

Ex post evaluation – Palestinian Territories

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Sector: Employment policy and labour administration (16020)
Programme/Project: Employment Generation Programme (EGP IV) BMZ no. 2003 65 189*
Implementing agency: Program for the Assistance to Palestinian People (PAPP) of the United Nations Development Program (UNDP)



Ex post evaluation report: 2015

		Project (Planned)	Project (Actual)
Investment costs (total)	EUR million	11.50	11.50
Own contribution	EUR million	1.50	1.50
Funding	EUR million	10.00	10.00
of which BMZ budget funds	EUR million	10.00	10.00

*) Random sample 2015

Summary: A series of FC measures entitled the “Employment Generation Programme” (EGP) have been implemented since 2002 as part of the cooperation between Germany and the Palestinian Authority. This ex-post evaluation looks at phase IV (2003-2006). The project comprised employment generation measures aimed at expanding and overhauling social and economic infrastructure in the Gaza Strip. A total of 72 individual projects were implemented, including the construction of schools, sports facilities, administration buildings, cultural institutions, roads and healthcare facilities. The subsequent phases VI - X of the programme are still being implemented and therefore could not be included in the evaluation.

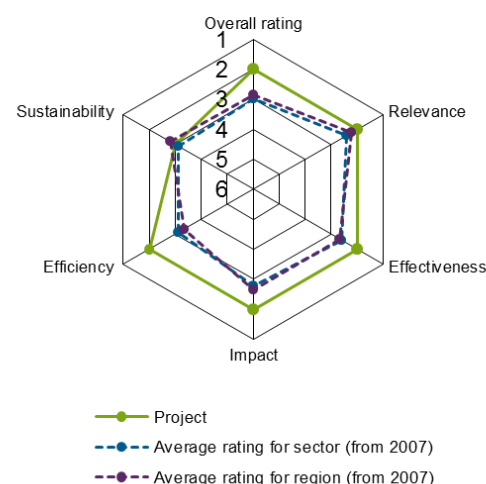
Objectives: The ultimate objective of EGP IV was to help alleviate poverty in the Gaza Strip and mitigate conflict by promoting employment. The objective of the programme was to temporarily improve household incomes (alleviating poverty, see ultimate objective) and also to improve the quality and quantity of the social and economic infrastructure in the Gaza Strip.

Target group: The main target group were the people of the Gaza Strip affected by high levels of unemployment and poverty.

Overall rating: 2

Rationale: All of the individual projects examined were in good or very good condition. The quality of the work carried out is remarkable considering the circumstances. The facilities are heavily used by the population, who support them by donating insofar as they are able. All of the indicators defined at the project objective level were exceeded.

Highlights: The programme was implemented only one month later than planned despite the logistical challenges of transporting material and machinery into the Gaza Strip due to security restrictions.



Rating according to DAC criteria

Overall rating: 2

Relevance

The project was consistent with the 2002 Palestinian Reform Plan. The reforms detailed by the plan placed particular emphasis on improving conditions for the unemployed populace and restoring destroyed infrastructure. These objectives are also emphasised by the current National Development Plan (2014 - 16). Alleviating poverty, reducing unemployment and improving living conditions are prioritised as part of a strategic system of targets. Accordingly, the project addressed what were and still are the Palestinian people's most urgent needs by means of the labour-intensive provision of social and economic infrastructure. The individual projects can be assigned to the following "sectors" or applicants: Urban/public projects, community projects and projects implemented within refugee camps. The facilities that were created include training centres, youth clubs, community centres, nurseries, roads and multi-purpose buildings.

Short-term employment was provided in connection with the implementation of the infrastructure measures. However, the project's relevance in terms of its impact on employment is limited. The creation of infrastructure creates employment at the commissioned construction companies or institutions. This is mostly limited to the construction phase and therefore temporary (direct effects on employment). The planning and implementation of the project did not give any consideration to indirect (upstream value added steps) or induced employment (cycle/productivity effects). It is nevertheless reasonable to assume some indirect impact on employment because the project made as much use as possible of products and goods that were made locally. The creation of a significant number of permanent jobs is not expected during the operation phase due to the types of individual projects promoted (roads for example).

Even if it was not explicitly referred to in the objectives when the project appraisal was carried out, an employment generation programme also induces effects that mitigate conflicts. After armed conflicts, underlying security and economic survival are the top priorities of the population of fragile states. Employment and income are fundamental requirements in this respect. Unemployed young people still harbour significant potential for conflict in fragile contexts. A lack of "peaceful" earning opportunities is a major factor behind involvement in rebel and criminal groups. The causes of conflict in Gaza do of course go much further. But still, potential impacts on aspects of the conflict can be associated with the project.

The importance of employment is not just limited to providing a source of income in fragile contexts. Analyses and strategies show a close link between employment and personal identity, faith in institutions and willingness to get involved in society.

The involvement of the UNDP as an executing agency was justified (including in retrospect), especially considering the particular situation in the Gaza Strip. The neutral and internationally recognised mandate of the UNDP allowed an approach that complemented the implementing structures of the Palestinian Authority (PA) to be applied in the otherwise strictly off-limits Gaza Strip. It was possible to use the implementing structures of the PA and/or the Ministry of Local Government (MoLG) in area A of the Palestinian Territories (Palestinian administration) and some parts of Area B (joint Palestinian/Israeli administration) in the West Bank (and also the Gaza Strip until 2007) during other phases of the EGP. The complementary approach described led to an established partnership between the UNDP and the MoLG. The implementation of the project via the UNDP was particularly relevant since the Palestinian communities do not have any mandate to implement measures in the Palestinian refugee camps. Government structures are to be used in the long term.

The FC and TC have been supporting decentralisation in the Palestinian Territories for several years. As part of these programmes, territorial authorities develop strategic development plans and define their requirements. Cooperation with these programmes was already institutionalised as part of the implementation of EGP II and III. The activities of the various donors are generally coordinated at the level of the individual measures.

The approach is highly relevant with reference to the planned impact of the project as described.

Relevance rating: 2

Effectiveness

The project objective (outcome) for EGP IV was partly to temporarily improve household incomes and also to improve the quality and quantity of the social and economic infrastructure provided in the Gaza Strip.

On the basis of the indicators defined at the programme appraisal stage, the achievement of objectives can be summarised as follows:

Indicator	Status PA	Ex post evaluation
Appropriation of at least EUR 2.3 million of programme funds for salaries	Target set at PA: EUR 2.3 million At time of final review: EUR 2.418 million	Partially achieved. Increased target ex-post: 30 % (corresponding to EUR 3.0 million) - only achieved for some of the individual measures with a total of EUR 2.418 million.
Acceptable condition and at least 70 % of the infrastructure in regular use, two years after the end of the programme	Target set at PA: 70 % At time of final review: 92 %	Achieved. Increased target ex-post: 80 % - actual figure: 85 %
At least 150,000 days of employment were created directly during the implementation of the programme	Target set at PA: 150,000 At time of final review: 203,000	Achieved. Increased target ex-post: 200,000 - actual figure: 203,000

The targets and indicators were brought forward from the preceding phases (EGP II and III). When the project was planned and also under current conditions, adjusting the levels for indicator (1) to 30 % (corresponding to EUR 3.0 million), for indicator (2) to at least 80 % and for indicator (3) to 200,000 would be appropriate since these levels were already achieved during the preceding phase. The evaluation was based on the most recent levels.

The target indicators were largely met based on the available documents and statistics. It is important to add with respect to the second indicator that according to the final review, six of the 72 projects completed were not or are not being used as intended. Another six facilities were destroyed in the conflicts in 2008 and 2014, among which was one of the aforementioned facilities that were not being used as intended. In total, therefore, there are 11 facilities that are not being or cannot be used as originally intended. That makes up 15 % of a total of 71 projects, leaving 85 % which are in regular use according to the intended purpose. A total of 23 individual projects were inspected during the ex post evaluation. All of them were in good or very good condition, and were heavily used. It is important to bear in mind that the ex-post evaluation was carried out ten years after the conclusion of the project.

The usage of a wide range of facilities was inspected during the on-site inspection. These included local cultural centres, a museum, the University of Gaza, a football centre, a nursery and a community centre. The users and operators of the facilities are correspondingly varied. The community centre, for example, was used for a wide range of purposes including the distribution of aid, the provision of training and offering a retreat for children (play room). The operators/employees were volunteers. The operation of the centre was funded by users' donations and income from the leasing of function rooms for events. The nursery that was inspected financed itself through fees, for example, as well as the sale of home-made baked goods.

The employment provided laid the foundation for potential conflict mitigating effects (see the section on impact below).

Effectiveness rating: 2

Efficiency

Implementation via the UNDP made it possible to import materials and machinery into the Palestinian Territories (PT, Gaza in this case) which were classified as “dual use” (with potential civil but also military applications), and also to implement politically sensitive measures (in refugee camps). In most cases the UNDP arranged for the implementing partners (associations, village committees, NGOs, communities, refugee camp committees) to award the contracts for the infrastructure measures themselves. These then engaged local construction companies to carry out the construction work. This fragmented engagement system required a lot of administration and tied up scarce resources. The construction works were supervised by UNDP engineers together with the implementing partners. However, the fragmented engagement system also ensured that local resources were mainly used (labour and also materials where possible). Local workers were already selected during the application process. The applicants were asked to provide the unemployment rate and lists of unemployed people in the region. The same procedure was followed with respect to the use of local materials. The producers of the materials had to be mentioned by name in the application.

The production efficiency is judged to be good despite the labour-intensive and fragmented awarding of contracts for the construction measures because the project was implemented rapidly and as planned, and the costs for the construction measures are deemed to be appropriate. By generating income for the target group and giving them access to services, the creation of jobs (including indirectly) as a result of the establishment of social and economic infrastructure made a direct contribution to alleviating poverty and can also mitigate conflict. As a result, the allocation efficiency can be classified as high. The open structure of the project with respect to sectors allowed the population to implement measures that were particularly important to them through the programme. In combination with the good utilisation of the individual measures, this also boosted allocation efficiency.

Efficiency rating: 2

Impact

The ultimate objective of the EGP IV project was to help alleviate poverty in the Gaza Strip and mitigate conflict by promoting employment. No indicator was defined for the achievement of the objective. It was assumed that the ultimate objective would be achieved once the programme objectives had been achieved. It could be substantiated that the project achieved a temporary reduction in poverty. The meetings/interviews conducted locally revealed that some of the workers employed in the projects were able to train on the job and/or transfer to permanent positions. It was not possible to determine whether these people made up a significant proportion of the workforce. This is unlikely due to the limited employment opportunities available in the Gaza Strip.

However, if we abandon a definition of poverty based on income alone and also take access to social institutions into consideration as part of a broader definition of poverty, effects that reduce poverty in the longer term seem plausible. A large number of social facilities (training centres, youth clubs, community centres, nurseries) were created as a result of the project. The evaluation (see the section on effectiveness above) revealed that the facilities are all in good or very good condition and are heavily used by the population. In recent years the impacts of the project have come up against a challenging political environment, as a result of which the situation with respect to poverty and unemployment deteriorated further still.

Employment generation programmes are believed to mitigate conflicts in fragile contexts (see the section on relevance above). It is thought that employment can promote social cohesion by reinforcing interpersonal relationships (social networks), including between people with different backgrounds. This is particularly important in fragile contexts, in which many people have lost their faith in social ties due to experiences of violence. In this case it is reasonable to assume that the project went some way towards mitigating conflict. It is not possible to attribute an effect on reducing political conflict (as the main cause of

poverty) to the project because it did not address the (political and religious) causes of the conflict at the macro level. The conflict in the Gaza Strip worsened overall during the impact period, as evidenced by the military disputes with Israel that have recently been occurring roughly every three years.

However, it can reasonably be asserted that the project created social structures at the micro level and is therefore counteracting the prosecution or escalation of the conflict on a small scale, and in so doing postponing the next escalation or “buying time”. This could theoretically create a window of time for addressing the real cause of the conflict. Although the project cannot prevent the conflict, its positive effects are sufficient for it to be rated as “good”.

Impact rating: 2

Sustainability

The focus of the development policy targets for EGP IV (but also the previous programme phases EGP III and II) was the rapid creation of employment and income. As described above, however, the generation of income is essentially only temporary because it only occurred during the construction phase of the infrastructure measures. Some of the workers were reportedly able to go on to apply for more qualified positions. However, this effect must be considered marginal from an overall perspective. EGP IV (like EGP II and III) therefore only constitutes a short-term solution for alleviating poverty (based on income), and as a result can also only mitigate conflict on a temporary basis. The low expectations regarding sustainability in connection with the generation of income are reflected and expressed in the planning of the EGP IV budget.

Most of the infrastructure that was created generates income (the social facilities in particular) that covers the running costs and maintenance expenses. This does not apply to facilities that were damaged by the conflict. In these cases the operators are reliant on international funding and/or support. The on-site inspection of individual projects revealed that the facilities are in good or very good condition. It was also clear that many of the facilities had been renovated, and in some cases had been extended. The remarkable thing about this is that according to the operators, the funds for these measures are provided by members of the community and/or facility users in the form of donations. This suggests a high level of “ownership”, although it is impossible to back this conclusion up with statistics. Another reasonable supposition explaining the local commitment would be the local workmanship, i.e. implementation by workers who were hired locally. The interviews conducted with the operators of the facilities suggest that both suppositions are likely to be true.

But high rates of unemployment and poverty still prevail from a long-term perspective on account of the conflict. Making a sustainable impact would require long-term programmes that also take the productive infrastructure into account. The development cooperation takes this idea into consideration indirectly by running one EGP after another without interruption (EGP X is now being implemented). However, long-term programmes require political stability and a conflict-free environment. This is not the case. Short-term EGPs therefore represent a suitable alternative for maintaining the status quo until the political situation allows long-term development prospects for promoting employment and alleviating poverty (target system) to be implemented. The ability of employment generation measures to mitigate conflicts is limited because they cannot change the root causes of conflict

Sustainability rating: 3

Notes on the methods used to evaluate project success (project rating)

Projects (and programmes) are evaluated on a six-point scale, the criteria being **relevance, effectiveness, efficiency** and **overarching developmental impact**. The ratings are also used to arrive at a **final assessment** of a project's overall developmental efficacy. The scale is as follows:

Level 1	Very good result that clearly exceeds expectations
Level 2	Good result, fully in line with expectations and without any significant shortcomings
Level 3	Satisfactory result – project falls short of expectations but the positive results dominate
Level 4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
Level 5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
Level 6	The project has no impact or the situation has actually deteriorated

Rating levels 1-3 denote a positive assessment or successful project while rating levels 4-6 denote a negative assessment.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability): The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The **overall rating** on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Rating levels 1-3 of the overall rating denote a "successful" project while rating levels 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (level 3).