Directorate (CTP database).

⁶⁸ ROF 2016 Annual Report.

⁶⁹ Technical assistance to improve and develop the social protection system in Palestine through partnership planning and institutional capacity building (Phase II); Project No. 2018/395526/1.

⁷⁰ Meetings with TA team leader and MoSD staff in April 2018.

⁷¹ Explanatory Note, 2017.

Women Affairs (MoWA), the MoSD and other national institutions, along with CSOs, to increase the number of secure shelters with trained staff for abused women and children.⁷²

119. One of the Social Development Strategy priority target groups are 'women at risk'. Upholding key social services, such as access to education and health, is critical for catering to women's basic needs. The VPF component beneficiaries included 41% women-headed households in 2016-17.⁷³ In 2016, the CTP further supported 55,030 PwDs and 56,113 elderly persons. Some 59,000 PwDs and 71,000 elderly persons benefited from the programme in 2017.⁷⁴
120. As far as social security for workers is concerned, the newly established (2016) *Palestinian Social Security Corporation* (PSSC) will contribute to the social protection of workers and family in the private sectors once the various schemes are implemented. to the provision of: (i) disability benefits for disabled persons, (ii) survivors' benefits for surviving spouses, mainly women, and children, and (iii) maternity benefits, which will promote gender equality in the labour market by equalising male and female labour costs and shifting the burden of financing maternity leave from the employer to the PSSC.⁷⁵

VPF Effectiveness, Impact and Sustainability

121. PDFS/VPF contributes to social protection by guaranteeing a basic minimum income and providing for the basic needs of the poorest segments of the Palestinian population. At a higher level, the PDFS/VPF has contributed to the legitimacy of the PA by enabling it to deliver basic social protection against poverty, vulnerability, and social exclusion.
122. PA fiscal constraints have made it impossible for MoSD to achieve the level of social protection coverage (and adequacy) it desires, but EU support has permitted it to continue to finance social protection at a minimum level for the poorest.⁷⁶ Regularity and predictability of PDFS/VPF payments were achieved to a satisfactory degree, albeit with delayed final payments for 2016 and 2017.
123. EU support has allowed for substantial coverage (42% on average) of beneficiary households living below the absolute poverty line. Various studies and interviews with MoSD management confirmed that EU support through the CTP is helping maintain the resilience and livelihoods of the poorest by providing a basic income, even though the monthly allowances are not enough to lift them out of poverty.⁷⁷
124. In the PDFS/VPF intervention logical framework, there is no indicator to measure impact on beneficiaries' livelihoods. However, a recent World Bank study⁷⁸ based on a sample of 2,000 out of 110,000 beneficiaries, suggested that the CTP – and thus PDFS/VPF – was

⁷² Evaluation of EU Support to Social Protection in External Action 2007-2013 (ibid); interview with MoSD Women & Gender Unit.

⁷³ MoSD CTP database, issued in April 2018 for the use of the evaluation phase.

⁷⁴ MoSD CTP database (ibid).

⁷⁵ MoSD CTP database (ibid).

⁷⁶ Evaluation of EU Support to Social Protection in External Action 2007-2013 (ibid); interviews with MoSD staff (Deputy Minister and Head, Poverty Department), April 2018.

⁷⁷ Evaluation of the EU support to social protection sector in external action 2007-2013, country report produced in January 2018; interviews with MoSD staff, April 2018.

⁷⁸ Almarkaz Consultants, Impact Evaluation Report for CTP Programme, WB, 2017.

instrumental in helping 8% of the sampled beneficiaries escape from poverty, mainly in the West Bank.⁷⁹

125. In complement to cash allowances, effective case management and partnership systems established by MoSD with EU support may be expected to enable CTP beneficiaries' access to complementary, specialised, non-cash social services
126. The question of the sustainability of the VPF component's 2016-2017 results is up for debate without continued PDFS/VPF support in 2018-2020. The FA 2018-2020 shows that the EU will contribute EUR 130 million for VPF for a period of 24 months until January 2020. EU will allocate 50 million for the VPF component in 2018 – with EUR 10 million earmarked for Gaza – EUR 40 million for 2019 and 40 million for 2020.⁸⁰
127. To ensure sustainability of social services, MoSD with EU support is developing partnerships with non-public social service providers (NGOs and private sector entities). Citizen budgets have been prepared for some selected ministries, including MoSD, in partnership with the *Palestinian Initiative for the Promotion of Global Dialogue & Democracy* (MIFTAH), the *Coalition for Accountability & Integrity* (AMAN), the *Applied Research Institute* (ARIJ) and Oxfam. Good governance principles are applied to the implementation mechanism and ownership on the part of the PA is assured.⁸¹
128. The EU plays a leading role in local coordination of EUMS efforts in the sector. Since 2013, increased co-ordination with other DPs providing direct financial assistance (mainly the World Bank and WFP) has taken place.
129. PDFS/VPF budget support has significantly declined: in 2011-2014 by 13% and by 6% in 2015-2017. As noted, this may affect the sustainability of the VPF [Table 5].

Evaluation Question 7: VPF Support to System Reform

To which extent and how does the PEGASE DFS contribute to the reform of the Palestinian social protection sector towards an equitable, efficient, effective and sustainable system?

130. The PEGASE DFS/VPF supported the reform of the Palestinian social protection sector towards an equitable, efficient, effective and sustainable system. Two high-level policy dialogue meetings between EUREP and the PMO were conducted to discuss progress and challenges on the overall ROF in October 2016 and February 2017. In addition, regular policy dialogue and coordination was maintained through the *Social Protection Sector Working Group* (SPSWG) – co-chaired by the EU and MoSD. In 2017, EUREP regularly met with MoSD at various levels to follow-up on sector strategy and policy developments, notably in areas where the EU provides direct financial assistance and TA. MoSD considers this policy dialogue an effective instrument for maintaining progress on its social protection priorities, including the CTP.
131. The EU and DPs used the PEGASE ROF 2015-2016 as a tool to monitor sector progress and the PMO policy reforms. The ROF also contributed to strengthen alignment and harmonisation of approaches amongst DPs interested in social protection.

⁷⁹Almarkaz (ibid). Various factors prevent poor households from graduating out of poverty, including the lack of manpower in most of CTP families, whose members are typically outside the labour force or unable to work for health and social reasons.

⁸⁰ FA: Annex 1 to FA ENI/2108/040-179 – Technical and Administrative Provisions.

⁸¹ EJS 2017-2020 – *Towards a democratic and accountable Palestinian State*, Pillar 3 – Sustainable Service Delivery Annual Report 2017; interviews with MoSD staff.

132. The PNPA places poverty reduction and service delivery at the core of the government's responsibility. The *Social Development Strategy 2017-2022* encompasses a comprehensive social development approach to ensure that the right to social protection for the most vulnerable is assured in line with a rights-based approach. It includes two priorities.
133. **Priority 1** is to ensure social protection of the most vulnerable through regular and predictable payments of social allowances to Palestinians living in extreme poverty in the West Bank and Gaza. **Priority 2** is to improve quality and access in the delivery of services, with increased public-private partnership and citizen participation.
134. In complement to cash transfers, the MoSD embarks on economic empowerment for some eligible families identified from the CTP database. In addition, it continues the decentralisation of social protection services from the central administration to its regional directorates, with the objective to deliver high quality and flexible social protection services in partnership with civil society and private sector. In seven Governorates (Nablus, Abu-Dees/Jerusalem, Hebron, Ramallah, Tulkaram, Yatta and Tubas), joint planning groups have been established. Furthermore, the case management system is being developed to ensure that specific vulnerable groups receive continuity of care efficiently and effectively (coordination of service delivery to beneficiaries with complex, special needs).

2.4 East Jerusalem Hospitals (EJH) Component

Evaluation Question 8: EJH Support to Service Delivery

Does the support to the EJH ensure universal access to affordable, high quality care, especially tertiary care?⁸²

135. This evaluation question relates to the quality of care, especially tertiary care offered in the EJH, the appropriateness of the referral process to the EJH, the geographical, economic and gender equitable access, and the financial protection of patients. The context of the Palestine health system and the EJH is in **Annex 6**, which is mainly based on the MoH Annual Health Report, 2016.
136. The assessment of the **quality of healthcare services**⁸³ in the EJH goes beyond the scope of this evaluation. Two proxy measures, however, can be used: (i) accreditation with the *Joint Commission International (JCI)*⁸⁴, which all hospitals have, except St. Joseph⁸⁵ and (ii) patient satisfaction. A study conducted in 2016 at Al Makassed hospital showed a high patient satisfaction rate, though this was surprisingly slightly lower than in a comparable JCI non-accredited hospital in the West Bank (Al Arabi Hospital)⁸⁶.

⁸² Note: The EQ was slightly reworded. The version in the Inception Report was framed as: Does the support to the EJH network ensure universal access to affordable, high quality tertiary care?

⁸³ On the basis of several definitions in the literature, the WHO definition of quality of care is "the extent to which health care services provided to individuals and patient populations improve desired health outcomes. In order to achieve this, health care must be safe, effective, timely, efficient, equitable and people-centred."

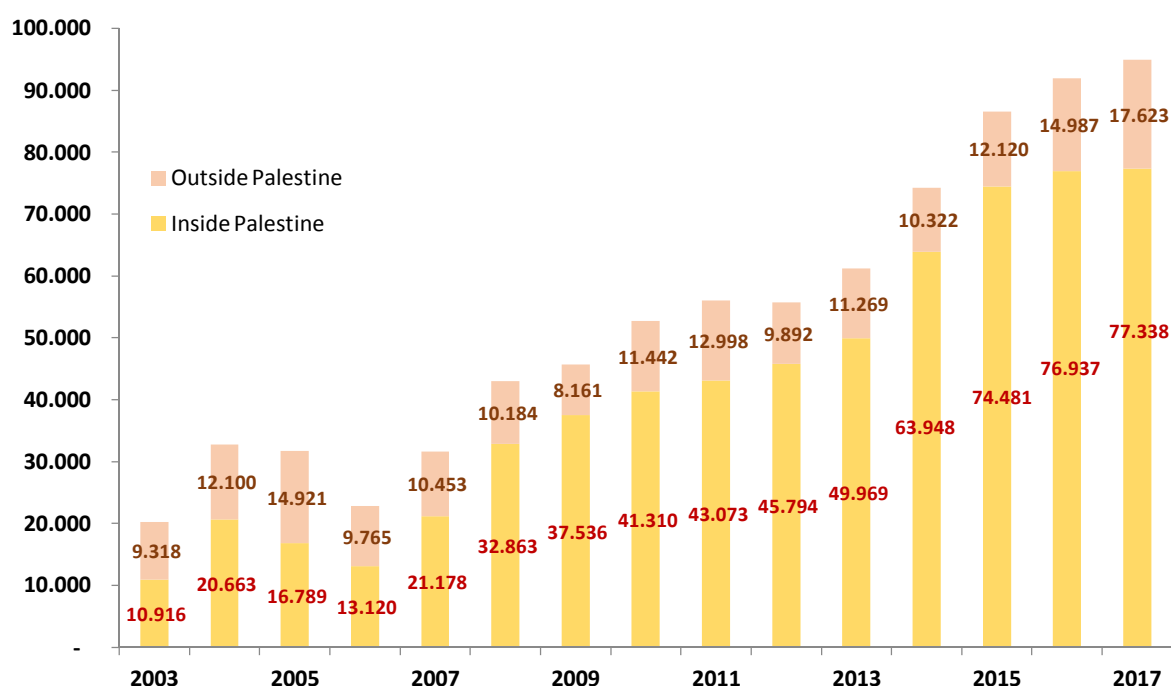
⁸⁴ See <https://www.jointcommissioninternational.org>.

⁸⁵ St Joseph opted for ISO 9001 certification because of the high fees (around USD 50,000) for a full JCI hospital accreditation, plus reimbursement for surveyors' travel, living expenses and accommodations, and also because the construction of the new maternity would have interfered with the quality improvement process.

⁸⁶ Patient Satisfaction: Comparative Study between Joint Commission /International Accredited and Non-accredited and Non-accredited Palestinian Hospitals, Eba'a Dasan Barghouthi, *Health Science Journal*, 2018 Vol. 12, N° 1:547

137. **The appropriateness of the MoH referral process** can be assessed based on the four main criteria as per the MoH referral guidelines⁸⁷. A baseline assessment conducted in 2016 showed a compliance of 80% with the first criterion, i.e. the referral decisions made by the regional/specialized referral committee, and 67% with the second criterion, i.e. consistency with the referral protocols approved by the MoH⁸⁸. At that time, the MoH had not yet signed a Memorandum of Understanding (MoU) with referral hospitals, and the e-referral process was not yet operational, so that the last two criteria were not yet applicable. In other words, one-fifth of referred patients had bypassed the referral channels and one-third of the referrals did not comply with the referral protocols.
138. By the end of 2017, the MoH had had been signed an MoU with 3 EJHs: Augusta Victoria Hospital, St. John's Eye Hospital and Princess Basma Rehabilitation Centre. An MoU was under negotiation with Al Makassed hospital where a final draft of its analysed price list has been submitted to the MoH Service Provider Unit for final discussion and negotiation. It is too early to assess the impact of these MoUs on the overall costs of the outside medical referrals (OMR) to these EJH. However, based on the experiences with Israeli hospitals where the MoU are based on Diagnosis-Related Groups (DRG)⁸⁹, appreciable cost savings can be expected [**\$127** below].

Figure 2: Trend in number of Outside Medical Referrals (OMR) from MoH in thousands from 2003 to 2017



Source: Ministry of Health Sector Review, April 2013; Palestinian Health Capacity Project (PHCP) data 2014; and MoH Annual Report 2016

⁸⁷ (i) Was the referral decision made by the Regional and/or Specialized Referral Committee? (ii) Is the referral consistent with MoH approved protocols? (iii) Is there a signed agreement/MOU between the MoH and the referral hospital? (iv) Was the website/designated e-mail address used for communication for approval of admission/coverage?

⁸⁸ Appropriateness of Referrals to Palestinian Non-MoH Hospitals: Baseline Assessment, January – June 2016, Palestinian Health Capacity Project (PHCP) – Intrahealth, March 2017

⁸⁹ A DRG is a statistical system of classifying any in-patient stay into groups for the purposes of payment. The DRG classification system divides possible diagnoses into major body systems and subdivides them into a limited number of groups for the purpose of reimbursement.

139. **Figure 2** highlights the escalating number of referrals from the public sector to outside institutions, the so-called Outside Medical Referrals (OMR). Referrals for specialized care from the MoH have increased steadily from about 20,000 cases in 2003 to almost 96,000 in 2017. This represents a nearly five-fold increase (the figure stood at 8,000 in 2000).
140. **Table 5** shows the distribution of OMR and their associated costs for the years 2014 and 2017. In terms of number of referrals, the relative share of receiving hospitals in the Gaza Strip remained stable over this period⁹⁰, slightly increased for hospitals in the West Bank, and decreased with 9.4% (from 40,191 to 36,415 referrals) for the EJH in 2017. While similar trends were observed in terms of number of patients referred for the Gaza and West Bank receiving hospitals, 2.7% more patients were referred to the EJH (from 20,070 patients to 20,603) over the same period⁹¹. In 2017, AVH had problems with the radiotherapy equipment, and importantly, stopped enrolling new cancer patients due to its liquidity problems associated with the mounting debts owed by the PA⁹². New cancer patients are only enrolled if the hospital can guarantee a full treatment course, which may cost up to USD 50,000 per patient.
141. Referrals are the cheapest within the Gaza strip, followed by the West Bank. Referrals to the EJH are slightly more expensive as salaries are much higher in East Jerusalem, and the hospitals have to pay taxes and license fees to the Israeli government, while paying voluntarily MoH licences. Referrals to other countries and Israeli hospitals are the most expensive. Yet, the number of referrals to Israeli hospitals increased from 10% in 2014 to 17% in 2017, which may inter alia be attributable to the fact that their costs are deducted directly from the PA clearance revenue transfers to the MoFP, so that the impact for the MoH is delayed. Over the same period however, the annual bill with Israeli hospitals decreased by 34%, which may be explained by the introduction of MoUs with six Israeli hospitals where payments were DRG-based rather than open ended.
142. **Table 8** shows that in most years, AVH and AM together took over 80% of the number and cost of referrals to EJH, while this figure rises to 90% if St John hospital is included. It further shows a total OMR cost of ILS 286,856,652 for 2016 and ILS 289,104,314 for 2017, or ILS 575,960,966 for both years combined. The combined contribution of the EU and Finland of 31 MEUR⁹³ or 128,65 MILS⁹⁴ for the EJH thus represents 22.3% of the total referral cost to the EJHs for those two years.
143. AVH is specialized in nephrology and oncology and is the only hospital providing radiotherapy in Palestine⁹⁵. The hospital has been able to contain costs amongst others by shifting from in-patient care to outpatient care. A 100-bed hotel has been leased to this effect to accommodate patients mainly from the Gaza strip who would otherwise not been able to afford the services. Furthermore, this accommodation avoids the need for repeated referrals with the associated risk of refusal by the Israeli authorities which might affect

⁹⁰ New tertiary services are being built up in Gaza, so that the number of internal referrals to Gaza hospitals is increasing since end-2017, early-2018.

⁹¹ Note that these Intrahealth Capacity project data do not accord with those of the MoH. According to the MoH, the number of patients referred to EJH in 2017 increased by 1479 compared to 2016. The difference in data could amongst others be explained by categorizing old patients as new patients.

⁹² According to the MoH, AVH had to stop enrolling new patients once, while this occurred twice according to the AVH Chief Executive Officer. The evaluation team had no information that might serve to reconcile the opposing views of MoH and AVH in this matter.

⁹³ According to the Implementation Progress, the EU provided EUR 13 million in 2016 and 2017, Finland EUR 4 million in 2016 and Italy EUR 1 million in 2017.

⁹⁴ At an average EU/ILS exchange rate of 1:4.15 (4.2 in 2016 and 4.1 in 2017).

⁹⁵ It is not sure whether Israel will allow radiotherapy in the newly planned oncology hospital in the West Bank.

treatment outcomes. At the same time, the bed occupancy rate increased to 120% for oncology patients⁹⁶ potentially affecting the quality of its services.

144. **Geographical access to tertiary care is not equitable**, as shown in **Table 7**. From 2014 to 2017, the Gaza strip hospitals attracted only 3-4% of all OMR referrals, even though in 2017 Gaza had 1,899,291 inhabitants (40%), versus 2,881,687 (60%) in the West Bank, including East Jerusalem⁹⁷. In 2016, of the 24,616 referrals, 19,877 (81%) required permits to cross the Erez border with Israel, and of the total of 26,282 patient permit applications, 62% were approved, 31% delayed and 7% denied. In 2017, of the 20,348 referrals, 77% required permits to cross the Erez border post, 54% of 25,511 patient permit applications were approved, 43% delayed and 3% denied. In 2016 and 2017, 45% and 48% respectively of permit applications were for female patients. In both years, the permit process alone took 7-30 days, and the whole process, from the medical decision to refer to then receiving care took between 25-93 days [**Annex 7**]. Anecdotal evidence suggests that referrals from area C in the West Bank are equally limited.
145. **There is likely unequal access by gender**. In 2016, there were 48,680 (53%) male and 43,247 (47%) female OMR⁹⁸. Sex disaggregated prevalence and referral data for the common conditions requiring tertiary care, mainly cancer and cardiovascular diseases, should shed more light on possible gender inequalities. Specific programmes can reverse the trend. As an example, St. John ophthalmic hospital has an extensive outreach programme in the West Bank and the Gaza strip, where especially mothers and children attend. It is to be expected that early detection and referral of severe eye conditions will be more common in females.
146. **Access by income quintile is also unequal**. The healthcare financing is increasingly regressive. The share of out-of-pocket spending has increased from 34.1% in 2005 to 37.7% in 2013 and to 45.5% in 2016⁹⁹. The government schemes and compulsory contributory healthcare financing schemes have decreased from 33% of total health expenditure in 2015 to 30.5% in 2016, as shown in **Table 6** below. The literature shows that the redistributive effect of out-of-pocket payments is “pro-rich”, while the redistributive effect of the government health insurance is likely pro-poor. It is probable that the high out-of-pocket (OOP) expenses reduce equity and lead to catastrophic health expenditures.

Table 6: Percentage of current health expenditure in Palestine* distributed by financing agents for the years 2015, 2016

Financing Schemes	2015	2016
Central Government and compulsory contributory healthcare financing schemes	33%	30.5%
▪ <i>Central Government schemes</i>	29.5%	27.8%
▪ <i>Social Health Insurance Schemes</i>	3.5%	2.7%
Voluntary health care payment schemes	7.5%	8.8%
▪ <i>Voluntary Health Care Insurance Schemes</i>	2.1%	2.8%
▪ <i>NPISH (Non-profit institutions serving households) financing schemes</i>	5.4%	8.0%

⁹⁶ AVH is constructing a new oncology wing to increase its capacity.

⁹⁷ Preliminary Results of the Population, Housing and Establishments Census, 2017, PCBS, Feb 2018.

⁹⁸ Health Annual Report Palestine 2016, MoH, July 2017.

⁹⁹ Palestinian Health Accounts 2013. Ramallah: PCBS; 2015 (<http://www.pcbs.gov.ps/Downloads/book2105.pdf>, accessed 8 August 2015; and 2016, published February 2018.

Financing Schemes	2015	2016
Household OOP payments	45.5%	45.5%
Rest of the world financing schemes	14%	15.2%
Total	100%	100%
Total Current Expenditure (Million USD)	1,321.3	1,419.5

* The data excludes East Jerusalem which was annexed by Israel following its occupation of the West Bank in 1967.

Source: National Health Accounts 2016, February 2018

147. Just over 80% of the population (100% in the Gaza strip) is covered by at least one type of health insurance scheme¹⁰⁰. The main financing mechanism for the public health sector is the government health insurance scheme, which is compulsory for public sector workers and voluntary for the remaining population. Other health insurance schemes are private, except for security personnel. The yearly premium for the government health insurance scheme is around USD 200 per family/year. There is no waiting time to enrol, which leads to adverse selection. Governmental health insurance premiums represent less than 10% of the MoH budget. Therefore, most public health expenditure is funded by general taxes and revenues, and thus heavily dependent on the political climate. This has forced the MoH to incur large debts, which has a substantial impact on annual operational expenditures.

¹⁰⁰ Palestine Health Profile 2015, WHO, Geneva.

Table 7: Summary of the number of referrals and cost by region (destination) from 2014-2017 (Source: Intrahealth PHCP)


Region	2014					2015					2016					2017				
	Nº of referrals		Nº of patients		Cost	Nº of referrals		Nº of patients		Cost	Nº of referrals		Nº of patients		Cost	Nº of referrals		Nº of patients		Cost
EJH	33,793	46%	17,424	37%	451,549,325	36,173	42%	8,369	38%	486,358,995	40,191	44%	20,070	39%	608,333,362	36,415	38%	20,603	36%	620,000,000
West Bank	26,862	36%	9,582	42%		35,283	41%	1,987	45%		33,723	37%	22,568	44%		37,543	40%	25,826	46%	
Gaza	3,293	4%	2,984	6%		3,025	3%	2,692	6%		3,023	3%	2,735	5%		3,380	4%	3,030	5%	
Israel	7,758	10%	4,442	10%	347,736,809	10,299	12%	4,077	8%	239,420,502	13,160	14%	4,480	9%	235,487,926	16,269	17%	5,800	10%	231,132,409
Egypt	2,477	3%	2,192	5%		1,767	2%	1,564	3%		1,787	2%	1,631	3%		1,316	1%	1,273	2%	
Jordan	87		79			54		47			40		38			33		29		
Turkey																5		5		
Total	74,270		46,703		99,286,134	86,601		48,736		725,779,497	91,924		51,522		843,821,288	94,961		56,566		851,132,409
%  in # of referrals and cost compared to previous year						17%		4%		-9%	6%		6%		16%	3%		10%		1%
Debts															12,564,057					1,800,000

Table 8: Trend in Volume and value of referrals to EJH 2011 -2017 (Source: Intrahealth PHCP)

Hospitals	Volume (Nº of referrals and % of total, by hospital and overall)								Value of Referrals in ILS							
	2011		2015		2016		2017		2011		2015		2016		2017***	
	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Augusta Victoria Hospital	8,258	38	17,422	47	19,312	48	17,144	47	67,567,626	46	111,509,978	50	143,354,487	50	143,280,263	50
Al -Makassed Hospital	9,237	43	13,747	37	14,958	37	13,947	38	57,091,782	39	87,527,935	39	122,152,849	43	128,317,930	44
St. John Ophthalmic Hospital	2,727	13	3,377	9	3,842	10	3,396	9	6,601,694	5	7,680,958	3	9,056,196	3	8,741,230	3
St. Joseph Hospital**	1,005	5	1,597	4	1,404	3	1,355	4	13,303,403	9	14,547,668	7	8,964,418	3	4,600,006	2
Princess Basma Rehabilitation Centre	283	1	475	1	582	1	524	1	1,070,810	1	1,469,275	1	1,527,802	1	4,045,885	1
Red Crescent Society Hospital ***	49	0	123	0	93	0	49	0			716,900	0	1,800,900	1	119,000	0
	21,559	100	36,741	100	40,191	100	36,415	100	145,635,315	100	223,452,714	100	286,856,652	10	289,104,314	100

* The cost of referral in 2015 was replaced with the approved amounts.

** The cost of referrals to St. Joseph Hospital during 2017 is estimated cost not the final approved amount.

*** Cases referred to Red Crescent Society Hospital -Jerusalem are mostly Gynaecology and Obstetrics and Neonatal Intensive Care Unit (N.I.C.U).

**** Total cost of referrals in 2017 are reflection of the invoices submitted to SPU. Therefore, it is expected that some of these will be a little less (10-15%) based on SPU Financial Director.

148. **The cost of EJH support is amply justified** as Israeli DRG prices are about double the prices for the same services in the PA¹⁰¹. Furthermore, this support contributes to the survival of the few remaining Palestinian institutions in East Jerusalem.
149. **The MoH suffers chronic underfunding with accumulating debts.** This leads to drug shortages, amongst others, which raises OOP expenses for patients who have to buy drugs in the private market and is an impediment in the public sector causing higher OMR rate, including those to the more expensive Israeli hospitals, thus creating a vicious circle. Lack of funds lead to delayed reimbursements of up to one year of the EJH for their OMR services, creating serious liquidity problems for the EJH, to the extent that AVH had to refuse twice patients in 2017.
150. The delayed payments by the PA, cause frustration and create a perception of a non-transparent, unequitable reimbursement system amongst the six EJH. The MoH has not provided detailed data on the debt and reimbursement trends for each individual EJH as per the request of the mission. This additional information could have confirmed or refuted this transparency perception. However, according to the MoH's Service Purchasing Unit (SPU), invoices are reimbursed on a first-come, first-serve basis, which is said to be a PEGASE rule.
151. The recent PA decision to allocate funds upfront to AM and AVH is welcomed.

Evaluation Question 9: EJH Support to System Reform

Has the PEGASE DFS strengthened the EJH and the Palestinian health system? (Regarding efficiency, effectiveness, sustainability?)

152. **All three PEGASE components impact the health system.** The VPF/CTP of the PDFS acts on the demand side of the healthcare delivery system and the CSP and EJH components on the supply side.
153. All CTP beneficiaries are entitled to the Government health insurance system. No studies have been found demonstrating that CTP avoids catastrophic health expenditure by compensating for the regressive character of the high OOP payments especially for medicines which are often sparse, mainly in Gaza. This is relevant even despite the above-mentioned WB study¹⁰² showing that CTP is often used to meet healthcare needs.
154. **The CSP component vitally strengthens the health system.** In 2016, 466 (63%) out of the 739 Primary health care centres in Palestine belonged to the MoH, as well as 63.1% of the general hospital beds, 39.2% of the specialized hospital beds, 14% of the maternity beds, and all mental and psychiatric beds. The high bed-occupancy rate, coupled with the short length of stay in the West Bank as shown in **Table 9**, demonstrates that the MoH facilities are used to full capacity.

Table 9: Some MoH Hospital indicators, West Bank 2012-2016

Indicator	2012	2013	2014	2015	2016
N° of Beds	2,979	3,071	3,054	3,053	3,325
Occupancy Rate (%)	82.7%	85.3%	86.6%	88.2%	92.2%
Length of stay	2.4	2.4	2.5	2.9	2.2

¹⁰¹ Financial analysis of Palestinian hospital referrals, PHCP, Intrahealth, January 2018.

¹⁰² Almarkaz (ibid).

155. There are 29,479 healthcare workers registered in Palestine, 75.3% of which operate in the West Bank and 24.7% in the Gaza Strip. Out of this total number, the MoH employs 7,149 (24.3%) medical staff. With less than one quarter of the medical personnel, the MoH supplies almost two-thirds (63.1%) of the primary health care services, except for obstetric services (14%), and almost 40% of the specialized services
156. **Policy dialogue is needed to enhance the performance of the human resources for health.** Whereas medicines and referrals are subject to long payment delays, personnel are paid in a timely manner, thus enhancing their motivation. In addition, it is desirable to progressively shift to personnel payment methods and rates which optimise provider incentives while minimising the risk of perverse effects.
157. **The EJH component provides institutional support to the EJH and sustains the OMR referral system within Palestine.** The EU and its MS support to the EJH of 31 MEUR in 2016-17, together with the yearly USAID support of 25 MUSD, presented a lifeline for the operational expenditures of the EJH. The staggering of the PEGASE and USAID payments in January¹⁰³ and September help to alleviate their liquidity problems, especially those of the three larger institutions, AM, AVH and St. John. Princess Basma Rehabilitation Centre presents a special case, as it meets basic needs of disabled children at a relatively low overall referral cost. St. Joseph Hospital and the Red Crescent maternity depend less on tertiary referrals and thus PDFS support, while they benefit from the generous Israeli Sick Fund reimbursement rates for obstetric care. All six EJH raise their own resources for capital expenditures. The Red Crescent Society Hospital will shortly be confronted with major capital expenditure as all maternities will have to be integrated into a general hospital according to a new Israeli MoH directive.

Table 10: Contributions to the EJH (in ILS) by PEGASE and USAID in the period 2013-2017 [amounts in ILS]¹⁰⁴

Year	Bills paid by PEGASE		Bills paid by USAID		Bill paid by PA		Grand Total
2013	61,229,965	46%		0%	71,066,462	54%	132,296,427
2014	59,540,000	26%	96,000,000	43%	69,266,917	31%	224,806,917
2015	113,970,872	76%		0%	35,843,315	24%	149,814,187
2016	72,079,841	27%	137,270,000	52%	56,045,029	21%	265,394,870
2017	54,002,024	17%	96,125,000	31%	159,369,262	51%	309,496,286
Totals	360,822,702	33%	329,395,000	30%	391,590,985	36%	1,081,808,687

Source: MoH

158. **The EJH component does not support networking amongst the six EJH.** There exists a certain division of labour between the six hospitals, though there remains a high level of competition. As an example, Al Makassed hospital strongly opposed the maternity ward extension at Saint Joseph hospital in 2015 and refused to sign a collaboration agreement for intensive neonatal care as per the Israeli requirement. As such, Saint Joseph had to associate with an Israeli hospital on this matter. It is incumbent on the MoH to enforce such collaboration whenever needed, but the MoH has no authority in East Jerusalem, except through its reimbursement scheme, and the Israeli MoH has no interest in a Palestinian network.

¹⁰³ Payments for 2018 had not been received yet at the time of the evaluation mission, and it is not yet clear whether the EJH will be exempted from the newly adopted US Taylor Force Act which will stop all US payments to the PA.

¹⁰⁴ Note that these figures do not correspond with those from the Intrahealth PHCP (Table 6). According to the latter, the total amount paid to EJH were ILS 286,856,652 and ILS 289,104,314 in 2016 and 2017, totalling ILS 575,960,966, while the MoH figures are respectively ILS 265,394,870 and ILS 309,496,286 totalling 574,891,156.

159. **The technical efficiency of outside medical referrals needs to improve.** An assessment of major impediments within the MoH system that result in secondary and tertiary referrals has shown seven major impediments¹⁰⁵: shortage of qualified personnel in some medical specialties; high MoH hospital bed occupancy; shortage of essential and specialized medicines and supplies; inadequate or lack of diagnostic and therapeutic equipment and devices; long patient waiting times to receive specialized services; coordination, communication, and feedback gaps within the government sector (related to referrals); and workforce and workload inefficiencies.
160. Case studies have shown that these impediments are interlinked and complex. OMR are generally more expensive, especially if they occur outside Palestine, and eliminating these obstacles within the MoH should address the issue of technical efficiency by using given resources to maximum advantage.
161. **The allocative efficiency of outside medical referrals needs to be assessed.** One may ask whether the right mixture of healthcare programmes is offered to maximise the health of Palestinians. **Table 11** shows that as a lower middle-income country, health expenditures in 2015 were on par with “high income” countries. OMR, which is mainly for tertiary care took up one third (32.3%) of MoH expenditure, almost double the expenditure for medicines and supplies (17.2%), while salaries and capital expenditure took up 44.3% and 6.2% of MoH expenditure. These data need to be examined against the light of a recent World Health Organisation (WHO) modelling study on financing requirements to achieve SDG 3 on health & well-being.¹⁰⁶

Table 11: Health financing in PA, 2015

	Estimate	Share	Source	Comment
GDP (Current USD billion)	12.7	--	WB ^a	
Gross Domestic Product/Capita (USD)	1,744.5		PCBS ^e	On par with ‘lower middle income’; West Bank: USD 2,267.2; Gaza Strip: USD 996.3
Health Expenditure (USD billion)	1.3	10.4% (GDP)	PCBS ^b	Share is on par with ‘high income’ country
Health expenditure (USD/capita)	274			Based on 4.75 million people by end-2015 (PCBS)
Household/OOP Health (USD million)	601	45.5% (HE)	PCBS ^e	Private finance is substantial share
Insurance Corporations	26	2.0% (HE)	PCBS ^b	
Gov’t Health Expenditure ⁵ (USD million)	543*	41.1% (HE)	PCBS ^b	Gov’t Health Expenditure ~13% Gov’t budget
MoH Expenditure (USD million)	474*	35.9% (HE)	MoH ^c	
Referrals (Estimated) (USD million)	143	30.1% (MoH Exp)	MoH ^d	Small difference between estimated cost and actual spending
Referrals (Actual)** (USD million)	153*	32.3% (MoH Exp)	MoH ^c	
MoH Salaries (Actual)** (USD million)	210*	44.3% (MoH Exp)	MoH ^c	No debt or arrears related to MoH salaries
Medicines/Supplies (Actual)** (USD million)	82*	17.2% (MoH Exp)	MoH ^c	

¹⁰⁵ Assessment of System Impediments in Palestinian MoH Hospitals that result in Referrals to Non-MoH Hospitals, Palestinian Health Capacity Project (PHCP), Intrahealth, June 2017

¹⁰⁶ *Financing transformative health systems towards achievement of the health Sustainable Development Goals: a model for projected resource needs in 67 low-income and middle-income countries*, Karin Stenberg, Lancet Glob Health 2017; 5: e875–87; July 2017.

	Estimate	Share	Source	Comment
Capital Expense (Actual)** (USD million)	29*	6.2% (MoH Exp)	MoH ^c	

Sources: Adapted from financial analysis of Palestinian Hospital Referrals, PHCP Intrahealth, January 2018; (a) <https://data.worldbank.org/data-catalog/world-development-indicators>; (b) http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/FA%2014-%2015%20E.htm; (c) MoH 2015 Health Annual Report p.215; (d) MoH 2015 Health Annual Report p.20; (e) Palestine in Figures, 2016, PCBS March 2017; (*) assumes a USD/ILS exchange rate of 1:3.902 for 2015. (**) actual Payments include Direct Payments, Israeli Clearance Revenues and Indirect Payments (Offsetting Taxes). **Note:** According to the MoH, no actual figures report the referral costs for 2015.

162. Palestine already meets the average health budgetary requirements to achieve all the SDG3 targets, as per an international WHO SDG modelling study. A modelling study commissioned by the WHO on the financing needs in low and middle-income countries to achieve the dual goals of population health and financial protection related to SDG3 targets, showed that globally an additional USD 41 (range 15–102)¹⁰⁷ per person would be needed across several sectors to make progress and USD 58 (22–167) to reach the SDG3 targets. In the ambitious scenario, total health-care spending would increase to a population-weighted mean of USD 271 per person (range 74–984) across country contexts, and the share of GDP spent on health would increase to a mean of 7.5% (2.1–20.5). As Table 10 shows, Palestine reaches already both the absolute per capita population-weighted mean of total health expenditure and the share of GDP.
163. Palestine has already achieved several SDG3 targets while others remain elusive. The maternal mortality rate of 13.8 per 100,000 live births is well below the SDG target of 70, for example, while there remains considerable work to be done for other targets, such as neonatal deaths and deaths from non-communicable diseases. The early (0-6 days) neonatal death rate for boys is 148 and 107 for girls, while late (7-27 days) neonatal deaths are 60 and 68 per 1,000 live births for boys and girls respectively, against SDG target 3.4 of 12 per 1,000. The stipulation: *By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being*, remains far behind. Currently, the burden of non-communicable diseases in the West Bank causes 74.9% of all deaths: cardiovascular diseases account for 44.2%, cancer 18.3% and diabetes mellitus 1.2%. While preventive and promotive needs on non-communicable diseases are probably insufficiently addressed, the EJM tertiary care definitely contributes to the reduction of their burden.
164. Additional research is needed to assess whether Palestine spends relatively more on tertiary care compared to the SDG modelling [Annex 8]. The SDG modelling considered the required relative increase in investment rate for four health investment platforms: policy and population-wide interventions (10%); periodic schedulable and outreach services (5%); first-level clinical services (57%) and specialised care (19%), and another 10% for overarching functions. While Palestine spends almost one third of its MoH expenditure on tertiary care, it is difficult to know which share this represents of the total health expenditure. Some spending may however be questioned, e.g. the recent agreements with Turkey for liver transplants and with India for heart and lung transplants, even though these interventions do not feature on the MoH list of preferred interventions.
165. The Intrahealth Palestinian Health Capacity Project (PHCP) funded by USAID provides valuable technical assistance towards the OMR reform. This project ends in September 2019 and will not be renewed even though there will still be a need for TA on this matter.

¹⁰⁷ The range represents the 95% confidence interval, i.e. there is a 95% probability that the real figure will lie between the estimated lower and upper limits.

166. **The EJS 2017-20 meets most needs for follow-up of the SDG**, except probably for the indicator on the percentage of persons with governmental health insurance which may need improvement as the current health insurance system is seriously flawed. Though 80% of the population is already covered by public insurance¹⁰⁸, revenue raises are too little, its coverage is insufficient and probably biased to tertiary care, and there are currently too many loopholes promoting adverse selection.
167. The lack of a **sound health financing strategy** affects the effectiveness, impact and sustainability of the PEGASE support. The development of such a financing strategy is key to achieve the dual goal of population health and financial protection. The development of a tax and/or health insurance-based financing strategy with sufficient pooled funds replacing OOP expenses, avoidance of adverse selection, and sufficient coverage of population and interventions should enhance financial protection and reduce the MoH debts. This would allow for a rational purchase of drugs and OMR services, rather than, for example, expensive Israeli OMR services, because they are deducted directly from the clearance revenues, and facilitate measures enhancing the allocative efficiency. It should be noted that the current governmental health insurance system presents major flaws in terms of services and costs covered as well as its funding model. In its current form, it may well not contribute towards building a universal healthcare coverage system.

¹⁰⁸ Palestine Health Profile 2015, WHO.

3 CONCLUSIONS & RECOMMENDATIONS

3.1 Conclusions

General

- C1** PEGASE Direct Financial Support (PDFS) is much appreciated by the PA, the EU and DPs as a robust, trusted, effective & efficient assistance delivery tool. It is a catalyst for attracting other DP contributions and is considered a ‘lifesaver’ by the PA (*Relevance, Effectiveness, Efficiency*) [§§19, 29-32].
- C2** The share of the CSP component in the PA’s recurrent expenditure increased by 5% over the period 2014-17 and represented 28% of external funding in 2016. In the same period, the EU/EUMS contribution of the VPF component to the PA’s CTP averaged to 42% and to 22% for the EJP component (*Relevance*) [§§20-21, §23, §145].
- C3** The joint work between European Development Partners (EDP) and the PA on the pilot ROF (2015-2016), the formulation of the European Joint Strategy in Support of Palestine 2017-2020 (EJS) in 2016-17, as well as the policy dialogue with the PA on the sector strategy and the Palestinian National Policy Agency (PNPA) in the period 2016-17, have enhanced the policy dialogue with the PA, between EDPs and within the DP community at large (*Relevance, Effectiveness*) [§§34-39].
- C4** The work on the new ROF and a review of the first year of the PNPA 2017-22, offer an opportunity for closer alignment between the EJS, the PNPA and its translation into a rigorous Strategic Results Framework, and the Sustainable Development Goals (SDG). This will add to the leveraging potential of PDFS for reform of the PA’s administration (*Relevance, Effectiveness, Sustainability*) [§§40-46].
- C5** The core of the new ROF for the period 2018-2020 are the results frameworks for 16 sectors and cross-cutting issues. Though still a work in progress, the new ROF shows signs of appropriate robustness (*Relevance, Cohesion*) [§§42-43].
- C6** The complexity of the ROF in terms of number of indicators and data requirements may be experienced as daunting, but the international community has already committed to a more demanding set of goals, indicators and targets in the form of the SDGs in Agenda 2030. The related work – mainly of a statistical nature for the PCSB – will serve the needs of both national planning and international DP coordination (*Effectiveness, Cohesion, Sustainability*) [§§44-47].
- C7** The stated overall objective of PDFS 2016-17 – maintain the viability of the Two-State Solution – is primarily a political goal, which although seen as opportune by most DPs, resonates less with PA interlocutors who tend to view PDFS in terms of financial assistance to the PA’s operational capacity and safeguarding the human rights and dignity of vulnerable sections of the Palestinian citizenry (*Relevance*) [§§59-57].
- C8** The enhanced policy dialogue under PEGASE pilot ROF, work on the new ROF, the focus on a rights-based approach and a reflection on the 2016-17 PDFS’s theory-of-change (ToC) has inspired a more realistic approach to the contribution that PDFS can make to civil service reform and public administration at large, in terms of building the effective and accountable institutions referred to in the overall objective for the PDFS for 2018-20 (*Relevance, Effectiveness*) [§§58-60].

Re the CSP Component

- C9** The Civil Service & Pensions (CSP) component of the PDFS declined over the existence of PDFS period to under 1% of GDP, in line with decreasing DP budget support overall, but the

PA continues to perceive the CSP programme as a necessary and relied-upon contribution to its wage and pensions bill (*Effectiveness, Cohesion, EU Added Value*) [§§61-67].

- C10** The overall decline in budget support – including CSP – for the PA recurrent expenditure since 2011 may pose risks for Palestine macro-economic stability (*Effectiveness, Cohesion, Sustainability*) [§§68-69].
- C11** It is not possible to reliably assess the extent to which the PDFS – and especially its CSP component – stimulates public services delivery apart from contributing to manpower availability in the social sectors – education, health and social protection – as well as in the justice sector (*Impact, Sustainability*) [§§70-74].
- C12** The PDFS – and its CSP component in particular – is not generally perceived as a reform lever, as its weight in terms of the PA wage bill overall has become quite low (averaging 7.5% over the period 2014-17). The introduction of an incentive approach to part of the CSP component from 2018 onwards is intended to increase the PDFS leverage in public finance management and public administration reform (*Effectiveness, Impact, Sustainability*) [§§75-76, §§84-89].
- C13** The PA is taking steps in reforming public finance management and the public administration. The relevant, quite recent (July 2017) PFM strategy is the result of policy dialogue under the pilot ROF. It has as yet yielded few results but offers quite promising prospects in the sphere of civil service reform, especially if supported by EU and EUMS-funded technical assistance and Twinning (*Effectiveness, Impact, Sustainability*) [§§89-94].

Re the VPF Component

- C14** PDFS/VPF has included systematic, predictable and unconditional contributions to the payment of social allowances to Palestinians living in poverty. The PDFS/VPF component contributed an amount of EUR 415,358,739 million to the PA-CTP in the period 2008-2017. In 2016, VPF contributed EUR 55,108,969, representing 43.1% of the total CTP budget (EUR 128 million). In 2017, the CTP budget totalled EUR 123.4 million, with EUR 51,838,250 (41.6%) provided by the VPF (*Relevance, Efficiency*) [§§23-24, §25].
- C15** The PA and stakeholders consider PDFS/VPF an appropriate and relevant EU programme to support the PA as duty bearer responsible for providing social floor assistance to vulnerable poor families. In 2017, an extra EUR 20 million was earmarked to Gaza to compensate the interruption of PEGASE CSP in Gaza and considering the deterioration of socio-economic conditions in the Strip (*Relevance*) [§§26-28].
- C16** The EU has been contributing to the quarterly payment of social allowances in accordance with PEGASE DFS rules and procedures. High standards of control through ex-ante, ex-post and annual audit and verification and monitoring systems are in place (*Efficiency*) [§§101-104].
- C17** EU support helped beneficiary households to obtain access to basic social allowance but is insufficient to lift them out of poverty or cater for the specific services required by certain vulnerable groups (PwD, chronically ill, elderly). This is a weakness recognised by MoSD in its recent and ongoing reorientation towards developing and scaling-up its case management system to allow vulnerable people having access to social services and receive continuity of care in an efficient and effective manner (*Efficiency*) [§§106-112].
- C18** The VPF component contributes to Palestinian statehood by preventing the fiscal collapse of the PA social allowance system (*Effectiveness*) [§§121-123].
- C19** VPF actively strengthened the MoFP and MoSD as duty bearers in respect of providing direct financial assistance to the poorest and most vulnerable of the population. The EU

contribution to the CTP of EUR 419.4 million over the period 2008-2017 allowed the PA to increase their coverage of households living below the absolute poverty line (**Impact**) [§122- 123, §§125-126].

- C20** Fiscal constraints made it impossible for MoSD to achieve the level of coverage and adequacy as it had hoped for. Continuous improvement of the application of the PMTF for targeting is expected to better identify not only households but also individuals in need of support (**Impact**) [§122].
- C21** The signed financial agreement between the EU and the PA for 2018-2020 foresees EU support to the CTP by providing EUR 130 million for West Bank and Gaza. Other DPs, such as the World Bank, will also continue their financial contributions to the CTP (**Sustainability**) [§126].
- C22** The partnership and case management system introduced by the MoSD (with EU technical support) and the World Bank will ensure technical reform and sustainability of social services. (**Sustainability**) [§123].
- C23** Synergy and collaboration with the UNRWA social protection programme was improved in the West Bank (**Coherence**) [§114].
- C24** As regards gender, 41% of women-headed households were CTP beneficiaries in 2016-17. Complementary funding to MoSD from Italy, as lead DP for gender, will enhance specialised services for women at risk (**Coherence**) [§§118-120].
- C25** The ROF 2015-2016 had structured and enhanced policy dialogue in the social protection sector. The *Social Protection Working Group* co-chaired by MoSD and EU was also instrumental in maintaining regular policy dialogue with various stakeholders (**Coherence**) [§§130-134].

Re the EJH Component

- C26** The support to the EJH provides a lifebuoy to the six EJH, which are amongst the few remaining Palestinian institutions in East Jerusalem. Their tertiary care services are provided at markedly lower prices than similar services provided by Israeli hospitals (**Relevance**) [§141, §148].
- C27** The EJH component does not ensure geographical and likely neither gender or socio-economic equitable access to the tertiary care. (**Effectiveness, Cross-cutting issues**) [§§144-146]
- C28** The under-funding of the Palestinian health sector affects the technical efficiency of the outside medical referrals, whilst their allocative efficiency needs to be examined (**Efficiency**) [§§149].
- C29** The delayed payments of the outside medical referrals by the PA increase costs to the hospitals, cause frustration. The EJH mechanism is perceived by the hospitals as a non-transparent, unequitable reimbursement system amongst the six EJH, although the latter is not proven (**Effectiveness**) [§150].
- C30** It is uncertain as to whether the payment of social allowances through the Cash Transfer Programme contributes to avoiding catastrophic health expenditures by compensating for the high out-of-pocket expenses, especially for medicines and mainly in Gaza (**Effectiveness**) [§153].
- C31** While preventive and promotive needs on non-communicable diseases are probably insufficiently addressed, the EJH tertiary care definitely contributes to the reduction of their burden (**Impact**) [§163].

- C32** The Intrahealth Palestinian Health Capacity Project (PHCP) funded by USAID provides valuable technical assistance towards the outside medical referrals reform. This project ends in September 2019 and will not be renewed even though there is still need for TA to further improve the efficiency and effectiveness of the EJM outside medical referrals reimbursement system, directly affecting the PEGASE support (*Efficiency, Effectiveness*) [§165].
- C33** The European Joint Strategy ROF in the health sector is adequate, except for the indicator on health insurance: 'Percentage of persons with governmental health insurance' with a baseline of 35.5% in 2016 and a target of 43% in 2020. Palestine lacks an efficient and equitable health financing strategy, while the existing health insurance scheme is ineffective and presents major flaws. The government insurance system is biased in terms of its funding model, with its services cost coverage favouring tertiary care services and promoting adverse selection. Thus, the Ministry of Health suffers from chronic underfunding with accumulating debts, which impedes the effectiveness, impact and sustainability of the health system, the EJM hospitals and the attainment of universal health coverage (*Effectiveness, Impact, Sustainability, Coherence & EU Added Value*) [§166-167].

3.2 Recommendations

General

- R1** From 2018 onwards, to subject the PDFS to the relevant sets of intervention logic currently being compiled in the context the forthcoming ROF 2018-20 of the European Joint Strategy 2017-2020 [C3 & C4].
- R2** To provide EU-funded support to the Palestinian Central Bureau of Statistics (PCBS) in the form of TA and Twinning related to collecting and compiling the necessary data for monitoring the implementation of the Sustainable Development Goals (SDG). The same data will be required for the indicators, milestones and targets in the Palestinian National Policy Agenda (2017-20) and updates of the EJM and the ROF [C8 & C13].

Re the CSP Component

- R3** To assess explicitly, through an evaluation of the impact of the incentive tranche on the reform process, and as a follow-up to recommendation R1 above, whether the current weight of the CSP component relative to the PA overall recurrent expenditure is sufficient to consider it as a civil service reform lever [C12].

Re the VPF Component

- R4** To continue supporting MoSD with complementary programmes, including up-scaling the case management system to improve access to social protection, and strengthening private sector partnership and social responsibility via joint planning groups [C17 & C22].
- R5** To continue EU policy dialogue with the PA institutions through the ROF, in addition to the coordination through the LACS. Linkages of PDFS/VPF intervention with the ROF 2018-2020 indicators at outcome and impact level should be made. Furthermore, more attention should be given to enhance monitoring and evaluation for MoSD linked to its strategic plan for years 2018-2020 [C25].

Re the EJM Component

- R6** To consider, complementary to PDFS, a Twinning programme with an EU Member State institution for the development of an equitable health strategy/insurance [C28 & C35].

- R7** For the MoH (Service Purchase Unit and financial department) and the MoFP to jointly establish mechanisms to enhance the regularity and modalities of payments to all service EJM providers so as to lower their financing costs by reducing their borrowing needs and eventually the service prices negotiated between the MoH and the EJM [C30].
- R8** To communicate in a transparent manner to the six EJM how the PA arrears are selected for funding under PDFS [C30].
- R9** To promote follow-up technical assistance by a Member State to the Palestinian Health Capacity Project (PHCP) Intrahealth project ending September 2019. This technical assistance could be complementary to PDFS and the World Bank supported resilience project. It could, amongst others, cover the following areas [C33]:
- ensuring compliance with the referral guidelines and protocols;
 - developing/updating an evidence-based price list of interventions, based on process related groups or diagnostic related groups;
 - continued strengthening of the Service Purchase Unit to monitor continuously the services offered at referral facilities such as those in East Jerusalem and Israel;
 - improving the auditing and contracting systems for the invoices received from referral facilities;
 - reforming the health insurance system.
- R10** As planned under the EU-PA policy dialogue set-up under the ROF 2018-2020, to continue monitoring health indicators and sectoral policy reforms. They comply mostly with the SDG targets, except for the indicator on the percentage of persons with governmental health insurance. This indicator may need improvement as the current health insurance system is seriously flawed [C34].
- R11** To focus policy dialogue on the development of sound financing and manpower strategies, two key areas for the development of an efficient and sustainable health system and the EJM. These strategies should promote universal health coverage, while providing financial protection, and the development of skilled and motivated manpower to meet the growing demands of the population [C34 & C35].

Annexes

Annex 1: Terms of Reference

Annex 1: Terms of Reference

SPECIFIC TERMS OF REFERENCE

EVALUATION OF 2016-2017 PEGASE DIRECT FINANCIAL SUPPORT TO

THE PALESTINIAN AUTHORITY ("PEGASE DFS")

FWC BENEFICIARIES 2013 - LOT 7: Governance and Home Affairs

EuropeAid/132633/C/SER/multi

Contracting Authority: European Union Delegation to West Bank and Gaza Strip

1. BACKGROUND

1.1 Relevant country / region / sector background

Palestine*¹⁰⁹ has been marked by the ongoing Palestinian-Israeli conflict, as well as by the disruption of fifty years of occupation and the progressive fragmentation of its territory, including the illegal annexation of East Jerusalem. Palestine has been characterised by regular cycles of violence and wars that have led, amongst others, to the construction of an illegal separation barrier beyond the 1967 border since 2002, the movement restrictions imposed by Israel on the Gaza Strip since the early 1990s and intensified in June 2007 with its closure and imposition of the land, air and sea blockade.

The Oslo Accords, under which the Palestinian Authority (PA) was created in 1994, were intended to lead to a final negotiated settlement between the parties. More than twenty years after, the PA, which has operated as a transitional authority with limited jurisdiction since its creation, has full civil and security authority only in 18% of the West Bank.

This takes place in the context of a growing governance challenges on the Palestinian side. The last general elections were held in January 2006 and the Gaza Strip came under the *de facto* control of Hamas in 2007.

Palestine is home to 4.8 million people, of which 2.9 million live in the West Bank (including East Jerusalem) and the remaining 1.8 million live in the Gaza Strip.¹¹⁰ Two out of five Palestinians living in Palestine are refugees.¹¹¹ 40% of the population is under 14 years old and almost 70% of the population is younger than 30, while around 4% is over 65 years old. The society is characterised by a stark and risky generational gap, which is exacerbated by the lack of proportional participation and representation of youth and women in governance and policy-making.

Palestinian economic development and political relations with Israel are strictly linked. Palestine runs under the framework of a customs and monetary union with Israel. It has no control over its own borders, it does not collect its own taxes and suffers from restrictions and controls on the movement of its people, goods and resources (land, water, etc.). The PA has therefore limited control over the majority of its revenues and suffers from substantial revenue losses under the current revenue sharing arrangements. Israel's intermittent withholding of clearance revenues hampers the predictability and service delivery by the PA and has had serious consequences, including delays in paying salaries. The blockade in the Gaza Strip continues to hinder recovery and increase investment costs. Within the West Bank, the restrictions on movement and access, the patchy control of land by the PA and reduced access to Area C have led to the development of insular economies and increased poverty.

Given the severe development constraints of the Palestinian context, Palestine revenue is still highly aid dependent, with the Organisation for Economic Co-operation and Development (OECD) reporting around

¹⁰⁹ (*) This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

¹¹⁰ PCBS, 2016.

¹¹¹ Approximately 70% of the estimated population in Gaza are registered Palestine refugees.

USD 2 billion annually coming from international donors (of which two thirds are from European development partners).¹¹² Budget support is however substantially decreasing.

Political and security uncertainties weigh heavily on the growth prospects in Palestine. Given the current economic structures, the budget/direct financial support to the PA has been the crucial driver of recent economic growth, essential service delivery and reform efforts. It has directly increased gross disposable income in the Palestinian economy through salary and other recurrent spending, but investment remains particularly low.

In spite of the context, the PA managed to reduce its budget deficit to 8.1% of GDP in 2016 with a decrease in the financing gap projected at USD 580 million in 2017. Given this large financing gap, the PA has resorted to accumulation of arrears and borrowing from domestic banks. In 2016, the largest part of the PA budget was allocated to social sectors with a share of 41.1%, including education, social protection, and health. 30% was spent budget on the security sector.

Longer term reforms, which are key for the Palestinian economy and the PA's sustainability over time, still need to be addressed. The relative size of the PA's wage bill (15% of the GDP) is almost the highest in the world. Recurrent spending should be decreased, and the pension system remains unsustainable. The PA should also develop contingency plans to mitigate the high fiscal risks.

The poverty rate averaged 15.6% in the West Bank and 38.2% in the Gaza Strip from 1994 to 1998. In 2011, the last year for which data are available, the poverty rate was about 17.8% for the West Bank and 38.8% for Gaza Strip – a net increase in poverty over the twenty-year period overall, keeping Palestine among the lower middle-income group of countries in terms of Human Development Index but one of the better off Arab States (it is ranked 114 out of 188 countries in 2016).

Unemployment rate, especially among youth and recent graduates, is increasing and reached 27% in 2016: 42% in Gaza and 18% in the West Bank. Only 40% of those aged between 15 and 29 are active in the labour market with dramatic differences in participation by gender (71% of male in 2016).

The PA has increasing difficulties to fulfil its role as a duty bearer especially towards the most vulnerable population and more acutely in Gaza. Difficulties in paying salaries, social allowances and bills are recurrent, putting the delivery of basic services to the Palestinian population at risk. In terms of social protection, some 111,000 families (among which 70% in Gaza) receive cash assistance through the PA Cash Transfer Programme (the monthly allowance amounts between ILS 250 to ILS 600 paid on a quarterly basis), for which the PA relies on donor funding (40% on average) to ensure regular payments. In the health sector, the PA's accumulated unpaid arrears to the East Jerusalem Hospitals (EJH) have put them in financial difficulties. To date, the EJH are still the only Palestinian non-profit medical institutes to provide tertiary care and specialist surgery in a number of branches including oncology, paediatrics, cardiology, haematology, ophthalmology, among others. Referrals to EJH are therefore necessary for specialised treatments hardly available in PA facilities and to ensure right to quality health care by the entire Palestinian population.

The fact that Palestine has not yet attained 'statehood' continues to require specific temporary support measures to contribute to maintaining the viability of the two-state solution. These cover (i) support to the budget of the PA, through PEGASE programmes of Direct Financial Support programmes (PEGASE DFS), and (ii) support to UNRWA, with the objective to sustain the delivery of basic services to the refugee population.

Since its launch in 2008, the EU, EU Member States and other donors have channelled over €2.3 billion through PEGASE to support the recurrent expenditure of the PA, with systematic, predictable and unconditional contributions to the payment of PA civil servant's salaries and pensions ("CSP" programme), social allowances to poor and vulnerable Palestinians families ("VPF" programme) and unpaid bills for medical referrals to East Jerusalem hospitals ("EJH" programme). This contributed to State building as well as to social cohesion, economic and security stabilisation. PEGASE is particularly appreciated by the PA for its flexibility and its catalytic nature in attracting funds from other donors without multiplying transaction costs.

¹¹² See [Stats.OECD.org/qwids](https://stats.oecd.org/qwids) for DAC disbursement data.

Ex-ante audits, ex-post audit, annual audits and IT services are separately contracted to support the implementation of PEGASE DFS programmes – such as sustaining regular maintenance of the IT system including hardware and system software, network infrastructure and developed software (user interfaces, databases, reporting and notification services) as well as third party software integration, such as the use of the software for screening of potentially eligible beneficiaries against international sanctions' lists and other ad-hoc lists. This IT system is referred to as the "PEGASE DFS database".

Following recommendations of the 2013 European Court of Auditors performance audit and the July 2014 external evaluation of the EU cooperation with Palestine, the EU and the PA designed a Results Oriented Framework (ROF) to shift PEGASE DFS towards a 'results-oriented approach' aiming to guide/formalise a more structured, coherent results-oriented policy dialogue, with stronger monitoring and evaluation of PA's achievements in key areas. The 2015-2016 Pilot ROF covered 6 sectors under the umbrella of two pillars: (1) Fiscal consolidation and policy reforms with (a) Macro-economic support/Fiscal outlook – led by the EU, (b) Public Financial Management (PFM) – led by the EU, (c) Public Administrative Reform (PAR) led by the United Kingdom (UK), and (2) Service Delivery with (a) Education – led by Belgium, (b) Health – led by Italy, (c) Social Protection – led by the EU. The EU lead donors (mainly at the level of Heads of Cooperation) conducted sector-level quarterly meetings with their relevant counterparts to follow-up on latest developments and progress toward agreed targets. Twice a year, the EUREP (Head of Cooperation) and the PMO (Head, Policy Priorities and Reform Unit) co-chaired high-level policy dialogue meetings where progress and challenges on the overall ROF were discussed.

1.2 The Action to be evaluated¹¹³

ENI/2016/38-842 "PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2016": EUR 171,500,000

The overall objective of this temporary EU support is to maintain the viability of the two-state solution by avoiding the fiscal collapse of the PA and sustaining basic living conditions of the whole Palestinian population.

The specific objective is to support the Palestinian national development agenda and in particular:

- to support the PA to deliver to the Palestinian population essential basic services by maintaining the functioning of the administration;
- to improve the economic opportunities of poor, vulnerable and isolated population; and
- to support the PA in reducing its budget deficit and implementing its reform agenda while increasing the PA's transparency and accountability.

Main activities:

Component 1: Supporting Palestinian administration and services (indicative allocation: EUR 115 million)

The EU will contribute to the payment of salaries and pensions to the PA civil servants in Palestine (West Bank and Gaza Strip). The objective of this activity is to support the PA to maintain the functioning of the administration and thus deliver to the Palestinian population essential basic services. The objective of this activity is to allow the administration to function and thereby to provide services to the Palestinians in the West Bank and Gaza Strip. The regular contribution to the funding of the wages expenditure for civil servants also reinforces the PA's public finance management and public finance reform implementation.

Component 2: Supporting the Palestinian social protection system (indicative allocation: EUR 40 million)

The EU will contribute to the quarterly payment of social allowances to poor and vulnerable Palestinian families in the West Bank and the Gaza Strip through the PA's national cash transfer programme (CTP). The objective of this activity is to ensure the continued assistance to Palestinian families living in extreme poverty, who are dependent on financial aid from the PA. This activity also reinforces the reform of the social protection system and the social cohesion among Palestinians.

Component 3: Support to East Jerusalem Hospitals (indicative allocation: EUR 13 million)

¹¹³ The term 'Action' is used throughout the report as a synonym for 'project and programme'.

The six Palestinian hospitals in East Jerusalem form an integral part of the network of health provision for Palestinians. In addition to the importance to the health network, these hospitals are also a symbol of continued Palestinian presence in East Jerusalem. The financial difficulties of the PA have resulted in a situation where many of the hospital bills underwritten by the Ministry of Health, and validated by the Ministry of Finance, remain unpaid. The hospitals are therefore, and to differing degrees, themselves in and/or worsen the PA's financial crisis.

Audit, verification, monitoring and visibility of PEGASE DFS programmes (Indicative allocation: EUR 2.5 million)

High standards of control are achieved through audit, verification, control and monitoring systems governing all PEGASE DFS programmes, including the three mentioned above. These systems are implemented under the continuous overview of independent auditors. Ex-ante verifications include identifying PEGASE eligible beneficiaries and/or invoices on the basis of eligibility criteria defined by the EU. Ex-post activities include confirming that the funds have been duly disbursed to the eligible beneficiaries. Moreover, to ensure high standards of verification of individual recipients of funds, and in order to avert any risk of misuse of funds, all direct beneficiaries of contributions channelled through PEGASE DFS are screened against international sanctions lists and other ad-hoc lists through a specialised software. Visibility and outreach activities related to the PEGASE DFS mechanism, notably the VPF programme, will also be organised.

Intervention logic:

Through the systematic, predictable and unconditional contributions to the PA's recurrent expenditures made through the PEGASE DFS mechanism, the EU is making a key contribution to avoiding the financial collapse of the PA itself and of many Palestinian institutions and private sector actors that financially depend on it. In doing so, the EU significantly contributes to maintaining the viability of the two-state solution and the PA's state-building activities, notably in terms of service delivery. The funds channelled through the PEGASE DFS mechanism thus contribute to the social cohesion and the economic and security stabilisation of Palestine. The contributions made through any of the three aforementioned components play a key role in supporting the PA to implement policy reforms aiming at enhancing its fiscal sustainability and improve the accountability, integrity, and transparency of its public finance system, as well as to improve service delivery.

ENI/2017/39376 "PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017": EUR 158,100,000

The overall objective of this special measure is to maintain the viability of the two-state solution by avoiding the fiscal collapse of the Palestinian Authority and sustaining basic living conditions of the whole Palestinian population.

The specific objective is to support the Palestinian national development agenda and in particular:

- to support the Palestinian Authority to deliver to the Palestinian population essential basic services by maintaining the functioning of the administration;
- to improve the economic opportunities of poor, vulnerable and isolated population; and
- to support the Palestinian Authority in reducing its budget deficit and implementing its reform agenda while increasing the Palestinian Authority's transparency and accountability.

Main activities

Component 1: Supporting Palestinian administration and services (indicative allocation: EUR 85 million)

The EU will contribute to the payment of salaries and pensions to the Palestinian Authority civil servants in Palestine (West Bank). The objective of this activity is to support the Palestinian Authority to maintain the functioning of the administration effectively under its control and thus deliver to the Palestinian population essential basic services in the West Bank. The regular contribution to the funding of the wages expenditure for civil servants also reinforces the Palestinian Authority's public finance management and public finance reform implementation.

Component 2: Supporting the Palestinian social protection system (indicative allocation: EUR 60 million)

The EU will contribute to the quarterly payment of social allowances to poor and vulnerable Palestinian families through the Palestinian Authority's national cash transfer programme (CTP) that functions in the West Bank and the Gaza Strip. The objective of this activity is to ensure the continued assistance to Palestinian families living in extreme poverty, who are dependent on financial aid from the Palestinian Authority. This activity also reinforces the reform of the social protection system and the social cohesion among Palestinians.

Component 3: Support to East Jerusalem Hospitals (indicative allocation: EUR 13 million)

The six Palestinian hospitals in East Jerusalem form an integral part of the network of health provision for Palestinians. In addition to the importance to the health network, these hospitals are also a symbol of continued Palestinian presence in East Jerusalem. The financial difficulties of the Palestinian Authority have resulted in a situation where many of the hospital bills underwritten by the Ministry of Health, and validated by the Ministry of Finance, remain unpaid. The hospitals are therefore, and to differing degrees, themselves immediately affected by the Palestinian Authority's financial crisis.

Component 4: Visibility of PEGASE DFS programmes (Indicative allocation: EUR 0.1 million)

Visibility and outreach activities related to the PEGASE DFS mechanism will be organised, notably with respect to the VPF programme.

Intervention logic

Through systematic and predictable contributions to the Palestinian Authority's recurrent expenditures made through the PEGASE DFS mechanism, the EU is making a key contribution to avoiding the financial collapse of the Palestinian Authority itself and of many Palestinian institutions and private sector actors that financially depend on it. In doing so, the EU significantly contributes to maintaining the viability of the two-state solution and the Palestinian Authority's state-building activities, notably in terms of service delivery. The funds channelled through the PEGASE DFS mechanism thus contribute to the social cohesion and the economic and security stabilisation of Palestine. The contributions made through any of the aforementioned three main components play a key role in supporting the PA to implement policy reforms aiming at enhancing its fiscal sustainability and improve the accountability, integrity, and transparency of its public finance system, as well as to improve service delivery.

Stakeholders of the Action

The main stakeholders for component 1 (CSP) are the Ministry of Finance and Planning (MoFP), the General Personnel Council (GPC) and the Pension Authority. Together, they are responsible for the salaries and pensions of the PA staff, including the payroll, financial controls and audits. MoFP is also the line ministry in charge of implementing the Public Financial Management (PFM) strategy.

The main stakeholder for component 2 (CTP) is the Ministry of Social Development (MoSD) which manages the Palestinian Authority's CPT. Despite scarce financial resources, the MoSD is a dynamic Ministry following through any required steps from policy development to implementation. EU provides technical assistance to the MoSD since 2010 to strengthen the capacities of MoSD in improving and monitoring social services and developing evidence-based strategy and policy planning. It remains essential to bring greater quality in the services provided by the Ministry.

The main stakeholders for component 3 (EJH) are the Ministry of Health (MoH) and the six East Jerusalem Hospitals - namely Al-Makassed Islamic Charitable Hospital, Augusta Victoria Hospital, Red Crescent Maternity Hospital, St John's Eye Hospital, Princess Basma Rehabilitation Centre and St Joseph's Hospital. These hospitals provide specialised tertiary healthcare services hardly available to Palestinians elsewhere, in particular cancer treatment, cardiac and eye surgeries, neonatal intensive care, children's dialysis and physical rehabilitation.

The final beneficiary of the action is the Palestinian population as a whole, estimated at 4,8 million.

The CSP PEGASE component targeted 68,000 civil servants and pensioners in the West Bank and Gaza in 2016 and nearly 58,000 in West Bank only in 2016. Most work in the education and health sectors. Until 2016, PEGASE was also contributing to payment of salaries of civil servants in Gaza.

The VPF component contributes to the national Cash Transfer Programme (CTP) targeting around 111,000 vulnerable families (28% families in the West Bank and 72% in the Gaza Strip). Out of this total, PEGASE funds the social allowances of some 70,000 families (among which 73% in Gaza). As of October 2017, the CTP targeted 555,221 individuals affected by deep poverty, including 46,259 families headed by a woman, 60,074 families headed by a refugee, 57,067 elderly individuals and 52,504 People with Disabilities (PWDs) – source MoSD.

The PEGASE EIH component's main beneficiaries are patients benefiting from Outside Medical Referrals. In 2016, a total of 91,927 patients were referred out of 102,000 individuals in need. With regards to referrals for Gaza patients, since 2006, the MoH has implemented a policy of universal health coverage for Gaza patients for tertiary health care. Although the number of referrals for Gazans has improved since, numbers are still a third lower when compared in comparison with the past. Moreover, even when granted a referral from MoH, access for patients from Gaza remains very difficult, as permits from Israeli authorities are often denied. Based on the latest WHO report, 45% of patients were denied/delayed permits in August 2017, a worsening trend.

Other available information

Evaluation report of PEGASE Direct Financial Support and Results-Oriented Framework 2014-2015: https://eeas.europa.eu/delegations/palestine-occupied-palestinian-territory-west-bank-and-gaza-strip/18500/evaluation-report-pegase-direct-financial-support-and-results-oriented-framework-2014-2015_en

2. DESCRIPTION OF THE EVALUATION ASSIGNMENT

Type of evaluation **Bi-annual (programme on-going since 2008) as foreseen in FA 38-842 and 39-376 (mid-term evaluation every 18 months)**

Coverage PEGASE Direct Financial Support to Recurrent Expenditures of the PA 2016-2017. Ref ENI/2016/38-842 and ENI/2017/39-376 (Civil Servants and Pensioners programme, Vulnerable Palestinian Families programme and East Jerusalem Hospitals programme) and related Memorandum of Understanding signed with Member States for their financial contribution to PEGASE (see complete list below)

Donor	Commitment	Commitment Date	Scheme	Scheme Committed Amount (EUR)
Austria	ENI/2015/037-802	02/12/2015	VPF	1,500,000.00
Portugal	ENI/2015/037-802	02/12/2015	VPF	25,000.00
Ireland	Ireland MoU December 2015 VPF	15/12/2015	VPF	700,000.00
Ireland	Ireland MoU December 2015 CSP	15/12/2015	CSP	300,000.00
Finland	Finland MOU December 2015	17/12/2015	EIH	4,000,000.00
European Union	ENI/2016/038-842	09/03/2016	CSP	115,000,000.00
European Union	ENI/2016/038-842	09/03/2016	EIH	13,000,000.00
European Union	ENI/2016/038-842	09/03/2016	VPF	40,000,000.00
Netherlands	Netherlands MoU June 2016	07/06/2016	CSP	4,000,000.00
Spain	Spain MoU November 2016 EUR 1 million for VPF	03/11/2016	VPF	1,000,000.00
Spain	Spain MoU November 2017		VPF	1,000,000.00

	EUR 1 million for VPF			
Sweden	Sweden MOU November 2016	23/11/2016	CSP	4,968,566.20
Austria	Austria transfer agreement	28/11/2016	VPF	1,250,000.00
Ireland	Ireland MoU December 2016 EUR 0.5 million for VPF	15/12/2016	VPF	500,000.00
United Kingdom	UK MOU January 2017 CSP	18/01/2017	CSP	29,308,323.56
European Union	ENI/2017/039-376	02/03/2017	CSP	85,000,000.00
European Union	ENI/2017/039-376	02/03/2017	EJH	13,000,000.00
European Union	ENI/2017/039-376	02/03/2017	VPF	60,000,000.00
United Kingdom	UK MOU October 2017 CSP	27/10/2017	CSP	22,821,931.87
Netherlands	Netherlands MoU November 2017	10/11/2017	CSP	1,500,000.00
Total (EUR):				398,873,821.63

Geographic scope Occupied Palestinian Territories

Period to be evaluated 2016-2017

2.1 Purpose of the evaluation

Systematic and timely evaluation of its programmes and activities is an established priority¹¹⁴ of the European Commission¹¹⁵. The focus of evaluations is on the assessment of achievements, the quality and the **results**¹¹⁶ of Actions in the context of an evolving cooperation policy with an increasing emphasis on **result-oriented approaches**¹¹⁷. From this perspective, evaluations should **look for evidence of why, whether or how these results are linked to the EU intervention** and seek to **identify the factors driving or hindering progress**.

Evaluations should provide an understanding of the **cause and effects links** between inputs and activities, and outputs, outcomes and impacts. Evaluations should serve accountability, decision making, learning and management purposes.

¹¹⁴ COM(2013) 686 final "Strengthening the foundations of Smart Regulation – improving evaluation" - http://ec.europa.eu/smart-regulation/docs/com_2013_686_en.pdf; EU Financial regulation (art 27); Regulation (EC) No 1905/2000; Regulation (EC) No 1889/2006; Regulation (EC) No 1638/2006; Regulation (EC) No 1717/2006; Council Regulation (EC) No 215/2008

¹¹⁵ SEC (2007)213 "Responding to Strategic Needs: Reinforcing the use of evaluation", http://ec.europa.eu/smart-regulation/evaluation/docs/eval_comm_sec_2007_213_en.pdf; SWD (2015)111 "Better Regulation Guidelines", http://ec.europa.eu/smart-regulation/guidelines/docs/swd_br_guidelines_en.pdf

¹¹⁶ Reference is made to the entire results chain, covering outputs, outcomes and impacts. Cfr. Regulation (EU) No 236/2014 "Laying down common rules and procedures for the implementation of the Union's instruments for financing external action" - https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/ipa/2014/236-2014_cir.pdf.

¹¹⁷ COM (2011) 637 final "Increasing the impact of EU Development Policy: an Agenda for Change" - http://www.europarl.europa.eu/meetdocs/2009_2014/documents/acp/dv/communication_/communication_en.pdf

The Financing Agreement foresees that the main objectives of this evaluation are to provide the relevant services of the European Union, the interested stakeholders and the wider public with:

- an overall independent assessment of the past performance of the PEGASE Direct Financial Support to Recurrent Expenditures of the PA 2016-2017, paying particular attention to its results measured against its objectives;
- key lessons and recommendations in order to improve current and future Actions.

This evaluation will be carried out for accountability and learning purposes, in particular with respect to the alignment with the priorities defined in the future NPA; the assurance that the Palestinian Authority leads the process of monitoring and evaluation; and the increased impact of policy dialogue (through the Result Oriented Framework).

The main users of this evaluation will be the partner country and other key stakeholders, notably contributing donors and institutional counterparts on the side of the PA. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

2.2 Requested services

2.2.1 Scope of the evaluation

The evaluation will assess the Action using the five standard DAC evaluation criteria, namely: relevance, effectiveness, efficiency, sustainability and impact. In addition, the evaluation will assess two EU specific evaluation criteria:

- the EU added value (the extent to which the Action adds benefits to what would have resulted from Member States' interventions only);
- the coherence of the Action itself, with the EU strategy in Palestine and with other EU policies and Member State Actions.
- The specific Issues to be Studied as formulated below are indicative. Based on them and following initial consultations and documental analysis, the evaluation team will propose in their Inception Report a complete and finalised set of Evaluation Questions with indication of specific Judgement Criteria and Indicators, as well as the relevant data collection sources and tools.

Once agreed with the approval of the Inception Report and Intermediary Note, the Evaluation Questions will become contractually binding.

Indicative Evaluation Questions

The evaluation questions will be identified in the first instance by the evaluation team during the Inception phase. The questions should include in their coverage the following main areas of analysis:

Relevance:

- The relevance and appropriateness of the design of PEGASE in relation to the political, economic and social context of Palestine; the PA's policy framework; the PA's national development strategy;
- The quality of the analyses of lessons learnt from past experience and sustainability issues;
- The quality of the problem analysis, Intervention Logic (including assumptions and risks) and logical framework;
- The degree of flexibility and adaptability to facilitate rapid responses to changes and circumstances.

Effectiveness:

- Whether the planned benefits have been delivered and received, as perceived by all key stakeholders (including women and men and specific vulnerable groups);
- If the assumptions and risk assessments at results level turned out to be inadequate or invalid, or unforeseen external factors intervened, how flexibly management has adapted to ensure that the results would still achieve the purpose; and how well has it been supported in this by key stakeholders including Government, Commission (HQ and locally), etc.;

- Whether any shortcomings were due to a failure to take account of cross-cutting or over-arching issues such as gender, environment and poverty during implementation.

Efficiency:

- the quality of day-to-day management, including the quality of information management and reporting, and the extent to which key stakeholders have been kept adequately informed of project activities (including beneficiaries/target groups);
- Extent to which the costs of the project have been justified by the benefits whether or not expressed in monetary terms in comparison with similar projects or known alternative approaches, taking account of contextual differences and eliminating market distortions.
- Have Partner country contributions been provided as planned?
- The institutional relations between relevant PA institutions involved in PEGASE: MoFP, MoSD, MoH;
- Quality of monitoring: its existence (or not), accuracy and flexibility, and the use made of it; adequacy of baseline information.

Impact:

- Extent to which the objectives of the project have been achieved as intended in particular the project planned overall objective:
- Whether the effects of the project:
 - a) have contributed to economic and social development, including social cohesion;
 - b) have contributed to poverty reduction, including access by the poorest to social services (mainly education and healthcare), in an inclusive and equitable way;
 - c) have made a difference in terms of cross-cutting issues like gender equality, good governance, conflict prevention etc.

Sustainability:

- Whether PEGASE and pilot ROF were effective at leveraging policy reform within the PA;
- The extent to which the project is embedded in local institutional structures and contributed to improving institutional capacity;
- The adequacy of the project budget for its purpose, considering phasing out prospects;
- Whether the project is in tune with local perceptions of needs and of ways of producing and sharing benefits;
- Wherever relevant, cross-cutting issues such as gender equity, environmental impact and good governance were appropriately accounted for and managed from the outset of the project.

Mutual reinforcement (coherence):

- The extent to which the programme allows the EU to achieve its development policy objectives without internal contradiction or without contradiction with other EU policies.
- Extent to which the programme complements partner country's policies and other donors' interventions.

EU value added:

- Extent to which the programme (its objectives, targeted beneficiaries, timing, results, etc.) is complementary and coordinated with the intervention of EU Member States in the country.

2.3 Phases of the evaluation and required deliverables

The evaluation process will be carried out in three phases: an Inception and Desk Phase, a Field Phase, and a Synthesis Phase. Deliverables in the form of reports and/or slide presentations should be submitted at the end of the corresponding phases as specified in the synoptic table below.

The submission of deliverables by the selected contractor will be performed through their uploading in the EVAL Module, an evaluation process management tool of the European Commission; the selected consultant will have access to online guidance in order to operate with the module.

2.3.1 Synoptic table

The following table presents an overview of the key activities to be conducted during each phase (not necessarily in chronological order) and lists the deliverables to be produced by the team, including the key meetings with the Contracting Authority and the Reference Group. The main content of each deliverable is described in Chapter.

Phases of the evaluation	Key activities	Deliverables and meetings
<u>Inception Phase and Desk Phase</u>	<ul style="list-style-type: none"> Initial document/data collection and definition of methods of analysis Background analysis Reconstruction of Intervention Logic and description of Theory of Change, incl. objectives, specific features and target beneficiaries In-depth document analysis (focused on the Evaluation Questions) Interviews with DG NEAR B1/R4 (mission) and EUREP (phone, email) Identification of information gaps and of hypotheses to be tested in the field phase Methodological design of the Field Phase 	<ul style="list-style-type: none"> Meeting of Team Leader with DG NEAR B1/R4 Inception Report detailing Evaluation Questions
<u>Field Phase</u>	<ul style="list-style-type: none"> Kick off meeting with the EUREP Meetings at country level with all stakeholders Gathering of primary evidence with the use of the most appropriate techniques Data collection and analysis 	<ul style="list-style-type: none"> Intermediary Note Debriefing with the EUREP Slide Presentation to Reference Group
<u>Synthesis phase</u>	<ul style="list-style-type: none"> Final analysis of findings (with focus on the Evaluation Questions) Formulation of the overall assessment, conclusions and recommendations Complementing data analysis if required 	<ul style="list-style-type: none"> Draft Final Report Executive Summary Final Report

2.3.2 Inception and Desk Phase

This phase aims at structuring the evaluation and clarifying its key issues.

The phase will start with initial background study, to be conducted by the evaluators from home. It will then continue with a meeting **in Brussels between DG NEAR B1 and R4, and the Team Leader** (Half-day presence is required). Phone interview with the EUREP will be organised to arrive at a clear and shared understanding of the scope of the evaluation, its limitations and feasibility.

In the Inception phase/Desk phase, the relevant documents will be reviewed (see annex II).

Further to a first desk review of the political, institutional and/or technical/cooperation framework of EU support to Palestine through PEGASE, the evaluation team, in consultation with the Project Manager, will reconstruct the Intervention Logic of the Action to be evaluated.

Furthermore, the evaluators will develop a narrative explanation (Theory of Change) of the logic of the Action that describes how change is expected to happen within the Action, all along its results chain. This explanation includes an assessment of the evidence underpinning this logic (especially between outputs

and outcomes, and between outcomes and impact), and articulates the assumptions that must hold for the Action to work, as well as identification of the factors most likely to inhibit the change from happening.

Based on the reconstructed Intervention Logic and on the Theory of Change, the evaluators will finalise the evaluation methodology, the Evaluation Questions, the definition of judgement criteria and indicators, the selection of data collection tools and sources, and the planning of the following phases. They will also summarise their approach in an Evaluation Design Matrix, which will be included in the Inception Report.

The limitations faced or to be faced during the evaluation exercise will be discussed and mitigation measures defined. Finally, the work plan for the overall evaluation process will be presented and agreed in this phase; this work plan shall be in line with that proposed in the present ToR. Any modifications shall be justified and agreed with the Project Manager.

On the basis of the information collected, the evaluation team should prepare an **Inception Report**; its content is described in Chapter 0.

The activities to be conducted during this phase should allow for the provision of preliminary responses to each evaluation question, stating the information already gathered and its limitations. They should also identify the issues still to be covered and the preliminary hypotheses to be tested.

During this phase the evaluation team shall furthermore define the evaluation tools to be used during the Field Phase and describe the preparatory steps already taken and those to be taken for its organisation, including the list of people to be interviewed, dates and itinerary of visits, and attribution of tasks within the team.

2.3.3 Field Phase

The Field Phase starts after approval of the Inception Report by the Project Manager. A kick-off meeting will be organised with EUREP upon arrival.

The Field Phase aims at validating/changing the preliminary answers formulated during the Desk phase and bringing further information through primary research.

If any significant deviation from the agreed work plan or schedule is perceived as creating a risk for the quality of the evaluation, these elements are to be immediately discussed with the Project Manager.

In the first days of the field phase, the evaluation team shall hold a briefing meeting with the Delegation, the PA's relevant institutions and /or other relevant stakeholders.

During the field phase, the evaluation team shall ensure adequate contact and consultation with, and involvement of the different stakeholders; with the relevant government authorities and agencies. Throughout the mission the evaluation team shall use the most reliable and appropriate sources of information, respect the rights of individuals to provide information in confidence, and be sensitive to the beliefs and customs of local social and cultural environments.

At the end of the field phase, the evaluation team shall summarise its work, analyse the reliability and coverage of data collection, and present preliminary findings in a meeting with **the EUREP and the Reference Group**. For this purpose, an **Intermediary Note** AND a **Slide Presentation** will be prepared; its content is described in Chapter 0.

2.3.4 Synthesis Phase

This phase is devoted to the preparation of the Final Report and entails the analysis of the data collected during the desk and field phases to finalise the answers to the Evaluation Questions and prepare the overall assessment, conclusions and recommendations of the evaluation.

The evaluation team will present in a single Report plus Annexes their findings, conclusions and recommendations in accordance with the agreed structure (see Annex III); a separate Executive Summary will be produced as well.

The evaluation team will make sure that:

- Their assessments are objective and balanced, statements are accurate and evidence-based, and recommendations realistic.

- When drafting the report, they will acknowledge clearly where changes in the desired direction are known to be already taking place.

The Project Manager consolidates the comments expressed by the Reference Group members and stakeholders and sends them to the evaluation team for revision, together with a first version of the Quality Assessment Grid assessing the quality of the Draft Final Report. The content of the Quality Assessment Grid will be discussed with the evaluation team to verify if further improvements are required.

The evaluation team will then finalise the **Final Report** and prepare the **Executive Summary** by addressing the relevant comments. While potential quality issues, factual errors or methodological problems should be corrected, comments linked to diverging judgements may be either accepted or rejected. In the latter instance, the evaluation team should explain the reasons in writing.

2.4 Management and Steering of the evaluation

2.4.1 At the EU level

The evaluation is managed by a staff member of the EUREP and this will be done with the assistance of a **Reference Group** consisting of members of EU Services, EU Member States' having contributed to PEGASE recently (Spain, The Netherlands, UK), Finland and Italy as EU Sector Lead for the European Joint Strategy Pillar 3, and UK for Pillar 1, Ministry of Finance and Planning, Ministry of Social Development, and Ministry of Health.

The Reference Group members' main functions are:

- To facilitate contacts between the evaluation team and the EU services and external stakeholders.
- To ensure that the evaluation team has access to and has consulted all relevant information sources and documents related to the Action.
- To define and **validate the Evaluation Questions**.
- To discuss and comment on notes and reports delivered by the evaluation team. Comments by individual group members are compiled into a single document by the Project Manager and subsequently transmitted to the evaluation team.
- To assist in feedback on the findings, conclusions, lessons and recommendations from the evaluation.
- To support the development of a proper follow-up action plan after completion of the evaluation.

At the Contractor level

The contractor is expected to oversee the quality of the process, the evaluation design, the inputs and the deliverables of the evaluation. In particular, it shall:

- Support the Team Leader in its role, mainly from a team management perspective. In this regard, the contractor should make sure that for each evaluation phase specific tasks and deliverables for each team member are clearly defined.
- Provide backstopping and quality control of the evaluation team's work throughout the assignment.

Language of the specific contract

The language of the specific contract is to be English.

3. EXPERTS' PROFILE AND ORGANISATION AND METHODOLOGY

3.1 Number of requested experts per category and number of working days per expert or per category

A team of three key experts is required.

- One expert category I – Team Leader/Evaluation expert: 33 working days
- One expert category II – Expert 2/Social Protection: 25 working days
- One expert category II – Expert 3/Public Health: 25 working days

3.2 Expertise required

Minimum requirements of the team:

Expert 1: Team Leader/Monitoring and Evaluation expert - Category I

Qualifications:

- At least Master's degree in Development and International Cooperation, Economics, Law or Social Sciences or, in its absence, an extra 5 years of professional experience in addition to minimum requirement.

General Professional Experience

- Experience in the past 5 years as **Team Leader** in evaluation/reviews/monitoring of development cooperation programmes;
- Recent expertise (past 5 years) in **monitoring and evaluation methodology**, including knowledge of **Results Based Monitoring, Intervention Logic and Theory of Change**, and **Project Cycle Management**.

Specific professional experience:

- Recent experience (past 5 years) in **assessing budget support programmes**;
- Expertise in **macroeconomics, public administration reform and public finance management**;
- Expertise in **policy dialogue and policy reforms**.

Other skills:

- Excellent command of English, both orally and written;
- Good analytical and research skills;
- Communication skills.

Expert 2: Social Protection expert - Category II

Qualifications:

- At least Master's degree in Development and International Cooperation, Economics, Law or Social Sciences or, in its absence, an extra 3 years of professional experience in addition to minimum requirement.

General Professional Experience

- Recent experience (past 5 years) in evaluation of **social protection policies, social assistance schemes and governmental social protection programmes**;
- Experience in assessment of **institutional capacity for implementing social protection policies and programmes**.

Specific professional experience:

- Expertise in **targeting methodology**;
- Recent experience (past 5 years) in **participatory consultation** of various stakeholders including government and civil society.

Other skills:

- Excellent command of English, both orally and written;
- Good analytical and research skills.

Expert 3: Public Health expert - Category II

Qualifications:

- At least Master's degree in Public Health or, in its absence, an extra 3 years of professional experience in addition to minimum requirement.

General Professional Experience

- Recent experience (past 5 years) in evaluation of development cooperation **programmes in the health sector**;
- Experience in assessment of **institutional capacity of health institutions** and **health sector policy reforms**.

Specific professional experience:

- Recent experience (past 5 years) in **participatory consultation** of various stakeholders including government and civil society;
- Recent experience (past 5 years) in **government health insurance scheme/referral policy/framework/systems**.

Other skills:

- Excellent command of English, both orally and written;
- Good analytical and research skills;

The contractor will ensure and demonstrate that knowledge and experience in monitoring cross-cutting topics – mainly good governance and gender– are available in the proposed team. Proposed experts need to have access unimpededly to all geographical areas mentioned in the ToR.

Language skills of the team:

- English,
- Arabic is an advantage.

3.3 Presence of management team for briefing and/or debriefing

The presence of all members of the management team is not required for briefing or debriefing purposes.

3.4 Specific Organisation and Methodology (Technical offer)

Please fill in Annex VII-d1 attached to the ToR.

4. LOCATION AND DURATION

4.1 Starting period

Provisional start of the assignment: February 2018.

4.2 Foreseen duration

Maximum duration of the assignment: 8 months (see section 5.1 for time of delivery of final report).

It is assumed that the consultants will work on the basis of a five-day week.

4.3 Planning¹¹⁸

As part of the technical offer, the framework contractor must fill-in the timetable in the Annex IV. The 'Indicative dates' are not to be formulated as fixed dates but rather as days (or weeks, or months) from the beginning of the assignment.

Attention is drawn to the fact that sufficient forward planning is needed in order to ensure active participation and consultation with government representatives and national stakeholders.

4.4 Location(s) of assignment

The assignment will take place in Ramallah, Palestine, with visits in East Jerusalem and West Bank as needed.

¹¹⁸ including the period for notification for placement of the staff as per art 16.4 a)

5. REPORTING

5.1 Content, timing and submission

The reports must match quality standards. The text of the report should be illustrated, as appropriate, with maps, graphs and tables; a map of the area(s) of Action is required (to be attached as Annex).

The evaluation team will submit the following reports:

	Number of Pages (excluding annexes)	Main Content	Timing for submission
Inception Report	20 pages	<ul style="list-style-type: none"> • Intervention logic and Theory of Change of the Action. • Methodology for the evaluation • Evaluation Questions, judgement criteria and indicators • Preliminary answer to each Evaluation Question, with indication of the limitations of the available information • Field visit approach • Work plan including consultation plan 	End of Inception Phase
Intermediary Note and Slide Presentation	10 pages	<ul style="list-style-type: none"> • Activities conducted during the field phase • Difficulties encountered during the phase and mitigation measures adopted • Key preliminary findings 	End of the Field Phase
Draft Final Report	40 pages	<ul style="list-style-type: none"> • <u>Cf. detailed structure in Annex III</u> 	End of Synthesis Phase
Executive Summary	6 pages	<ul style="list-style-type: none"> • <u>Cf. detailed structure in Annex III</u> 	2 weeks after having received comments to the Draft Final Report.
Final report	40 pages	<ul style="list-style-type: none"> • Same specifications as of the Draft Final Report, incorporating any comments received from the concerned parties on the draft report that have been accepted 	2 weeks after having received comments to the Draft Final Report.

5.2 Comments

For each report, the Project Manager will submit comments within 20 calendar days. The revised reports incorporating comments received from the Reference Group shall be submitted within 10 calendar days from the date of receipt of the comments. The evaluation team should provide a separate document explaining how and where comments have been integrated or the reason for non-integration of certain comments.

5.3 Language

All reports shall be submitted in English.

The Executive Summary of the following reports Final Report shall be furthermore translated into Arabic.

5.4 Number of copies

The final version of the Final Report will be provided in 15 (fifteen) paper copies and in electronic version.

5.5 Formatting of reports

All reports will be produced using Font Arial or Times New Roman minimum 11 and 12 respectively, single spacing, and will be printed in double-page.

6. INCIDENTAL EXPENDITURE (section 3 of the Financial Offer)

Sufficient budget shall be foreseen in the reimbursable costs to allow for the adequate provisions of other limitatively identified reimbursable costs, with their details:

- Trips from the place of living of the experts to the place of assignment;
- Per diems (during stay of the consultant team in the places of assignment);
- Car rental/taxi/transport costs (for inter-city movements only);
- Translation and interpretation services;

The purchase of any equipment or software will not be reimbursed. The Consultant is expected to provide all necessary equipment and software.

The Framework Contractor will organise the smooth mobilisation of the team of experts (including travel to Palestine and the organisation of visas).

The Framework Contractor will be responsible for all security arrangements while the experts are in the country, this being calculated in the experts' fees.

7. MONITORING AND EVALUATION

The quality of the final report will be assessed by the Project Manager using the quality assessment grid provided in Annex V, which is a tool to review the quality of the Draft and the Final report. Its compilation will support/inform the Performance Assessment required in CRIS, in particular with reference to the third criterion 'Quality of Service' (and should the score be 2 or 3 a synthesis of the QAG comments can be pasted in the Comment box of the Performance Assessment).

Annex I: Specific Technical Evaluation Criteria

SPECIFIC TECHNICAL EVALUATION CRITERIA

Request for Services n. ENI/2017/390-647

FWC BENEFICIARIES 2013 - LOT 7: Governance and Home Affairs EuropeAid/132633/C/SER/multi

1. TECHNICAL EVALUATION CRITERIA

The Contracting Authority selects the offer with the best value for money using an 80/20 weighing between technical quality and price. Technical quality is evaluated on the basis of the following grid:

Criteria	Maximum
Total score for Organisation and Methodology	40
• Understanding of ToR and the aim of the services to be provided	10
• Overall methodological approach, quality control approach, appropriate mix of tools and estimate of difficulties and challenges	20
• Organization of tasks including timetable	10
Total score for the proposed team of experts	60

• Expert 1	30
• Expert 2	15
• Expert 3	15
OVERALL TOTAL SCORE	100

2. TECHNICAL THRESHOLD

Any offer falling short of the technical threshold of 80 out of 100 points, will be automatically rejected.

3. INTERVIEWS DURING THE EVALUATION OF THE OFFERS

Phone interviews will be tentatively carried out during the period from 27 November 2017 to 15 December 2017.

Annex II: Information that will be provided to the evaluation team

- Legal texts and political commitments pertaining to the Action to be evaluated
- Single Support Framework 2014-2015 – extended to 2016 – for Palestine and Special Measures 2017
- Relevant national / sector policies and plans from National and Local partners and other donors
- CSP, VPF and EIH Memoranda of Understanding signed between MoFP and European Union
- Action financing agreement and addenda
- Action's quarterly and annual progress reports, and technical reports
- EC's Result Oriented Monitoring (ROM) Reports, and other external and internal monitoring reports of the Action
- Action's mid-term evaluation report and other relevant evaluations, audit, reports.
- Relevant documentation from national/local partners and other donors
- Any other relevant document

Note: The evaluation team has to identify and obtain any other document worth analysing, through independent research and during interviews with relevant informed parties and stakeholders of the Action.

Annex III: Structure of the Final Report and of the Executive Summary

The consultant is requested to deliver two distinct documents: the Final Report and the Executive Summary.

The Final Report should not be longer than the number of pages indicated in Chapter 5. Additional information on the overall context of the Action, description of methodology and analysis of findings should be reported in an Annex to the main text.

The cover page of both deliverables shall carry the following text:

"This evaluation is supported and guided by the European Commission and presented by [name of consulting firm]. The report does not necessarily reflect the views and opinions of the European Commission".

Executive Summary

A tightly-drafted, to-the-point and free-standing Executive Summary. It should be short, no more than five pages. It should focus on the key purpose or issues of the evaluation, outline the

main analytical points, and clearly indicate the main conclusions, lessons to be learned and specific recommendations.

The main sections of the evaluation report shall be as follows:

1. Introduction

A description of the Action, of the relevant country/region/sector background and of the evaluation, providing the reader with sufficient methodological explanations to gauge the credibility of the conclusions and to acknowledge limitations or weaknesses, where relevant.
2. Answered questions / Findings

A chapter presenting the Evaluation Questions and conclusive answers, together with evidence and reasoning.
3. Overall assessment (*optional*)

A chapter synthesising all answers to Evaluation Questions into an overall assessment of the Action. The detailed structure of the overall assessment should be refined during the evaluation process. The relevant chapter has to articulate all the findings, conclusions and lessons in a way that reflects their importance and facilitates the reading. The structure should not follow the Evaluation Questions, the logical framework or the evaluation criteria.
4. Conclusions and Recommendations
 - 4.1 Conclusions

This chapter contains the conclusions of the evaluation, organised per evaluation criterion.

A paragraph or sub-chapter should pick up the 3 or 4 major conclusions organised by order of importance, while avoiding being repetitive. This practice allows better communication of the evaluation messages that are addressed to the Commission.

If possible, the evaluation report identifies one or more transferable lessons, which are highlighted in the executive summary and can be presented in appropriate seminars or other dissemination activities
 - 4.2 Recommendations

They are intended to improve or reform the Action in the framework of the cycle under way, or to prepare the design of a new Action for the next cycle.

Recommendations must be clustered and prioritised, carefully targeted to the appropriate audiences at all levels, especially within the Commission structure.
5. Annexes to the report

The report should include the following annexes:

The Terms of Reference of the evaluation

The names of the evaluators and their companies (CVs should be shown, but summarised and limited to one page per person)

Detailed evaluation methodology including: options taken, difficulties encountered and limitations. Detail of tools and analyses.

Evaluation Matrix

Intervention logic / Logical Framework matrices (planned/real and improved/updated)

Relevant geographic map(s) where the Action took place

List of persons/organisations consulted

Literature and documentation consulted

Other technical annexes (e.g. statistical analyses, tables of contents and figures, matrix of evidence, databases) as relevant

Detailed answer to the Evaluation Questions, judgement criteria and indicators

Annex IV: Planning schedule

		Indicative Duration in working days ¹¹⁹		
Activity	Location	Team Leader	Expert ...	Indicative Dates
Inception and Desk phase: total days				
•				
•				
•				
Field phase: total days				
•				
•				
•				
Synthesis phase: total days				
•				
•				
•				
Dissemination phase: total days				
•				
•				
•				
TOTAL working days (maximum)				

Annex V: Quality assessment grid

The quality of the Final Report will be assessed by the Project Manager using the following quality assessment grid; the grid will be shared with the evaluation team.

¹¹⁹ Add one column per each expert

The rates have the following meaning:

- *Very weak* – criteria mostly not fulfilled
- *Weak* – criteria partly fulfilled
- *Average* – criteria mostly fulfilled but not up to expectations
- *Good* – criteria entirely fulfilled as expected
- *Very good* – criteria entirely fulfilled in a clear and original way

In relation to the criteria and sub-criteria below, the evaluation report is rated as:	Rating
1. Meeting needs:	
<ul style="list-style-type: none"> • Does the report describe precisely what is to be evaluated, including the intervention logic? • Does the report cover the requested period, and clearly includes the target groups and socio-geographical areas linked to the project / programme? • Has the evolution of the project/programme been taken into account in the evaluation process? • Does the evaluation deal with and respond to all ToR requests? If not, are justifications given? 	
2. Appropriateness of the design:	
<ul style="list-style-type: none"> • Does the report explain how the evaluation design takes into account the project/programme rationale, cause-effect relationships, impacts, policy context, stakeholders' interests, etc.? • Is the evaluation method clearly and adequately described in enough detail? • Are there well-defined indicators selected in order to provide evidence about the project/programme and its context? • Does the report point out the limitations, risks and potential biases associated with the evaluation method? 	
3. Reliability of the data:	
<ul style="list-style-type: none"> • Is the data collection approach explained and is it coherent with the overall evaluation design? • Have data collection limitations and biases been explained and discussed? • Are the sources of information clearly identified in the report? • Are the data collection tools (samples, focus groups, etc.) applied in accordance with standards? • Have the collected data been cross-checked? 	
4. Soundness of the analysis:	
<ul style="list-style-type: none"> • Is the analysis based on the collected data? • Does the analysis focus well on the most relevant cause/effect assumptions underlying the intervention logic? • Is the context taken into account adequately in the analysis? • Are inputs from the most important stakeholders used in a balanced way? • Are the limitations of the analysis identified, discussed and presented in the report, as well as the contradictions with available knowledge, if there are any? 	
5. Credibility of the findings:	
<ul style="list-style-type: none"> • Are the findings derived from the qualitative and quantitative data and analyses? • Is there a discussion whether the findings can be generalised? • Are interpretations and extrapolations justified and supported by sound arguments? 	
6. Validity of the conclusions:	
<ul style="list-style-type: none"> • Are the conclusions coherent and logically linked to the findings? • Does the report draw overall conclusions on each of the five DAC criteria? • Are conclusions free of personal or partisan considerations? 	
7. Usefulness of the recommendations:	
<ul style="list-style-type: none"> • Are the recommendations consistent with the conclusions? 	

In relation to the criteria and sub-criteria below, the evaluation report is rated as:	Rating
<ul style="list-style-type: none"> • Are recommendations operational, realistic and sufficiently explicit to provide guidelines for taking action? • Are the recommendations drafted for the different target stakeholders of the evaluation? • When necessary, have the recommendations been clustered and prioritised? 	
8. Clarity of the report:	
<ul style="list-style-type: none"> • Does the report include a relevant and concise executive summary? • Is the report well-structured and adapted to its various audiences? • Are specialised concepts clearly defined and not used more than necessary? Is there a list of acronyms? • Is the length of the various chapters and annexes well balanced? 	
	Rating
Considering the 8 previous criteria what is the overall quality of the report?	
Comments on meeting needs (1):	
Comments on appropriateness of the design (2):	
Comments on reliability of the data (3):	
Comments on soundness of the analysis (4):	
Comments on credibility of the findings (5):	
Comments on validity of the conclusions (6):	
Comments on usefulness of the recommendations (7):	
Comments on clarity of the report (8):	
Comments on the overall quality of the report	

Annex 2: Evaluators & Contractor

Annex 2: Evaluators and Contractor

The **Team Leader**, Mr Dirk Blink, is a governance and M&E expert with a background in financial and sociological economics.

Mr. Blink has more than 30 years of experience in programme management, policy development and M&E in a variety of fields including research, review and assessment in the areas of public administration reform, justice & home affairs, finance, regional development, as well as sectoral restructuring. His professional experience covering 30 years has been gained in developing economies and economies in transition in Africa, Asia, Eastern Europe and the Middle East, for a large number of international bi- and multilateral organizations, including the European Commission, DfID, Dutch Development Cooperation, IFC, GIZ and Norwegian Aid.

Mr. Blink's more than 15 years of M&E experience encompasses both leading M&E assignments in the field and the development of M&E systems. A specialty concerns the identification and formulation of key performance indicators, including researching baseline data and the framing of benchmarks. Mr. Blink is fully conversant with project cycle management methodology, as well the latest development in M&E, including results-chain and theory-of-change.

Mr. Blink has highly developed interview skills gained in a variety of cultural settings, which combined with outstanding documentation review and statistical skills, are honed to arrive at sophisticated analytical results.

The **Social Protection Expert**, Ms Nadia Saad, holds an M.A. in Planning, Social and Political Development. She has 27 years of experience in management, evaluation and assessment of national and regional projects in the areas of social protection, education and social development, economic empowerment for women and youth, in addition to her experience in other sectors covering various developmental and humanitarian public services. She has a strong experience with mainstreaming right based approach, gender issues and promoting gender equality in development and humanitarian projects.

Ms Saad has 15 years of experience in social development and social protection in the West Bank and Gaza, and in Jordan. She led more than 20 evaluation and assessment studies in social protection and related fields for a variety of DPs, including USAID, UNRWA and EU 2016. She has further developed communication and visibility programmes for EU programmes in Jordan and in Palestine and most recently was involve in the 2017 review of the social protection sector strategy and indicators for MoSD in Palestine.

Ms. Saad has advanced communication, researching and facilitation skills. She is fluent in English, and a native speaker of Arabic.

The **Public Health Expert**, Mr Jaak Labeeuw, began his career as a clinician in Zambia. After a certificate course in epidemiology and statistics at the University of Brussels, he joined Belgian Development Cooperation, first in a paramedical training programme in Zambia, and then as team leader of a sexually transmitted diseases control programme at Kenya's Ministry of Health. After 26 years of practice, he completed a Master's degree at the University of London (LSHT/LSE). Upon his return to Belgium, he first worked as a scientific collaborator at the Belgian Institute of Public Health and then as an AIDS adviser for the Belgian Development Cooperation in Brussels. In this capacity, he represented Belgium at high-level international fora, such as the UNAIDS Programme Coordinating Board, the Global Fund to Fight AIDS, Tuberculosis and Malaria Board, OECD/DAC meetings on health, and EC Member States informal health expert meetings.

In 2007, Mr Labeeuw became an independent consultant. Since then, he has worked in over 50 countries in English and French-speaking Africa, the Middle East, Asia and the EU neighbouring countries, conducting evaluations, results-based monitoring (ROM) and programme formulations.

His main areas of expertise are disease control, particularly in the field of HIV/AIDS, reproductive health and rights, health policy and planning, project/programme cycle management, institutional strengthening, human resources for health, and sector budget support.

The **Contractor, A.R.S. Progetti S.P.A.** (*Ambiente Risorse e Sviluppo* – Environment, Resources & Development) is a consulting firm specialised in the fields of Development, Human Rights, Culture and Environment. Founded in 1992 as an evolution of previous forms of organization, ARS Progetti inherited a professional tradition deriving from the early '70s, where the cultural specificity was considered a capital for development. Our clients are mainly public institutions and international organizations for development and we work in different parts of the world.

A lead company for 10 years for the European Commission Framework Contracts in the field of good governance, justice and human rights, ARS Progetti is qualified as one of the most reliable consultancies in Europe and has gained remarkable experience in project and human resources management, programme evaluation and technical assistance to public bodies. ARS Progetti has worked with the main international donors (EC, WB, UN) to develop policies, strategies, studies and researches on democratization process, support to civil society and good governance. Based in Rome, ARS Progetti also has a representative office in Brussels mainly for relations with European institutions and all other international organisations represented there. ARS Progetti counts 35 permanent employees and has at its disposal a database of about 10,000 highly qualified experts covering various fields of expertise, languages and geographical origin.

Annex 3: Evaluation Methodology

Annex 3: Evaluation Methodology

1. Evaluation Criteria

The evaluation was based on the five main evaluation criteria, respectively, relevance, effectiveness, efficiency, impact and sustainability. It will further assess: (i) the value added by the EU-funded intervention to the results achieved by EU Member States (EUMS) interventions; and (ii) the coherence of PDFS with the policies and strategies of, respectively, the EU itself and those of relevant EUMS [Table 1].

Table 1: The 7 Evaluation Criteria

Criterion	Description
Relevance	The extent to which the Action is suited to the priorities and policies of the target group, recipient and donor
Effectiveness	A measure of the extent to which an Action attains its objectives, especially its specific objectives (or purpose)
Efficiency	The Action's outputs – qualitative and quantitative – in relation to its inputs and specifically the cost of the resources used (in time and money) to achieve the Action's expected results
Impact	The positive and negative changes produced by an Action, directly or indirectly, intended or unintended, as measured against socio-economic, environmental and other development indicators, including the impact of external factors, such as changes in terms of trade and financial conditions
Sustainability	The extent to which the benefits of the Action are likely to continue after donor funding has been withdrawn. Actions need to be environmentally, financially, as well as administratively sustainable
Coherence	Of the Action itself, with the EU strategy in Palestine, other EU policies and Actions by EUMS
EU Value-Added	The benefits added by the Action to the results of EUMS' interventions on their own

2. Intervention Logic and Theory of Change of the Action

The required reconstruction of the intervention logic of the Action aims – as per the ToR – at a first assessment of the evidence underpinning the intervention logic in terms of the linking of outputs, outcomes and impact. It should also provide a summary description of the assumptions with assumptions regarding the effectiveness of the Action, as well as any factors that may delay or forestall its intended impact.

Annex 5 sets out the theory of change proposed in the inception and discussed in the course of the field mission [Figure 1]. The reconstructed intervention logic and an assessment of the risks & assumptions are in, respectively, **Sections C & D** of that annex.

A number of observations were made during the inception phase:

- (i) The theory of change for the Action can be readily constructed from the intervention logic as described in *Section 4.3* of each of the Action Documents for PDFS 2016 and 2017. **Figure 1** in **Annex 5** demonstrates a plausible linking – in terms of explicit values to be pursued – of the Action's impact, outcomes, interventions and assumptions.
- (ii) There is a single material difference between the stated objectives and intervention logic for, respectively, PDFS and 2016 and 2017. The FA for 2017 deletes 'unconditional' from the phrase in the intervention logic for 2016 referring to: *the systematic, predictable and unconditional contributions to PA's recurrent expenditures*. It is understood that a significant part of the allocation for the CSP component of PDFS will henceforth be partly subject to

conditionality. The 2018 Financing Agreement (FA)¹²⁰ reflect new specific incentives pertaining to the provision of 20% of EU support under the CSP component for civil service reform and public finance management.

- (iii) There are also few differences between the risks and assumption listed in the FAs for, respectively, 2016 and 2017. There is a small change in the first assumption to the effect that the EU continues supporting: *the Palestinian Authority in view of a peaceful solution* (2017) instead of: *the PA as part of EU support for a peaceful solution* (2016). A more important difference concerns the addition – in 2017 – to the mitigation measures for the first listed risk of a recommendation by the European Court of Auditors (ECA). This calls on the Commission, the European External Action Service (EEAS) and other donors to engage more with the Government of Israel on the steps the latter needs to take to make PDFS more effective. The recommendation has been given follow-up in the EJS, which requires the development of new tools for *closer alignment between the political and development dimensions for the work of European partners in Palestine*.
- (iv) The EJS emerged from an increasing convergence in recent years amongst the EU, the PA and other development partners (DP) on the need for closer alignment of the political and development dimensions of the partners' work in Palestine. The results-oriented approach adopted first in the Single Support Framework 2014-16 and particularly in the form of the (pilot) ROF (2015-16) acted as a catalyst for agreement on the five pillars of the EJS. The intervention logic of PEGASE 2016-27 links clearly to the three relevant pillars of the EJS, in terms of specific objectives and expected results (outcomes).

3. Evaluation Questions, Judgement Criteria and Indicators

The evaluation design matrix in **Annex 4** sets out the evaluation questions (EQ) in line with the ROF and EJS approaches. It covers all the 22 detailed, indicative EQs for each evaluation criterion as set out in the ToR. These are treated as judgment criteria for the nine new EQ. together with the judgement criteria and indicators for each, as formulated during the compilation of the present report. A number of additional judgement criteria on sectoral reforms have been added to EQs 5, 7 & 9).

A preliminary assessment of the EQs in the ToR found these to be pertinent to each of the criteria for which they were framed, with one exception. That exception implied that it would be possible to compare the PDFS with similar instruments. Such instruments do not exist.

4. Preliminary answers to the Evaluation Questions

Annex 4 contains the evaluation team's preliminary answers to each EQ, with indication of the limitations of the available information.

Most of the documentation listed in Annex II of the ToR for the assignment was made available in the course of the inception period, including detailed information on the outcome of the ROF and ESJ processes [**Annex 11**].

Some items were not immediately at hand and were sourced during the comments period following submission of the Inception Report and during the field mission:

- relevant sectoral policies pertaining to the three main PDFS components;
- Action's quarterly, annual and technical reports;
- the Financing Agreement for PDFS for 2017 (in the process of finalisation);

¹²⁰ Still under preparation because the MoFP needed to make sure that its strategy for civil service reform and public financial management, as agreed with the EU and EUMS, is in line with the Palestinian National Policy Agenda (NPA) 2017-22. The FA is expected to be concluded in the second quarter of 2018.

- relevant external & internal monitoring reports of the Action; and
- relevant documents from national/local partners and other DPs.

5. Work Plan, Field Visit Approach & Consultation Plan

The work plan for the evaluation, as initially agreed during the inception phase with the Project Manager and confirmed with very minor adjustments during the final debriefing is in **Annex 9**. The timing of the assignment was amended to take into account the availability of the assignment's interlocutors over the Easter 2018 period.

The timing of individual activities and deliverables followed that stipulated in ToR.

Annex 4: Evaluation Matrix

Annex 4: Evaluation Matrix

Notes:

- The evaluation questions (EQs) in the ToR are re-grouped by main PDFS component (CSP, VPF/CTP & EJP), preceded by a general context group.
- The references to the EQs grouped by evaluation criteria – as per the ToR and listed as such in **Annex 4** – are given in italics the column 'Judgment Criteria'.
- The Outside Medical Referral Master Plan performance indicators will be used wherever possible for the EJP component, to align the evaluation with the PA MoH monitoring and evaluation system. The relevant indicators may change once the Master Plan has been made available to the evaluation team.

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
1. General			
EQ1 Does the PEGASE DFS programme continue to meet the needs of the Palestinian Authority and its people <i>Criteria: Relevance</i>	JC1 The PEGASE design is relevant and appropriate in relation to the political, economic and social context of Palestine; the PA's policy framework; the PA's national development strategy. <i>(Relevance 1)</i>	▪ Percentage of similar indicators and target values for, on the one hand, the Action Documents for PDFS for 2016 & 2017 and, on the other hand, the Palestinian National Policy Agenda (PNPA) 2017-20 regarding, respectively: <ul style="list-style-type: none"> • CSP (list) • VPF (list) • EJP (list) • Other relevant programmes (list) 	▪ Action Documents for PDFS for 2016 & 2017 ▪ PNPA 2017-2022 ▪ PNPD 2014-2016
	JC2 The quality of the analyses of lessons learnt from past experience and sustainability issue. <i>(Relevance 2)</i>	▪ Rate of adoption of the conclusions and recommendations of the ROF Pilot Phase for PA Annual Report 2015 ▪ Rate of adoption of the recommendations of the 2014-15 evaluation in the PDFS 201-17 design	▪ ROF 2016 annual report ▪ Minutes of the High-Level Policy Dialogue (HLPD) meetings on the ROF [Oct 2016 & Feb 2017]
	JC3 The quality of the problem analysis, intervention logic (including assumptions and risks) and logical framework <i>(Relevance 3)</i>	▪ Degree to which indicators are SMART-ly defined against a baseline	▪ Implementation progress reports ▪ ROF 2016 annual report ▪ HLPD Meeting minutes ▪ PEGASE database reports ▪ M&E reporting

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
EQ2 Does the PEGASE DFS have an EU added value and facilitate an evidence based, coherent policy dialogue with the PA, amongst the EUMS and the donor community at large? <i>Criteria: Relevance, Effectiveness, Efficiency, Coherence, EU value-added</i>	JC1 The degree of flexibility and adaptability to facilitate rapid responses to changes and circumstances. <i>(Relevance 4)</i>	<ul style="list-style-type: none"> Documented assessment of progress against Action targets and indicators Documented amendments to planning and scheduled expenditure 	<ul style="list-style-type: none"> Implementation progress reports ROF 2016 annual report HLPD minutes M&E reporting
	JC2 If the assumptions and risk assessments at results level turned out to be inadequate or invalid, or unforeseen external factors intervened, how flexibly management has adapted to ensure that the results still achieve the purpose; and how well has it been supported in this by key stakeholders including Government, Commission (HQ and locally), etc. <i>(Effectiveness 2)</i>	<ul style="list-style-type: none"> Quantified probability of occurrence Quantified or qualified potential impact Plausible mitigation measures in terms of cost, reaction delays and effect 	<ul style="list-style-type: none"> Action documentation Implementation progress reports ROF 2016 annual report HLPD Meeting minutes Interviews with stakeholder representatives
	JC3 Quality of monitoring: its existence (or not), accuracy and flexibility, and the use made of it; adequacy of baseline information. <i>(Efficiency 5)</i>	<ul style="list-style-type: none"> Implementation reporting contains explicit responses to conclusions and recommendations of monitoring 	<ul style="list-style-type: none"> Implementation progress reports ROF 2016 annual report M&E reporting
	JC4 Extent to which the programme allows the EU to achieve its development policy objectives without internal contradiction or without contradiction with other EU policies. <i>(Coherence 1)</i>	<ul style="list-style-type: none"> Explicit references to EU development policy and strategic framework (for ENI - Neighbourhood South) in project design and progress reporting 	<ul style="list-style-type: none"> Action Documents ROF Pilot Phase for PA JS 2017-2020 Implementation progress reports M&E reporting
	JC5 Extent to which the programme complements partner country's policies and other Development Partners' interventions. <i>(Coherence 2)</i>	<ul style="list-style-type: none"> Positive statements by EU and EUMS representatives Acknowledgements in EUMS documentation 	<ul style="list-style-type: none"> JS 2017-2020 Interview with EU and EUMS representatives
	JC6 Extent to which the programme (its objectives, targeted beneficiaries, timing, results, etc.) is complementary and coordinated with the intervention of EU Member States in the country. <i>(EU Value added 1)</i>	<ul style="list-style-type: none"> Positive statements by EU and EUMS representatives Acknowledgements in EUMS documentation 	<ul style="list-style-type: none"> JS 2017-2020 Interview with EU and EUMS representatives

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
EQ3 Given the political situation in Palestine, has the PEGASE DFS mechanism been able to contribute in a sustainable manner to the viability of the two-state solution and the sustenance of the basic living conditions of its people? <i>Criteria: Impact, Sustainability</i>	JC1 Extent to which the objectives of the project have been achieved as intended in particular the project planned overall objective. <i>(Impact 1)</i>	<ul style="list-style-type: none"> Percentage of achievement of each relevant quantitative indicator in the three main focus areas (CSP, VPF and EJJ). 	<ul style="list-style-type: none"> Action documentation Interviews with stakeholder representatives Implementation progress reports ROF 2016 annual report M&E reporting
	JC2 Whether the effects of the project have contributed to economic and social development, including social cohesion. <i>(Impact 2a)</i>	<ul style="list-style-type: none"> Consolidated CSP indicators from ROF, SSF, EJS and PNPA Track changes on households living standards, education, health, housing and access to services. Effectiveness of PMTF in targeting beneficiaries; percentage of exclusion and inclusion errors and number of CTP re-certifications or drop outs, reports generated from the CTP database. The number of women benefited, empowered, supported; number of elderly, PwDs, youth and children benefited from CTP; increased women roles in social services; other support provided to elderly, PwDs, youth and children. Quality of integrated programmes in transitioning households from relief to development in terms of number of households supported to be self-reliant and generated incomes and that left the CTP voluntary or obligatory; the percentage of returnees to CTP beneficiaries/temporal poverty trap; drop in the number of CTP beneficiaries. Performance access indicators of the Palestine Outside Medical Referral Masterplan 	<ul style="list-style-type: none"> MoSD CTP databases records MoSD district offices case load; targeting errors reports and progress reports, MoSD desegregated data based on gender, age, vulnerability and PwD reports, Other reports of the integrated programmes that support poor and vulnerable target groups. MoSD offices reports on number of cash transfer requests received: re-entries, rejected, and maintained applications for CTP. Palestine Outside Medical Referral Masterplan tracking tools
	Whether the effects of the project have	<ul style="list-style-type: none"> Consolidated CSP indicators from ROF, SSF, 	<ul style="list-style-type: none"> VPF ROF progress reports and VPF M&E matrices re

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
	<p>contributed to poverty reduction, including access by the poorest to social services; (Impact 2b)</p>	<p>EJS and PNPA</p> <ul style="list-style-type: none"> ▪ Poor family characteristics indicators: income, education, health, consumption, and housing. ▪ Smooth procedures for equitable and inclusive access to VPF to CTP and Social Services at central and district offices. ▪ Number of recipients that received education and health care services. ▪ Selected sample of poor beneficiaries' educational achievements: grades for basic/tertiary education levels. ▪ MoSD case applications and follow-up records and beneficiary focus groups ▪ Opinions from beneficiaries as to whether the quarterly payments are sufficient and timely received and adapted to the cost of living and inflation rate (method: screening beneficiaries opinions through a meeting with some of selected beneficiaries) ▪ Change in the number of CTP recipients; changes in household dependency ratios. ▪ Type of services offered to those graduated from CTP and escaped from poverty; percentage of those that graduated out of the total number beneficiaries. ▪ Trend in catastrophic health expenditure. 	<p>access to CTP provided at MoSD offices upon request by all: citizen and refugees, in both rural and urban areas.</p> <ul style="list-style-type: none"> ▪ Beneficiaries' health records. Do we have access to these? ▪ Beneficiaries' health insurance and the quality free health services provided to them: primary health care centres and local and referrals to East Jerusalem Hospitals. ▪ Educational records and attainments grades for selected beneficiaries. ▪ Complaints and other feedback by civil society organisations and local committees about CTP. ▪ CTP beneficiaries focus group.
	<p>Whether the effects of the project have made a difference in terms of cross-cutting issues like gender equality, good governance, conflict prevention, etc. (Impact 3a)</p>	<ul style="list-style-type: none"> ▪ Description of cross-cutting and overarching issues exceeds that of a merely token reference 	<ul style="list-style-type: none"> ▪ Action documentation ▪ Implementation progress reports ▪ HLPD Meeting minutes ▪ Interviews with stakeholder representatives
	<p>JC3 Whether PEGASE and pilot ROF were effective at leveraging policy reform within the PA.</p>	<ul style="list-style-type: none"> ▪ PA official documentation refers to specific policy measures resulting from PDFS in each of the three focal areas (CSP, VPF and EJH) 	<ul style="list-style-type: none"> ▪ PNPD 2014-16 ▪ PNPA 2017-22

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
	<i>(Sustainability 1)</i>		<ul style="list-style-type: none"> ▪ ROF Pilot Phase for PA ▪ JS 2017-2020
	<p>JC4 The extent to which the project is embedded in local institutional structures and contributes to improving institutional capacity.</p> <p><i>(Sustainability 2)</i></p>	<ul style="list-style-type: none"> ▪ Extent of alignment of the indicators in relevant sectoral policies and strategies with those in the PNPD and PNPD, as well as the Joint Strategy 2017-20, for, respectively: <ul style="list-style-type: none"> ▪ CSP (list) ▪ VPF (list) ▪ EJM (list) 	<ul style="list-style-type: none"> ▪ PNPD 2014-16 ▪ PNPA 2017-22 ▪ ROF Pilot Phase for PA ▪ JS 2017-20
	<p>JC5 The adequacy of the project budget for its purpose, considering phasing out prospects.</p> <p><i>(Sustainability 3)</i></p>	<ul style="list-style-type: none"> ▪ Contribution to the PA budget overall and sectoral budgets (MoFP, MoSD and MoH) to date ▪ Projected budget gaps overall and the three sectors in the period 2018-2020. 	<ul style="list-style-type: none"> ▪ PNPD 2014-16 ▪ PNPA 2017-22 ▪ Sector policies and strategies (MoFP, MoSD, MoH and other relevant ministries)
	<p>JC6 Whether the project is in tune with local perceptions of needs and of ways of producing and sharing benefits.</p> <p><i>(Sustainability 4)</i></p>	<ul style="list-style-type: none"> ▪ Extent of alignment of the indicators in relevant sectoral policies and strategies with those in the PNPD and PNPD, as well as the Joint Strategy 2017-20, for, respectively: <ul style="list-style-type: none"> ▪ CSP (list) ▪ VPF (list) • EJM (list) 	<ul style="list-style-type: none"> ▪ Action Documents ▪ ROF Pilot Phase for PA ▪ JS 2017-2020
	<p>JC7 Wherever relevant, cross-cutting issues such as gender equity, environmental impact and good governance was appropriately accounted for and managed from the outset of the project.</p> <p><i>(Sustainability 5)</i></p>	<ul style="list-style-type: none"> ▪ SMART indicators related to respectively gender, environment, governance and poverty, as including the relevant documentation (list) 	<ul style="list-style-type: none"> ▪ Action Documents ▪ ROF Pilot Phase for PA ▪ JS 2017-2020
2. Civil Service [CSP]			
EQ4 Does the support to the Palestinian administration contribute to the effective delivery of transparent and sustainable	JC1 Whether the planned benefits have been delivered and received, as perceived by all key stakeholders (including women and men and specific vulnerable groups).	<ul style="list-style-type: none"> ▪ Stakeholder self-assessment on CSP ▪ Stakeholder self-assessment on gender equality ▪ Stakeholder self-assessment on vulnerability 	<ul style="list-style-type: none"> ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ HLPD Meeting minutes ▪ Interview with PA authorities responsible

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
<p>services in a socially acceptable manner</p> <p><i>Criteria: Effectiveness, Efficiency</i></p>	<p><i>(Effectiveness 1)</i></p>	<p>issues</p> <ul style="list-style-type: none"> Performance indicators of the Palestine Outside Medical Referral Master Plan performance indicators related to effectiveness (health sector) 	<ul style="list-style-type: none"> Interviews with representatives of target groups of beneficiaries Palestine Outside Medical Referral Master Plan M&E system
	<p>JC2 Whether any shortcomings were due to a failure to take account of cross-cutting or overarching issues such as gender, environment and poverty during implementation.</p> <p><i>(Effectiveness 3)</i></p>	<ul style="list-style-type: none"> Description of cross-cutting and overarching issues exceeds that of a merely token reference 	<ul style="list-style-type: none"> Action documentation Implementation progress reports High-Level Policy Dialogue Meeting minutes Interviews with stakeholder representatives
	<p>JC3 The quality of day-to-day management, including the quality of information management and reporting, and the extent to which key stakeholders have been kept adequately informed of project activities (including beneficiaries/target groups).</p> <p><i>(Efficiency 1)</i></p>	<ul style="list-style-type: none"> Percentage of planned expenditure on CSP Percentage of planned other expenditure Scheduled and realised timing of contributions by EU and EUMS 	<ul style="list-style-type: none"> Implementation progress reports ROF Pilot Phase for PA reports High-Level Policy Dialogue Meeting minutes PEGASE database reports M&E reporting
	<p>JC4 Extent to which the costs of the project have been justified by the benefits whether or not expressed in monetary terms in comparison with similar projects or known alternative approaches, taking account of contextual differences and eliminating market distortions.</p> <p><i>(Efficiency 2)</i></p>	<ul style="list-style-type: none"> Explicit statements by EU and EUMS on political necessity <p>NB: PDFS is unique and there may be no basis such for comparison.</p>	<ul style="list-style-type: none"> Action documentation Implementation progress reports ROF Pilot Phase for PA reports High-Level Policy Dialogue (HLPD) Meeting minutes
	<p>JC5 Have Partner country contributions been provided as planned?</p> <p><i>(Efficiency 3)</i></p>	<ul style="list-style-type: none"> Scheduled and realised timing of contributions by EU and EUMS 	<ul style="list-style-type: none"> Implementation progress reports ROF Pilot Phase for PA reports HLPD Meeting minutes PEGASE database reports M&E reporting
<p>EQ5 Does the support to the Palestinian administration and services</p>	<p>JC1. Cooperation efforts contribute to institutional capacity-building for governance, accountability and credibility of the civil service</p>	<ul style="list-style-type: none"> Evidence of institutional strengthening result from EU Cooperation; 	<ul style="list-style-type: none"> Implementation progress reports ROF Pilot Phase for PA reports PEGASE database reports

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
<p>facilitate the civil service reform process?</p> <p><i>Criteria: Effectiveness, Efficiency</i></p>	<p><i>(Effectiveness, added)</i></p>		<ul style="list-style-type: none"> ▪ HLPD Meeting minutes ▪ M&E reporting
	<p>JC2 Reforms made with the assistance of PDFS and their potential impact</p> <p><i>(Effectiveness, added)</i></p>	<ul style="list-style-type: none"> ▪ Reforms drafted by line ministry ▪ Reforms adopted by Cabinet 	<ul style="list-style-type: none"> ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ HLPD Meeting minutes ▪ PEGASE database reports ▪ M&E reporting
	<p>JC3 The institutional relations between relevant PA institutions involved in PEGASE: MoFP, MoSD and MoH</p> <p><i>(Efficiency, 4)</i></p>	<ul style="list-style-type: none"> ▪ Mapping of PDFS-relevant inter-institutional relations between MoFP, MoSD and MoH, as well as participating private health institutions 	<ul style="list-style-type: none"> ▪ Action documentation ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ HLPD Meeting minutes
3. Social Protection [VPF]			
<p>EQ6 Does the support to the Palestinian social protection system through the Cash Transfer Programme reach the most vulnerable population?</p> <p><i>Criteria: Effectiveness, Efficiency</i></p>	<p>JC1 Whether the planned benefits have been delivered and received, as perceived by all key stakeholders (including women and men and specific vulnerable groups).</p> <p><i>(Effectiveness 1)</i></p>	<ul style="list-style-type: none"> ▪ Stakeholder self-assessment on VPF, gender equality and vulnerability issues. ▪ Beneficiaries perceptions on VPF/CTP 	<ul style="list-style-type: none"> ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ High-Level Policy Dialogue Meeting minutes ▪ Interview with PA authorities responsible ▪ Interviews with representatives of target groups of beneficiaries
	<p>JC2 Whether any shortcomings were due to a failure to take account of cross-cutting or overarching issues such as gender, environment and poverty during implementation.</p> <p><i>(Effectiveness 3)</i></p>	<ul style="list-style-type: none"> ▪ Description of cross-cutting and overarching issues exceeds that of a merely token reference 	<ul style="list-style-type: none"> ▪ Action documentation ▪ Implementation progress reports ▪ High-Level Policy Dialogue Meeting minutes ▪ Interviews with stakeholder representatives
	<p>JC3 The quality of day-to-day management, including the quality of information management and reporting, and the extent to which key stakeholders have been kept adequately informed of project activities (including beneficiaries/target groups).</p> <p><i>(Efficiency 1)</i></p>	<ul style="list-style-type: none"> ▪ Percentage of planned expenditure on VPF ▪ Percentage of planned other expenditure ▪ Scheduled and realised timing of contributions by EU and EUMS 	<ul style="list-style-type: none"> ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ High-Level Policy Dialogue Meeting minutes ▪ PEGASE database reports ▪ M&E reporting

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
	JC4 Extent to which the costs of the project have been justified by the benefits whether or not expressed in monetary terms in comparison with similar projects or known alternative approaches, taking account of contextual differences and eliminating market distortions. <i>(Efficiency 2)</i>	<ul style="list-style-type: none"> Explicit statements by EU and EUMS on political necessity <p>NB: PDFS is unique and there may be no basis such for comparison.</p>	<ul style="list-style-type: none"> Action documentation Implementation progress reports ROF Pilot Phase for PA reports High-Level Policy Dialogue (HLPD) Meeting minutes
	JC5 Have Partner country contributions been provided as planned? <i>(Efficiency 3)</i>	<ul style="list-style-type: none"> Scheduled and realised timing of contributions by EU and EUMS Scheduled and realised timing of disbursements by MoSD/MoFP 	<ul style="list-style-type: none"> Implementation progress reports ROF Pilot Phase for PA reports HLPD Meeting minutes PEGASE database reports M&E reporting
To which extent and how does the PEGASE DFS contribute to the reform of the Palestinian social protection sector towards an equitable, efficient, effective and sustainable system? <i>Criteria: Effectiveness, Efficiency</i>	JC1. Cooperation efforts contribute to institutional capacity-building for governance, accountability and credibility of the civil service <i>(Effectiveness, added)</i>	<ul style="list-style-type: none"> Evidence of institutional strengthening result from EU Cooperation; 	<ul style="list-style-type: none"> Implementation progress reports ROF Pilot Phase for PA reports PEGASE database reports HLPD Meeting minutes M&E reporting
	JC2 Reforms made with the assistance of PDFS and their potential impact <i>(Effectiveness, added)</i>	<ul style="list-style-type: none"> Reforms drafted by line ministry Reforms adopted by Cabinet 	<ul style="list-style-type: none"> Implementation progress reports ROF Pilot Phase for PA reports HLPD Meeting minutes PEGASE database reports M&E reporting
	JC3 The institutional relations between relevant PA institutions involved in PEGASE: MoFP, MoSD and MoH <i>(Efficiency, 4)</i>	<ul style="list-style-type: none"> Mapping of PDFS-relevant inter-institutional relations between MoFP, MoSD and MoH, as well as participating private health institutions 	<ul style="list-style-type: none"> Action documentation Implementation progress reports ROF Pilot Phase for PA reports HLPD Meeting minutes
4. East Jerusalem Hospitals [EJH]			
EQ8 Does the support to the EJH network ensure universal access to	JC1 Whether the planned benefits have been delivered and received, as perceived by all key stakeholders (including women and men and	<ul style="list-style-type: none"> The proportion of beneficiaries pertaining to vulnerable groups against the total number of referral beneficiaries 	<ul style="list-style-type: none"> Implementation progress reports ROF Pilot Phase for PA reports

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
<p>affordable, high quality tertiary care (effectiveness, efficiency, impact and sustainability questions applied to EJH)?</p> <p><i>Criteria: Effectiveness, Efficiency</i></p>	<p>specific vulnerable groups).</p> <p><i>(Effectiveness 1)</i></p>	<ul style="list-style-type: none"> ▪ Achievement of Palestine Outside Medical Referral Master Plan performance indicators related to effectiveness 	<ul style="list-style-type: none"> ▪ High-Level Policy Dialogue Meeting minutes ▪ Interview with PA authorities responsible ▪ Interviews with representatives of target groups of beneficiaries ▪ Palestine Outside Medical Referral Master Plan M&E system
	<p>JC2 Whether any shortcomings were due to a failure to take account of cross-cutting or overarching issues such as gender, environment and poverty during implementation.</p> <p><i>(Effectiveness 3)</i></p>	<ul style="list-style-type: none"> ▪ Description of cross-cutting and overarching issues exceeds that of a merely token reference 	<ul style="list-style-type: none"> ▪ Action documentation ▪ Implementation progress reports ▪ High-Level Policy Dialogue Meeting minutes ▪ Interviews with stakeholder representatives
	<p>JC3 The quality of day-to-day management, including the quality of information management and reporting, and the extent to which key stakeholders have been kept adequately informed of project activities (including beneficiaries/target groups).</p> <p><i>(Efficiency 1)</i></p>	<ul style="list-style-type: none"> ▪ Percentage of planned expenditure on EJH (pending Referral Master Plan) ▪ Percentage of planned other expenditure (idem) ▪ Scheduled and realised timing of contributions by EU and EUMS 	<ul style="list-style-type: none"> ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ High-Level Policy Dialogue Meeting minutes ▪ PEGASE database reports ▪ M&E reporting
	<p>JC4 Extent to which the costs of the project have been justified by the benefits whether or not expressed in monetary terms in comparison with similar projects or known alternative approaches, taking account of contextual differences and eliminating market distortions.</p> <p><i>(Efficiency 2)</i></p>	<ul style="list-style-type: none"> ▪ The proportion of beneficiaries pertaining to vulnerable groups against the total number of referral beneficiaries ▪ Explicit statements by EU and EUMS on political necessity <p>NB: PDFS is unique and there may be no basis such for comparison.</p>	<ul style="list-style-type: none"> ▪ Action documentation ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ HLPD Meeting minutes
	<p>JC5 Have Partner country contributions been provided as planned?</p> <p><i>(Efficiency 3)</i></p>	<ul style="list-style-type: none"> ▪ Scheduled and realised timing of contributions by EU and EUMS 	<ul style="list-style-type: none"> ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ PEGASE database reports ▪ M&E reporting
<p>EQ9 Has the PEGASE DFS strengthened the EJH and the Palestinian health</p>	<p>JC1. Cooperation efforts contribute to institutional capacity-building for governance, accountability and credibility of the civil service</p>	<ul style="list-style-type: none"> ▪ Evidence of institutional strengthening result from EU Cooperation ▪ Brief mapping of the outcome, impact and 	<ul style="list-style-type: none"> ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports

Evaluation Questions	Judgment Criteria	Indicators	Sources of information
<p>system? (efficiency, effectiveness, sustainability. It includes the question highlighted in the previous evaluation, viz. the impact of referrals to EJH on the capacity and quality of National hospitals in the West Bank and Gaza</p> <p><i>Criteria: Effectiveness, Efficiency</i></p>	<p><i>(Effectiveness, added)</i></p>	<p>gaps of past DP interventions to assist in the identification of a future lead DP on medical referrals once USAID has phased out</p>	<ul style="list-style-type: none"> ▪ PEGASE database reports ▪ M&E reporting
	<p>JC2 Reforms made with the assistance of PDFS and their potential impact</p> <p><i>(Effectiveness, added)</i></p>	<ul style="list-style-type: none"> ▪ Reforms drafted by MoH ▪ Reforms adopted by Cabinet ▪ State of progress in the Outside Medical Referral reform 	<ul style="list-style-type: none"> ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ PEGASE database reports ▪ M&E reporting
	<p>JC3 The institutional relations between relevant PA institutions involved in PEGASE: MoFP, MoSD and MoH and between the various institutions within the health sector</p> <p><i>(Efficiency, 4)</i></p>	<ul style="list-style-type: none"> ▪ Mapping of PDFS-relevant inter-institutional relations between MoFP, MoSD and MoH, as well as participating private health institutions ▪ Ways identified to reduce “unnecessary” referrals, also in relation to the health Insurance/co-payment scheme 	<ul style="list-style-type: none"> ▪ Action documentation ▪ Implementation progress reports ▪ ROF Pilot Phase for PA reports ▪ HLPD Meeting minutes

Annex 5: Intervention Logic & Theory-of-Change

Annex 5: Intervention Logic & Theory-of-Change

A. Introductory Note: Theory-of-Change (ToC) vs. Logical Framework Matrix (Logframe)¹²¹

The Logframe is a planning tool that assumes linear cause-effect relationships. Also, in EU-assistance¹²², the logframe is often used for accountability rather than monitoring purposes, making it an inflexible management tool that often deals superficially with **assumptions** and does not make **values explicit**. It tends to **focus on results and not on process and relationships**.

The logframe has a four-step logic: input, output, outcome and impact. These steps are often taken as linear. In practice, the changes caused by an intervention are the outcomes of re-iterative processes and feedback loops. A well-constructed logframe should be based on and reflect the underlying ToC.

A ToC contains logical thinking and reflection on possible cause-effect relationships between actions and intended results. It is applied as a projection of the desired changes into the future which serves as a 'map' for monitoring the process and context in view of **adaptive planning, checking the validity of assumptions** and learning about change. The ToC is neither rigid nor a plan to be followed. It should be revisited and revised on a regular basis.

B. Theory-of-Change

The constituent elements of the ToC for the PDFS to the PA for 2016-2017 may be considered the following, grouped in four categories¹²³ (**Figure 1**):

Outputs (activities undertaken and leading to outputs): Sustained Functioning Administration, Increased PA Accountability & Transparency (CSP); Reduced Budget Deficit & Committed Civil Service, Supported Vulnerable Palestinian Families (VPF); Supported East Jerusalem Hospitals (EJH) & Outside Medical Referral System.

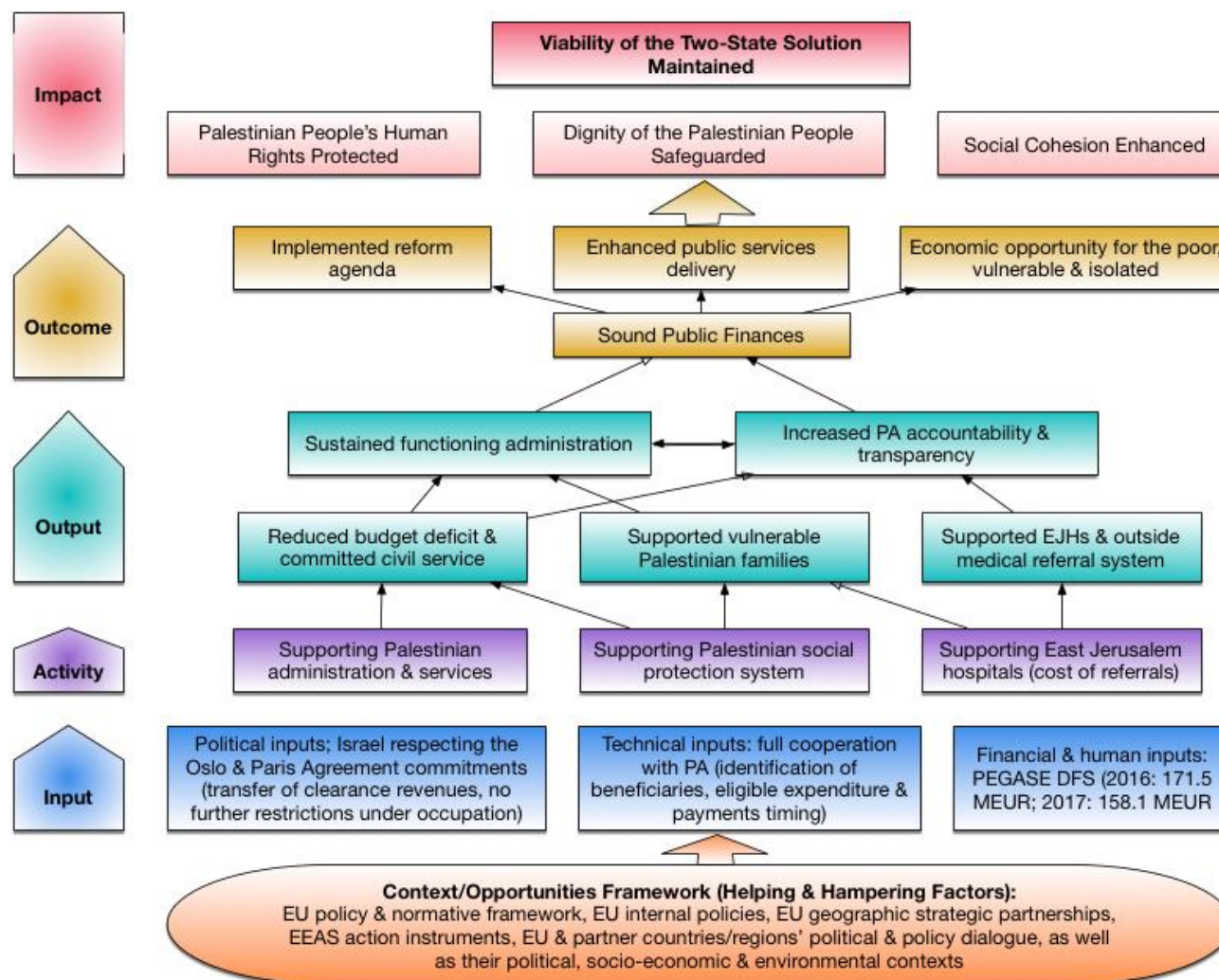
- a) **Outcomes** (changes in the conditions of people, institutions and the environment): Sound Public Finances, Implemented Reform Agenda, Enhanced Public Services Delivery, Economic Opportunity for the Poor, Vulnerable & Isolated.
- b) **Impact** (pivotal future political, socio-economic and cultural aims): Palestinian People's Human Rights Protected, Palestinian People's Dignity Safeguarded, Social Cohesion Enhanced, and, ultimately, Viability of the Two-State Solution Maintained.

Figure 1 – Theory-of-Change

¹²¹ **Source:** Knowledge Co-Creation Portal, Theory of Change, Wageningen University, Netherlands

¹²² Despite the Project Cycle Management Guide's recommendation to use the logframe methodology with flexibility.

¹²³ **From:** Action Documents for PEGASE DFS for 2016 and 2017, **Section 4.3:** Through systematic, and predictable and unconditional contributions to the Palestinian Authority's recurrent expenditures made through the PEGASE DFS mechanism, the EU is making a key contribution to avoiding the financial collapse of the PA itself and of many Palestinian institutions and private sector actors that financially depend on it. In doing so, the EU significantly contributes to maintaining the viability of the two-state solution and the Palestinian Authority's state-building activities, notably in terms of service delivery. The funds channelled through the PEGASE DFS mechanism thus contribute to the social cohesion and the economic and security stabilisation of Palestine. The contributions made through any of the three aforementioned components play a key role in supporting the PA to implement policy reforms aiming at enhancing its fiscal sustainability and improve the accountability, integrity, and transparency of its public finance system, as well as to improve service delivery. **NB:** Differences in the 2016 and 2017 texts are underlined.



- c) **Assumptions** (beliefs regarding the conditions that must be met for outcomes and impact to materialise): Two-State Solution remaining an EU political aim; EU support to the PA for a peaceful solution; PA commitment to statehood agenda and reconciliation; EUMS and other DP contributions

complementing PDFS; Israel respecting and accountable to Oslo/Paris agreement commitments (transfer of clearance revenues; no further restrictions under the occupation); and Full cooperation with PA (identification of beneficiaries, eligible expenditure & payments timing).

C. Intervention Logic

The following logframe [Table 1] summarises the objectives, purpose, outcomes, activities, outputs and means encountered in salient documentation, including the PDFS Action Documents for 2016 & 2017, the Single Support Framework 2014-16 (SSF) ¹²⁴ and the European Joint Strategy 2017-20 (EJS).

Table 1: PDFS 2016-2017 – Logframe Reconstruction

Intervention Logic	Indicators	Verification Means	Remarks ¹²⁵
Overall Objective (OO) ¹²⁶ : Maintain the viability of the two-state solution by avoiding the fiscal collapse of the PA and sustaining basic living conditions of the whole Palestinian population	Not stated	<ul style="list-style-type: none"> ▪ Pilot ROF 2016 reporting ▪ EJS reporting ▪ PNDP reporting ▪ PNPA reporting 	
Project Purpose : Support the Palestinian national development agenda and in particular to:	From ROF, SSF and EJS, respectively:		
<ul style="list-style-type: none"> ▪ support the Palestinian Authority to deliver to the Palestinian population essential basic services by maintaining the functioning of the administration 	From the Pilot ROF 2015-16: Pillar II – Service Delivery <ul style="list-style-type: none"> ▪ Education: 3 indicators ▪ Health: 4 indicators For comparison: <ul style="list-style-type: none"> ▪ SSF 2014-16: no indicators at SO level ▪ EJS 2017-20 has for this OO and Purpose (SOs) six indicators (all baselined, with five targeted) 	<ul style="list-style-type: none"> ▪ PCBS data ▪ MoEHE reporting ▪ MoH reporting ▪ ROF reporting ▪ EJS reporting ▪ UN and IFI data 	EJS 2017-20, Pillar 3: Sustainable Service Delivery (OO) Insure the equitable and inclusive access of all Palestinians to quality social services: <ul style="list-style-type: none"> ▪ ensure access to quality education (SO3.2.1) ▪ improve equitable access to health coverage (SO3.2.2) ▪ reduce poverty through access to social protection (SO3.2.3)
<ul style="list-style-type: none"> ▪ improve the economic opportunities of poor, vulnerable and isolated population 	From the Pilot ROF 2015-16: Pillar II – Service Delivery <ul style="list-style-type: none"> ▪ Social Protection: 7 indicators 	<ul style="list-style-type: none"> ▪ PCBS data ▪ MoSD data ▪ ROF annual reporting 	EJS 2017-20, Pillar 5: Sustainable Economic Development (OO) Promote inclusive sustainable and private

¹²⁴ The Single Support Framework (SSF) 2014-2016 conflates the PEGASE DFS with support to UNRWA (budget support). The objectives and results cover the same ground, albeit with additional mention of Palestinian refugees. The multi-donor SSF further covers the focal sectors; (i) local and national governance; (ii) private sector development; (iii) water and land development, as well as the non-focal East Jerusalem Programme.

¹²⁵ For Risks & Assumption (normally in this fourth column of the logframe, see **Section D, Table 2** below).

¹²⁶ **Source** (of overall objective and purpose): Action Documents for PEGASE DFS for 2016 and 2017, **Section 4.1**.

Intervention Logic	Indicators	Verification Means	Remarks ¹²⁵
	For comparison: <ul style="list-style-type: none"> ▪ SSF 2014-16: no indicators at SO level ▪ EJS 2017-20 has for this OO and Purpose (SOs) four indicators (all baselined, but with none targeted) 	<ul style="list-style-type: none"> ▪ EJS reporting ▪ UN and IFI data 	sector led development and equitable access to natural resources, paving the way to economic independence: <ul style="list-style-type: none"> ▪ revitalise the national economy through private sector development (SO5.2.1) ▪ reduce food insecurity through agriculture (SO5.2.2)
<ul style="list-style-type: none"> ▪ support the Palestinian Authority in reducing its budget deficit and implementing its reform agenda while increasing the PA's transparency and accountability 	From the Pilot ROF 2015-16: Pillar I – Fiscal Consolidation <ul style="list-style-type: none"> ▪ Macro-economic support/Fiscal consolidation: 4 indicators ▪ Public Financial Management: 7 indicators ▪ PAR: 4 indicators For comparison: <ul style="list-style-type: none"> ▪ SSF 2014-16: no indicators at SO level ▪ EJS 2017-20 has for this OO/Purpose (SOs) five indicators (of which four baselined, and four targeted) 	<ul style="list-style-type: none"> ▪ PCBS data ▪ MoFP reporting ▪ UN and IFI data ▪ ROF annual reports ▪ EJS reporting 	EJS 2017-20, Pillar 1: Governance Reform, Fiscal Consolidation & Policy Reform (OO) Support the PA to build capable accountable and responsive institutions, which are fiscally sustainable: <ul style="list-style-type: none"> ▪ support macro-economic and PFM (SO1.1.1) ▪ Support the implementation of PAR (SO1.1.2) ▪ Improve fiscal sustainability of LGUs and strengthen citizen participation in local governance (SO1.1.3)
Expected Results (Outcomes)¹²⁷			
Improved access of Palestinians, including Palestinian refugee population, to quality essential public services, with a specific focus on the most poor/vulnerable	<ul style="list-style-type: none"> ▪ Selected quality of life indicators (life expectancy, maternal and infant mortality, literacy rates, unemployment, poverty levels) disaggregated by sex ▪ Selected service delivery indicators on health, education and social protection, disaggregated by sex ▪ Measurement of entitlements, privileges and rights of refugees sustained and protected in line with relevant UN General Assembly resolutions and universal sustainable development goals 	<ul style="list-style-type: none"> ▪ PCBS data ▪ Reporting, studies, evaluation monitoring from the major DPs involved in macro-economy (mainly WB and IMF (and in socio-economy (mainly UN agencies) ▪ UNRWA Annual Harmonised Results 	
Increased livelihood opportunities of poor, vulnerable and isolated population			
Improvement of PA's and UNRWA's responsiveness to respective citizens' and Palestine refugees' needs			
Sustained East Jerusalem hospitals			

¹²⁷ **Source:** Single Support Framework for EU Support to Palestine (2014-2016), pp. 30.

Intervention Logic	Indicators	Verification Means	Remarks ¹²⁵		
		Reports <ul style="list-style-type: none"> ▪ Reports, studies and monitoring conducted by UNRWA and external stakeholders (DPs) ▪ UNRWA documents. 			
Activities	Outputs	Means	Costs [Million EUR]		
PDFS – EU Contribution			[2016]	[2017]	Totals
Component 1: Supporting Palestinian administration and services (CSP)			115.0	85.0	200.0
Component 2: Supporting the Palestinian social protection system (VPF)			40.0	40.0	80.0
Component 3: Support to East Jerusalem Hospitals (EJH)			13.0	13.0	26.0
Audit, verification, monitoring & visibility			2.5	0.1	8
			175	139	314

D. Stated Risks & Assumptions

Table 2: PDFS 2016-2017 – Risks & Assumptions¹²⁸

Risks	Risk Level	Mitigation	Assessment/Other Factors
Substantially worsening political and fiscal context with continued occupation, notably the potential freezing of the transfer of Clearance Revenues by Israel, which may lead to increased instability, volatility and of a return to violence in the medium-term growing	H	Enhanced EU dialogue with Israel, including linking EU cooperation effectiveness in Palestine directly to Israeli actions – <i>in line with the ECA recommendation that 'the EEAS and Commission in conjunction with the broader donor community, should further engage with Israel, within the framework of broader EU-Israeli cooperation, in order to determine what steps Israel needs to take to ensure PDFS is more effective' (addition 2017).</i>	High risk assessment plausible; enhanced political dialogue with Israel a highly political issue, as recognised in the Joint Strategy 2017-2020 (pp. 8)
Lack of progress of in the reconciliation process and continued regression in democratic and social accountability, with decreased legitimacy of the <i>Palestinian Authority</i> among the Palestinian population	H	EU support for the NCG (National Consensus Government) to take leadership both at the technical and political level, as well as policy dialogue and monitoring of progress in reforms Increased support for civilian oversight	Well-framed risk; plausible mitigation measures
Deterioration of the status quo in Gaza with expected increased level of poverty	M/H	Enhanced EU dialogue with Israel and the NCG	Risk materialised; mitigation measure linked to preceding two risks/measures
Fluctuations in the exchange rate may have an impact on funding needs	M/H	Continuous monitoring	Highly likely risk of occurrence; suggested monitoring is not a mitigation measure

Assumptions	Assessment/Remarks
The two-State solution is still the political aim supported by the EU, and the EU continues supporting the <i>PA as part of EU support for a peaceful solution (2016) or in view of a peaceful solution (2017)</i>	There is a slight change in the wording of this assumption; which is likely not intentional
The PA continues to be committed to its statehood agenda and the reconciliation process.	Plausible assumption
The Government of Israel respects its Oslo/Paris agreements' commitments, notably in terms of transfer of clearance revenues, and does not impose further restrictions under the occupation.	Assumption <i>de facto</i> not validated, but without consequences in terms of amendment of PDFS
Contributions from EU Member States and other DPs will be made available during the implementation period to complement the proposed funds.	Assumption validated
Full co-operation with the Palestinian Authority is essential. This co-operation needs to be maintained, in particular for the identification of eligible beneficiaries and timing of payments and for the identification of eligible expenditure.	Plausible assumption; EUREP has actively and consistently sought full cooperation with the PA on this since the advent of PDFS (Several assessments and evaluations attest to this)

¹²⁸ **Source:** Action Documents PEGASE DFS 2016 and 2017. Differences in the relevant sections of the Action Documents for 2016 and 2017 are marked in *italic* font.

Annex 6: Palestine Healthcare System

Annex 6: Palestine Healthcare System

Population

The PCBS estimates that in the middle of 2016 the total population of Palestine is 4,816,503 people, about 2.44 million males compared to 2.36 million females. The estimated population of the West Bank is 2.93 million, 60.9% of which 1.49 million males compared to 1.44 million females. On the other hand, the population of the Gaza Strip for the same year is about 1.88 million, 39.1% of the total population of Palestine, including 955,000 males compared to 925,000 females.

Major Causes of Death

The major causes of death in Palestine in 2016 were:

- i) cardiovascular diseases remain the leading cause of death among Palestinians, accounting for 30.6% of deaths recorded in 2016.
- ii) cancer was the second leading cause of death, with 14.0% of deaths.
- iii) cerebrovascular diseases were the third leading cause of death, with 12.8% of causes leading to death.
- iv) conditions in the perinatal period were the fourth leading cause of death 8.0%. In addition, complications of diabetes came in the fourth rank with a proportion of 8.0%.
- v) respiratory diseases ranked the sixth with 6.3%.
- vi) accidents of all kinds ranked seventh among the leading causes of death with 5.3% of deaths.
- vii) congenital anomalies were the eighth leading cause of death, accounting for 2.7%. Also in eighth place came the infectious diseases, especially septicaemia at the same rate of 2.7%.
- viii) in tenth place digestive diseases accounted for 2.4% of total reported deaths in 2016.

Healthcare Infrastructure

The Ministry of Health is considered the main provider of secondary health care services (hospitals) in Palestine. There are 81 hospitals in West Bank and Gaza Strip with a bed capacity of 6,146 beds. 51 of the total hospitals are in West Bank including East Jerusalem with a total bed capacity of 3,747 beds, while the rest are in Gaza Strip. Of the total hospitals, 27 of them are owned and operated by the Ministry of Health with a total bed capacity of 3,325 beds.

In Palestine, Non-Governmental Organizations have 34 hospitals with a capacity of 2,061 beds and the private sector has 16 hospitals with a capacity of 536 beds. UNRWA has one hospital in Qalqiliya with the capacity of 63 beds. Military medical services have three hospitals in Gaza Strip with capacity of 161 beds.

In 2016, the number of non-Ministry of Health hospitals in Palestine reached 54, with a total bed capacity of 2,821 beds, representing 45.9% of the total hospital beds in Palestine. The private sector owns and manages 16 hospitals with a bed capacity of 536 beds, or 7.9% of the total hospital beds in Palestine.

Non-governmental organizations (NGOs) own 34 hospitals, with a total beds capacity of 2,061 beds, or 33.5% of the total hospital beds in Palestinian Medical Military Services (PMMS) operate 3 hospitals, and UNRWA operates one hospital in Qalqiliya Governorate in the West Bank.

Description of EJH

There are 7 hospitals operating in East Jerusalem, 6 NGOs and 1 private hospital, with a total bed capacity of 698 beds. The distribution of the EJH by specialty and bed size is given in the Table below.

Table 1: Distribution of EIH Hospitals Beds by Speciality, 2016

	Hospital Name	N° of Beds	Total N° of Beds in Palestine
General Hospitals			4,455
	Al Makassed	250	
	Augusta Victoria	141	
	St. Josephs	155	
	Al Go'aba (Geriatric – private)	50	
Specialized Hospitals			1,206
	St. John (Ophthalmic)	48	
Rehabilitation Hospitals (Centres)			189
	Princess Basma	24	
Maternity Hospitals			296
	PRCS	30	
Total Palestine Hospital Beds			6,146

Table 2: EIH Utilization rates in 2016

Hospital	N° of Beds	No. of patient Admissions	No. of patient Discharges	N° of Deaths	Hospital Days	% Bed Occupancy	Average Duration of Stay	Operations	Births
Al Makassed	250	15,780	15,597	183	76,412	83.5%	4.9	8,635	2,134
Augusta Victoria	141	12,605	12,522	175	50,336	97.5%	4.0	2,050	0
St. Joseph's	155	15,123	15,121	25	36,559	64.4%	2.4	3,779	2,112
St. John (Ophthalmic)	48	2,586	2,575	0	4,050	23.1%	1.6	4,840	0
PRCS (Maternity)	30	4,309	4,302	1	11,996	109.3%	2.8	926	3,183
Total	624	50,403	50,117	384	179,353	78.5%	3.6	20,230	7,429
Basma, Rehabilitation	24	426	426	0	249	2.8%	0.6	0	0
Al Go'aba (private hospital)	50	12	12	11	18,000	98.4%	1500.0	0	0

The six EIH are heterogeneous in terms of specialisation, care level, size, patient mix, and outreach facilities.

Al Makassed (AM) Islamic Charitable Society Hospital is an academic diversified, complex hospital, providing secondary and mainly tertiary care across a broad range of medical conditions. Academic training is an important component of its mission.

The hospital was established in East Jerusalem in 1968 and consists currently of 250 beds, a staff of 750 employees, which includes 48 specialized doctors and consultants, 74 residents working within the training program sponsored by the Hospital, 3 emergency doctors, 344 nurses, 77 technicians, 164 administrators and 40 hired employees¹²⁹.

Its patients come from East Jerusalem, the West Bank and Gaza.

¹²⁹ <http://almakassed.org/?p=3725&lang=en>, accessed on 22 April 2018.

Augusta Victoria Hospital (AVH) is equally an academic diversified, complex hospital, providing secondary and mainly tertiary care across a broad range of medical conditions, especially oncology, nephrology, haematology and bone marrow transplantation care. Built in 1907-1914, it is the second largest hospital in East Jerusalem, run by the Lutheran World Federation. In 2017, the hospital had 127 licensed inpatient beds, 46 licensed ambulatory beds and stations, and 399 staff¹³⁰.

The PA is building an oncology hospital, but is not sure whether it will be allowed to provide radiation therapy

In Palestine, 3 main oncology services are available in the West Bank: 2 governmental hospitals (Beit Jala Hospital in Bethlehem and al-Watani Hospital in Nablus) and 1 nongovernmental hospital in East Jerusalem (Augusta Victoria). In addition, 2 governmental hospitals, in Jenin and Tulkaram, have recently started to provide oncology services

The hospital has leased a 100-bed hotel nearby for patients during their three-week treatment cycles.

Saint John Eye Hospital (SJH) is a narrow specialty or “Focused Factory” Hospital providing only secondary and tertiary eye care. The hospital has been operating for over 135 years. It has a hospital in Gaza, a new Hebron hospital, several clinics and mobile clinics. In 2016, the Jerusalem hospital treated over 42,100 patients including performing nearly 3,800 major operations, and employed 180 people in total, including 108 medical and nursing staff¹³¹. The hospital receives referrals from Gaza and the West Bank.

Saint Joseph General Hospital provides mainly secondary care and narrow specialty tertiary care in thoracic surgery. A new 26 bed maternity was opened in 2015. It has 360 full time employees and 40 freelance doctors. No patients are referred from Gaza and a limited number from the West Bank.

The Princess Basma hospital was established in 1965 as home for children with physical disabilities, under the auspices of Jordan’s Princess Basma. Since then it has gradually expanded its services to various disabilities. It has a national rehabilitation programme and one for Jerusalem, an inclusive school, vocational training, and capacity building for other national institutions and university students. The hospital has 24 beds which cater for patients from the West Bank and Gaza. Children stay usually 2-3 weeks in the hospital and receive 5 therapy sessions per day. During this time, mothers receive an empowerment programme in which they are shown how to treat their child and general education is provided on infection control and child rights.

The Palestine Red Crescent Society Hospital is part of the Red Crescent Society which was established in 1953 and is headquartered in Ramallah. Besides the hospital, the Society has two polyclinics in East Jerusalem, 14 ambulances of which 2 are equipped with Intensive Care Units. The hospital has maternity 30 beds, with a 120% bed occupancy rate. There is also an infertility clinic. Previous requests for extension have been rejected by the Israeli authorities. It is now hoped that they will be approved before year end in view of the new Israeli regulation that a maternity has to be embedded in general hospital. Red Crescent aims to build a 30-bed general hospital at a cost of USD 200m.

¹³⁰ LWF World Service – Jerusalem – 2017 Annual Report

¹³¹ St John of Jerusalem Eye Hospital Group – Trustee’s annual report 2016

Two of the six hospitals are located in the wealthier, DP representation part of East Jerusalem where many Israeli live. The remainder are located south of the Old City where few Israeli live.

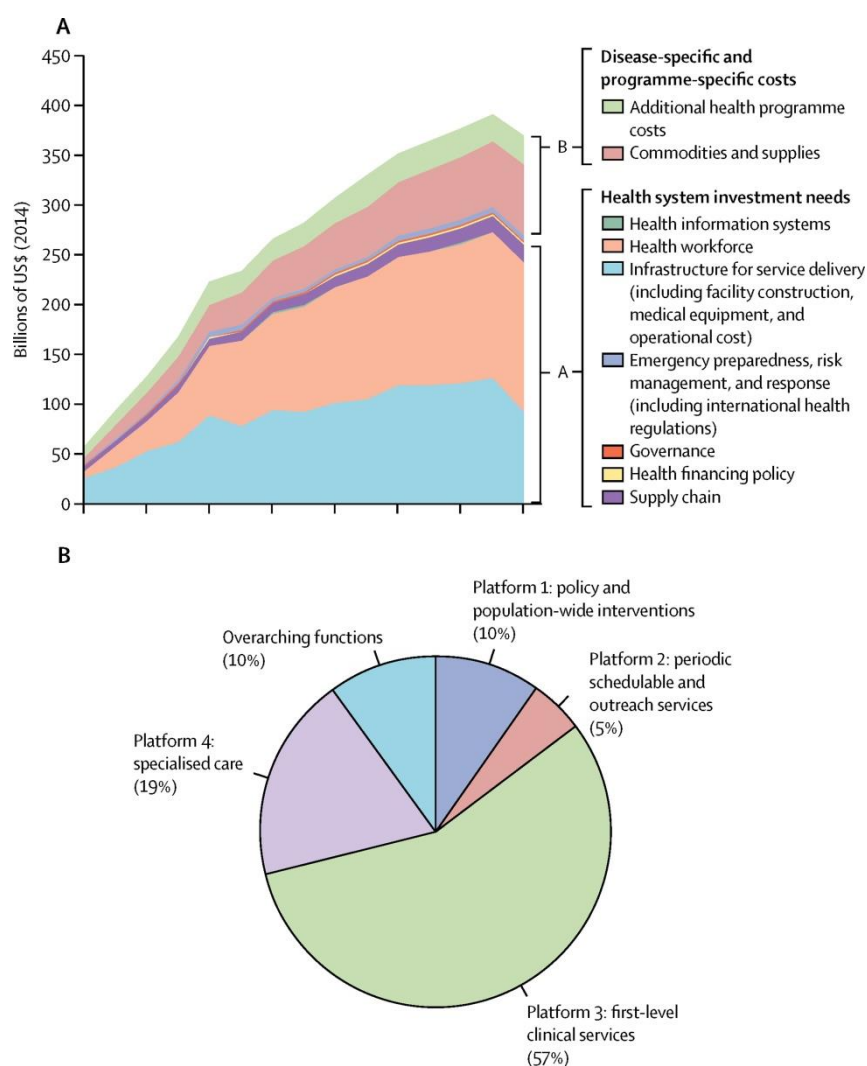
Together, AM and AVH receive 90% of the Outside Medical Referrals (OMR) from the Palestinian Ministry of Health, from both the West Bank and Gaza. St John and Princess Basma Hospital receive also referral patients from both areas. The Red Crescent maternity hospital receives mainly patients from the West Bank, and St Joseph hospital receive very few referral patients. The maternity cases from East Jerusalemites render the latter two hospitals profitable as the Israeli sick fund payments are high. St Joseph is the only EJH who has started treating Israeli.

Annex 7: SDG Investment Modelling

Annex 7: SDG Investment Modelling

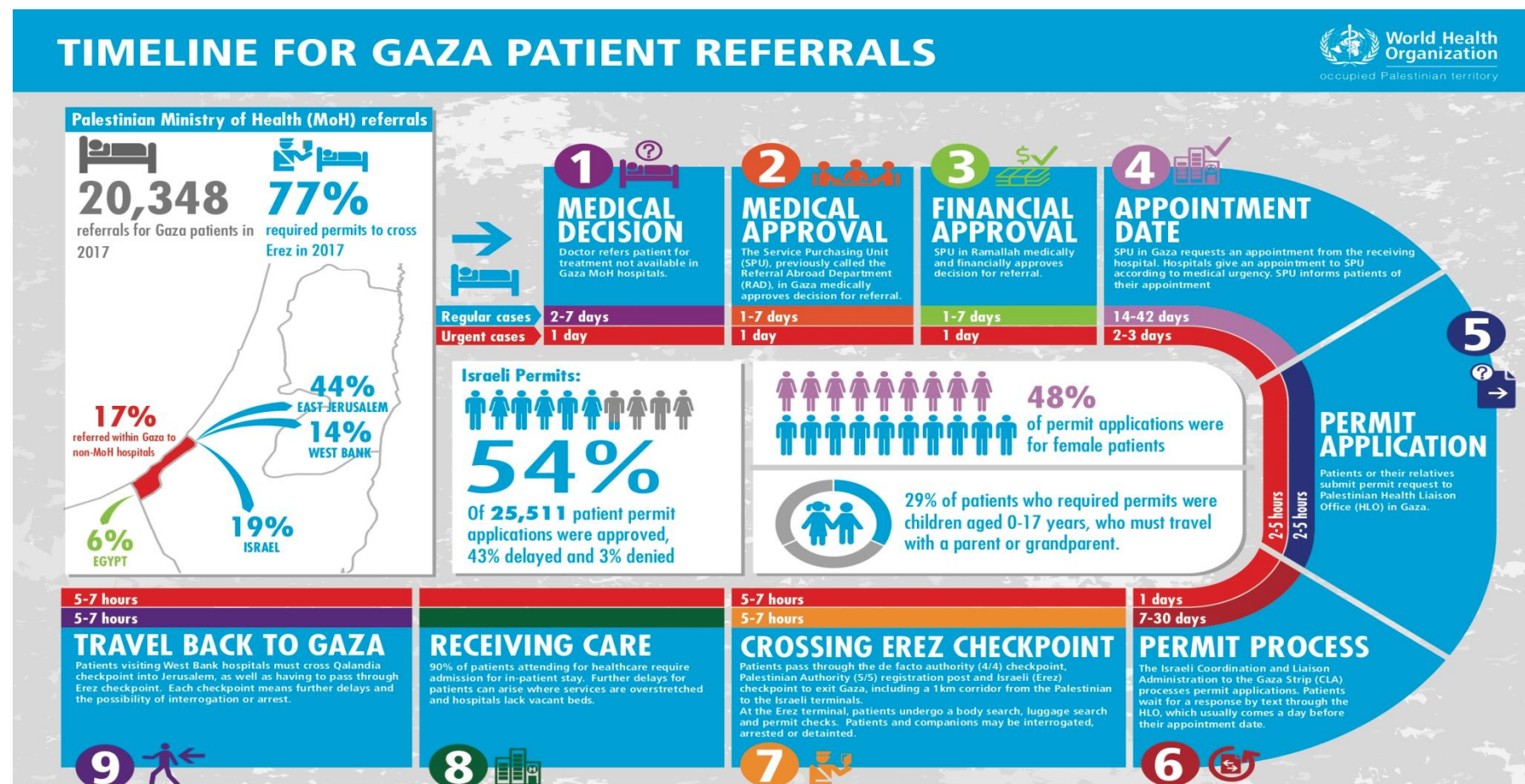
The data are published in the WHO commissioned study *Financing transformative health systems towards achievement of the health Sustainable Development Goals: a model for projected resource needs in 67 low-income and middle-income countries*, Karin Stenberg *et al.* Lancet Glob Health, July 17, 2017.

Additional investments required in 67 low-income and middle-income countries to meet SDG3 (USD 2014 billion) (A) and additional resource needs by service delivery **platform (B) in the ambitious scenario**. Additional health programme costs include those that are programme specific but do not refer to specific drugs, supplies, or laboratory tests. Examples include costs for programme-specific administration staff, supervision, and monitoring relative to the services for which the programme provides leadership and oversight (e.g., the national malaria programme provides implementation guidance, and monitors and supervises service delivery for malaria). Other examples include mass media campaigns and demand generation.



Annex 8: Gaza Referrals – Timeline

Annex 8: GAZA Referrals – Timeline



Annex 9: Evaluation Work Plan

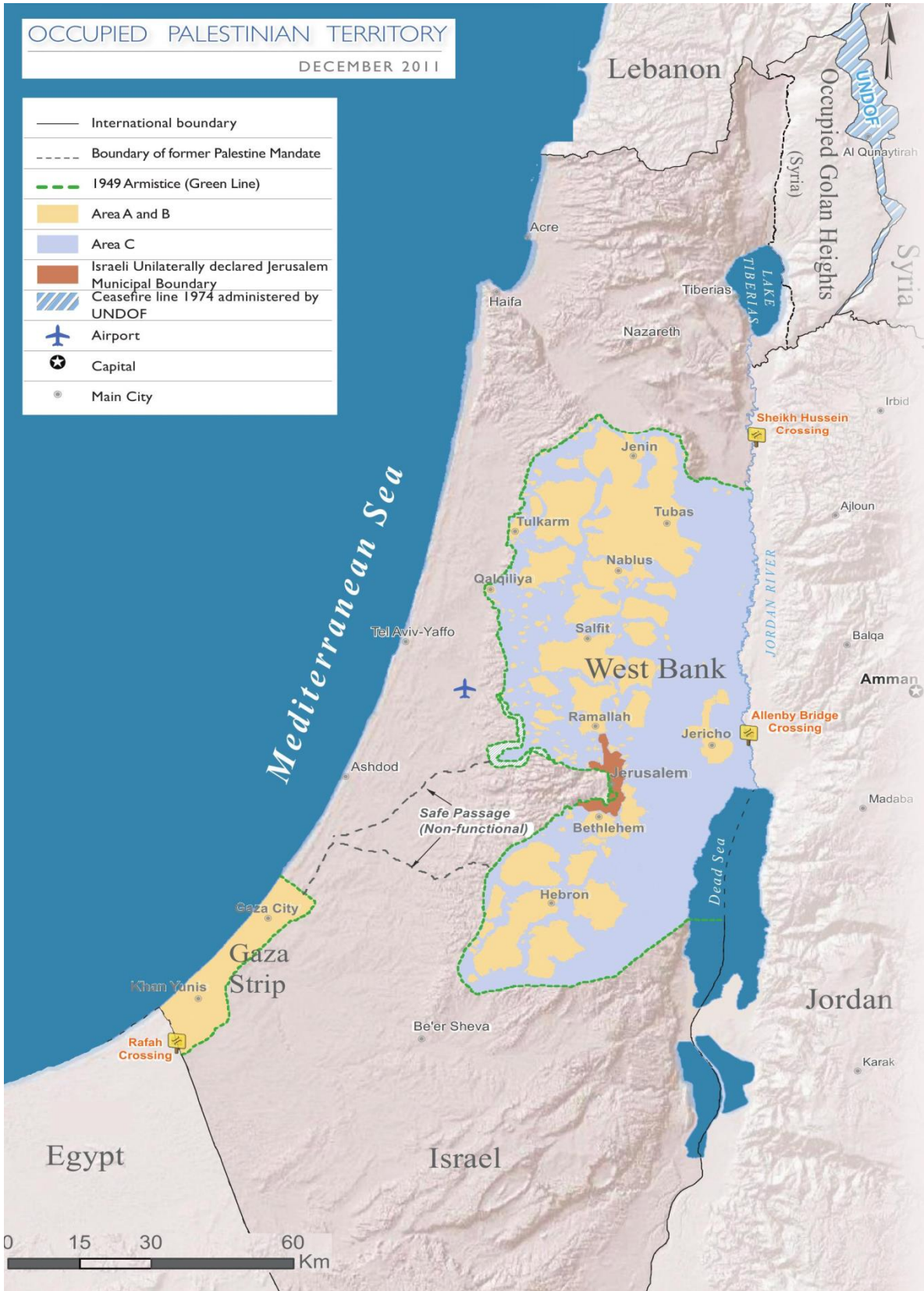
Annex 9: Evaluation Work Plan

	Indicative Duration [in WDs/Expert]				
Activity	Location	TL	Exp 2	Exp 3	Dates [all 2018]
Phase 1: Inception & Desk Review					
Initial documentation & data collection	Home-based	2	2	2	28/02-02/03
Meeting with DG NEAR B1/R4	Brussels	1	--	--	09/03:
In-depth documentation review; remote interviews; theory-of-change; methodological design	Home-based	5	5	5	01-09/03
Inception Report (IR)	Home-based	2	2	2	12/03
Comments by EUREP/Reference Group	--	--	--	--	04/04
Submission of revised IR		pm ¹³²	pm	pm	06/04
Total WDs Phase 1		10	9	9	
Phase 2: Field Work					
Team Travel to Palestine					08-09/04
Kick-off meeting with EUREP, etc.	Ramallah	1	1	1	10/04
Meetings at country level with stakeholders	Ramallah/ Jerusalem/Nablus	2	3	3	09-18/04
Collecting data & analysis	Ramallah/Jerusalem	3	3	3	Idem
Additional visits as needed	Ramallah/Jerusalem	2	2	2	Idem
Debriefing of Reference Group	Ramallah	1	1	1	19/04
Debriefing at EUREP	Jerusalem	1	--	--	20/04
Intermediate Report	Home-based	pm	pm	pm	23/04
Total WDs Phase 2		10	10	10	
Phase 3: Synthesis					
Analysis of collected data	Home-based	5	2	2	23-27/04
Preparation of Draft Final Report	Home-based	5	2	2	30/04-04/05
Quality Control of Draft Final Report	Contractor's Office	pm	pm	pm	07-09/05
Executive Summary	Home-based	1	1	1	2 weeks from receipt of comments on DFR (by end-May 2018)
Final report	Home-based	2	1	1	Idem
Total WDs Phase 3		13	6	6	
Total WDs		33	25	25	

¹³² pm = pro memoria; no working days allocated (part of contractor backstopping).

Annex 10: Map of West Bank & Gaza Strip

Annex 10: Map of West Bank & Gaza Strip



Annex 11: Documentation

Annex 11: Documentation

Nº	Title	Provenance	Date
1	2016: Addendum to Financing Agreement Nº 2 – West Bank and Gaza Strip – Direct Financial Support to recurrent expenditures of the Palestinian Authorities 2016 – Cris Nº ENI/2016/38842	European Commission & Palestinian Authority	01 Mar 2017
2	2016: Annex 1 – Action Document for PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2016	European Commission	Undated
3	2016: Annex I to Financing Agreement Nº ENI/2016/038842 – Technical and Administrative Provisions	European Commission	Undated
4	2016: TAPS Appendix 2 – Component 2: Supporting the Palestinian Social Protection System	European Commission	Undated
5	2016: TAPS Appendix 3 – Component 3: Support to East Jerusalem Hospitals	European Commission	Undated
6	2016: TAPS Appendix 4 – PEGASE Direct Financial Support (DFS) 2016 – Tentative Disbursement Schedule (in EURO)	European Commission	Undated
7	2016: Technical & Administrative Provisions (TAPS) Appendix 1 – Component 1: Supporting Palestinian Administration and Services	European Commission	Undated
8	2017: Addendum Nº 1 to Financing Agreement – PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017 – ENI/2017/039376	European Commission	09 Aug 2017
9	2017: Addendum Nº 1 to Financing Agreement – PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017 – ENI/2017/039376	European Commission	09 Aug 2017
10	2017: Addendum Nº 1 to Financing Agreement – PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017 – ENI/2017/039376	European Commission	09 Aug 2017
11	2017: Annex 1 – Action Document for PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017	European Commission	Undated
12	2017: Annex 1 – Action Document for PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017	European Commission	Undated
13	2017: Annex 1 – Action Document for PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017	European Commission	Undated
14	2017: Explanatory Note – ENI/2017/039376: PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017 – Addendum 2 to the Financing Agreement	European Commission	16 Nov 2017
15	2017: Explanatory Note – ENI/2017/039376: PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017 – Addendum 2 to the Financing Agreement	European Commission	16 Nov 2017
16	2017: TAPS Appendix 1 – Component 1: Supporting Palestinian Administration and Services	European Commission	Undated
17	2017: TAPS Appendix 2 – Component 2: Supporting the Palestinian Social Protection System	European Commission	Undated

Nº	Title	Provenance	Date
18	2017: TAPS Appendix 3 – Component 3: Support to East Jerusalem Hospitals	European Commission	Undated
19	2017: TAPS Appendix 4 – PEGASE Direct Financial Support (DFS) 2017 - Tentative Disbursement Schedule	European Commission	Undated
20	2018: Annex 1 to Financing Agreement Nº ENI/2018/040-179 – Technical & Administrative Provisions	European Commission	2018
21	2018: TAPS – Appendix 6 – Incentives-Conditionalities Matrix 2018	European Commission	2018
22	A Shared Mission for Universal Social Protection – Concept Note	WB Group, Washington DC & ILO, Geneva	Undated
23	Annual Report – Result Oriented Framework Pilot Phase for Palestine – 01/01-31/12/2016	EUREP, Jerusalem	03 May 2017
24	Annual Report – Result Oriented Framework Pilot Phase for Palestine – 01/04-31/12/2015	EUREP, Jerusalem	13 Jun 2016
25	Assessment Of System Impediments in Palestinian Ministry Of Health Hospitals that Result in Referrals to Non-MoH Hospitals	Palestinian Health Capacity Project (PHCP)	Jun 2017
26	Catastrophic Healthcare Payments and Impoverishment in the Occupied Palestinian Territory	Awad Mataria et al., Applied Health Econ Health Policy, 2010; 8 (6): 393-405	2010
27	Decision Nº 04/136/17/CM/RH) of 2017 – Endorsement of the Unified Portal for Social Assistance	Council of Ministers, PA	24 Jan 2017
28	Decomposing Inequality in Health Care Utilisation in Palestine: A Microsimulation Approach	Mohammad Abu-Zaineh et al., SOC SCI MED	Jul 2008
29	Developing a Results-Oriented Framework in the Context of the European Joint Strategy for Palestine 2017-2020 – Presentation	EUREP, Jerusalem	Nov 2017
30	Donor Commitments – VPF 2008-18 - Spreadsheet	EUREP	Undated
31	East Jerusalem Hospitals	World Health Organisation, Jerusalem	Undated
32	Equity in Health Care Finance in Palestine: The Triple Effects Revealed	Mohammad Abu Zaineh et al.- Journal of Health Economics, 28 (2009) 1071–1080	2009
33	Equity in Health Care Financing in Palestine: The Value-added of the Disaggregate Approach	Mohammad Abu-Zaineh et al. - Social Science & Medicine 66	Mar 2008
34	Equity in Healthcare in the Occupied Palestinian Territory: a Benefit Incidence Analysis – Working Paper 564	Intrahealth, Ramallah	Nov 2010
35	EUR to USD Annual Average Exchange Rate from 1999 to 2017	Statista (Statistics Portal)	Current Data
36	European Development Cooperation Strategy for Cambodia 2014-2018	EU Delegation, 9 EUMS and Swiss Embassies, Phnom Penh	2014
37	European Joint Strategy in support of Palestine 2017-2020 – Towards a Democratic and Accountable Palestinian State – Pillar 1: Governance Reform, Fiscal Consolidation and Policy Reform – Annual report 2017	EUREP, Jerusalem	Oct 2017

Nº	Title	Provenance	Date
38	European Joint Strategy in Support of Palestine 2017-2020 – Towards a Democratic and Accountable Palestinian State – Pillar 3 Sustainable Service Delivery – Annual report 2017	EUREP, Jerusalem	Nov 2017
39	European Joint Strategy in support of Palestine 2017-2020 – Towards a Democratic and Accountable Palestinian State – Pillar 3 Sustainable Service Delivery – Annual report 2017	EUREP, Jerusalem	Nov 2017
40	European Joint Strategy in Support of Palestine 2017-2020 – Towards a Democratic and Accountable Palestinian State	Palestinian Authority - European Commission	2017
41	European Union Direct Financial Support to the Palestinian Authority – Special Report Nº 14	European Court of Auditors	2013
42	Evaluation of EU Support to Social Protection in External Action 2007-2013 – Final Report – Volume II	Particip/AETS Consortium	Jan 2018
43	Evaluation of the European Union's Cooperation with the occupied Palestinian territory and support to the Palestinian people 2008-2013	DRN Consortium	May 2014
44	Evaluation of the PEGASE Programmes of Direct Financial Support to the Palestinian Authority and Results Oriented Framework in the period 2014-2105 – Ref: 2016/370455 – Final Report	ICE EEIG, Brussels	Dec 2016
45	Evaluation of the Strategic Cancer Care Initiative SCCI) Phase I&II – Ministry of Foreign Affairs of Norway support to the development of specialist cancer care services at AVH	Hera, Belgium (www.hera.eu)	Jul 2015
46	Financial Analysis of Palestinian Hospital Referrals – Presentation	Intra Health International	Nov 2017
47	Financing Transformative Health systems towards Achievement of the Health Sustainable Development Goals: a Model for Projected Resource needs in 67 Low-Income and Middle-Income Countries	Karin Stenberg, Lancet Global Health 2017; 5: e875–87	July 2017
48	Health Annual Report Palestine 2016	MoH, Ramallah	Jul 2017
49	Health Cooperation Programme – Italian Development Cooperation 2013-2016	AICS, Jerusalem	
50	Health in the Occupied Palestinian Territory - The Healthcare System: an Assessment and Reform Agenda	Awad Mataria et al., Lancet 2009; 373: 1207–17	05 Mar 2009
51	How to Break the Vicious Cycle – Evaluation of Dutch Development Cooperation in the Palestinian Territories 2008-2014	Ministry of Foreign Affairs, The Hague	Apr 2016
52	Identification and mapping of social protection sector programmes administered by the Palestinian Authority and UNRWA – Final Report	B&S Europe, Brussels	30 Sep 2015
53	Impact Evaluation of Cash Transfer Programme (CTP) – Final Report	Al Markaz for Development & Marketing Consultancies	Jul 2017
54	Implementation Progress – Pegase Direct Financial Support of the Recurrent Costs of the Palestinian Authority Budget	European Commission	31 Dec 2016
55	Implementation Progress – Pegase Direct Financial Support of the Recurrent Costs of the Palestinian Authority Budget	European Commission	31 Dec 2017
56	Improvements to the Palestinian Medical Referral System Significantly Reduce Costs	Intrahealth, Ramallah	Aug 2016
57	International Development Association Programme Document for a Proposed Grant in the amount of USD 30	World Bank, Washington	13 Oct 2017

Nº	Title	Provenance	Date
	million to the Palestine Liberation Organisation (for the Benefit of the Palestinian Authority) for a West Bank and Gaza Fiscal Stability & Business Environment Development Policy Grant	D.C.	
58	Macro-Economic and Fiscal Framework for the West Bank and Gaza: Fifth Review of Progress	IMF, Madrid	13 Apr 2010
59	Macro-Economic and Fiscal Framework for the West Bank and Gaza: Seventh Review of Progress	IMF, Brussels	13 Apr 2011
60	Master Plan for Organising Medical Referrals to Service Providers Outside of the Public Sector	MoH, Ramallah	Aug 2016
61	Master Plan for Organising Medical Referrals to Service Providers Outside of the Public Sector	MoH, Ramallah	Aug 2016
62	Master Plan for Organising Medical Referrals to Service Providers Outside of the Public Sector	MoH, Ramallah	Aug 2016
63	Master Plan for Organizing Medical Referrals to Service Providers Outside of the Public Sector	MoH, Ramallah	Aug 2016
64	Meeting Minutes – Second High Level Policy Dialogue Meeting on the 2016 Result-Oriented Framework – Ramallah	EUREP, Jerusalem	23 Feb 2017
65	Memorandum of Understanding – Mécanisme "Países no Europeo de Gestión et d'aide Socio-Economique"- PEGASE – Component 2 “Supporting the Palestinian Social Protection System”	European Commission and PA	09 Nov 2017
66	Memorandum of Understanding (MoU) Between The Palestinian Ministry Of Health ('MoH') Ramallah – Palestine Represented by Service Purchase Department ('SPD') and <the hospital>	MoH, Ramallah	Undated
67	Memorandum of Understanding between the Palestinian Ministry of Health and (Hospital) – Template	MoH, Ramallah	Undated
68	National Development Plan 2014-16 (PNDP)	Palestinian Authority	2014
69	National Health Strategy 2017- 2022	MoH, Ramallah	Jun 2017
70	National Policy Agenda 2017-22 (PNPA; two versions)	Palestinian Authority	Dec 2016
71	National referral protocols	MoH, Ramallah	Undated
72	Note for the Attention of Mr. M. Koehler, Director NEAR B – Support to East Jerusalem	EUREP, Jerusalem	May 2017
73	Palestine Country Programme – Country Programme Document 2016-2020	Danida, Copenhagen	06 Oct 2016
74	Palestine Health Profile 2015	WHO, Geneva	2016
75	Palestine in Figures 2016	PCBS, Ramallah	Mar 2017
76	Palestinian Health Accounts 2016	PCBS, Ramallah	Feb 2018
77	PEGASE Support to East Jerusalem Hospitals – Note to Director, DG NEAR B	EU Representative	25 May 2017
78	Poverty Profile in Palestine 2017	PCBS, Ramallah	Undated
79	Preliminary Results of the Population, Housing & Establishments Census 2017	PCBS, Ramallah	Feb 2018
80	Progress Table Year 2 – Result Oriented Framework Pilot	EUREP, Jerusalem	23 Feb 2017

Nº	Title	Provenance	Date
	Phase for Palestine1 – January to December 2016		
81	Public Expenditure Review of the Palestinian Authority – Towards Enhanced Public Finance Management and Improved Fiscal Sustainability	World Bank, Washington DC	Sep 2016
82	Public Financial Management Sector Strategy 2017-22	Palestinian Authority	Jul 2017
83	Referral Guidelines	MoH, Service Purchase Unit, Intrahealth, Ramallah	Undated
84	Referral Procedures Manual For Israeli Hospitals	MoH, Service Purchase Unit, Intrahealth, Ramallah	Undated
85	Referral Procedures Manual for Palestinian Non-Palestine Ministry of Health Referral Facilities	MoH, Service Purchase Unit, Intrahealth, Ramallah	2016
86	Referral protocol 2: Ophthalmology	MoH, Ramallah	Undated
87	Referral protocol 3: Cardiac Catheterization and Select Cardiac Conditions	MoH, Ramallah	Undated
88	Referral Protocol 4: Neurology and Neurosurgery	MoH, Ramallah	Undated
89	Referral Protocol 5: Hemodialysis and Select Nephrology and Urology Conditions	MoH, Ramallah	Undated
90	Report to the Ad Hoc Liaison Committee	IMF	09 Mar 2018
91	Report to the Ad Hoc Liaison Committee	IMF	10 Apr 2017
92	Results-Oriented Framework – High-Level Policy Dialogue – Meeting Minutes	EUREP, Jerusalem	31 Oct 2016
93	Results-Oriented Framework Matrix 2018-2020 – Draft for Internal Use	EUREP, Jerusalem	2018
94	Second High-Level Policy Dialogue Meeting on the ROF – Minutes	EUREP, Jerusalem	23 Feb 2017
95	Single Support Framework for EU support to Palestine (2014-2016)	EEAS, European Commission, Brussels	Undated
96	Social Development Sector Strategy 2017-22 – Summary	MoSD, Ramallah	Nov 2017
97	Summary of Funds Disbursed through PEGASE 2008-18	EUREP	Undated
98	Technical Brief 1: Rapid Assessment of Health Services Capacity in the West Bank	Palestinian Health Capacity Project, Intrahealth, Ramallah	Apr 2014
99	Territoires palestiniens - Cadre d'intervention pays 2016-2020	Agence Française de Développement (AFD)	Undated
100	Trustees' Annual Report 2016 – Saving Sight, Changing Lives	St John of Jerusalem Eye Hospital Group, Jerusalem	Undated
101	Unified Portal for Social Assistance and Services (Cash and Non-Cash) – Explanatory Note	EUREP	Undated
102	Universal Social Protection – Developmental Impacts of Expanding Social Protection	WB Group et al.	Undated
103	Universal Social Protection – Financing Universal Social Protection	WB Group et al.	Undated
104	VPF Expenditure – Spreadsheet	EUREP	13 Jul 2018
105	West Bank & Gaza – Public Expenditure Review of the Palestinian Authority – Towards Enhanced Public Finance	World Bank, Washington DC	Sep 2016

Nº	Title	Provenance	Date
	Management and Improved Fiscal Sustainability		
106	West Bank and Gaza – Report on Macro-Economic Developments and Outlook	IMF, Washington DC	30 Jun 2014
107	Who Pays? – Out-of-Pocket Health Spending and Equity Implications in the Middle East and North Africa – Health, Nutrition & Population (HNP) Discussion Paper	World Bank, Washington DC	2010

Annex 12: Persons Met

Annex 12: Persons Met

Nº	Name	Position	Entity	Location	Dates [all 2018]
1	Abdo Aqrouq, Samer Mr	Office of the Care of the Disabled	An-Najah National University	Nablus	15/04
2	Abu Awad, Samer Mr	Head of Household	CTP-beneficiary	Ramallah	17/04
3	Abu Bakr, Soha Ms	Social Worker	MoSD	Jenin	23/04
4	Abu Hawaila, Essam Mr	Social Worker	MoSD	Nablus	23/04
5	Abu Jarad, Shoroq Mr	Social Worker	MoSD	Nablus	23/04
6	Abu Shanab, Rasha Ms	Programme Manager, PEGASE DFS	EUREP	Jerusalem	11/04
7	Abu Zahra, Badr Mr	Deputy Minister	Council of Ministers	Jerusalem	19/04
8	Abu-Libdeh, Bassam Y. Dr	CEO	Makassed Islamic Hospital	Jerusalem	10/04
9	Abuawad, Samer Ms	Head of Household	CTP-beneficiary	Ramallah	17/04
10	Accorsi, Sandro Mr	Health Coordinator	AICS	Jerusalem	12/04
11	Ahern, Mark Mr	Programme Leader	World Bank	Jerusalem	13/04
12	Al Abweh, Qmar Mr	Coordinator	Union of Charitable Organizations	Nablus	15/04
13	Al-Aqra, Maria Yousef Ms	Director, International Cooperation	MoH	Ramallah	11/04
14	Al-Deek, Daoud Mr	Deputy Minister	MoSD	Ramallah	08 /04
15	Al-Shakhshir, Salam Ms	CTP coordinator	Directorate of social development	Nablus	15/04
16	Al-Sharief, Zain Ms	Board Member	Modern Women Association	Nablus	15/04
17	Alfara, Amna	Head of Household	CTP- beneficiary	Ramallah	17/04
18	Aljohari, Dina Ms	Head of Charity	Sanad Association for people with Special needs	Nablus	15/04
19	Aqrouk Abdo, Samer Mr	Care of Disabled Office	An-Najah University	Nablus	15/04
20	Awada, Rana Ms	Social Worker	MoSD	Nablus	23/04
21	Ayash, Rajae'e Ms	Head of Household	CTP-Beneficiary	Ramallah	17/04
22	Bakeer, Dima Ms	Member	Charitable Association for Children with Special Needs	Nablus	15/04
23	Barghouti, Khaled Mr	General Director of Poverty Public Department	MoSD	Ramallah	08/04 12/04
24	Bert, Denise Ms	Manager	An-Najah Child Institute	Nablus	15/04
25	Bitar, Hasan Mr	Social Worker	MoSD	Nablus	23/04
26	Bitar, Salwa Dr	Chief of Party, PHCP	Intrahealth	Ramallah	11/04
27	Bowler, Nic Mr	Team Leader, Governance & Security	DfID	Jerusalem	13/04
28	Brotini, Simone Mr	Programme Manager, PEGASE DFS & Social	EUREP	Jerusalem	11/04 12/04

Nº	Name	Position	Entity	Location	Dates [all 2018]
		Development			
29	Bshara, Ameer, Mr	Financial Director	Palestine Red Crescent Society Hospital	Jerusalem	17/04
30	Conlon, Jonathan Mr	Representative	Irish Representative Office	Ramallah	10/04
31	Couttolenc, Bernard F. Dr	Director	Performa Institute, WB Resilience Project	Brazil	27/04
32	De Bruyn, Vanessa Ms	International Aid/Cooperation Assistant	DG NEAR, Unit B1	Brussels	09/03
33	De Vries, Henny Ms	Deputy Head of Mission, Head of Cooperation	Representation of the Kingdom of the Netherlands	Ramallah	11/04
34	de Woelmont, Gauthier, Mr	Public Finance Management Advisor, Joint Financing Arrangement (JFA)	ENABEL (Belgium)	Jerusalem	16/04
35	Doudeen, Basem Mr	Programme Manager	UNDP-DEEP programme	Ramallah	17/04
36	Eghreb, Alla Mr	General Director for IT Department	State Audit & Administrative Control Bureau	Ramallah	11/04
37	Ekole, Etona, Ms	Deputy Special Representative Jerusalem	UNICEF	Jerusalem	17/04
38	Elayyan, Mahmoud Mr	Administrative Director	Palestine Red Crescent Society Hospital	Jerusalem	17/04
39	Fawzi Darak, Soad Ms	Social Worker	MoSD	Tulkarem	23/04
40	Flamand, François-Xavier Mr	Economic and Commercial Counsellor	Agence Française de Développement (AFD)	Jerusalem	13/04
41	Gericke, Michael Mr	Team Leader, Social Protection	GOPA Consultants	Ramallah	06/04 (Skype)
42	Gracia Lopez, Miguel Mr	Head, Finance & Control	EUREP	Jerusalem	27/04 (by phone)
43	Halawa, Sohair Ms	Social Worker	MoSD	Nablus	23/04
44	Hamaïel, Mosa Mr	Head of charity organizations unit	Directorate of Social Development	Nablus	15/04
45	Hamami, Samar Ms	Social Worker	MoSD	Nablus	23/04
46	Hamdan, Yasmeeen Ms	Social Worker	MoSD	Qalqilya	23/04
47	Hijawi, Soad Ms	Al-Tadamon Charity Association	Al-Tadamon Charity Association	Nablus	15/04
48	Hussein Yasjn, Izzedejn Dr	Medical Director	Makassed Islamic Hospital	Jerusalem	10/04
49	Ibrahim, Mohammad Mr	Head of Household	CTP-beneficiary	Ramallah	17/04
50	Johnston, Declan Mr	Deputy Representative	Irish Representative Office	Ramallah	10/04
51	Kamel Sulieman, Ahmad Mr	Social Worker	MoSD	Jenin	23/04

Nº	Name	Position	Entity	Location	Dates [all 2018]
52	Kana'an, Bedaya Ms	Board member	Small Hands association	Nablus	15/04
53	Khalifa, Husam Mr	Director, Foreign Trade Statistics Department	PCBS	Ramallah	11/04
54	Khatib, Jilnar Ms	Senior Policy & Programme Manager	DfID	Jerusalem	13/04
55	Khoury, Peter Mr	Joint CEO for Financial and Administrative Affairs	St. John Hospital	Jerusalem	10/04
56	Khweis, Hazem Sh. Mr	AID Specialist, Office of Human Capital & Social Impact	USAID	Jerusalem	17/04
57	Kort, Bassam Mr	Deputy Director, Education Development Office	USAID	Jerusalem	17/04
58	Koussa, Jamil, Mr	General Director	Saint Joseph's Hospital	Jerusalem	16/04
59	Lavaud, Jean-Luc Mr	Adviser, Cooperation & Cultural Action	AFD	Jerusalem	13/04
60	Lubna Nazal, Lubna Ms	Social Worker	MoSD	Qalqilya	23/04
61	Ma'ali, Ahmad Dr	Joint CEO for Clinical Services, Director of Nursing and AHP	St. John Hospital	Jerusalem	10/04
62	Ma'ali, Ahmad Dr	Joint CEO for Clinical Services, Director of Nursing and AHP	St. John Hospital	Jerusalem	10/04
63	Mahmoud, Aysha Ms	Head of household	CTP, beneficiary	Ramallah	17/04
64	Majd Alhindi, Amira Dr	General Director, Service Purchase Unit	MoH	Ramallah	11/04
65	Majlaton, Iskandar Mr	Finance Director	Princess Basma hospital	Jerusalem	16/04
66	Malan, Paula Ms	Head, Development Cooperation	Representative Office of Finland	Ramallah	13/04
67	Maloh, Ezat Mr	Head of Nablus Social Development Directorate	MoSD	Nablus	15/04
68	Mathia Dailes, Marianne, Ms	Monitoring & Evaluation Specialist	UNICEF	Jerusalem	17/04
69	McMillan, Edward Mr	Aid Coordinator	EUREP	Jerusalem	11/04 17/04
70	Meg, Audette, Ms	Deputy Director Programmes	UNRWA	Jerusalem	16/04
71	Mohamd Hodrob, Deema Ms	Social Worker	MoSD	Tulkarem	23/04
72	Mohammad, Samara Ms	Poverty Directorate	MoSD	Ramallah	08/04 12/04
73	Mubarak, Violette Ms	Director, Rehabilitation department	Princess Basma hospital	Jerusalem	16/04

Nº	Name	Position	Entity	Location	Dates [all 2018]
74	Mubark, Salam Mr	Social Worker	MoSD	Nablus	23/04
75	Mustafa, Fatima Ms	Head of household	CTP-Beneficiary	Ramallah	17/04
76	Nammour, Walid Dr	CEO	Augusta Victoria Hospital	Jerusalem	13/04
77	Nasi, Andrea Dr	Representative	Austrian Representative Office	Ramallah	13/04
78	Nasser Eddin, Nur Ms	Economist	World Bank	Jerusalem	13/04
79	Natoli, Cristina Ms	Head of Field Office	AICS	Jerusalem	12/04
80	Nimer, Azzam, Mr	Director of the Ambulance Centre	Palestine Red Crescent Society Hospital	Jerusalem	17/04
81	Nuseibeh, Buraq Mr	Governance Advisor	DfID	Jerusalem	13/04
82	Qassis, Hania Mr	Local Economist	IMF	Jerusalem	12/04
83	Qudsi, Asma Ms	Poverty Directorate	MOSD	Ramallah	10/04 & 12/04
84	Rayyes, Bashir Dr	Head, Policy Priorities & Reform Unit	PMO	Ramallah	17/04
85	Richard, Denis Mr	Team Leader, TA to ROF	Ecorys	At home	25/04 (via Skype)
86	Rockenschaub, Gerald Dr	Head of Office	WHO	Jerusalem	13/04
87	Rousseau, Stephanie Ms	Project Manager, Direct Financial Support	EUREP	Jerusalem	10/04 20/04
88	Sabah, Ahmad Mr	Chief Accountant	MoFP	Ramallah	18/04
89	Saeed, Haleema Ms	Acting DG, International Relations	PCBS	Ramallah	11/04
90	Saeed, Moaweya Mr	The Palestinian General Union of People with Disability	Palestinian General Union of People with Disability	Nablus	15/04
91	Saeed, Nader Mr	Expert for Component 3	GOPA, TA to Improve and Develop the Social Protection System in Palestine through Partnership Planning & Institutional Capacity Building (Phase II)	Ramallah	16/04
92	Salameh, Nida Ms	Policy Priorities & Reform Unit	PMO	Ramallah	17/04
93	Sama'neh, Yusra Ms	Coordinator	Local committee for Nablus Governorate	Nablus	15/04
94	Samara, Mohammad Mr	Head of Humanitarian Aid	MoSD	Ramallah	10/04 & 12/04
95	Sbaih Eghreib, Laila Ms + two staff	Director General, International Relations & Projects Department	MoFP	Ramallah	17/04
96	Scott, Anderson, Mr	Director Operations	UNRWA	Jerusalem	16/04
97	Shaaka, Sabeeh Mr	General Director of	MOEHE	Ramallah	16/04

Nº	Name	Position	Entity	Location	Dates [all 2018]
		Finance Directorate			
98	Shareef, Shireen Mrs	Headed household	CTP beneficiary	Ramallah	17/04
99	Snoek, Harry Mr	Consultant, IMF	Palestine Monetary Authority	Ramallah	12/04
100	Tchaidze, Robert Mr	Resident Representative, West Bank/Gaza	IMF	Jerusalem	12/04
101	Tomé, Jesús Mr	Senior Programme Manager	Agencia, Español de Cooperación Internacional para el Desarrollo (AECID)	Ramallah	17/04
102	Turcinhodzic, Amra Ms	Consul/Controller	SIDA	Jerusalem	12/04
103	Viezzer, Alessandra Ms	Head of Cooperation	EUREP	Jerusalem	18/04 20/04
104	Virtanen, Tuuli Ms	International Aid/Cooperation Officer	DG NEAR, Unit R4	Brussels	09/03
105	Vögele, Michael Mr	Head of Operations	EUREP	Jerusalem	11/04 20/04
106	Wibaut, Auke Mr	Policy Officer, Rule of Law & Climate	Representation of the Kingdom of the Netherlands	Ramallah	11/04 19/04
107	Ya'coub Farrah, Razan Ms	Aid Programme Development Specialist, Programme & Project Development Office	USAID	Jerusalem	17/04
108	Yousef Al-Aqra, Maria Ms	Director, International Cooperation	MoH	Ramallah	11/04
109	Zayat, Ameena Ms	Head of Household	CTP-beneficiary	Ramallah	17/04
110	Zghaiar, Nisreen Ms	International Relations Adviser	General Personnel Council	Ramallah	16/04
111	Ziys Berté, Denise Dr	Director, Research & Clinical Services	An-Najah Child Institute	Nablus	15/04