

**Palestinian Territories: EGP I-III**

**Ex-post evaluation**

<b>OECD sector</b>	16110 – Employment policy	
<b>BMZ project ID</b>	1995 66 555 Employment Programme I 1997 65 280 Employment Programme II 1998 65 692 Employment Programme III	
<b>Project-executing agency</b>	Job Creation Program (JCP) Gaza	
<b>Consultant</b>	DIWI-Consult	
<b>Year of ex-post evaluation</b>	2005	
	<b>Project appraisal (planned)</b>	<b>Ex-post evaluation (actual)</b>
<b>Start of implementation</b>	1/1996	2/1996
<b>Period of implementation</b>	39 months	48 months
<b>Investment costs</b>	EUR 8.2 million	EUR 8.2 million
<b>Counterpart contribution</b>	not quantified	not quantified
<b>Financing, of which Financial Cooperation (FC) funds</b>	EUR 8.2 million	EUR 8.2 million
<b>Other institutions/donors involved</b>	-	-
<b>Performance rating</b>	2	
<b>• Significance / relevance</b>	2	
<b>• Effectiveness</b>	2	
<b>• Efficiency</b>	2	

**Brief Description, Overall Objective and Programme Objectives with Indicators**

The objectives of the Employment Generation Programmes I – III (EGP I-III), which were implemented immediately after each other from 1996 to 1999, were the short-term temporary creation of jobs in the construction industry in the Gaza Strip and a contribution to eliminating serious bottlenecks in the social infrastructure (especially school buildings). The project was to make a temporary contribution to alleviating the high unemployment and, thus, indirectly to promoting the peace process in Palestine. In addition, a contribution was to be made to increasing the educational opportunities of the adolescent population (overall objective). “Job Creation Programme“, the implementation unit of the programme-executing agency “Palestinian Economic Council for Development and Reconstruction” in the Gaza Strip was supported by a consultant financed from FC funds during the implementation of the programme. The indicators for the achievement of the programme objectives were defined as a share of labour costs in investment costs of 20%-30% and a specific number of buildings (classrooms, kindergartens) per programme phase. The targeted employment effects were quantified in days (altogether 140,000 days for all programme phases).

**Programme Design / Major Deviations from the original Programme Planning and their main Causes**

The measures were designed as a programme that takes effect rapidly in order to strengthen the Palestinian Authority, which was in the process of built up at the time, as well as the

fledgling Palestinian education system. For the most part, the measures were implemented as planned and on time. All three programmes were implemented within 48 months (planned: 39 months). For the most part, the actual construction costs were lower than foreseen in the contracts. As planned, small local construction firms were used. The selection of schools to be expanded was based on proposals made by the Ministry of Education, which, due to its decentralised structure, is in the position to adequately detect the local demand and is relatively well organised. The programme executing agency and its implementation unit (“Job Creation Programme”) offered a suitable framework for the organisational and financial implementation of the programme. The implementation of the labour-intensive approach and the registration of the employment and income effects actually achieved turned out to be much more complex than had been envisaged.

### **Key Results of the Impact Analysis and Performance Rating**

The efficient implementation of the individual projects is reflected primarily in the specific investment costs of the infrastructure measures, which were deemed favourable. For instance, the unit costs per square meter of school space under EGP III ranged from USD 184 to USD 196 (for buildings with foundations, technical rooms and other things). The efficient implementation of the individual projects was ensured through the use of standardized plans and standardized cost estimates for all project types taken into consideration (e.g. schools, kindergartens). These standard plans and schedules were generally adequate and reasonable.

The competent Ministry of Education lives up to its obligations for the operation of schools and kindergartens by paying running costs (salaries, teaching materials and minor repairs) and other operating costs. A sufficient number of new teachers was hired to ensure lessons at the newly built schools. A risk to the long-term sustainability of the financed infrastructure measures is the fact that no funds have been earmarked in the budget for larger repairs at the schools and kindergartens. A positive aspect that deserves to be mentioned is the usually high dedication and commitment of parents' associations and communities to ensuring the ongoing maintenance of the schools and kindergartens. The parents are usually in the position to pay for their children attending a public primary school, though if they do not pay the tuition fees requested by the government this does not entail the pupil from being expelled from school. Moreover, there is a sophisticated system of fee exemptions and compensatory payments (“Zakat system”) by wealthy citizens. Though the wearing of school uniforms is on principle mandatory, it is handled flexibly and attempts are made to keep costs of purchasing a uniform low. The routine maintenance of the schools works relatively well.

The economic return on the capital invested cannot be calculated because the impacts expected of the individual projects are mostly of a social and socio-economic nature. In a survey of the impacts produced by the FC contributions conducted on the occasion of the ex-post examination most of the parents and teachers questioned agreed that their living conditions had tended to improve in the last 10 years. Especially improvements in the education sector are regarded as a positive change. Such improvements cover (i) more autonomy in the administration of individual schools, (ii) improvements in the building infrastructure and (iii) the introduction of new subject matter through new curricula. At the time of the final evaluation the political situation was described as “stable and comparatively peaceful”. Still, the risks related with the implementation of the Disengagement Plan are considered as substantial.

On the other hand, the overall economic situation was rated by all persons surveyed as having clearly deteriorated in comparison with the situation in the 1990s (before the start of EGP I). It was not possible to accommodate for the loss of employment opportunities of Palestinians in Israel, which were the result of the closure of borders during the second Intifada, through support measures by the international community. The social compensation function of measures such as EGP III is limited and they cannot substitute for a fundamental political solution to the Israeli-Palestinian conflict. What has to be rated positively is that the weak private sector was supported through the construction measures which were awarded to small and medium-sized local firms.

The social benefit is most apparent when looking at the target group in a broader sense, namely pupils and teachers. Altogether around 30,000 children directly benefited from the school

construction measures. Without these measures they would not have obtained a comparable access to primary education. In addition, the programme created long-term employment for 1.100 teachers. Further employment and incomes were created temporarily during the construction of the schools and kindergartens (approximately 160,000 working days).

The temporary employment opportunities in the context of the construction measures only benefited male workers, since in the Palestinian Territories women are not allowed to work in the construction industry for cultural reasons. The newly hired teachers are 50% men and 50% women. Boys and girls have equal access to the schools. Gender discrimination of girls does not exist in schools.

In summary, it can be noted that the employment generation programmes contributed above all to improving the overall access to primary education – and to a lesser extent to secondary education – in the Gaza Strip. Specific and lasting employment effects occurred especially with regard to the new hiring of teachers. Temporary jobs were also created during the construction of buildings. The implementation risks identified at project appraisal (cost increases, delays caused by the Israeli-Palestinian conflict) did not occur. The risk that the ongoing operation of the schools (new hiring of teachers, school materials) might be jeopardized due to budget constraints did equally not materialize. As regards sustainability there is the risk that larger repairs and maintenance works cannot be implemented because such an item does not exist in the budget.

Based on a combined assessment of all impacts and risks described above, we have arrived at the following rating of the developmental effectiveness of the programmes:

#### **Effectiveness:**

The following programme objectives had been defined: (i) temporary creation of jobs in the construction industry in the Gaza Strip (EGP I-III), (ii) compensation for severe bottlenecks in the social and urban infrastructure (EGP I) and in the school infrastructure (EGP II and III). Measured by the target indicators the programme objectives were fully achieved or even exceeded. The share of labour costs in total costs (“labour intensiveness”) of the three programme phases was 34%, including indirect and qualified labour. As regards employment effects, approximately 160,000 working days (or about 530 man-years) were created. We rate the effectiveness of the employment measures in the construction industry as satisfactory. The much more important and lasting (indirect) employment effect of the programmes regards the roughly 1,100 additional long-term jobs for teachers that were created. In addition, the programmes made an important contribution to improving school infrastructure. Overall, taking special account of the indirect employment effects and the positive contribution of the programmes to improving the school infrastructure we rate the achievement of the programme objectives as satisfactory (rating 2).

#### **Relevance/significance**

The overall objectives of the EGP I-III project were to make a contribution to temporarily reducing unemployment and to increasing the educational opportunities of the adolescent population. Under the programme temporary employment effects were achieved to an extent that can be expected in the context of a normal school construction programme in the Palestine Territories. What is more important, however, are the indirect long-term employment effects achieved. In addition, the expansion of the school infrastructure makes a significant contribution to improving the educational opportunities of the adolescent population. On the whole, we classify the project’s achievement of the overall objectives as satisfactory (rating 2).

#### **Efficiency**

Measured by the specific investment costs, the unit costs for the schools and kindergartens were low and the deviations in the implementation of the project were acceptable. Therefore, we judge the production efficiency as satisfactory. We equally rate the allocation efficiency as satisfactory. Even though tuition fees are charged, one can say that children from all social strata have equal access to primary education. Due to the “Zalat system” there is a kind of accommodation between rich and poor in the sense that wealthier people pay the tuition fees for poorer people. Moreover, pupils are not expelled from classes if the tuition fees have not

been paid. The schools were constructed according to transparent and comprehensible criteria and in line with the need established by the Ministry of Education. Overall, we rate the efficiency of the programme as satisfactory (rating: 2).

In consideration of the sub-criteria mentioned above, we rate the developmental effectiveness of the project as satisfactory overall (overall evaluation: rating 2). Contrary to the expectations at the time of the programme appraisal, the high unemployment, which is do to the Israeli-Palestinian conflict (de facto lockout of Palestinian labourers from the Israeli labour market), is still persisting even 10 years after the start of the programme. Programmes to create temporary employment may help to alleviate the negative impacts mentioned above and to bridge critical periods of time but they cannot solve the employment problem as such. From today's point of view the cushioning measures introduced should have been supplemented, and finally replaced entirely, by measures to promote a sustainable and self-sustained economic development (e.g. promotion of small and medium-sized enterprises through the creation of long-term jobs).

### General Conclusions

Donor-financed programme implementation units are only a sub-optimal solution for the implementation of FC projects and programmes. The build-up of the necessary long-term implementation capacities requires project-executing agencies which have their own staff body. This is a more appropriate approach.

When determining the design of employment generation programmes and labour-intensive measures under FC the following aspects should on principle taken into account: During the planning phase it should be checked how the labour intensiveness of the planned measures can be increased, also taking into account efficiency aspects. The target indicators of employment programmes should be clearly defined with regard to including indirect labour and qualified labour (planning, supervision of construction) and should not be limited to direct unskilled and semi-skilled labour. Building contractors, consultants and construction site managers should be familiarized with the existing ILO manuals.

Besides the construction of classroom, school construction programmes should focus more strongly on quality-relevant factors, for instance the equipment of technical rooms and pedagogic questions.

### Legend

<b>Developmentally successful: Ratings 1 to 3</b>	
<b>Rating 1</b>	<b>Very high or high degree of developmental effectiveness</b>
<b>Rating 2</b>	<b>Satisfactory developmental effectiveness</b>
<b>Rating 3</b>	<b>Overall sufficient degree of developmental effectiveness</b>
<b>Developmental failures: Ratings 4 to 6</b>	
<b>Rating 4</b>	<b>Overall slightly insufficient degree of developmental effectiveness</b>
<b>Rating 5</b>	<b>Clearly insufficient degree of developmental effectiveness</b>
<b>Rating 6</b>	<b>The project is a total failure</b>

### Criteria for the Evaluation of Project Success

The evaluation of the "developmental effectiveness" of a project and its classification during the ex-post evaluation into one of the various levels of success described in more detail below concentrate on the following fundamental questions:

- Are the **project objectives** reached to a sufficient degree (aspect of project **effectiveness**)?
- Does the project generate sufficient **significant developmental effects** (project **relevance** and **significance** measured by the achievement of the overall development-policy objective defined

beforehand and its effects in political, institutional, socio-economic and socio-cultural as well as ecological terms)?

- Are the **funds/expenses** that were and are being employed/incurred to reach the objectives **appropriate** and how can the project's microeconomic and macroeconomic impact be measured (aspect of **efficiency** of the project conception)?
- To the extent that undesired **(side) effects** occur, are these tolerable?

We do not treat **sustainability**, a key aspect to consider for project evaluation, as a separate category of evaluation but instead as a cross-cutting element of all four fundamental questions on project success. A project is sustainable if the project-executing agency and/or the target group are able to continue to use the project facilities that have been built for a period of time that is, overall, adequate in economic terms, or to carry on with the project activities on their own and generate positive results after the financial, organisational and/or technical support has come to an end.