



BTC

**BELGIAN
DEVELOPMENT AGENCY**

TENDER SPECIFICATIONS JOINT FINANCING ARRANGEMENT (JFA)

**PUBLIC CONTRACT FOR SERVICES
FOR MID TERM REVIEW FOR JOINT
FINANCING ARRANGEMENT (JFAII)-
PZA 411**

PALESTINE

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1 Part 1: Administrative and contractual provisions

1.1 General points

1.1.1 Derogations from the Royal Decree of 14.01.2013

Chapter 1.4 of these Tender Specifications includes the administrative and contractual clauses that apply in particular to this public contract as a derogation of the General Implementing Rules (Royal Decree of 14.01.2013) or as a complement or an elaboration thereof.

These Specifications do not derogate from article 26 of the General Implementing Rules.

1.1.2 The Contracting Authority

The contracting authority of this public contract is “Belgian Technical Cooperation”, further called “BTC”, public-law company with social purposes, with its registered office at Rue Haute 147, 1000 Brussels in Belgium (enterprise number 0264.814.354, RPM/RPR Brussels).

BTC, the Belgian development agency, supports developing countries in their fight against poverty on behalf of the Belgian government. Besides this public service mission on behalf of the Belgian government BTC also provides services on behalf of other national and international organisations contributing to sustainable human development¹.

For this public contract, BTC is represented by Dirk Deprez, the Resident Representative of BTC Jerusalem who will sign the award letter and conclude the contract.

1.1.3 Institutional framework of BTC

The general reference framework in which BTC operates is *the Belgian Law on Development Cooperation of 19 March 1013* ² as well as *the Belgian Law of 21 December 1998 establishing the Belgian Technical Cooperation as a public-law company, changed by the Laws of 3 November 2001, of 12 June 2012, of 27 December 2012 and of 15 January 2013*³.

The following developments are also a leitmotiv in BTC operations: We mention as main examples:

- In the field of international cooperation: the United Nations millennium goals and the Paris Declaration on the harmonisation and alignment of aid are important touchstones;
- In the field of fighting corruption: the Law of 8 May 2007 approving the United Nations Convention against Corruption, adopted in New York on 31 October 2003⁴, as well as

¹ For more information see <http://www.btcctb.org/showpage.asp?iPageID=34> and the Law of 21 December 1998 establishing the Belgian Technical Cooperation, changed by the Laws of 13 November 2001 and 30 December 2001.

² Belgian Official Gazette of 30 December 1998, of 17 November 2001, of 6 July 2012, of 15 January 2013 and of 26 March 2013.

³ Belgian Official Gazette of 1 July 1999.

⁴ Belgian Official Gazette of 18 November 2008.

the Law of 10 February 1999 on the Suppression of Corruption transposing the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;

- In the field of Human Rights: the United Nations' Universal Declaration of Human Rights (1948) as well as the 8 basic conventions of the International Labour Organisation⁵ on Freedom of Association (C. n°87), on the Right to Organise and Collective Bargaining (C. n°98), on Forced Labour (C. n°29 and 105), on Equal Remuneration and on Discrimination in Respect of Employment (C. n°100 and 111), on Minimum Age for Admission to Employment (C. n°138), on the Prohibition of the Worst Forms of Child Labour (C. n°182);
- In the field of respecting the environment: Agenda 21 (the 1992 Rio Summit), the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg 2002), as well as initiatives of the European Union, like for instance The European Union Strategy for Sustainable Development, which was adopted in 2001 in Göteborg.

1.1.4 Rules governing the public contract

The following, among other things, apply to this public contract:

- The Law of 15 June 2006 on public procurement and on certain contracts for works, supplies and services⁶;
- The Law of 17 June 2013 on justification, information and means of appeal for public contracts and certain contracts for works, supplies and services⁷
- Royal Decree of 15 July 2011 on the award of public contracts in the classical sectors⁵;
- The Royal Decree of 14 January 2013 establishing the general rules of performance of public contracts and the award of public works contracts⁵;
- Circulars of the Prime Minister with regards to public contracts⁵;

1.1.5 Definitions

The following definitions shall be used for the purposes of this contract:

- The tenderer: the natural person (m/f) or legal entity that submits a tender;
- The successful tenderer / service provider: the tenderer to whom the contract is awarded;
- The contracting authority: BTC, represented by the <<mandatary – see above>>;
- The tender: the commitment of the tenderer to perform the public contract under the conditions that he has submitted;

⁵ <http://www.ilo.org/ilolex/english/convdisp1.htm>.

⁶ A consolidated version of this document can be consulted in French on www.belgium.be; click on Économie > Marchés publics > réglementation.

⁷ Belgian Official Gazette of 21 June 2013.

- Technical specifications: A specification in a document defining the characteristics of a product or a service, such as the quality levels, the environmental performance levels, the design for all kinds of uses, including access for people with disabilities, and the evaluation of conformity, of product performance, of the use of the product, its safety or its dimensions, as well as requirements applicable to the product as regards trade names, terminology, symbols, testing and test methods, packaging, marking or labelling, instructions for use, the production processes and methods, as well as the evaluation and conformity procedures;
- Variant: An alternative method for the design or the performance that is introduced either at the demand of the contracting authority, or at the initiative of the tenderer;
- Option: A minor and not strictly necessary element for the performance of the contract, which is introduced either at the demand of the contracting authority, either at the initiative of the tenderer;
- Summary bill of quantities: The contract document, in a public works contract, which splits up the performance in different items and specifies the quantity or the method to determine the price for each of them;
- Inventory: A contract document, in a public supply contract or a public services contract, which splits up the performance in different items and specifies the quantity or the method to determine the price for each of them;
- BDA: Belgian Public Tender bulletin;
- OJEU: Official Journal of the European Union;
- OECD: Organisation for Economic Cooperation and Development;
- General Implementing rules ('GIR'): Rules given in the Royal Decree of 14.01.2013 establishing the general rules for the performance of public contracts and of public works concessions;
- The Tender Specifications ('specifications' or Cahier Spécial des Charges/CSC): this document and its annexes and the documents it refers to;
- Corrupt practices: The offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the contracting authority;
- Litigation: Court action.

1.1.6 Confidentiality

The tenderer or successful tenderer and BTC are bound to secrecy vis-à-vis third parties with regards to any confidential information obtained within the framework of this contract and will only divulge such information to third parties after receiving the prior written consent of the other party. They will disseminate this confidential information only among appointed parties involved in the assignment. They guarantee that said appointed parties will be adequately informed of their obligations in respect of the confidential nature of the

information and that they will comply therewith.

1.1.7 Deontological obligations

Any failure to comply with one or more of the deontological clauses may lead to the exclusion of the candidate, the tenderer or the successful tenderer from other public contracts concluded with BTC.

For the duration of the contract, the successful tenderer and his staff respect human rights and undertake not to go against political, cultural or religious customs of the beneficiary country. The tenderer or successful tenderer is bound to respect fundamental labour standards, which are internationally agreed upon by the International Labour Organisation (ILO), namely the conventions on union freedom and collective bargaining, on the elimination of forced and obligatory labour, on the elimination of employment and professional discrimination and on the abolition of child labour.

Any attempt of a candidate or a tenderer to obtain confidential information, to proceed to illicit arrangements with competitors or to influence the evaluation committee or the contracting authority during the investigation, the clarification, evaluation of tenders and applicants comparison procedures will lead to the rejection of the application or the tender.

Moreover, in order to avoid any impression of risk of partiality or connivance in the follow-up and control of the execution of the contract, it is strictly forbidden to the successful tenderer to offer, directly or indirectly, gifts, meals or any other material or immaterial advantage, of whatever value, to the employees of the contracting authority who are concerned, directly or indirectly, by the follow-up and/or control of the performance of the contract, whatever their hierarchical position be.

Any tender shall be rejected and any (public) contract shall be cancelled once it appears that the contract awarding or its performance induced the transfer of 'extraordinary commercial expenditure'. Extraordinary commercial expenditure is any commission that is not mentioned in the main contract or that does not result from a contract in good and due form referring to that contract, any commission that is paid for no actual legal service, any commission transferred into a fiscal paradise, any commission transferred to a beneficiary that is not clearly identified or to a company that obviously merely serves as a façade.

The successful tenderer of the public contract commits to supply, upon the demand of the contracting authority, any supporting documents related to the performance conditions of the contract. The contracting authority will be allowed to proceed to any control, on paperwork or on site, which it considers necessary to collect evidence to support the presumption of unusual commercial expenditure. Depending on the gravity of the facts observed, the successful tenderer having paid unusual commercial expenditure is liable to have his contract cancelled or to be permanently excluded.

1.1.8 Applicable law and competent court

The public contract must be performed and interpreted according to Belgian law.

The parties commit to sincerely perform their engagements to ensure the good

performance of this contract.

In case of litigation or divergence of opinion between the contracting authority and the successful tenderer, the parties will consult each other to find a solution.

If agreement is lacking, the Brussels courts are the only courts competent to settle litigation.

See also point 1.4.15 "Litigation"

1.2 Object and scope of the contract

1.2.1 Type of contract

Public contract for services

1.2.2 Object of the Contract

The present contract consists of: Consultancy Services for conducting Mid Term Review for the Joint Financing Arrangement- JFA II

BTC, through this public contract, looks consultants who meet the profile demanded in the Terms of Reference

1.2.3 Lots

This contract is a contract with one lot.

1.2.4 Duration

The contract starts the day after the award notification date of this contract and expires at the final acceptance in conformity with the Terms of Reference but no later than three months from the date of signing the contract.

1.2.5 Variants

Free variants are not permitted.

1.2.6 Option

Options are not permitted.

1.2.7 Quantities

See Part 2: "Terms of Reference".

1.3 Procedure

1.3.1 Award procedure

This contract is awarded in accordance with Article 26, §1, 1° a, of the law of 15 June 2006 pursuant to a negotiated procedure without prior publication.

1.3.2 Publication

(Articles 29 to 41 of the Royal Decree of 15.07.2011)

1.3.2.1 Semi-official notification

These Tender Specifications are published on the following websites:

BTC website (www.btcctb.org)

Ministry for Foreign Affairs of Finland (formin.finland.fi)

Representative Office of Norway (<http://www.norway.org.ps/>)

1.3.3 Information

The awarding of this contract is coordinated by BTC Resident Representative Office in Palestine. Throughout this procedure, all contacts between the contracting authority and the tenderers about the present contract will exclusively pass through this service. (Possible) tenderers are prohibited to contact the contracting authority any other way with regards to this contract, unless otherwise stipulated in these Tender Specifications.

Until no later than three days before the final date for receipt of tenders, candidate-tenderers may ask questions about the Tender Specifications and the contract in accordance with Article 44 of the Royal Decree of 15.07.2011.

Therefore, any information must be asked for in writing or by e-mail to:

Ms. Evelien Masschelein: evelien.masschelein@btcctb.org

and

Mr. Gauthier Dewoelmont: gauthier.dewoelmont@btcctb.org

and they will be answered in the order received.

Until the notification of the award decision, no information will be provided about the evolution of the procedure.

In order to submit a tender in due form, the interested tenderers can consult the following documents:

- Joint Financing Arrangement II (annex 1).
- Palestinian Education Sector Partnership Principles Annex 2).
- Education Development Sector Plan III (via link <http://www.moehe.gov.ps/en/Plans-Strategies/Education-Dev-Strategic-Plan-EDSP/2014>)

If interested tenderers download the electronic version of the Specifications, they are requested to contact Ms. Evelien Masschelein and Mr. Gauthier Dewoelmont on the above e-mail addresses, to provide him/her with their contact details and to be informed of possible changes or additional information. Tenderers who have downloaded the Specifications are also advised to regularly consult the BTC website (www.btcctb.org).

1.3.4 Tender

Submission of requests to participate and tenders: Articles 42 to 50 of the Royal Decree of 15.07.2011

Tender submission modalities: Articles 51 to 56 of the Royal Decree of 15.07.2011

1.3.4.1 Data to be included in the tender

The tenderer's attention is drawn to Article 8 of the Law of 15 June 2006 and to Article 64 of the Royal Decree of 15 July 2011 on incompatibilities.

The tenderer is strongly advised to use the tender form in annexe. In this respect, the tenderer's attention is drawn to Article 80 of the Royal Decree of 15 July 2011, which stipulates: "When the contract documents include a form for drawing up the tender and for filling out the summary bill of quantities or the inventory, the tenderer shall use it" When not using this form, he is fully responsible for the perfect concordance between the documents he has used and the form".

The tender and the annexes to the tender form are drawn up in English. By submitting a tender, the tenderer automatically renounces to his own general or specific conditions, even if these are mentioned in any of the annexes to his tender.

The tenderer clearly designates in his tender which information is confidential and/or relates to technical or trade secrets and shall therefore not be disseminated by the contracting authority.

One copy of the tender form is annexed to the Tender Specifications.

The following information shall be included in the tender:

- The total amount of the tender in words and figures (excluding VAT)
- The amount of VAT
- The signature of the person or persons, depending on the case, who has or have a mandate for signing the tender
- The function of the person or persons, depending on the case, who signs/sign the tender
- The date on which the above-mentioned person or persons, depending on the case, has/have signed the tender
- The full registration number of the tenderer with the Enterprise Crossroads Bank (Banque Carrefour des Entreprises) (for Belgian tenderers)
- Access right and qualitative selection documents (see point 1.3.6 "Qualitative selection");
- Award criteria documents (see point 1.3.8)

1.3.4.2 Period the tender is valid

The tenderers are bound by their tender for a period of 90 calendar days, as from the day following the date for the opening of tenders.

1.3.4.3 Copies

One original copy of the completed tender shall be submitted on paper.

The tender will be drawn up in 3 copies, one copy of which will mention “original” and two copies of which will mention “copies” or “duplicata”. The tenderer shall follow the instructions for compiling the tender (see Part 3 - Forms). These copies may be submitted in the form of one or more PDF files on a CD-ROM or USB stick.

1.3.4.4 Price setting, components and revision of the prices

All prices given in the tender form must obligatorily be given in **euros**. No single formula binding the parties to an exchange rate will be accepted. Prices given are exclusive of VAT.

The present contract is a Lump Sum contract.

According to Article 21, § 2, of the Royal Decree of 15 July 2011, the contracting authority may for the purpose of verifying the prices carry out an audit involving any and all accounting documents and an on-site audit to check the correctness of the indications supplied.

1.3.4.5 Elements included in the price

(Art. 19 of the Royal Decree of 15.01.2013)

The service provider is supposed to include in all prices all costs and taxes that generally somehow affect the services, with the exception of the value-added tax.

The following are included in the lump-sum price:

- Administrative and secretariat costs;
- communication costs (including the internet), photocopy and printing costs;
- fees, per diems, accommodation costs;
- Travel, transportation, visa costs and insurance costs;
- The costs of documentation with regards to the services and of any documentation required by the contracting authority;
- The delivery of documents or of pieces related to the performance of the services;
- Customs and excise duties for equipment and products used;
- Packaging costs;
- Acceptance costs.

In case of contract extension that involves additional days with additional costs, the prices

mentioned in the contract will be applied.

BTC organises and pays for costs related to workshops are paid by BTC. International travel days are not reimbursed by BTC.

1.3.4.6 Price review

(Art. 6 of the Law of 15 June 2006 and Art. 20 of the Royal Decree of 15 July 2011)

For this contract, no price review whatsoever is possible.

1.3.5 The right to submit tenders and opening of tenders

1.3.5.1 The right to submit a tender and how to submit tenders

Article 51 and following of the Royal Decree of 15.07.2011; Article 90 and 91 of the Royal Decree of 15.07.2011

Without prejudice to any variants, each tenderer may only submit one tender per contract.

The tender consists of the necessary documents pertaining to the selection and award criteria (see point 1.3.6 – Selection criteria, regularity of the tenders and award).

The signed and dated original and three “copies” or “duplicates” will be sent to:

Belgian Technical Cooperation

2 Nashashibi Street, Sheikh Jarrah

PO Box 38402

Jerusalem

The original tender and copies will be sent in sealed envelope mentioning: **“TENDER”, Mid Term Review for JFAII – PZA 411**. It must be received by **2nd May 2017 at 9am at the latest**. It will **obligatorily** have to be submitted by registered mail through the postal services⁸, or by courier against acknowledgement of receipt.

The tender and all accompanying documents must be numbered and signed (**original handwritten signature**) by the tenderer or his/her representative. The same goes for any alterations, erasures or comments made to the document. The representative must clearly state that he/she is authorised to commit the tenderer.

1.3.5.2 Change or withdrawal of a tender that has already been submitted

When a tenderer wants to change or withdraw a tender already sent or submitted this must be done in accordance with the provisions of Article 91 of the Royal Decree of 15 July 2011.

To change or withdraw a tender already sent or submitted, a written statement is required, which shall be correctly signed by the tenderer or his/her representative. The object and

⁸ In case of receipt after the above-mentioned date, only tenders for which a certificate of mailing that is dated at least one (1) day before the date for the receipt of tenders will be accepted.

the scope of the changes must be described in detail. Any withdrawal will be unconditional.

A withdrawal can also be communicated by means of a fax or by electronic means that are not in conformity with Article 52, § 1 of the Royal Decree of 15 July 2011, in as far:

1° The withdrawal reaches the president of the opening session before he/she has officially opened the session; and,

2° The withdrawal is confirmed in a registered letter sent at the latest the day before the opening session is held.

1.3.6 Access rights and selection criteria

Articles 58 to 79 of the Royal Decree of 15.07.2011

As part of the fight against conflicts of interests, in particular in view of avoiding revolving doors mechanisms as defined in the Law of 8 May 2007 approving the United Nations Convention against Corruption, adopted in New York on 31 October 2003, the tenderer shall refrain from relying on any former (internal or external) collaborators of the Belgian Technical Cooperation, within two years from his/her/their resignation, retirement or any other type of departure from the Belgian Technical Cooperation, for whatever reason, directly or indirectly, for the elaboration and/or introduction of his tender or any other intervention under the award procedure or for tasks to be conducted as part of the performance of this public contract.

The above provision does however only apply when there is a direct link between the preceding activities conducted for the contracting authority by the person(s) concerned and his/her/their activities for this public contract.

Any breach of this measure liable to distort the normal conditions of competition is subject to a sanction in accordance with the provisions of Article 9 of the Law of 15 June 2006 on procurement and certain works, supply and services contracts. In concrete terms, this sanction, depending on the case, consists of discarding the tender or terminating the contract.

1.3.6.1 Personal situation

By submitting this tender, the tenderer declares on his honour that he does not come within the exclusion criteria of

- he/she has not been found guilty of involvement in a criminal organisation, fraud, corruption or money laundering

The tenderer has to include in his tender :

- An **original certification** from the competent authority stating that he is **in order with obligations with regards to the payments of social security contributions** that apply by law in the country of establishment.
- A **recent certification** (up to 6 months) from the competent authority stating that

the tender **is in order with the payment of applicable taxes** that apply by law in the country of establishment

1.3.6.2 Technical aptitude

Art. 106 et seq. of the Royal Decree of 15/07/2011

The tenderer has to include in his tender :

- **The tenderer should present evidence of having performed at least 3 similar services.** The evidence should include the amount involved and the relevant dates, and the public or private bodies on behalf of which they were carried out showing that the tenderer has experience in conducting those studies.
- **CV's of the consultant(s) proposed** for implementing this services contract. The CV's has to fulfil the profile as requested in the ToRs. The team has to fulfill the requested criteria as a team not necessary individually.

1.3.7 Regularity

Before proceeding to the evaluation and the comparison of the tenders, the contracting authority examines whether the tender has any formal or material defects that could disrupt or prevent this evaluation.

1.3.8 Award criteria

Art. 107 of the Royal Decree of 15.07.2011

The contracting authority selects the regular tender of the selected tenderer, which it finds to be most advantageous, taking into account the following criteria, in decreasing order of importance :

1. Technical proposal (70%) broken up as below:

1.1 Quality of the methodology proposed (40%)

The tenderer proposes **a methodology** and **concrete planning** based on the instructions given in the Terms of Reference.

The methodology proposed must succinctly describe the approach developed to achieve the study, the visits planned, the complete planning to conduct the study, the distribution of tasks and responsibilities between the members of the experts team.

1.2 Proven competences of the tenderer's team relevant for the assignment (30%)

Competences will be assessed on the basis of the CV's of the proposed team members.

2. Prices (30%)

The lump-sum price proposed by the tenderer will be evaluated.

1.3.9 Negotiations

A committee involving Joint Financing Partners and the Ministry of Education and Higher Education will assess the eligible tenders. Tenderer(s) can be invited to provide further details on their tender in writing. If appropriate, they will be invited to submit an improved tender.

1.3.10 Concluding the contract

The contract will be awarded to the (selected) tenderer who submitted the most advantageous, possibly improved, tender on the basis of the criteria mentioned above.

However, in application of Art. 35 and 36 of the Law of 15 June 2006, the contracting authority can waive the awarding of the contract or can restart the procedure, if necessary in another manner.

So, the full contract agreement consists of a public contract awarded by BTC to the chosen tenderer in conformity with:

- these Specifications and the annexes,
- the tender and all its annexes,
- the registered letter of notification of the award decision,
- any later documents that are accepted and signed by both parties.

1.4 Special contractual and administrative provisions

This chapter of these Tender Specifications holds the specific provisions that apply to this public contract as a derogation of the 'the general implementing rules of public contracts and of public works concessions' of the Royal Decree of 14 January 2013, hereinafter referred to as 'RGE' or as a complement or an elaboration thereof. The articles indicated below (between brackets) refer to the articles of the RGE. Unless indicated, the relevant provisions of the General Implementing rules shall apply in full.

1.4.1 Definitions (Art. 2)

- Managing or 'lead official': The official or any other person who manages and controls the performance of the contract;
- Performance bond (or unconditional bank guarantee): Financial guarantee given by the contractor to cover its obligations until final and good performance of the contract;
- Acceptance: Observation by the contracting authority that the performance of all or part of the works, supplies or services is in compliance with good practice and with the terms and conditions of the contract;
- Instalment: Payment of part of the contract after service delivery is accepted;
- Advance: Payment of part of the contract before service delivery is accepted;
- Amendment: Agreement established between the contracting parties during contract performance in view of changing documents applicable to the contract.

1.4.2 Correspondence with the service provider (Art. 10)

Notifications by the contracting authority are addressed to the domicile or to the registered office mentioned in the tender, except if the Tender Specifications require the service provider to elect domicile elsewhere after conclusion of the contract.

1.4.3 Lead official (Art. 11)

The management and control of the contract are in the hands of Mr. Gauthier Dewoelmont, as the lead official.

Once the contract is concluded, the lead official is the main contact point for the service provider. Any correspondence or any questions with regards to the execution of the contract will be addressed to him/her, unless explicitly mentioned otherwise in these Tender Specifications.

The lead official is fully competent for the follow-up of the satisfactory performance of the contract, including issuing service orders, drawing up reports and states of affairs, approving the services, progress reports and reviews. He or she may order any modifications to the contract with regards to its object and that remain in its scope.

However, the signing of amendments or any other decision or agreement implying a derogation from the essential clauses and conditions of the contract are not part of the

competence of the lead official. For such decisions the contracting authority is represented as stipulated under "The Contracting Authority".

Under no circumstances is the lead or managing official allowed to modify the terms and conditions (e.g., performance deadline, etc.) of the contract, even if the financial impact is nil or negative. Any commitment, change or agreement that deviates from the conditions in the Tender Specifications and that has not been notified by the contracting authority, shall be considered null and void.

1.4.4 Subcontractors (Art. 12 to 15)

The fact that the successful tenderer entrusts all or part of his commitments to subcontractors does not release him of his responsibility towards the contracting authority. The latter does not recognize any contractual relation with these third parties.

The successful tenderer remains, in any case, the only person liable towards the contracting authority.

The service provider commits to having the contract performed by the persons indicated in the tender, except for force majeure. The persons mentioned or their replacements are all deemed to effectively be involved in the performance of the contract. Any replacements must be approved by the contracting authority.

1.4.5 Confidentiality (Art. 18)

The tenderer commits to not advertising about this contract without the preliminary written agreement of the contracting authority. He may, however, mention this contract as a reference in the context of a public contract, provided that he is true in the presentation of the status (e.g. 'in performance') and in as far that the contracting authority has not withdrawn this permission for cause of poor performance of the contract.

1.4.6 Intellectual property (Art. 19 to 23)

§1 The contracting authority acquires the intellectual property rights created, developed or used during performance of the contract.

§3 The tenderer commits to not advertising about this contract without the preliminary written agreement of the contracting authority. He may, however, mention this contract as a reference in the context of a public contract, provided that he is true in the presentation of the status (e.g. 'in performance') and in as far that the contracting authority has not withdrawn this permission for cause of poor performance of the contract.

1.4.7 Performance bond (Art. 25 to 33) {N/A- performance bond is not required}

1.4.7.1 Provision of a Bond

In conformity with Article 25 of the General Implementing Rules, a bond is required that amounts to 5% of the initial amount of the contract, rounded up to the next increment of ten

The contractor must, within 30 calendar days, as from the day of the awarding of the contract, furnish proof that he or a third party has posted the bond in one of the ways set out in Article 25 of the GIR.

If the bond is posted in **cash**, the money must be transferred to the following account (see procedure on www.caissedesdepots.be):

PCR No. 679-2004099-79, on the name of

SPF FINANCES – TRÉSORERIE (FPS Finances – Treasury)

Caisse des Dépôts et Consignations (Deposit and Consignment Office)

Cautionnement en numéraire (Deposit in cash)

Avenue des Arts 30

1040 Brussels

Tel.: 02/233.78.45

Fax: 02/233.70.87

If the bond is posted under the form of a **bank guarantee (unconditional)**, it must be posted in one of the following ways:

- Through an institution that is recognized by the Banking, Finance and Insurance Commission (CBFA), or
- In derogation of article 26 of the Royal Decree of 14/01/2013, through an institution with a registered office in one of the countries of destination of the services. The contracting authority maintains the right to accept or refuse the posting of the bond through that institution. The tenderer will mention the name and address of this institution in the tender.

This derogations intends to enlarge the possibilities for local enterprises to introduce a tender.

Institutions that are recognized by the Banking, Finance and Insurance Commission (CBFA):

- Credit institutions:
<http://www.fsma.be/fr/Supervision/finbem/ki/liki/ki.aspx>;
<http://www.fsma.be/nl/Supervision/finbem/ki.aspx>
- Insurance companies:
<http://www.fsma.be/fr/Supervision/finbem/vohvo/Article/livo/vo.aspx>;
<http://www.fsma.be/nl/Supervision/finbem/vohvo/Article/livo/vo.aspx>;

In any case, the bond will be unconditional and no date of automatic release will be mentioned. The bond falls under the principles of Belgian law and only Belgian courts are competent in case of litigation (See “Model of proof of posting bond”).

1.4.7.2 Failure to post the performance bond (art. 29 GIR)

- When the contractor fails to prove that the performance bond has been posted within 30 days, he will be set in default by registered mail. This notification will be considered as a 'failure report' as mentioned in art. 44, § 2 GIR (see below).
- When, after notification of this failure by registered letter, the contractor has still failed to produce proof that the performance bond has been posted within a further period of 15 days dating from the date of dispatch of the registered letter, the contracting authority may:
 - 1° Post the performance bond itself by deduction from amounts due under the contract in question; in this case, the penalty shall be fixed at a flat rate of 2% of the initial amount of the contract; or
 - 2° Apply the measures taken as of right. In any event, termination of the contract for this reason shall preclude the application of penalties or fines for delay.

1.4.7.3 Release of the Bond (art. 33)

At the request of the contractor, the bond will be released after final acceptance.

1.4.8 Compliant performance of the contract (Art. 34)

The services must comply in all respects with the contract documents. Even in the absence of terms of reference in the tender documents, the services must comply in all respects with good practice.

1.4.9 Preliminary technical acceptance (Art. 42)

The contracting authority reserves the right to demand an activity report at any time of the mission to the service provider (meetings held, persons met, institutions visited, summary of results, problems encountered and problems solved, deviation from the planning and deviations from the ToR...).

1.4.10 Performance modalities (Art. 146 et. seq.)

1.4.10.1 Deadlines and clauses (Art. 147)

The services must be performed within 60 days as from the day following the date the service provider received the contract award notification. The closure of the service provider's business for annual holidays is not included in this calculation.

The desk study (see ToR below) is estimated to take one week (already included in the performance time).

1.4.10.2 Place of performance

- Palestine : West Bank
- Desk study : home office

1.4.10.3 Evaluation of the services performed

If during contract performance irregularities are found, the contractor shall be notified about this immediately by fax or e-mail, which shall be confirmed consequently by registered letter. The contractor is bound to perform the non-complying services again.

When the services have been performed, the quality and of conformity of the services will be evaluated. A report of this evaluation will be drawn up. The original copy of this report will be sent to the service provider. Any services that have not been performed correctly or in conformity shall be started again.

1.4.11 Liability of the service provider (Art. 152-153)

The service provider takes the full responsibility for mistakes and deficiencies in the services provided.

Moreover, the service provider shall guarantee the contracting authority against any claims for compensation for which he is liable towards third parties due to late performance of the services or due to failure of the service provider.

1.4.12 Means of action of the contracting authority (Art. 44-53 and 154-155)

Failure of the service provider is not only related to services themselves but also to the whole of his obligations.

In order to avoid any impression of risk of partiality or connivance in the follow-up and control of the performance of the contract, it is strictly forbidden to the service provider to offer, directly or indirectly, gifts, meals or any other material or immaterial advantage, of whatever value, to the employees of the contracting authority who are concerned, directly or indirectly, by the follow-up and/or control of the performance of the contract, regardless of their hierarchical position.

In case of violation, the contracting authority can impose a set fine to the service provider for each violation, which can be to up to three times the amount obtained by adding up the (estimated) values of the advantage offered to the employee and of the advantage that the successful tenderer hoped to obtain by offering the advantage to the employee. The contracting authority can decide independently about the application and the amount of this fine.

This clause is without prejudice to the possible application of other measures as of right provided in the 'RGE', namely the unilateral termination of the contract and /or the exclusion of contracts of the contracting authority for a determined duration.

1.4.12.1 Failure of performance (Art. 44)

§1 The contractor is considered to be in failure of performance under the contract:

1° When services are not performed in accordance with the conditions defined by the contract documents;

2° At any time, when the performance is not conducted in such a way that it can be fully

completed at the dates set;

3° When the contractor does not follow written orders, which are given in due form by the contracting authority;

§ 2 Any failure to comply with the provisions of the contract, including the non-observance of orders of the contracting authority, shall be recorded in a report ('process verbal'), a copy of which shall be sent immediately to the contractor by registered letter.

The contractor shall repair the deficiencies without any delay. He can assert his right of defence by registered mail addressed to the contracting authority within fifteen calendar days following the date that the report (process verbal) was sent. His silence is considered, after this period, as an acknowledgement of the facts recorded.

§ 3 Any deficiencies found on his part render the contractor liable for one or more of the measures provided for in Articles 45 to 49 and 154 and 155.

1.4.12.2 Fines for delay (Art. 46-154)

Fines for delay are not related to penalties provided under Article 45. They shall be due, without the need for notice, simply by the expiry of the performance period without the issuing of a report, and they shall be automatically applied for the total number of days of delay.

Notwithstanding the application of fines for delay, the contractor shall continue to guarantee the contracting authority against any claims for compensation for which it may be liable to third parties due to the delay in performance of the contract.

1.4.12.3 Measures as of right (Art. 47-155)

§ 1 When upon the expiration of the deadline given in Article 44, § 2 for asserting his right of defence the contractor has remained inactive or has presented means that are considered unjustified by the contracting authority, the latter may apply the measures as of right described in paragraph 2.

However, the contracting authority may apply measures as of right without waiting for the expiration of the deadline given in Article 44, § 2, when the contractor has explicitly recognized the deficiencies found.

§ 2 The measures as of right are:

1° Unilateral termination of the contract. In this case the entire bond, or if no bond has been posted an equivalent amount, is acquired as of right by the contracting authority as lump sum damages. This measure excludes the application of any fine for delay in performance in respect of the terminated part of the contract;

2° Performance under own management of all or part of the non-performed contract;

3° Conclusion of one or more replacement contracts with one or more third parties for all or part of the contract remaining to be performed.

The measures referred to in 1°, 2° and 3° shall be taken at the expense and risk of the defaulting contractor. However, any fines or penalties imposed during the performance of a replacement contract shall be borne by the new contractor.

1.4.13 End of the public contract

1.4.13.1 Acceptance of the services performed (Art. 64-65 and 156)

The services will be followed up closely during performance by a representative of the contracting authority (see point "Lead or Managing official").

The services shall not be accepted until after meeting the requirements as per the Contract.

The final acceptance will take place after performance of all services described in this tender document:

Upon expiration of the thirty-day period following the date stipulated for completion of the entirety of the services, depending on the case, an acceptance report or a refusal of acceptance report will be drawn up.

Where the services are completed before or after this date, it shall be the responsibility of the service provider to notify the lead or managing official by registered letter, and at the same time to ask for the acceptance procedure to be carried out. Within thirty days after the date of receipt of the service provider's request, an acceptance or a refusal of acceptance report will be drawn up, depending on the case.

1.4.14 Invoicing and payment of services (Art. 66 to 72-160)

The invoice will be submitted by the representative of the supplier in two copies, one copy of which will mention "original" and the other copy of which will mention "copy" or "duplicata"; it will mention the name of the project :

Joint Financing Arrangement II (JFA II) –The two copies will be sent to the following address:

Belgian Technical Cooperation
2 Nashashibi Street
Sheikh Jarrah,
PO Box 38402
Jerusalem

This invoice will be signed and dated, and will include the statement: "Certified true and sincere for the amount of (amount in words)". Only services that have been performed correctly may be invoiced and paid.

The contracting authority disposes of a period for verification of thirty days starting on the end date for the services, set in conformity with the modalities in the contract documents, to carry out the technical acceptance and preliminary acceptance formalities and to notify the result to the service provider.

The amount owed to the service provider must be paid to the service provider within thirty days as of the end of the verification.

When the contract documents do not provide for any separate debt claim, the invoice shall constitute the debt claim.

The invoice shall be in euros.

No advance may be asked by the contractor, and payment will be made after final acceptance of services.

1.4.15 Litigation (Art. 73 of the Royal Decree of 14.01.2013)

The competent courts of Brussels shall have exclusive jurisdiction over any dispute arising from the performance of this contract. French or Dutch are the languages of proceedings.

The contracting authority shall in no case be held liable for any damage caused to persons or property as a direct or indirect consequence of the activities required for the performance of this contract. The contractor guarantees the contracting authority against any claims for compensation by third parties in this respect.

In case of "litigation", i.e. court actions, correspondence must (also) be sent to the following address:

Belgian Technical Cooperation, Public-law Company with social purposes

Legal unit of the Logistics and Acquisitions service (L&A)

To the attention of Mrs Inge Janssens

Rue Haute 147

1000 Brussels

Belgium

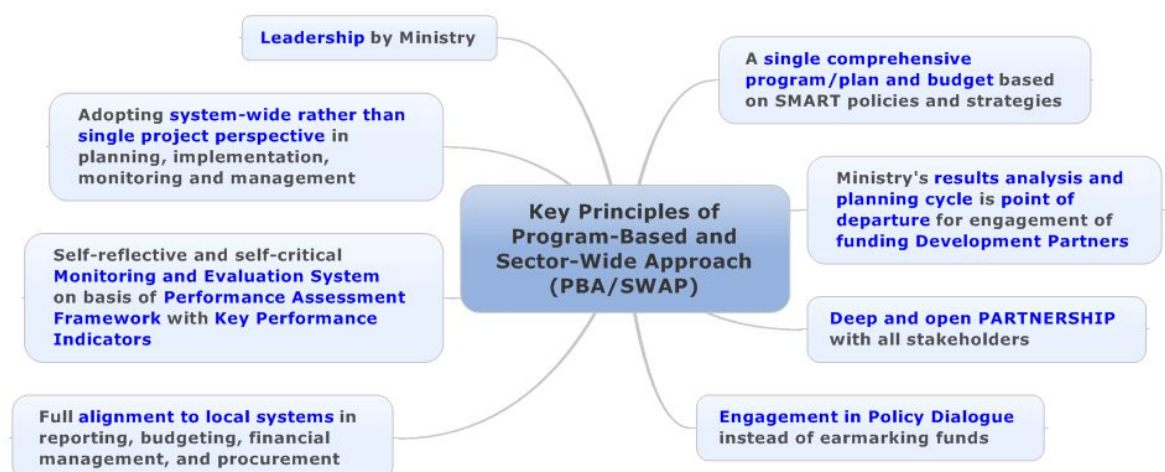
2 Part 2: Terms of reference

2.1 Background

The first Joint Financial Arrangement (JFAI) was signed on the 11th of November 2010 by Norway, Ireland, Finland, Germany (KfW), the so-called – Joint Financing Partners (JFPs), and the Palestinian Authority (PA) with the aim to financially and technically support the implementation and the management of the second Education Development Strategic Plan (EDSPII). Belgium officially joined the basket fund in July 2013.

Following the official endorsement in April 2014 of the new EDSP III for the period of 2014-2019, the JFPs renewed their commitment to jointly support the education sector by signing an updated JFA agreement on the 20th of October 2014 (JFA II).

The Joint Financing Partners are committed to the aid harmonisation and aid effectiveness principles as articulated in the Paris Declaration, the Accra Agenda for Action, and the Busan Partnership for Effective Development Cooperation. All JFPs are signatories to the Partnership Principles on Coordination and Harmonization of support to the Education Development Strategic Plan 2014-19, dated September 17, 2014 and of which the principles are illustrated in the graph below:



The goals/objectives of EDSP III (2014-2019) are:

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

EDSP III spans a six-year period and portrays what the Palestinian education should look like in the year 2020.

The JFP's base their actual support on the progress attained in the implementation of the EDSPs. Progress is measured through common agreed procedures and reports as defined successively in the JFA I and II.

An important recent development is that the Palestinian Authority developed a new National Development Plan fed by Sectorial Strategies. This means an adaptation of the current EDSP III. The drafting of a European Joint Strategy⁹, will align with these plans.

Since the start of the JFA, no evaluation for the JFA mechanism has been conducted. JFA II is planned until 2019. The partners and the MoEHE see the benefits of undertaking a mid-term review to look at achievements, lessons learned and initiate improvements were needed.

2.2 JFA II Objectives

The JFA objectives are outlined in the Joint Financial Arrangement II (see annex1) and the Palestinian Education Sector Partnership Principles (see annex 2). The JFA is a basket fund that provides financial and technical assistance in support of the Palestinian Authority's Education Development strategic plans (2008-2012; 2014-2019). Each of the Joint Financing Partners established bilateral agreements with the Palestinian Authority spelling out the modalities of their financial contributions in the spirit of the JFA. In order to reduce transaction costs the so called Joint Financing Partners (JFPs) pool their contributions together into a basket fund, acting as one donor.

The support is delivered in a program based approach for the implementation of the strategic plan on Education Development (EDSP III 2014-2019). By aligning to national systems and regulations, the JFA targets institutional

⁹ The EU joint strategy aims at ensuring the harmonization and increased coherence of EU's approaches by reducing inefficiencies, facilitating policy dialogue, identifying gaps and opportunities in programming and in jointly addressing Palestinian key priorities (EU Joint Strategy ,Draft one.)

strengthening throughout the management cycle in the areas of planning, budgeting, budget execution, reporting, monitoring & evaluation, accounting and auditing. The basis for cooperation between the Ministries of Education and Finance and JFPs are the JFA II and Partnership Principles dated September/October 2014. The JFA mechanism is integrated into the Education Sector Working Group.

1. JFA's financial contribution aims to provide a predictable and reliable source of financing in a context significantly affected by political and economic vulnerability
2. The JFA aims to set up a solid technical platform for dialogue on key education issues and to provide continuous valuable policy support for foundational reforms and new policies in education.
3. Strategic planning and good financial management are at the centre of the support to JFA. As such, the JFA is aiming to be a key driver for structural improvements of the management of the education system (sector M&E, planning and budget, audit).
4. JFA support through the basket fund facilitates coordination and harmonisation of procedures between different development partners.

2.3 Policy Dialogue

The Partnership Principles for the Palestinian Education Sector set the framework for policy dialogue and coordination in the context of the sector wide approach (SWAp) in education.

The Education Sector Working Group (ESWG) is the platform for sector coordination and policy dialogue in the education sector. It facilitates information exchange and dialogue on policies, programs, targets, results, research and analysis in order to strengthen the SWAp and to align support to MoEHE priorities as outlined in the sector plan. The ESWG is set within the Social Development Sector Group under the aid coordination structure for Palestine.

Regular policy dialogue takes place at the Education Sector Working Group four times per year. The day to day coordination is done by the Core group of the ESWG, and 9 Technical Thematic groups have been set up in order to

provide technical input to the ESWG. There are thematic groups on curriculum development, pre-school education, higher education, education in emergency etc. The Annual Sector Review represents a critical moment for the MoEHE and the development partners to review overall progress and set targets for the following financial year.

The JFA is an instrument of the education Sector Wide Approach (SWAp). It is aimed to facilitate the harmonisation of financial and technical support among Development Partners; to encourage Ministry ownership; to enhance the institution building process; to strengthen the Ministry's management cycle (planning, budgeting, monitoring & evaluation, reporting, auditing); and to support inter-ministerial cooperation (MoEHE, MoFP). Dialogue between the MoEHE and JFPs takes place at policy and technical levels in accordance with the Partnership Principles. The dialogue is centred around EDSP key reforms and programs, as well as the sector's Annual Work Plan & Budget, M&E and progress reports, audits, etc.

2.4 Management structure of the JFA

The Ministry of Finance and Planning (MoFP) is responsible for the management of the Joint Financing Partner's financial contributions to the JFA. The Ministry of Education and Higher Education is responsible for the implementation of the EDSPs. Each JFP has its own structure of representation. Communication and information sharing is ensured by focal points of the respective Ministries as well as the JFPs (currently KfW).

Planning, budgeting, accounting and reporting are aligned to national procedures. The JFA signatories determine their share of funding for the coming financial year based on a subset of agreed activities within the sector's Annual Work Plan and Budget. Withdrawals from a basket fund pivot account (the Foreign Currency Account) to the PA's Central Treasury Account follow a quarterly reimbursement mechanism based on MoFP's Quarterly Financial Reports (QFR). Withdrawals may be suspended in case of objection on the QFR by the JFPs.

Procurement under the JFA is managed by the MoEHE, and governed by KfW guidelines - involving ex-ante controls and no objections - until such date when a unified procurement law acceptable to the JFPs is finalized and operational. The MoEHE submits a procurement plan to the JFPs for approval before calling for tenders.

External audit is aligned to the PA procedures. The State Audit and Administrative Control Bureau oversees annually a full scope financial and compliance audit of the EDSP III. The audit is implemented through an international audit firm selected through an international tendering process as agreed to by the Joint Financing Partners.

The Joint Financing Partners meet on a regular and formal basis to monitor progress on implementation and to prepare the dialogue with MoEHE, MOFP, the EU and other development partners.

2.5 Objective of the Mid Term Review

The main objective of this mid-term review is to assess to what extent the JFA II has so far contributed to the expected results by giving means to the Palestinian Authority to implement its Education Development Sector Plan.

The mid-term review should analyse the progress, the strengths and weaknesses of the current JFA II in terms of its contribution to the institutional development of the sector, to enhance the efficiency and effectiveness of its policies, strategies, and spending actions, transparency and accountability.

The purpose of this Mid-term Review is to identify lessons learnt and best practices of the cooperation and to avail the Palestinian Authority and the JFP's with recommendations on what changes are deemed necessary to ensure continued relevance and effective, efficient and coordinated implementation of the JFA in the future.

The MTR is expected to focus on the JFA II since 2014.

2.6 Key review questions

The MTR concentrates on the effectiveness and efficiency of the instrument. The consultants, however, are not required to limit themselves to the questions below, should other pertinent issues arise during the review process. The MTR should give concrete recommendations in order to improve the instrument in the future.

Recommended specific questions:

- Assess trends in the **allocation and expenditures of JFAII**. To what extent and in what proportion are they contributing to the priorities of the

EDSP III? To what extent is there complementarity between the JFA II and other funding sources for the AWPB.

- Review the **financial management and disbursement mechanisms** of the JFA II, and assess the predictability and reliability of the instrument as a source of financing.
- Assess **trends in the absorption rate** of the JFAII vis-a-vis the other sources of financing of the Annual Work Plans & Budgets.
- Assess the **effectiveness and efficiency of procurement processes** under the JFA.
- Assess the existing JFA **reporting structure** and formulate recommendations for further improving their usefulness for the MoEHE management and the JFPs.
- Review the **education sector audit process**, and assess the extent to which the audit reports and management responses lead to an improved management of public funds.
- Analyse and assess the **decision-making processes** of the JFA II in terms of efficiency and effectiveness, and propose recommendations.
- Analyse and assess the **communication structures** under the JFA II, outline strengths and weaknesses and propose improvements.

Areas of recommendations:

- Is the **basket fund mechanism** a relevant and effective way – e.g. **fit for purpose**– to support the EDSP III? What is its added value compared to other modalities like projects, programs or budget support?
- What **strategies/instruments/methods** can be put in place to ensure **more effective** implementation of the JFA in the future?
- Based on the overall assessment of the JFA mechanism, review and assess the **JFA key documents** and propose improvements if deemed necessary.
- What are **positive and negative changes** produced by the JFA to the implementation of the EDSP, directly or indirectly, intended or unintended in terms of **institution building** and **improved service delivery**.

2.7 Key aspects of the Mid Term Review

The MoEHE, The MoFP and the JFPs will form a joint MTR management team that will assist the consultants with arrangements of meetings as well as ensuring that all necessary documentation is made available to the consultants.

Desk research: the review will commence with a thorough review of available policy and management documentation. This desk study will provide the necessary and solid basis for the interviews with key officials. It is estimated that this desk analysis will take one week.

Kick-off meeting: Following the desk research, a kick-off meeting will take place. The consultants will brief the management team on the methodology and receive feedback from the management team. These will be ensured in a kick-off meeting. The consultants will be provided with a list of all partners, background documents and reports. The consultants will present their methodology in the first meeting and the detailed methodology will be approved by the MTR management team.

Interviewing with the following key officials involved or related to JFA should take place:

- Ministerial departments implicated in the implementation of the JFA at the level of MoEHE and MoFP
 - o level of MoEHE: authorities of the Ministry: minister, deputy minister, assistant's deputy minister, programme managers of the 6 programmes of the EDSPIII. Directors of the financial department, the planning department, the building department, JFA Focal Point.
 - o MOFP: DG International Relations, DG Budget, Accountant General, JFA Focal Point.
 - o SAACB, State Audit and Administrative Control Bureau: DG Audit for Social & Cultural Services, DG Audit for Economic Sector.
- The JFA Partners
- Other donors and implementation structures active in the education sector: UNESCO, UNICEF, UNRWA, LACS, USAID
- civil society

2 school visits should take place in order to assess the procedures of the JFA for the construction of schools and rehabilitation and to assess the impact of the JFA mechanism at a local level

After desk review, consultations and visits, there should be a first debriefing with the JFP's and the MoEHE.

The consultants should produce a report including analysis, findings and recommendations within four weeks of the debriefing. It is expected that the final report will be presented to the stakeholders after final acceptance of the report by the Management committee.

The consultancy is expected to start in the course of June. Consultations and visits are expected to take place in the first half of July. The level of effort for the consultancy is indicatively estimated at 40 person / days.

2.8 Expected Outputs

1. A first draft of report
2. A final report of no more than 20 pages, without annex with:
 - An executive summary stating key findings
 - A list of recommendations related to the functioning of the JFA in terms of efficiency, effectiveness and impact
 - A review of good practices related to JFA
3. A power point presentation on the main findings

2.9 Required qualifications and expertise

The team of consultant, has to demonstrate expertise in the following areas:

- At least 5 years of experience with budget support
- At least 5 years of experience with public finance management.
- Experience with budget/basket support evaluations and mid term review.
- At least 3 years of experience with education policy
- knowledge of the Palestinian education system is an asset
- Experience with monitoring and evaluation of the education sector.

3 Part 3: Forms

3.1 Instructions for compiling the tender

As a principle, the tender must be drawn up on these original tender forms, attached to these Tender Specifications. However, if the tender is established on other forms (for instance on a scanned copy of these forms), the tenderer must verify himself that these forms correspond to the original forms and he must mention on each page that the forms used are consistent with the original tender forms.

The tender form must be submitted in 3 copies, one of which mentions 'original' and the others mention 'duplicate' or 'copy'. The original must be a paper copy. The duplicate may be a simple photocopy, but it may also be submitted in the form of one or several files on a CD-ROM.

The different parts and annexes of the tender must be numbered.

All prices are given in euro (EUR/€) and are rounded off to two figures after the decimal point. If necessary, they may be rounded off to four figures after the decimal point.

Erasures and alterations, additions or changes in the tender forms must be accompanied by a signature next to the erasure and alteration, addition or change concerned.

This also applies to erasures and alterations, additions or changes made by means of a correction ribbon or correcting fluid.

The tender will have the **original hand-written signature** of the tenderer or of his representative.

If the tenderer is a company / association without legal body status, formed by separate natural or legal persons (temporary group or temporary partnership), the tender must be signed by each of these persons.

3.2 Identification of the tenderer

Name and first name of the tenderer or name of the company and legal form	
Nationality of the tenderer and of staff (if different)	
Domicile / Registered office	
Telephone number and fax number	
National Social Security Office registration number	
Enterprise number	
Represented by the undersigned (Surname, first name and function)	
Contact person (telephone number, fax number, possibly e-mail address)	
If different: Project manager (telephone number, fax number, e-mail address)	
Account number for payments Financial institution Under the name of	

Signature(s)

3.3 Tender Form

The tenderer commits to performing the public contract in conformity with the provisions of Tender Specifications PZA 411, for the following lump sum price, given in euros and exclusive of VAT :.....

Done in, on

Name, title and signature(s):

3.4 Price decomposition

	Unit	Unit price*	Quantity	Total
Preparation – desk study	Man-day(s)	€		€
Fee consultant on a mission	Man-day(s)	€		€
...	Man-day(s)	€		
	Man-day(s)	€		€
Transport costs		€		€
VAT percentage		Total (excluding VAT)	€	

In case the contract is extended, the lump-sum unit prices mentioned in the contract apply.

Done in, on

Name, title and signature(s):

3.5 Integrity Statement for the tenderers

Concerns the tenderer:

Domicile / Registered office:

Reference n° of the public contract:

To the attention of the Belgian Technical Cooperation,

Hereby, I / we, acting as legal representative(s) of above-mentioned tenderer, declare the following:

- Neither members of administration or workers, or any person or legal person with whom the tenderer has concluded an agreement in view of performing the contract, may obtain or accept from a third party, for themselves or for any other person or legal person, an advantage appreciable in cash (for instance, gifts, bonuses or any other kind of benefits), directly or indirectly related to the activities of the person concerned for the account of the Belgian Technical Cooperation.
- The board members, staff members or their partners have no financial or other interests in the businesses, organisations, etc. that have a direct or indirect link with the Belgian Technical Cooperation (which could, for instance, bring about a conflict of interests).
- I have / we have read and understood the articles about deontology and anti-corruption included in the Tender Specifications and I / we declare fully endorsing and respecting these articles.

I / we are also aware of the fact that the personnel of the Belgian Technical Cooperation are bound by the provisions of a Code of conduct, which states that: *"In order to ensure the impartiality of personnel, staff members are not allowed to solicit, demand or receive gifts, bonuses or any other kind of benefits for themselves or third parties, whether in exercising their function or not, when said gifts, bonuses or benefits are linked to that exercising. Note, that what matters most here is not so much the enrichment resulting from accepting gifts, bonuses or benefits of all kinds, rather than the loss of impartiality, which is required from the staff member when exercising his/her function. Privately, staff members do not accept any financial or other bonus, gift or benefit for services rendered"*.

If above-mentioned contract is awarded to the tenderer, I/we declare, moreover, agreeing with the following provisions:

- In order to avoid any impression of risk of partiality or connivance in the follow-up and control of the performance of the contract, it is strictly forbidden to the successful tenderer of the contract (i.e., members of administration and workers)

to offer, directly or indirectly, gifts, meals or any other material or immaterial advantage, of whatever value, to staff members of the Belgian Technical Cooperation who are concerned, directly or indirectly, by the follow-up and/or control of the performance of the contract, regardless of their hierarchical position.

- Any (procurement) contract shall be terminated, once it appears that contract awarding or contract performance would have involved the obtaining or the offering of the above-mentioned advantages appreciable in cash.
- Any failure to comply with one or more of the deontological clauses may lead to the exclusion of the signer of this contract from other public contracts concluded with the Belgian Technical Cooperation.
- The successful tenderer of the public contract commits to supply, upon the demand of the contracting authority, any supporting documents related to the performance conditions of the contract. The contracting authority will be allowed to proceed to any control, on paperwork or on site, which it considers necessary to collect evidence to support the presumption of unusual commercial expenditure.

Finally, the tenderer takes cognisance of the fact that the Belgian Technical Cooperation reserves the right to lodge a complaint with the competent legal instances for all facts going against this statement and that all administrative and other costs resulting are borne by the tenderer.

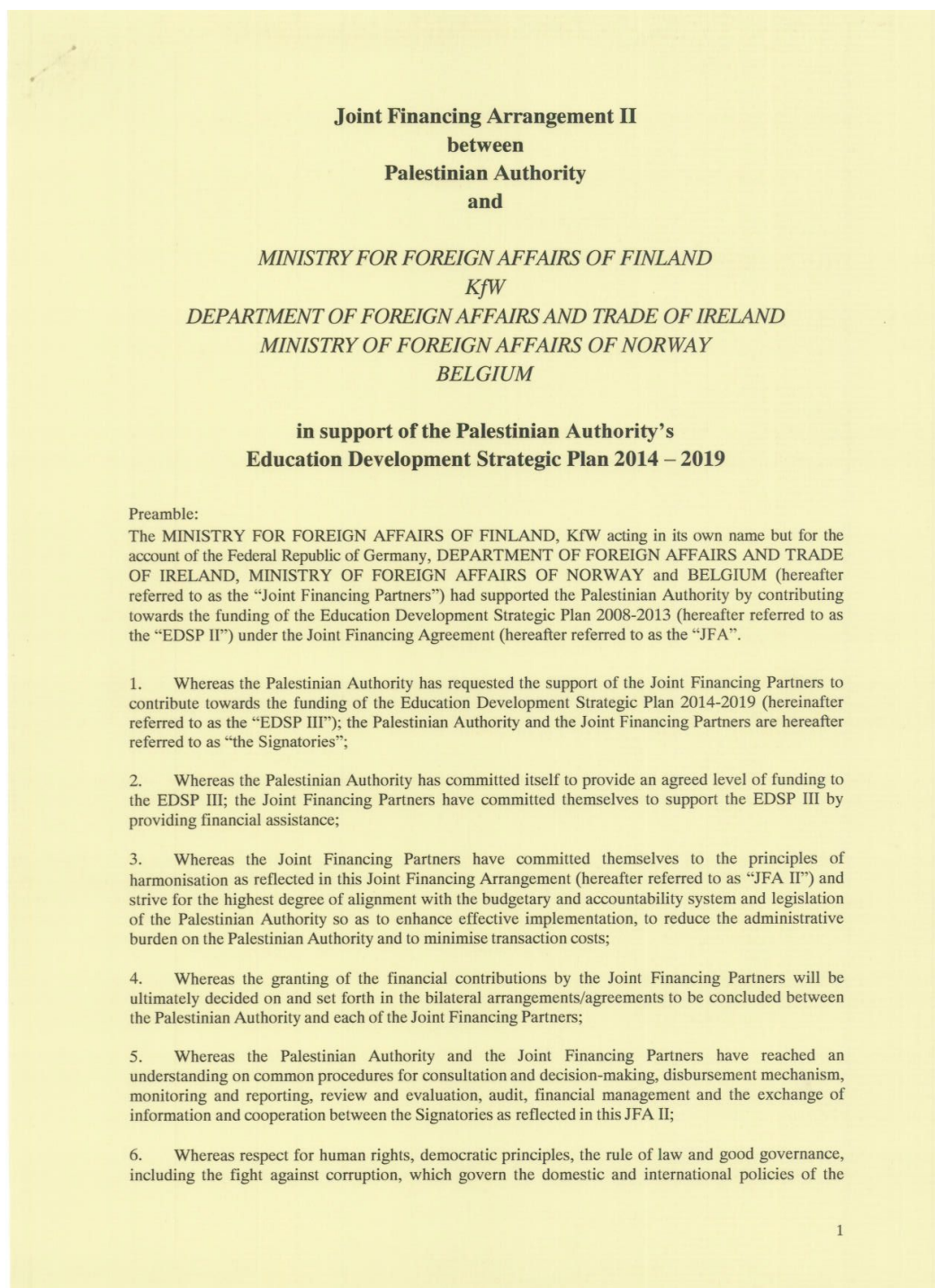
Signature (preceded by the handwritten note "read and approved by:

including the name and function)

.....
Place, date

3.6 Annexes

Annex 1: Joint Financing Arrangement



Signatories, are the fundamental principles on which the cooperation between the Signatories rests and which constitute essential elements of this JFA II;

The Signatories have decided as follows:

Section 1 Goals of the Programme and scope of the JFA

7. The EDSP III document is the policy framework document that describes the national strategy and action plan for the achievement of national education policy goals.

8. The specific vision of the EDSP III, as stated in the Education Development Strategic Plan 2014-2019 document of the Ministry of Education and Higher Education (hereinafter referred to as "MEHE"), dated March 2014, is:

"A results-based and student-centred education system that provides 21st century relevant education services at all levels with high quality and full equity considering individual needs and being at the heart of the political, economic, and social development in and for Palestine."

This overall goal/outcome is further detailed in three goals/ sector policies as follows:

- Ensuring safe, inclusive, and equitable access to education at all levels of the system
- Developing a student-based teaching and learning pedagogy and environment
- Enhance Accountable and Results-Based Leadership, Governance and Management

9. This JFA II sets forth the jointly agreed terms and procedures for the Joint Financing Partner's support to the EDSP III and serves as a coordinating framework for consultations with the Palestinian Authority, for joint reviews of performance, for common procedures on disbursement, for reporting and for audits.

10. This JFA II will apply to all programs budgeted and accounted for in the Palestinian Authority under the MEHE budget heads (input codes) as per the Palestinian Authority current chart of accounts. In the context of this JFA II these budget heads (input codes) and the program outputs in the budget of the EDSP III document will comprise the EDSP III for financial reporting purposes. In the event that these budget heads (income codes) are changed due to revision of the Palestinian Authority's chart of accounts and/or changes in the classification codes in the EDSP III program based budget, the Palestinian Authority will notify the Joint Financing Partners of the new budget heads (income codes) and program outputs which will comprise the EDSP III for financial reporting purposes.

11. The Joint Financing Partners will establish bilateral agreements/arrangements that are to the extent possible compatible with the spirit and provisions of this JFA II and will refrain, as far as possible, from setting conditions in the bilateral agreements/arrangements which contradict or diverge from the spirit or the provisions of this JFA II. If any inconsistency or contradiction exists between the terms and conditions of this JFA II and those of any of the bilateral agreements/arrangements, the provisions of the bilateral arrangements/agreements will prevail. In so far as specific provisions of a bilateral agreement/arrangement deviate from the JFA II, the Joint Financing Partner concerned will inform the other Joint Financing Partners thereof, by specifying the provision(s) concerned. If the Signatories find that these provisions deviate significantly from the public sector management systems and procedures of the Palestinian Authority they may advise this Joint Financial Partner to use other arrangements than this JFA II unless it can be resolved in mutual understanding between the Signatories and the Joint Financing Partner in question.

12. The Joint Financing Partners will base their actual support on the progress attained in the implementation of the EDSP III. Progress will be measured through the common agreed procedures and reports as described in this JFA II.

Section 2 Responsibilities and representation

13. In matters pertaining to the management of the Joint Financing Partner's financial contributions of this JFA II, the Palestinian Authority will be represented by the Ministry of Finance (hereinafter referred to as "MoF"). The representatives of each Joint Financing Partner will be stated in their respective bilateral agreements/arrangements.

14. MoF will be fully responsible for the management of the Joint Financing Partner's financial contributions and MEHE will be fully responsible for the implementation of the EDSP III. MoF will manage the funds in accordance with the Palestinian Authority Financial Regulations issued under Article 67 of Law No. 7 of 1998 Regulating General Budget and Financial Affairs and its subsequent amendments (hereinafter referred to as "FR").

15. No Joint Financing Partner will bear any responsibility and/or liability to any other Joint Financing Partner, the Palestinian Authority or third party with regard to the implementation of the EDSP III.

16. Prior to any transfer of funds under this JFA II from the Joint Financing Partners to the Palestinian Authority, the existing foreign currency account (hereinafter referred to as the "FCA") will be changed from a non-interest bearing to an interest bearing account, to which Joint Financing Partners will deposit their contributions for funding of the EDSP III. No fees and commissions will be charged for the operation of the account without prior agreement of the Signatories. MoF will ensure presentation of expenditure by activity as defined in EDSP III and by cost items in accordance with the Palestinian Authority Chart of Accounts. For details of the reporting structure see Annex 4.

17. The Signatories will cooperate and communicate with each other fully and in a timely manner on all matters relevant to the implementation of the EDSP III and this JFA II. Signatories will share all information on aid flows, technical reports and any other documentation and information related to the implementation of the EDSP III which is relevant to the support.

18. MEHE will immediately inform all Joint Financing Partners of any circumstance which may interfere or threaten to interfere with the successful implementation of the EDSP III and, with a view to resolving the issue, will call for a meeting to consult with the Joint Financing Partners on remedial action to be taken.

Section 3 Contributions

19. The Joint Financing Partners will confirm their total contributions to the EDSP III within the bilateral agreements/arrangements between the Palestinian Authority and the individual Joint Financing Partner. The annual contributions of the Joint Financing Partners may be subject to the approval of their respective parliaments and/or national appropriation rules.

20. The Joint Financing Partners will inform the Palestinian Authority not later than July each year on their indicative allocation for the EDSP III for the next fiscal year in order for the MoF and MEHE to prepare the overall resource envelope and budget for EDSP III.

21. The Joint Financing Partners will inform the Palestinian Authority by 30th December each year on their schedule of final commitments including amount and timing of deposits for the EDSP III for the next fiscal year in accordance with Annex 2 to this JFA II.

22. The contributions from the Joint Financing Partners will be deposited in the FCA. The FCA will be used exclusively for the purpose of transferring amounts to the MoF Central Treasury Account. There will be no expenditures paid directly from the FCA. The exchange rate at which funds to the FCA will be converted into the currency of the Central Treasury Account will be the official selling rate of

the bank holding the FCA account of the date of conversion.

23. MoF will immediately acknowledge receipt of the Joint Financing Partners' deposits in writing, to the Joint Financing Partner(s) in question.

Section 4 Consultations, decision-making process

24. In accordance with the Partnership Principles on Coordination and Harmonization of support to the Education Development Strategic Plan 2014-2019, dated September 17, 2014 (the Partnership Principles), guided by aid harmonisation and effectiveness objectives as articulated in the Paris Declaration, the Accra Agenda for Action and, the Busan Partnership for Effective Development Co-operation MEHE and the education sector stakeholders will take part in regular consultative processes agreed between MEHE and the members of the Education Sector Working Group ("ESWG"). All JFPs are members of the ESWG and signatories to the Partnership Principles.

25. The EDSP III Annual Work Plan and Budget (hereinafter referred to as "AWPB") process is critical for all ESWG members providing technical and financial assistance to the EDSP III as well as for MEHE in preparation of their annual budget for submission to MoF in September. As an input to the budget preparation process of the Palestinian Authority and for ESWG members' decisions on contributions to the EDSP III, MEHE will call the ESWG for an AWPB meeting in October each year after submission of a draft AWPB to the ESWG members two weeks prior to the meeting.

The AWPB meeting will review and discuss:

- a) the draft AWPB reflecting on the main objectives for the EDSP III and the major activities to be undertaken in support of the EDSP III objectives and targets taking into consideration the overall resource envelope for EDSP III; both domestic finances, contributions under the framework of this JFA II as well as other stakeholders contributions to the EDSP III,
- b) the recommendations of the Annual Sector Review (hereinafter referred to as "ASR") meeting in May reviewing the progress in implementation of EDSP III in the preceding fiscal year,
- c) the EDSP III reports as mentioned under section 8,
- d) the reports from external technical reviews as mentioned under section 9 of this JFA II, and
- e) the report from an annual external audit of the EDSP III for the preceding fiscal year as mentioned under section 10.

26. MEHE will share the final approved budget of the AWPB with the ESWG members before 15th December including the procurement plan of the AWPB for the next fiscal year. Upon receipt of the final approved budget of the AWPB, the Joint Financing Partners will submit a disbursement schedule as specified in paragraph 21.

27. In a separate JFA session of the AWPB meeting, the Signatories will discuss and agree on:

- a) the AWPB activities (and indicators) that will serve to determine the amount of withdrawals from the FCA of the financial contributions from the Joint Financing Partners to the AWPB as described in section 6,
- b) a possible external technical review as mentioned under section 9 of this JFA II to be conducted in the first quarter of the following year including the procedures for contracting technical assistance to undertake the technical review, and
- c) any other issues of relevance for the decision on financial contributions for the next fiscal year by the Joint Financing Partners.

28. MEHE will call for an ESWG meeting in May each year which will serve as the EDSP III Annual Sector Review (ASR) meeting. The meeting will review and discuss:

- a) the EDSP III outcomes for the previous year with respect to the agreed Performance

- Assessment Framework (PAF) indicators,
 - b) the overall progress in the implementation of the EDSP III for the previous fiscal year based on reports as mentioned in Section 8; and
 - c) reports from external technical reviews as mentioned under section 9 of this JFA II.
29. As a separate JFA session of this ASR meeting, the Signatories may:
- a) discuss issues of relevance for the decision on financial contributions for the next fiscal year by the Joint Financing Partners, and
 - b) decide on an external technical review as mentioned under section 9 of this JFA II to be conducted in the third quarter of the year.
 - c) any other issues of relevance for the implementation of the JFA II.
30. After the ASR meeting the Joint Financing Partners will make an initial indication of funding to be provided for the following fiscal year by each Joint Financing Partner as mentioned in paragraph 20.
31. Main issues discussed and points of view expressed at the AWPB and ASR meetings will be recorded in Aide Memoires. The Aide Memoires will be drafted by MEHE and submitted to all ESG members within two weeks of each meeting. The final Aide Memoires will be formally endorsed by MEHE and copied to all ESG members.
32. Main issues discussed and points of view expressed as well as any decisions made at the separate JFA sessions mentioned in paragraph 27 and 29 will be recorded in the aforementioned Aide Memoires. The Aide Memoires will be drafted by MEHE and submitted to the Joint Financing Partners within two weeks of each meeting for their review and consideration. Agreed comments to the draft Aide Memoire will be incorporated to the Aide Memoire and the final Aide Memoire will be formally endorsed by and shared between the Signatories.
33. Additional consultation meetings may be requested by Signatories on any subject relevant to the implementation of EDSP III.

Section 5 Organisational structure

In all matters related to the implementation of the EDSP III, MEHE will serve as the focal point for the Joint Financing Partners on behalf of the Palestinian Authority. The Palestinian Authority will designate one Contact Point from the MEHE for communication and information sharing with the Joint Financing Partners. In addition during consultations and for reporting purposes in matters pertaining to the management of the Joint Financing Partner's financial contributions of this JFA II, and as referenced in Section 2 para 13 the Palestinian Authority will be represented by the Ministry of Finance.

34. The Joint Financing Partners will designate one of the Joint Financing Partners as a Contact Point for communication and information sharing with the Palestinian Authority on matters concerning the implementation of this JFA II. However, the Joint Financing Partner Contact Point will not have any authority to make decisions on behalf of the Joint Financing Partners.

35. This JFA II will not constitute or create a partnership or any other similar arrangement between the Joint Financing Partners. This JFA II will furthermore not create any trust or fiduciary relationship between the Joint Financing Partners and no Joint Financing Partner will be authorized to act as a trustee or in any similar capacity for any other Joint Financing Partner. No Joint Financing Partner will be considered an agent, employee, contractor, vendor, representative or partner of the other and that they will not hold themselves out as such to third parties.

36. The Joint Financing Partners will not have any liability to each other for any loss or damages

arising out of or in connection with this JFA II, including without limitation consequential losses or damages, and each Joint Financing Partner will release the other Joint Financing Partner and its affiliates from any and all such liability. Specifically, no Joint Financing Partner will be liable to any other Joint Financing Partner for any of the following categories of damages, costs, losses or expenses: (i) loss of profit, loss of revenue, loss of goodwill, loss of use, loss of opportunity, down time costs and the costs of obtaining or maintaining financing (in all cases, whether direct, indirect or consequential); or (ii) direct, indirect or consequential damages, costs, losses, or expenses of whatever nature.

37. The terms of reference for the Joint Financing Partners' Contact Point will be prepared by the Joint Financing Partners in consultation with MEHE and decided upon among the Joint Financing Partners. A copy of the terms of reference will be shared among all Signatories.

38. The selection and role of the Joint Financing Partners' Contact Point, as well as any changes made during the timeframe of this JFA II, will be communicated to MEHE in writing by the Joint Financing Partners' Contact Point.

Section 6 Financial management and disbursements

39. The arrangements mentioned under this section may be amended if the Joint Financing Partners and the PA agree to introduce results based financing and agree on a set of Disbursement Linked Indicators (DLIs) that can be applied under this JFA II. An amendment to the JFA II with an annex of the agreed upon DLIs will be drawn up and signed by the parties if the parties agree on the new approach.

40. MoF will perform its financial management responsibilities in accordance with sound financial management procedures including internal control mechanisms of mutually acceptable standards and in accordance with the FR.

41. A common schedule of disbursements into the FCA will be decided upon by the Signatories before the start of the fiscal year. It will take into account budget and cash flow needs for the implementation of the AWPB presented by 15th December the previous year. The Joint Financing Partners will coordinate the timing and the amount of their respective disbursements taking into account the cash flow needs of EDSP III and ensure that the common disbursement schedule is respected.

42. In their bilateral agreements/arrangements, the Joint Financing Partners will specify their respective total allocations to EDSP III. The allocations each year are to be deposited into the FCA account in accordance with the schedule of disbursements as specified in paragraph 21.

43. In light of the Joint Financing Partners' commitments the Signatories determine their share of funding for the coming fiscal year for activities agreed to among the Signatories as decided upon in the AWPB meeting each year. Changes within the year to commitments or schedule of disbursements by the Joint Financing Partners or additional commitments from new Joint Financing Partners becoming signatories to JFA II will be discussed and agreed upon between the Signatories before such adjustments are made. Joint Financing Partners shall do their utmost to refrain from making changes to the planned commitments or schedules within the current year.

44. MoF will make withdrawals each quarter in accordance with the following procedure:

- a) Withdrawals each quarter may be made by MoF to replenish the MoF Central Treasury Account with an amount equivalent to the actual expenditure in the preceding quarter for the agreed upon AWPB activities to be financed under this JFA II.
- b) The actual expenditure will be determined on the basis of the Financial Monitoring Reports (hereinafter referred to as "FMR") as specified in Section 8.

- c) The Joint Financing Partners may communicate objection in writing within 10 days after receipt of the FMRs. In case of such objection, MoF may not make withdrawals from the FCA equivalent to the objecting Joint Financing Partner's share of the actual expenditure the previous quarter.
- d) In the event of objections, the matter should be clarified before any further withdrawals from the FCA are made. The Signatories will make their best endeavours to resolve any such issues as quickly as possible.

45. Interest accrued on the FCA shall be accounted for on the FCA and be further subject to the stipulations of this JFA II. Similarly, if payments due under contracts for goods and services are to be made from the FCA contribution, said contracts shall include a provision stipulating that any reimbursements, guarantee or similar claimable payments and any insurance payments shall be made for account of the FCA. Such income shall further be subject to the stipulations of this JFA II.

46. Funds which have been placed by the Joint Financing Partners at the disposal of the Palestinian Authority and which remain after completion of EDSP III will be returned to the Joint Financing Partners in proportion to their respective contributions or they may earmark the remaining part for the contribution to purposes to be decided on by the Signatories.

Section 7 Procurement

47. MEHE is accountable for all procurement. MEHE will in a transitional period apply the following procedures until such date when a new unified procurement law, regulations and procedures for the Palestinian Authority acceptable to the Joint Financing Partners is implemented:

48. For all procurement related to the activities agreed to among the Signatories as decided upon in the AWPB meeting each year, the procurement procedure shall be governed by KfW's "Guidelines for the Assignment of Consultants in Financial Cooperation with Developing Countries" and "Guidelines for the Procurement of Supply and Work Contracts under Financial Cooperation with Developing Countries" and be performed in accordance with the Implementation Instructions for the above Guidelines agreed between the Signatories to the JFA dated October 2014.

49. When required and mutually agreed, the Implementation Instructions could be amended upon exchange of letters by the Signatories of the JFA.

50. MEHE will submit a procurement plan to the Joint Financing Partners for information before calling for tenders in accordance with Annex 6 of JFA II. MEHE will, upon request, furnish the Joint Financing Partners with all relevant documents and information on procurement practices and actions taken for EDSP III, including details and copies of contracts awarded, for their information.

Section 8 Reporting

51. MEHE and MoF will provide the ESWG with all information relevant to the implementation of EDSP III. In particular MEHE will provide the following reports within 15 days after the end of each quarter in the fiscal year to the Joint Financing Partners which will constitute quarterly FMR reports and in accordance with the schedule of monitoring and reporting as specified in Annex 1:

- a) A cash flow statement to show actual expenditure for the previous quarter and up to date in accordance with the format in Annex 4 and cash-flow requirements for the remaining months of the fiscal year.
- b) A report certified by MoF for each quarter and year to date on transfers to and from the FCA in accordance with the format in Annex 3 and with a copy of the bank statement for the account from the bank holding the FCA enclosures.
- c) One consolidated financial report showing expenditures by the budget heads/item code in accordance with the FR and by EDSP III activity comparing actual and budgeted figures

for the fiscal year for the previous quarter and to date in accordance with the format in Annex 4.

52. MEHE will provide semi-annually a consolidated output based progress report by the end of March for the previous year and by the end of August for the first 6 months of the current year relating MEHE expenditure to date with EDSP III activities and outputs to date in accordance with Annex 5 and a report on procurement undertaken to date with update on planned procurement for the remaining fiscal year in accordance with the format in Annex 6.

53. MEHE will provide the following reports after the close of the fiscal year which will constitute the annual reports of EDSP III:

- a) the reports for the fourth quarter of the fiscal year mentioned under paragraph 52b) - c) by the end of March the following fiscal year.
- b) the end year consolidated output based progress reports and procurement report as mentioned under paragraph 52 by the end of March the following fiscal year.
- c) the Monitoring and Evaluation report (PAF) on education sector performance indicators by the end of March each year.
- d) an annual audit report from the external audit as described in Section 10 below by the end of June each year.

Section 9 Review and evaluation

54. MEHE may conduct a mid-term review of EDSP III in collaboration with the ESWG members. MEHE and the ESWG members will jointly elaborate the Terms of Reference for the review. MEHE will coordinate and manage the review process jointly with the ESWG members, including the contracting of any external technical assistance for the review. The cost of the review will be charged to the respective AWPB budget.

55. MEHE and the ESWG members will jointly conduct an evaluation of EDSP III after EDSP III completion. MEHE and the ESWG members will jointly prepare the Terms of Reference for the evaluation to be discussed at the last ASR meeting of EDSP III. MEHE will coordinate and manage the evaluation process jointly with the ESWG members, including the contracting of any external technical assistance for the evaluation. The cost of the evaluation will be covered by the contribution unless otherwise agreed to in consultation with the Signatories.

56. MEHE and the Joint Financing Partners may commission external technical reviews to be carried out in the course of the year in support of the review process. The Signatories will decide in the AWPB and/or ASR meetings on the procedures for developing the Terms of Reference of these external technical reviews as well as contracting and funding of consultants and others to undertake the review. The cost of these external technical reviews will be covered by the contributions unless otherwise agreed to in consultation with the Signatories.

57. As far as possible, the Joint Financing Partners will refrain from conducting unilateral reviews, evaluations and/or audits of EDSP III. However, when a Joint Financing Partner is required to conduct a unilateral review, evaluation or external audit, this Joint Financing Partner will consult with the other Signatories in a timely fashion and share the Terms of Reference including information on team composition and scheduling of the review, evaluation and/or audit. The Joint Financing Partner concerned will immediately share the results of the review, evaluation and/or audit with all other Signatories.

Section 10 Audit

58. The State Audit and Administrative Control Bureau (hereinafter referred to as "SAACB") will be responsible for the implementation of an annual full scope financial and compliance audit of EDSP III

in accordance with International Standards of Auditing, SAACB will draw up the terms of reference for the audit to be discussed with and agreed to by the Joint Financing Partners.

59. SAACB will be responsible for contracting an international audit firm to assist in the implementation of the audit. SAACB will draw up their terms of reference and select the auditors through an international tendering process as agreed to by the Joint Financing Partners. The costs for the contracting of the international auditing firm will be covered by the contribution unless otherwise agreed to in consultation with SAACB and the Signatories.

60. SAACB will issue an opinion on the EDSP III financial statements on the basis of the audit and will furnish all Joint Financing Partners with copies of the report from the annual audit. The audit report will be presented to the Joint Financing Partners within 6 months after the close of the fiscal year.

61. The Joint Financing Partners may commission special purpose audits to be carried out in the course of the year. The scope of these audits will be agreed upon by the Signatories. The cost of these audits will be covered by the contribution unless otherwise agreed in consultation with the Signatories.

Section 11 Non-compliance, force majeure

62. In the case of inter alia non-compliance with the terms of JFA II, with the obligations under any bilateral agreements/arrangements (including separate agreements relating thereto) and/or violation of the fundamental principles set out in JFA II, the Joint Financing Partners may suspend further disbursements to the EDSP III. Such non-compliance could include inter alia substantial deviations from agreed plans and budgets, misuse of funds or non-compliance with agreed preconditions relating to the implementation of EDSP III and such other reasons as are specified in each bilateral agreement/arrangement.

63. If a Joint Financing Partner intends to suspend new disbursements or terminate its support, the Joint Financing Partner will call for a meeting with the other Signatories to discuss to the extent possible in accordance with its internal and external rules and procedures a possible joint position on the measures, remedial or otherwise, required before the measures are enacted. If a joint position cannot be reached, the Joint Financing Partner will inform the other Signatories of its intentions regarding the continuation or discontinuation of its support.

64. Each Joint Financing Partner may suspend or reduce new disbursements or terminate its support to EDSP III if the Joint Financing Partners do not reach a common position on the response/remedial action required.

65. The Joint Financing Partners may suspend or reduce new disbursements in the event of extraordinary circumstances beyond the control of MoF which hinder effective implementation of EDSP III. If the Joint Financing Partners consider suspending new disbursements, they will consult with MoF a reasonable length of time in advance. The suspension will be lifted as soon as these circumstances have ceased to exist or appropriate remedial actions have been implemented by MoF.

Section 12 Corruption

66. The Signatories will cooperate on preventing corruption within and through the EDSP III programme and will require that MoF and MEHE staff and consultants refrain from offering third parties, or seeking, accepting or being promised by third parties, for themselves or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, which could be interpreted as an illegal or corrupt practice. The Signatories will take appropriate measures to stop, investigate and prosecute in accordance with applicable law any person suspected of misuse of resources or corruption.

67. The Signatories will promptly inform each other of any instances of corruption as referred to in this Section and of the measures taken as referred to in the previous sub-Section.

Section 13 Modification, Joint Financing Partner accession and withdrawal

68. The Signatories will annually review/discuss the implementation, application and effectiveness of the procedures outlined in JFA II.

69. Any modification or amendment of the terms and provisions of JFA II will only be approved if agreed in writing by all Signatories.

70. The Signatories welcome participation in JFA II by other ESG members who wish to support EDSP III under the JFA framework.

71. Upon a new ESG member's written request and written acceptance of the terms and conditions of JFA II, the MoF may in common agreement with all Signatories, as an annex to JFA II, give a ESG member written authorisation to become a Signatory. MoF will in advance furnish the Joint Financing Partners with a copy of the letter of acceptance.

72. Each Joint Financing Partner may withdraw/terminate its support for EDSP III by giving the other Signatories three months' written notice unless an event of default (as per section 11 above) is given. If a Joint Financing Partner intends to withdraw/terminate its support, that Joint Financing Partner will call for a meeting to inform the other Signatories of its decision and to consult with them about the consequences for EDSP III.

Section 14 Dispute settlement

73. If any dispute arises between the Signatories as to the interpretation, application or implementation of JFA II, they will consult each other in order to reach an amicable solution.

Section 15 Entry into effect

74. This JFA II enters into effect for a given Joint Financing Partner on the date of its signature by the MoF and the Joint Financing Partner in question.

Annex 2: partnership principles

**Palestinian Education Sector
Partnership Principles**

between
the Palestinian Authority (PA)
and
Development Partners

on
Coordination and Harmonization
of the support to the
Education Development Strategic Plan 2014 - 2019

Ramallah
September 2014

A Preamble

1. The Palestinian Authority and national and international development partners, including relevant partner institutions working in the education sector, hereby confirm their commitment to the Declaration adopted at the High Level Forum on Aid Harmonisation in Rome (2003), and the Paris (2006) and Busan (2011) Declarations on Aid Effectiveness to harmonise and align aid delivery.
2. The Partnership Principles translate global aid harmonization principles (ownership, alignment, harmonization, managing for results and mutual accountability) into a Palestinian context and outline the roles and responsibilities for supporting the implementation of the EDSP III in view of reaching quality education for all Palestinians.
3. The Partnership Principles are an important step towards deepening the sector wide approach (SWAP) in the education sector and will be signed by all key development partners contributing financially and/or technically to the education sector.
4. The Partnership Principles are supporting the Palestinian National Development Plan (PNDP) and the Education Development Strategic Plan, EDSP III (2014-2019).
5. A Joint Financing Arrangement (JFA)¹ is in place, allowing for increased financial harmonization for development partners able to pool their funds with other agencies and agree on common procedures. The JFA has acted as a catalyst for strengthening ministry ownership, advancing the institution building process, and enhancing internal cooperation between the Ministry of Finance and Ministry of Education and Higher Education in terms of financial management, budgeting, and reporting. Respective arrangements for the JFA are captured in a separate document.
6. The Partnership Principles are not a legally binding document, but express a strong commitment to strengthen dialogue between the Ministry, development partners and non-state education sector stakeholders to improve aid effectiveness, coherence, and alignment in the support of the education sector.
7. Signatory parties commit themselves to work in support of the common EDSP III framework in an efficient and transparent cooperation structure, with a sector wide and program based approach. Signatories will reconcile bilateral agreements on new cooperation programmes and financial support with the framework drawn up in the Partnership Principles.

B Introduction

8. The Partnership Principles reflect understandings reached with respect to harmonization and coordination in support of EDSP III.
9. The Ministry of Education and Higher Education (MoEHE) has developed its third sector strategy, the EDSP III, based on a comprehensive sector analysis and a wide consultation process. EDSP III is integrated into the PNDP.

¹ Annex 3: Pre-Final Draft JFA II

10. Development partners intend to reinforce their support to the Palestinian education sector by harmonizing their financial and technical contributions to the sector under the framework of the EDSP III, the Medium Term Expenditure Framework (MTEF) and the PNDP. This calls for an increased alignment of programming cycles and financial disbursements with the PA's budget cycle.
11. The commitment of signatory parties to the Partnership Principles will be reviewed in the larger aid harmonization plan and M&E framework developed by the Ministry of Planning as well as the Annual M&E and reporting mechanism of the MoEHE. A discussion and self-assessment will take place once a year in an education sector working group meeting devoted only to this topic. To enhance commitment to the Partnership Principles, an annual action plan based on the assessment will be developed by the ESWG Core Team.

C Rationale

12. EDSP III has been developed upon the initiative of the MoEHE and the need for increased coordination and harmonization of development support under a sector wide approach. With EDSP III, MoEHE is continuing progress towards working under a program based approach in the education sector, which has recently been institutionalized across the whole government system under the leadership of the Ministry of Finance.
13. The MoEHE, UNRWA and non-governmental bodies will continue enhancing their coordination for the purpose of providing educational services within the EDSP III framework. These partners (UN, NGOs, and consultants) can support the MoEHE in implementing EDSP III either through direct project implementation or through capacity development in coordination with the MoEHE.
14. The EDSP allows for better coordination and alignment of all efforts to support the sector, including public expenditures and financial contributions of development partners through the Joint Financing Arrangement (JFA), in order to enhance coherence and effectiveness in the implementation of EDSP III. It also provides predictability for future planning and funding of EDSP III. This will enable the MoEHE to exercise effective leadership over EDSP III and co-ordinate development actions to its support. Regular policy dialogue between MoEHE and development partners and jointly defined monitoring procedures will help managing resources and improving decision-making for results.
15. The MoEHE has overall responsibility for overseeing the implementation of EDSP III.
16. Against this background development partners:
 - a. Agree to allocate all financial and technical support destined to the education sector in Palestine to programs under EDSP III. This also includes other education providers' alignment with EDSP III such as non-governmental actors.
 - b. Intend to increasingly strive towards using harmonized procedures for financial disbursement, and reporting and wherever possible to rely on the use of government procedures (e.g. procurement guidelines, financial reports, etc.)
 - c. Intend to foster joint policy dialogue among development partners and with the MoEHE on education sector targets, results and overall progress of EDSP III implementation

- d. Intend to adopt a joint schedule and procedures for monitoring and evaluation of their contributions
 - e. Intend to undertake joint review and analytical work, joint missions, to share draft terms of references for program design and technical assistance with the education sector working group members.
17. Any development cooperation in the education sector shall be in line with a sector wide approach and in support of EDSP III; however the financing of the development intervention can take various forms. The PA's preferred financing modality is through the central treasury account and education sector budget support. However, this document does only reflect commitment to programmatic harmonization and does not prescribe a certain financial modality.

D Aid modalities supporting the sector wide approach²

18. Development assistance contributions can be made according to various different modalities (project, basket and sector budget support) in line with EDSP III Goals and Objectives, corresponding to increasing degrees of harmonization and alignment to Palestinian Authority procedures. The choice of aid modality depends on the adaptation of the different rules and regulations governing disbursement of aid for development partners on the one side and on the performance assessment of the public financial management system and results in the education sector on the other side.
19. The JFA has proven to be a successful aid modality institutionalizing and advancing the SWAP, the program-based planning and budgeting approach and the partnership principles.

E Roles and responsibilities of the partners

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

Mutual responsibilities

21. Within this framework all signatories are prepared to:
- a. Inform regularly sector working group members about all ongoing and planned support in the education sector. This will allow increased transparency and efficiency in avoiding overlaps between projects, programs and activities;
 - b. establish a meaningful sector dialogue by
 - setting up relevant technical thematic groups under the reformed Education Sector Working Group (ESWG) supporting the direct service

² Annex 1: Aid Financing Modalities

delivery programs of pre-school, primary, secondary and non-formal education as well as TVET, Management, and Higher Education as designed in the EDSP III;

- increasing efforts to streamline intervention mechanisms under EDSP III by using the ESWG technical thematic groups for discussing and monitoring progress of sub-sector and sector wide issues;
 - supporting the coordination between the Ministries of Labor, Economy, and Education and Higher Education in the TVET sector.
- c. use EDSP III monitoring information system as main source of education information and reduce demands for additional data;
- d. implement a joint Annual Sector Review (ASR)³ to review overall progress and set targets for implementation. The annual review will take place in May of each year so as to allow for the outcomes of the review to be used in planning and budgeting for the following calendar year;

Responsibilities of the Palestinian Authority

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

- a. draw up annual operational plans and budgets on district and central level in accordance with and in clear support of EDSP III objectives and make them available to all partners;
- b. continuously improve performance, budget and results frameworks
- c. align any project proposal with the EDSP III and Annual Work Plans and Budgets and decline projects, programs which are not in line with EDSP III
- d. share with development partners the financial procedures (audit reports, etc) and the education budget and provide any clarification needed;
- e. devote dedicated human resources to sector harmonization, responsible for channelling information and preparation of ESWG meetings in close cooperation with the ESWG core group (MoEHE, co-chair, technical advisor and LACS) and the annual review;
- f. support the establishment of sub-sector and other possible technical thematic groups to advance the ESWG reform and provide technical inputs through relevant units/programs of the MoEHE
- g. elaborate and provide minimum two weeks in advance of the joint ASR the necessary information and reports for all members of the education sector working group, the Ministry of Planning and Ministry of Finance:
 - the annual progress report on EDSP III targets ,

³ Annex 2: Terms of Reference for the joint Annual Sector Review (Sample 2014)

- report on implementation of operational planning including report on expenditures,
 - budget execution reports,
 - report on personnel planning for the year to come;
 - report on key developments in the sector since last annual review
- h. ensure, that all interested stakeholders can contribute and benefit from the joint annual review;
 - i. lead the joint annual sector reviews.
 - j. provide regular information to the ESWG on technical assistance received

Responsibilities of the development partners

23. Development partners on their part are prepared to:

- a. commit themselves to aligning their project and program activities with sector goals, objectives and priorities as outlined in EDSP III in line with the annual planning cycle and avoid duplication and overlapping of interventions
- b. in order to facilitate long-term planning based on predictable external financing, development partners will strive to provide the PA and MOEHE with information of indicative 3-year financing and technical support for the sector whenever required.
- c. work towards harmonisation under EDSP III in terms of content of activities, procedures and funding channels. Where possible, development partners will pool their funding through the mechanism of the JFA or sector budget support or co-finance activities so as to reduce transaction costs for the Palestinian Authority;
- d. ensure that the results of the interventions under their supervision will be communicated in time to the MoEHE as an input for the annual progress report or other reports as requested;
- e. co-ordinate the timing and content of all incoming missions and where possible reduce the number of review missions, in favour of the joint annual review; preceded by a joint annual review mission and share the missions results and reports;
- f. participate actively in the education sector working group and allow for a rotation of the donor co-chair⁴ based on agreed ToRs for the ESWG
- g. support the establishment of Technical Thematic Groups to advance the ESWG reform and provide technical inputs by participating in Technical Thematic Groups according to expertise and experience.
- h. coordinate and undertake joint analytical work in a timely manner to feed into the ministry's planning cycle
- i. consolidate international and regional professional networks and information exchange in education

⁴ Annex 4: Draft ToR of the Education Sector Working Group

F Further arrangements

Good financial management practices

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

Modifications

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

New partners membership

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

Withdrawal of a partner

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

Dispute settlement

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

Ramallah, September 17, 2014