

# Ex post evaluation – Palestinian territories

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**Sector:** Employment policy and administrative management (CRS code: 16020)  
**Project:** Employment Generation Programme for Pro-Poor Infrastructure (EGP), Phases V–IX, BMZ No. 200465948, 200566358, 200666461, 201065085\*, 201165752  
**Implementing agency:** United Nations Development Programme – Programme of Assistance to the Palestinian People (UNDP-PAPP)



## Ex post evaluation report: 2019

All figures in EUR million	Phases V–IX (Planned)	Phases V–IX (Actual)
Investment costs (total)	54.95	54.55
Counterpart contribution	6.92	5.67
Funding	48.02	48.87
of which BMZ budget funds	48.02	48.87

\*) Random sample 2018

**Summary:** As part of Palestinian-German Financial Cooperation, a series of FC measures has been implemented since 2002 under the Employment Generation Programme for Pro-Poor Infrastructure (EGP). The EGP includes the renovation and construction of social infrastructure, mainly in smaller communities and refugee camps. The ex post evaluation (EPE) covers phases V–IX. Typical individual projects included kindergartens, health facilities, sports facilities, access roads, irrigation infrastructure and marketplaces.

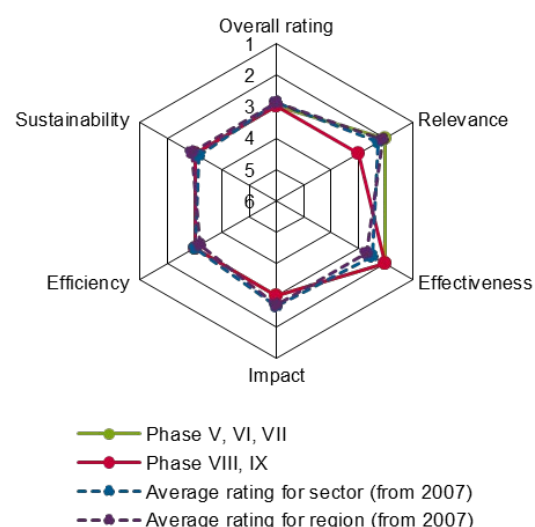
**Objectives:** The objective of the FC projects at the outcome level was two-fold: improve household incomes temporarily by creating short-term employment, and improve the quality and quantity of social and economic infrastructure, and its use, in line with demand. The developmental objective at impact level was to contribute to alleviating poverty among the population in the Palestinian territories, and to reduce conflicts by promoting employment.

**Target group:** The target group of the FC projects comprised the people affected by high unemployment and poverty in the Palestinian territories and the users of social and economic infrastructure, especially in small communities and refugee camps, both in the Gaza Strip and in the West Bank. The target group in the broader sense included public institutions (village councils, project committees, etc.), civil society institutions (NGOs, associations, etc.) and refugee camp committees.

## Overall rating: 3 (all phases)

**Rationale:** The necessary infrastructure in the Gaza Strip and the West Bank is provided by means of employment-intensive construction measures. The individual projects thus contribute to alleviating poverty in the long term, only the employment- and income effects are of a temporary nature. This is particularly relevant in the Gaza Strip, which is in the grip of conflict and economic blockades, as well as in areas where Palestinian communities have little scope to take action. The facilities are used intensively by the population. Well over three quarters of the individual projects visited were in a good or very good condition.

**Highlights:** Due to the critical security situation and the restrictions in the import and export of goods, the individual projects were carried out under very difficult conditions. Nevertheless, most of them were implemented with, however with a few delays.



## Rating according to DAC criteria

### Overall rating: 3 (all phases)

#### Ratings:

Relevance	2 (Phase V, VI, VII) 3 (Phase VIII, IX)
Effectiveness	2 (all phases)
Efficiency	3 (all phases)
Impact	3 (all phases)
Sustainability	3 (all phases)

#### Breakdown of total costs

In phases V–IX of the EGP, roughly EUR 26.05 million was spent in the West Bank and EUR 12.38 million in the Gaza Strip.

EUR million	Phase V (Planned)	Phase V (Actual)	Phase VI (Planned)	Phase VI (Actual)	Phase VII (Planned)
Investment costs	23.0	21.13	15.0	15.66	9.2
Counterpart contribution	3.0	0.28	1.97	2.64	1.2
Funding	20.0	20.85	13.02	13.02	8.0
of which BMZ budget funds	20.0	20.85	13.02	13.02*	8.0

\*) Of which EUR 2.024 million in DEG funds reprogrammed from the Arab Palestinian Investment Bank project

EUR million	Phase VII (Actual)	Phase VIII (Planned)	Phase VIII (Actual)	Phase IX (Planned)	Phase IX (Actual)
Investment costs	9.20	4.00	4.24	3.75	4.31
Counterpart contribution	1.20	0.50	0.74	0.25	0.81
Funding	8.00	3.50	3.50	3.50	3.50
of which BMZ budget funds	8.00	3.50	3.50	3.50	3.50

#### Relevance

Recurring conflicts, border blockades by Israel and the restricted movement of both goods and people are hampering sustainable macroeconomic development in the Palestinian territories. The Gaza Strip is particularly affected, with one of the highest unemployment rates in the world at 41%. Approximately 80% of the Gaza Strip's population depends on international aid for their daily needs.

Phases V–IX of the EGP are part of a series of projects supporting the employment-intensive improvement of social and economic infrastructure in the West Bank and the Gaza Strip, which now comprise ten phases (EGP I to X). Local authorities and civil society organisations can apply for funding with their respective projects. The concept of the approach was refined in each phase. For example, the focus was gradually shifted more and more to the Ministry of Local Government (MoLG) implementing the projects. In addition, the implementing organisations were called upon to address operational and management planning. In phase IX, measures to increase energy efficiency were promoted when carrying out construction and renovation measures on buildings. All told, the focus of the projects has shifted over time from alleviating poverty through the intensive promotion of employment to alleviating poverty by providing social infrastructure. The employment-intensive construction of social and economic infrastructure was intended

to reduce unemployment and thus poverty in the short term. As a result, phases V–IX of the EGP were consistent with the 2002 Palestinian Reform Plan, the National Development Plan (2014–2016) and the National Policy Agenda (2017–2022). All development plans and agendas underline the importance of alleviating poverty, reducing unemployment and providing social infrastructure to ensure a sustainable improvement of living conditions in the Palestinian territories.

Phases V–IX comprised 340 projects (260 in the West Bank and 80 in the Gaza Strip). Fifteen of these projects were implemented in “C” areas, 8 in East Jerusalem and 16 in refugee camps. The individual projects in phases V–IX included the construction of infrastructure in the education, road, youth and sport, cultural site/community centre, health, water and sanitation sectors, as well as public facilities such as markets and parks. The projects’ results framework was aimed at improving household income (outcome) by creating employment. The direct employment effect of such projects is usually limited to the construction of the given facility, and is therefore temporary. Thus the relevance of phases V–IX of the EGP with regard to promoting employment is assumed to be average. Some of the local community representatives stressed the urgent need for short-term and employment-intensive measures to provide social infrastructure quickly in view of the high unemployment and poverty rates in the Gaza Strip.

Indirect employment effects – from operations or buying materials, for example – were not considered when designing the EGP phases. Since some permanent jobs were created by the facilities that were set up and mainly local building materials were used, we can also assume there was an indirect employment effect.

Equally at the outcome level, the results framework targeted better use of the developed infrastructure; due to the high demand for additional social and economic infrastructure, this results framework is pertinent. For the same reason, there were only minor risks regarding low infrastructure use.

In terms of the individual projects’ results framework for alleviating poverty (impact), several factors must be considered. Short-term employment only reduces monetary poverty on a temporary basis. However, since poverty can also be defined by the lack of access to social and economic infrastructure, which was improved by the individual projects, the relevance of EGP phases V–IX in terms of alleviating poverty is high.

The employment measures’ results framework (impact) in terms of reducing conflicts was integrated into the objectives ex post without defining any indicators. All phases of the EGP are aimed at providing short-term employment and improving household incomes, i.e. at effects on the individual level. Yet high unemployment, especially in the Gaza Strip, is not the reason behind the ongoing conflict. The causes of the situation in the Palestinian territories are related more to security policy and macroeconomics. Looking at the history of the region, we also find that limited mobility and economic blockades stemming from conflicts have always been followed by rising unemployment.

The socio-economic impact of the ongoing conflict is therefore the main cause of poverty and unemployment in the Palestinian territories. However, a lack of income opportunities and frustration are nevertheless seen as a supporting reason for participation in rebel groups and extremist groups. Employment promotion projects can therefore potentially have a conflict-reducing effect. Employment is expected to reduce poverty, create stability and thus contribute to conflict reduction.

Phases V–IX of the EGP therefore do not address the causes of the conflict; these phases seek to mitigate its effects. We can therefore assume conflict-mitigating effect is, however it is necessary to account for the local framework conditions.

For example, the many children’s/youth and cultural/sports centres were supported in order to offer young people alternative opportunities for leisure activities in a protected environment (i.e. to get them off the streets). In addition, they are to find multiple offers in these institutions. They can process problems and fears that young people typically have, and in the Palestinian territories have in a special way, there through art and culture. Many institutions are also linked to psychosocial counselling services. The situation is similar in the many women’s centres that have been promoted, because women in Palestine often face significant cultural and social restrictions and are often victims of domestic violence. They are supposed to find sheltered spaces in the centres where they come together in a socially accepted way and also find help and support.

German development cooperation supports sustainable economic development and employment promotion in the Palestinian territories in a number of projects. The main focus here is on improving living conditions in Gaza, East Jerusalem, the refugee camps and the “C” regions (under Israeli administration), since the Palestinian municipalities have little room for manoeuvre in this respect. Specifically, the EGP, which is designed to promote short-term employment, is supplemented by vocational training projects and – from phase VII onwards – by the Municipal Development and Lending Fund (MDLF). This is geared more towards larger municipalities and provides structural support. The MDLF concentrates on the “A” areas, where the Palestinian communities have sufficient autonomous scope to take action.

The choice of the UNDP/PAPP as the executing agency was appropriate and justified, particularly in light of the situation in the Gaza Strip. Since the UNDP is internationally recognised and considered neutral, it was also able to implement projects in the sealed-off Gaza Strip. Moreover, since the Palestinian authorities are not entitled to carry out measures in refugee camps or in East Jerusalem, the choice of the UNDP as the executing agency was particularly relevant there. In the West Bank, Palestinian implementation structures were also used in Category A areas (Palestinian administration) and Category B areas (Palestinian-Israeli administration) by means of cooperation between the UNDP and the Ministry of Local Government (MoLG). State structures should be used in the long term, however, especially in the West Bank.

Due to its isolation, the Gaza Strip affected particularly by high poverty and unemployment. The EGP V–IX approach is highly relevant here. The relevance of the approach was average in the West Bank, since it has a lower poverty and unemployment rate overall. The individual projects in phases VIII and IX were limited to the West Bank. Therefore the relevance of phases V, VI and VII carries a rating of 2, and phases VIII and IX a rating of 3.

**Relevance rating: 2 (Phases V, VI, VII), 3 (Phases VIII, IX)**

### Effectiveness

The objective at the outcome level was two-fold: firstly, improve household incomes temporarily by creating short-term employment; secondly, improve the quality and quantity of social and economic infrastructure, and its use, in line with demand.

The challenge for the evaluation was that the hundreds of individual projects represent very different institutions with different target groups, which, although concentrated on a few indicators, have different intervention logics, which aggregate indicators can only partially express.

Target achievement at the outcome level can therefore be summarised as follows in the table below. Individual intervention logics and effects can be taken into account only in a qualitative way. The individual figures only relate to the specified phases. The target figures were not adjusted ex post, as this would have led to a loss of data and information on the individual phases:

Indicator	Status PA, target PA	Ex post evaluation
(1) Infrastructure in acceptable condition as well as in regular and proper use two years after programme completion, including implementation of the maintenance and operation concept for phase IX (phases V, VIII, IX)	Target value V: 80% Target value VIII: 80% Target value IX: 80%	EPE: project visits to Gaza Strip: 78% in acceptable condition 92% used regularly and properly (for all phases)
(2) Implemented infrastructure projects in good condition and adequately used 6 months after handover (phases VI, VII)	Target value VI: 70% Target value VII: 70%	EPE: project visits to the West Bank: 91% in acceptable condition 91% used regularly and properly (for all phases)

(3) Participation and use by (different groups of) civil society (phase VII)	Target value VII: 60% (% of projects planned and implemented by civil society)	Final review VII: 66% (2016)
(4) Supported initiatives are active two years after programme completion (phase V)	Target value V: 60%	Final review V: 80%
(5) Sustainability of the operation of the facilities ensured. Here: proportion... a) of projects that collect fees / b) that have an O&M plan (phase VI)	Target value VI: a) 30% b) 90%	EPE a) Roughly 60% of the projects visited (random sample of 18%) managed to generate enough funds for maintenance and repairs b) The projects visited in the Gaza Strip and 22% of the projects visited in the West Bank have an O&M plan (for all phases)
(6) Work days were created directly during the implementation of the programme (phases V, IX).	Target value V: 320,000 Target value IX: 42,500	Final review V: 268,066 (2016) Final review IX: 52,895 (2017)
(7) Additional income created from temporary work (wage total) (phase VII)	Target value VII: EUR 1.8 million	Final review VI: EUR 2.05 million (2017)
(8) Additional income from temporary work as % of individual project costs (phases VIII, IX)	Target value VIII: 25% Target value IX: 25%	Final review VIII: 29% (2017) Final review IX: 27% (2017)
(9) Participation of civilian population (phase VI)	Target value VI:	Final review VI:
a) Percentage of projects planned and implemented by NGOs, etc.	a) 40%	a) 40% NGOs (2017)
b) Planned and implemented by women	b) Not quantified.	b) 42% women (2017)

With a few exceptions, the target achievement indicators were met. In preparation for the evaluation, 27 individual projects were visited in Gaza and 35 in the West Bank. Various facilities were selected for the random sample, including community centres, schools, kindergartens, roads, health centres, public parks, water tanks, women's centres and sports grounds. About 80% of the facilities visited were in a good to very good condition, and were used intensively and as intended.

Israeli import restrictions led to significant delays in the Gaza Strip in particular. In phase V, three individual projects had to be abandoned due to material shortages. In the second half of 2014, work came to a complete standstill at times due to the Gaza war. A total of 33 EGP projects over all phases in the Gaza

Strip were partially damaged or completely destroyed during the conflict, and rebuilt using EGP V–IX funds.

**Effectiveness rating: 2 (all phases)**

**Efficiency**

The quality of the constructed or renovated infrastructure and the prices of the construction measures appear appropriate in the context, especially since local materials were used where possible. Since the UNDP/PAPP has been managing and disbursing funds under the EGP for more than 15 years, the relevant procedures are well established. We can therefore assume that the implementation by the UNDP/PAPP was also efficient for phases V–IX. In comparison with other projects implemented by the UNDP, and measured against the administrative expense of the small-scale projects, the UNDP/PAPP margin was appropriate. The construction costs in each phase were in line with the targeted ratio to wage costs. However, the implementation was blighted by severe delays, which were beyond the project’s control. Production efficiency, therefore, is rated as satisfactory.

Although effort is made to generate revenue from the infrastructure built (e.g. through fees for services such as childcare or for renting premises), the operating and maintenance costs are often not covered. If local administrative bodies continue to run short of funds, we can therefore assume that sufficient funds will not be provided for maintenance and repair in many cases (see Sustainability section). Despite deficits in the budgets for operation and maintenance, the facilities exhibit a high degree of utilisation on average.

The political instability and the uncertain economic situation led to considerable delays with project implementation. At the same time, there is a greater need for social and economic facilities. The sectorally flexible design of the project made it possible for local administrative bodies to prioritise measures. Opportunities to generate income temporarily and use the social and economic infrastructure alleviated poverty in the municipalities, sometimes temporarily and sometimes permanently. As a result, we can assume the allocation efficiency is relatively high.

**Efficiency rating: 3 (all phases)**

**Impact**

The objective at impact level was to contribute to alleviating poverty among the population in the Palestinian territories and to reduce conflicts by promoting employment conditional on the local circumstances.

The employment-intensive construction of social and economic infrastructure has temporarily reduced unemployment and poverty. Visits to some facilities and conversations on the ground also revealed that the infrastructure has created some permanent jobs. However, the number of these positions appears to be relatively small. The reduction in monetary poverty was therefore more of a short-term occurrence.

If the definition of poverty is broadened and access to social infrastructure is included in the understanding of poverty, some longer-term effects can also be attributed to the EGP. Thanks to the projects that were given promotional support, the local population received many social facilities, such as health centres, education institutions, parks and training centres. Many of these facilities make everyday life easier. While the employment associated with constructing the facilities mainly affected men, the project selection process focused particularly on the needs of women, children, people with disabilities and other marginalised groups. Creating spaces for interaction (e.g. communal areas) strengthens social cohesion, which in turn can promote the resilience of a community. Under a broader understanding of poverty, phases V–IX of the EGP can be seen as making a positive contribution to alleviating poverty.

In fragile contexts, employment programmes sometimes help to reduce conflicts (see Relevance section). As already mentioned, however, poverty and unemployment are not a cause, but rather a consequence of the conflict. The social infrastructure that was constructed managed to strengthen social cohesion within the communities. The local experts involved in preparing the EPE reported that some operators (e.g. some sports clubs) actively tried to involve residents who were “prepared to resort to violence” in their operations and other project activities to help prevent conflicts within their community. Parts of the infrastructure established offer recreational activities that can counteract frustration, especially among young peo-



ple. We can therefore assume that the individual projects were able to reduce the local conflict potential in some cases, at least temporarily. Overall, the economic situation in the Palestinian territories was volatile during the implementation period for phases V–IX: periods of growth were followed by periods of recession. In the Gaza Strip in particular, the restrictions imposed by the blockade and the dependence on external donors have become more permanent in recent years. The continuing conflict and the “donor fatigue” could lead to a worsening of poverty in the Palestinian territories in the coming years. The award of construction work to small local companies also helped promote the private sector.

Individual projects during phases V–IX of the EGP promoted social cohesion within the communities, and thus most likely reduced poverty and conflict in certain areas. The unemployment rate was only reduced by the measures in the short term.

**Impact rating: 3 (all phases)**

### Sustainability

Phases V–IX of the EGP provided temporary access to paid employment and access to social infrastructure.

Since the rapid creation of temporary jobs is central to the design of the EGP, the sustainability of the measures in terms of promoting employment and alleviating poverty is limited. Although some permanent jobs were created in the facilities that were established, and some workers gained new knowledge from their activities, this effect is rather small compared to the projects as a whole. The EGP thus represents a short-term approach to generating income in all phases, with few aspirations for sustainable impacts. The sustainability of the measures was assessed as high-risk during the design of EGP phases V–IX. In the largely isolated Gaza Strip, which is characterised by high unemployment and economic blockades, such an approach seems appropriate in the circumstances to create jobs and provide services relatively quickly. This also applies to “C” areas in the West Bank (which are almost completely under Israeli civil and security administration).

In “A” and “B” areas (under Palestinian civil and security administration, or Palestinian civil administration and joint Israeli-Palestinian security administration), however, a more education-focused and structural approach could be pursued to create long-term development prospects for the local population. This idea is being taken into account from phase VII onwards by introducing and making greater use of the Municipal Development and Lending Fund (MDLF), also financed by Financial Cooperation.

The sustainability of the infrastructure that was built depends not only on the operators, but also on the extent to which funds can be made available for maintenance and repairs. While large organisations and NGOs (e.g. Arab Women Union Society) were usually able to raise sufficient funds for maintenance and operations, smaller organisations or communities were often unable to do so. Part of the infrastructure created, in particular the social and community facilities, generates revenue to cover ongoing operating costs. For other facilities (e.g. roads), operators are often dependent on support from international donors for maintenance. When visiting individual local projects, most facilities in both the West Bank and in the Gaza Strip were in a good to very good condition. Some had already been renovated or expanded since they were completed with donations from users. Coupled with the usually high utilisation rate of the facilities, this suggests that the infrastructure established is important for the local population and will continue to be maintained in the future.

Sustainability also depends on the political situation, especially in the Gaza Strip. Flaring conflicts can lead to the destruction of the infrastructure that has been created, as happened in 2014. In recent years there have been regular armed conflicts between Israel and Hamas, which controls the Gaza Strip. The region would have to be politically stabilised to reduce unemployment and poverty on a sustainable basis. In view of the region’s history, however, this is very unlikely in the near future.

**Sustainability rating: 3 (all phases)**

### 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:

<b>Level 1</b>	Very good result that clearly exceeds expectations
<b>Level 2</b>	Good result, fully in line with expectations and without any significant shortcomings
<b>Level 3</b>	Satisfactory result – project falls short of expectations but the positive results dominate
<b>Level 4</b>	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
<b>Level 5</b>	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
<b>Level 6</b>	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).