

**Ex Post-Evaluation Brief**  
**PALESTINIAN TERRITORIES: Poverty-Oriented**  
**Employment Generation Programmes (EGP II and III)**



<b>Sector</b>	Employment policy and labour administration (CRS: 160200)	
<b>Project/Client</b>	Employment Generation Programme/Poverty-oriented Infrastructure (EGP II; BMZ No.: 2002 65 140* and Poverty-oriented Employment Generation Programme (EGP III; BMZ No.: 2002 65 371*	
<b>Programme executing agency</b>	Programme of Assistance to the Palestine People (PAPP) of the United Nations Development Program (UNDP)	
<b>Year of sample/ex post evaluation report: 2013/2013</b>		
	Appraisal (planned)	Ex post-evaluation (actual)
<b>Investment costs (total)</b>	EUR 2.6 / 18.4 million	EUR 2.59 / 18.31 million
<b>Counterpart contribution (company)</b>	EUR 0 / 2.4 million	EUR 0 / 2.4 million
<b>Funding, of which budget funds (BMZ)</b>	EUR 2.6 / 16 million EUR 2.6 / 16 million	EUR 2.59 / 15.91 million EUR 2.59 / 15.91 million

\* random sample 2013

**Short description:** The EGP II and III projects comprised employment measures for the expansion and rehabilitation of social and economic infrastructure together with advisory services to support operating and management capacities within the context of an open programme approach. While the phase III measures were limited to the West Bank, phase II also covered the Gaza Strip. The projects were a direct consequence of the Second Intifada ("Al-Aqsa Intifada"), an uprising in 2000, which greatly restricted the free movement of people and goods in the programme region.

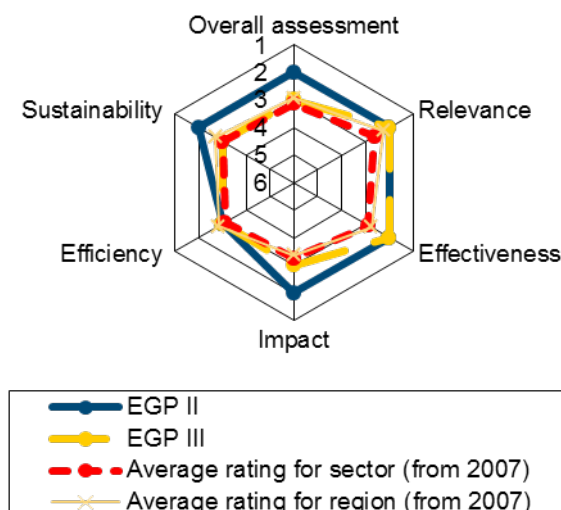
**Objectives:** The overall objective of EGP II was to contribute to improving the prerequisites for the social and economic promotion of the peace and development process. The programme objective was a temporary improvement in household incomes together with the qualitative and quantitative improvement of the provision of social and economic infrastructure. The overall objective of EGP III was to make a contribution to poverty reduction among the population. The programme objective was that the qualitatively and quantitatively improved social and economic infrastructure as well as self-help initiatives were used appropriately and are active. **Target group:** The target group were the people affected by high unemployment and poverty in the West Bank (phases II and III) and in the Gaza Strip (phase II). In the construction works, it was principally men who found short-term employment as construction workers. A smaller number of women found work as engineers, architects and secretaries. Both women and men also managed to find long-term employment in more highly-qualified professions, such as health facilities, for example.

**Overall rating: EGP II: 2; EGP III: 3**

**Points to note:** EGP II is rated better than EGP III, since lower sustainability standards were set for EGP II due to the Second Intifada. The implementation phase of EGP II was characterised by massive restrictions on safety and mobility. Despite the organisational and logistical challenges, it proved possible to implement the measures appropriately and thus contribute to eliminating the most constraining economic bottlenecks.

The labour-intensive creation of public infrastructure was not only able to counteract the high unemployment directly after the Second Intifada. In the long term too, jobs were created through social infrastructure measures which were self-sustaining.

**Rating by DAC criteria**



## **EVALUATION SUMMARY**

### Overall rating

The EGP II and III projects, including the respective target systems, built upon one another. Conceptually, the standard for the sustainability of the EGP II project is set lower than in the EGP III project. The concept of phase II more clearly indicates the short-term nature of the impact.

Here is a summary of the projects' results framework:

- 1) Poverty reduction through the creation of short-term employment opportunities for those Palestinian workers in Israel who had become unemployed due to the closure of borders and
- 2) Poverty reduction through access to social and economic infrastructure as a contribution to
- 3) The promotion of the peace and development process.

Even if the last of these was not anchored in the concept of EGP III's programme objectives, the evaluation below is based on all three target dimensions. EGP II is rated better than EGP III, since lower sustainability standards applied to EGP II due to the Second Intifada.

**Rating: EGP II: 2; EGP III: 3**

### Relevance

The projects were consistent with the partners' policy at the time and coherent with the Palestinian reform plan of 2002.<sup>1</sup> The reforms underlined the importance of improved living conditions, primarily for the unemployed population, the reconstruction of the damaged infrastructure and an improved financial situation of public institutions (above all, of universities, schools, and hospitals). It focused on job creation and the corresponding framework conditions. Conceptually, the projects accordingly addressed the most urgent needs of the Palestinian population by providing basic economic and social infrastructure directly after the Second Intifada.

The projects were implemented by the UNDP Programme of Assistance to the Palestine People (PAPP) after the Second Intifada. At that time, no alternative local project-executing agency was available to implement the measures due to the limited mobility procurement opportunities (construction material, machinery etc.). Implementation via UNDP enabled politically sensitive measures to be implemented in areas outside the administrative control of the Palestinian Authority (PA) (area C). It was possible to adopt a complementary approach to the implementation structures of the PA due to the neutral, internationally recognised mandate and great flexibility of the PAAP. This led to reliable cooperation between the Ministry of Local Government (MOLG) and UNDP. The needs-based complementary nature of instru-

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<sup>1</sup> The World Bank Group (2002): The Palestinian Authority's Reform Agenda.

ments<sup>2</sup> was of particular importance in the fragile context. In summary, it can be stated that the two programme phases, even if they were not implemented by a state institution, were embedded in the institutional landscape for programme implementation recognised by the PA.

Short-term employment was to be created through the adoption of infrastructure measures. Indirect effects on employment (upstream and downstream in the value added chain/economic cycle)<sup>3</sup> were not considered in the conception and implementation of the projects. Thus only direct effects on employment were achieved. The relevance of the EGPs in relation to the long-term effect on employment, which is significant from the current perspective, is limited since they did not take the productive infrastructure into consideration to an appropriate extent.

The conflict situation and its socio-economic effects are the main cause of poverty and underdevelopment in the Palestinian Territories. The intention was to reduce conflict potential and create prerequisites for the social and economic promotion of the peace and development process through the achievement of social cohesion, based on job creation for former refugees and young people. The project is thus in line with the general direction of German development policy, which is oriented towards conflict prevention and peacebuilding. Overall, the approach is rated as highly relevant.

**Sub-Rating: EGP II: 2; EGP III: 2**

### Effectiveness

The programme objective for EGP III (which is dealt with first here due to the more meaningful indicators), was the social and economic infrastructure as well as self-help initiatives, which were improved and supported qualitatively and quantitatively, are used appropriately and are active. On the basis of the indicators defined at the programme appraisal stage, the achievement of objectives can be summarised as follows:

Indicator for programme objective*	Status of ex-post evaluation
Acceptable condition as well as regular and correct use of at least 70 % of the infrastructure two years after the end of the programme.	On the basis of an almost 20 percent sample analysis (33 of 167 measures), about 80 percent of the measures are in an acceptable condition and are used regularly and correctly. The indicator target was thus overachieved.
Two years after support from the programme, 60 % of the self-help initiatives are active (only applies to EGP III).	In line with the conception of EGP III, support for self-help groups was provided for. This component was only implemented by UNDP in the form of pilot projects. No general evaluation of the results is possible due to the small scope of implementation (EUR 50,000 out of the planned EUR 500,000).

<sup>2</sup> Cf. KfW (2012): Note on the DIE conference – What works in Fragile Contexts, C. Behne, see [http://intranet/Inhalt/Bereiche/Finanzie/Fachinfo/Erfolgsk/Krisenpr/Ergebnisprotokoll\\_Workshop\\_zu\\_EZ\\_in\\_fragilen\\_Staaten.pdf](http://intranet/Inhalt/Bereiche/Finanzie/Fachinfo/Erfolgsk/Krisenpr/Ergebnisprotokoll_Workshop_zu_EZ_in_fragilen_Staaten.pdf).

<sup>3</sup> KfW (2012): KfW position paper Financial Cooperation and Employment, see [http://www.kfw-entwicklungsbank.de/ebank/DE\\_Home/Download\\_Center/Positionspapiere/PP\\_FZ\\_Beschaeftigung\\_final.pdf](http://www.kfw-entwicklungsbank.de/ebank/DE_Home/Download_Center/Positionspapiere/PP_FZ_Beschaeftigung_final.pdf).

Poor people make more use of the infrastructure that has been created or are active in self-help initiatives.	The indicator is met in relation to increased use of the infrastructure. In rural areas, the poor population benefited especially. No quantification could be undertaken. No data source is available for this. Self-help initiatives were not supported to the extent planned (implementation volume = EUR 50,000 of the planned EUR 500,000, see above).
Positive short-term effects on income for poor households/household members.	Wages of EUR 3.891 million were paid within the framework of construction measures. The proportion of poor people among the recipients is about 90 %.
At least 240,000 employee days were directly created during the execution of the programme.	This indicator was exceeded. 261,135 employee days were created, 9 % more than originally planned.

\*The overall objective indicator 1 (see below) defined during the programme appraisal is a partial aspect of programme objective indicator 1 (see above). The overall objective indicators defined in the concept do not reflect the overall objective (impact level) and apply at the performance level (programme objective). This is why the above-mentioned original overall objective indicators are used here to measure the programme objective.

The objective indicators for the programme objective taken over for EGP II from EGP I are the following:

<b>Indicator for programme objective (adjusted from EGP I)</b>	<b>Status of ex-post evaluation</b>
Acceptable condition as well as regular and correct use of at least 70 % of the infrastructure two years after the end of the programme.	On the basis of a good 20 % sample analysis (5 of 23 measures), all measures are in acceptable condition and are used regularly and correctly. The indicator target was thus surpassed.
Use of at least EUR 0.7 million of the programme funds for wages (was defined in the course of the programme).	The share of labour cost amounted to approx. EUR 0.75 million. The target figure is thus exceeded.

The indicator target level of the last indicator was set at a proportion of EUR 0.7 million of the programme costs during the programme course of EGP II. This accounts for about 27 % of the total costs of about EUR 2.6 million. As part of the project, a wage share of 28 % (EUR 0.75 million) was realised and the target figure thus achieved.

**Sub-Rating: EGP II: 2; EGP III: 2**

### Efficiency

In most cases, the implementation partners directly commissioned individual supplies of materials and services in small lots for the construction of the infrastructure activities (village committees, committees of refugee camps, municipalities, associations and NGOs). The efficiency with which the individual measures were executed depended partly on the institutional character of these implementation partners. As they had their own technical teams with experience in a variety of disciplines, municipalities worked more efficiently than other partners

(see below). The village and refugee camp committees also worked efficiently. For construction supervision, precisely non-government organisations had to rely on external consultants, which had competence in some areas, but did not possess comprehensive technical experience. The aforementioned small-scale direct commissioning of supplies and services proved expensive, involving a large amount of administrative work for in some cases inexperienced implementation partners, confronted with a multitude of socio-economic challenges. In general, the efficiency of execution was reasonable, but could have been optimised by the tendering of complete buildings/service contracts, which was indeed the case for a small proportion of the activities.

The allocation efficiency of the two projects is rated overall as high. Job creation through the building of social and economic infrastructure directly contributed to poverty reduction through the generation of income among the target group and its access to services. The activities implemented cover a broad range and are based the preferences of the target group. Alternative approaches were greatly limited by the conflict. The programme measures thus directly pursued the overall objective of EGP III and the above-mentioned programme objectives. The overall objective of EGP II is explicitly oriented towards the peace and development process. The creation of social cohesion, based on providing work for former refugees and young people, contributed efficiently to the overall objective of EGP II. These projects show the close relationship between employment creations, in particular in the construction of infrastructure measures, and peace or development processes in the conflict aftermath.<sup>4</sup>

**Sub-Rating: EGP II: 3; EGP III: 3**

### Impact

The primary objective of EGP II was for the project to make a contribution to improving the prerequisites for the social and economic promotion of the peace and development process in the Palestinian Territories. At project conception, it was assumed that an achievement of the overarching development objective could be assumed if the programme objective was achieved. Thus no separate primary objective indicators were defined for EGP II.

The overarching development objective of the EGP III project was to contribute to poverty reduction among the population. The indicators defined during the programme appraisal do not reflect the development objective (impact level) and apply to the performance level (outcome). The above-mentioned indicators are therefore used to measure achievement of the programme objective (see above: section on effectiveness).

It is assumed that the effects on employment and the access to infrastructure had a positive impact on the conflict situation. The provision of social contact points (see above) and the employment primarily of men contributed to the reconstruction of everyday life and kept pre-

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<sup>4</sup> The World Bank's World Development Report (2013): Jobs.

cisely the youth target group from committing acts of violence.<sup>5</sup> Overall, an awareness prevailed among the population that the conflict can only be resolved at the intellectual level and thus through their own development progress, to which the projects contribute. At the same time, but independently of the programme activities, a large part of the population maintains the hope that over the long term they will be able to resettle in the territories they fled from in 1967. It is primarily in the refugee camps, which have now developed further into permanent settlements, that this hope is the only reason the population can bear the precarious and cramped living conditions. If this hope were to become an illusion in the minds of the population, the conflict situation would intensify. In the short term, the projects can therefore create structures, thereby helping to avert the conflict. However, in the long term the crisis situation, which is greatly of a political nature, can only be partly resolved by means of economic measures.

While the concept of EGP III has a longer-term scope of impact, EGP II was a direct response to the Second Intifada. In this politically important time frame, the measures of EGP II managed to have a short-term, but targeted impact, in relation to the prerequisites for the social and economic promotion of the peace process. It is for this reason that EGP II is rated higher than EGP III.

**Sub-Rating: EGP II: 2; EGP III: 3**

### Sustainability

Due to the political uncertainty and everyday conflict situation, the standard for sustainability in relation to all target dimensions, but primarily in relation to the promotion of the peace and development process, can only be set very low. The EGPs only offer short-term solutions. The low standard for sustainability is expressed in the conception of EGP II.

Most social infrastructure institutions generate income (kindergarten fees, etc.), meaning that the operating costs can be covered. In contrast to this, primarily infrastructure for the provision of water does not generate the necessary income. It can only be kept operational through subsidies. In the case of almost all activities, the funds are not sufficient for maintenance and thus for sustainability of project-financed infrastructure.

With respect to the effect on employment, most of the unqualified workers benefited from "training on the job". After employment within the framework of the EGPs, some workers were able to apply successfully for jobs requiring a higher skills level. The example of the Jerusalem Water Company (implementation partner) makes it clear that both qualified and unqualified workers were able to find long-term employment as a result of having worked on EGP activities. Investments in productive infrastructure (e.g. agriculture) could increase the sustainability (see also section on relevance).

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<sup>5</sup> KfW (2012): KfW position paper Financial Cooperation and Employment (see above) p.3: "The lack of employment opportunities and future prospects is directly responsible for high levels of frustration and readiness to use violence amongst young people".

With respect to a long-term perspective, however, high unemployment prevails in the case of a generally very high level of education. In most cases, the programme approaches only had a very short-term impact, and it remains true that long-term prospects do not exist outside development programmes. The creation of a succession of EGPs over many years should be mentioned here (phase IX is currently being implemented). This fact suggests that the projects were unable to make a sustainable contribution, but had to be repeatedly launched in order to maintain the status quo without achieving a higher objective level in structural terms. Since 2002, a long-term development cooperation programme approach has been put together, consisting, in each case, of projects with short-term effects.

The short-term, reactive "bridging character" of the projects is, however, questionable, since due to the political situation, the projects are lacking the long-term prospects for a development of all the above-mentioned target dimensions.

During the programme appraisal, the sustainability standard of phase II, which was a direct response to the Second Intifada, was set lower than the standard for phase III. This is reflected in the results framework and is comprehensible from today's perspective. With respect to the comparable sustainability of the two phases (see above), the respective evaluation therefore makes a difference in ratings due to the varying levels set for the standard for sustainability, so that here EGP III is rated lower than EGP II.

**Sub-Rating: EGP II: 2; EGP III: 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:

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

Ratings 1-3 denote a positive or successful assessment while ratings 4-6 denote a not positive or unsuccessful 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. Ratings 1-3 of the overall rating denote a "successful" project while ratings 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" (rating 3).