

Independent Office  
of Evaluation



**Palestine**

# **Participatory Natural Resource Management Programme**

**PROJECT PERFORMANCE EVALUATION**





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**Project Performance Evaluation**

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Photos of activities supported by the Participatory Natural Resource Management Programme

Front cover: Part of restored landscape in Nablus district, West Bank. Olive trees planted after restoration are visible in the picture.

Back cover: A man showing his strawberry farm financed through PNRMP's credit funding window. A poultry farm financed through PNRMP's credit funding window.

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## **Preface**

*This report presents the findings of the project performance evaluation of the Participatory Natural Resource Management Programme in Palestine, undertaken by the Independent Office of Evaluation of IFAD (IOE). The programme was a natural resource management intervention implemented between 2000 and 2016 in two phases; Phase I was financed through a loan and Phase II through a grant. Throughout its implementation, the programme focused predominantly on land restoration activities, while during the final years it also disbursed credit for on- and off-farm activities.*

*The programme made substantial progress in achieving land restoration targets despite frequent disruptions due to the challenging context. It restored over 10,700 dunums (1,070 hectares) of land, reaching 1,480 households through such activities. In addition, it reached more than 600 households through its credit activities, by financing existing and new enterprises for on- and off-farm activities.*

*In the absence of clear land titles in the West Bank, the programme strengthened the tenure claim of the land restoration beneficiaries by putting the land to productive use. Programme activities also enhanced the target group's resilience to climate change through suitable land and water management techniques. On the other hand, the programme's land-centric approach was only partly valid for poverty reduction and led to an over-emphasis on enhancement of agricultural incomes and productivity. As the impact survey conducted by the programme states, agriculture accounts for between only 20 and 25 per cent of target beneficiary incomes. Substantial increases in agricultural incomes may not, therefore, necessarily lead to substantial income increases at the household level.*

*One of the important achievements of the programme was its work on institutional capacity-building in the Ministry of Agriculture. Phase I of the programme was implemented through the United Nations Development Programme with coordination support from a programme management unit in the Ministry of Agriculture. During Phase II the programme management unit became the land directorate in the Ministry and coordinated all land restoration activities, including those of other donors. This also enabled the programme's land restoration practices to be mainstreamed into other similar programmes.*

*The evaluation recommends that future projects in Palestine focus more on off-farm activities in order to reach poorer and more marginalized sections of the population. This will also enhance the resilience of the target population to future shocks in the Palestinian context.*

*This project performance evaluation was conducted by Prashanth Kotturi, Evaluation Analyst, IOE, under the overall guidance of Fabrizio Felloni, Deputy Director, IOE, with contributions from James Gasana, IOE senior consultant. Chitra Deshpande, Senior Evaluation Officer, IOE, peer reviewed and provided comments on the draft report. Delphine Bureau, former Evaluation Assistant, and Laura Morgia, Administrative Associate to the Deputy Director, IOE, provided administrative support.*

*IOE is grateful to IFAD's Near East, North Africa and Europe Division and the Government of Palestine, in particular the Ministry of Agriculture, for their insightful inputs at various stages of the evaluation process and the support they provided to the mission.*

*I hope the results generated will be of use to help improve IFAD's operations and development activities in Palestine.*



Oscar A. Garcia  
Director  
Independent Office of Evaluation of IFAD



**A farmer showing the fruit and olive trees planted on restored land in Nablus district under PNRMP.**

**@IFAD/James Gasana**





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## **Currency equivalent, weights and measures**

### **Currency equivalent**

Currency unit = New Israeli Shekel (NIS)

US\$1 = NIS 3.514

### **Weights and measures**

1 dunum = 1,000 square metres

## **Abbreviations and acronyms**

AWRAD	Arab World for Research and Development
DEEP	Deprived Families Economic Empowerment Programme
FAO	Food and Agriculture Organization of the United Nations
FGWB	IFAD Fund for Gaza and West Bank
IOE	Independent Office of Evaluation of IFAD
M&E	monitoring and evaluation
MFI	microfinance institution
MoA	Ministry of Agriculture
NEN	Near East, North Africa and Europe Division
NGO	non-governmental organization
PCR	project completion report
PMU	programme management unit
PNRMP	Participatory Natural Resources Management Programme
PPE	project performance evaluation
RELAP	Resilient Land and Resources Management Project
ToC	theory of change
UNDP	United Nations Development Programme
VSC	village selection committee



# Map of the programme area

## Palestine

### Participatory Natural Resource Management Programme (PNRMP)

Project performance evaluation



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.  
 Map compiled by IFAD | 20-09-2017

## Executive summary

1. **Background.** The Independent Office of Evaluation of IFAD (IOE) undertook a project performance evaluation (PPE) of the Participatory Natural Resource Management Programme (PNRMP) in Palestine. The main objectives of the evaluation were to: (i) assess the results of the programme; (ii) generate findings and recommendations for the design and implementation of future operations in Palestine; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
2. In addition to the desk review, the methods used to conduct the evaluation consisted of individual and group interviews with programme stakeholders, beneficiaries, former programme staff, and local and national government authorities, as well as direct observations in the field. The evaluation team visited the four target districts of the programme. Where applicable, the PPE also made use of additional data available through the programme's monitoring and evaluation (M&E) system and impact surveys. Triangulation was applied to verify findings emerging from different information sources.
3. **The programme.** PNRMP was a natural resource management programme with an overarching focus on land rehabilitation and reclamation. Its overall objective was to "increase the incomes and living standards of small farmers in areas where there are few alternative income-generating possibilities by developing and managing the land and water resources to conserve and enhance their productivity". The programme was implemented through a programme management unit (PMU) in the Ministry of Agriculture (MoA). The programme had three components: (i) land development; (ii) credit; and (iii) programme management. The focus throughout the implementation of the programme remained on the implementation of component 1, while component 2, on credit, was implemented only in the final two years of PNRMP.

### Main findings

4. **Relevance.** The programme's objectives were in line with the broader Government policies and strategies. It was especially in line with the land focus in the National Agriculture Sector Strategies of 2011-2013 and 2014-2016. The programme had an implicit yet mainstreamed institution-building outcome at the ministry level wherein the PMU of the Ministry developed detailed procedures and processes for land restoration activities and ultimately led to the formation of a dedicated land directorate in MoA. The programme's land restoration operations were highly standardized and driven by the technical operations manual which was characteristic of an 'engineering' project. On the one hand, this approach enhanced resilience of project management in a conflict-ridden environment. On the other hand, it took away focus from off-farm activities, where better potential exists for income enhancement. In addition, it had implications for targeting efforts wherein potential beneficiaries with little or no access to land (women, youth, marginal landholders and landless) could not be sufficiently included in the programme's activities. The land focus also resulted in scant focus on community-based organizations and mobilization of social capital.
5. **Effectiveness.** The programme made significant strides in achieving outputs towards land restoration, in spite of the frequent disruptions experienced in Palestine during implementation. However, the emphasis on building resilience of the target populations through diversified and sustainable livelihoods options, of importance in a fragile environment such as Palestine, was insufficiently emphasized in the evolving design. The programme's interventions in enabling increased access to markets (input and output) and finance lacked a comprehensive approach and worked in a disjointed manner from the rest of the programme itself. Instead, the programme's interventions in capacity-building of

MoA were successful and fit the implementation and policy mandate of the programme.

6. **Efficiency.** The programme's efficiency was affected by a host of factors within and outside the programme's control. Programme management costs were reasonable (5 per cent of total costs) for the long implementation cycle of the programme and the PMU was fully integrated into MoA. In phase II, land reclamation costs were high, at nearly US\$1,930/dunum while land rehabilitation costs were about US\$857/dunum. As a result, the internal rate of return of PNRMP was 8 per cent, below the 12 per cent minimum standard reference in IFAD projects.
7. **Rural poverty impact.** The programme interventions led to increases in the income levels of targeted beneficiaries, though such increases were marginal for land restoration beneficiaries. This is a reflection of the exclusive focus on land development activities within a multidimensional rural livelihood system where agriculture represents a small share of household incomes (20 per cent of household income as at the end of the programme).
8. Credit activities were a suitable way to enhance off-farm incomes to the limited extent to which the credit component was able to function. PNRMP's focus on land as the point of entry and its implementation structure meant that grass-roots/community organizations and institutions were largely outside the programme's scope. To that end, the interventions had a marginal role in promoting human empowerment and mobilizing social capital for land restoration activities. In addition, there was insufficient inclusion of traditionally marginalized sections of the population, such as women and youth.
9. On the other hand, the programme strengthened access to land through roads built and rehabilitated, tenure claims, and access to water. The PNRMP also made significant achievements in institution building with the land directorate of MoA. The PMU of PNRMP went on to become the land directorate in MoA after Phase I and was thus fully embedded into the Government structure. This also had positive implications for scaling up of PNRMP's practices, to be covered later in this document.
10. **Sustainability.** PNRMP's experiences and operations have been mainstreamed into wider policy as well as into other projects implemented by the Government. The Government's ownership of the programme logic as well the programme itself was high. The programme's mechanisms for setting beneficiary eligibility, in terms of co-contribution (for land) and collateral ensured sufficient buy-in from the beneficiaries. Collective community resources and capacities were not tapped to monitor, implement, maintain and expand the programme's initiatives. At the household level, increases in incomes from credit and land restoration beneficiaries ensured the viability of the respective economic activities.
11. **Innovation.** The involvement of non-governmental organizations (NGOs) in the implementation of development projects, albeit directly funded by donors, was not a new phenomenon in Palestine. However, the programme's exhaustive operational manual laid out standard operating practices for engagement of the Government with NGOs to implement PNRMP's land restoration activities, which was new at the time of implementation.
12. **Scaling up.** Experiences in land restoration and management were internalized by MoA. The National Agricultural Sector Strategy (2014-2016) streamlined these experiences and contemplated the reclamation of 75,000 dunums and the rehabilitation of 10,000 dunums of rangelands. Other donors such as the Islamic Development Bank, the European Union, the Food and Agriculture Organization of the United Nations, Italy, Netherlands, and Spain are also financing interventions in

land restoration, and PNRMP's procedures and standards have been mainstreamed into such interventions.

13. **Gender equality and women's empowerment.** The programme design did not have an explicit gender approach. Implementation was gender-neutral, engaging men and women by the numbers and roles in which they exist in the agricultural context of targeted communities. This is especially true of land-centric interventions where ownership, rewards and responsibilities are distributed in favour of men. As regards the credit component, while women were the formal borrowers, the male members of the family were the actual users of the loans.
14. **Environment and natural resource management.** Important biophysical changes are taking place, primarily through terracing that controls soil erosion, and cisterns for water harvesting used for fruit trees and crop irrigation. Over 10,000 dunums of land has been restored. The programme did not apply a landscape approach<sup>1</sup> to optimize landscape multi-functionality (such as integrated fruit tree-crop production, agriculture production, rural livelihoods, water harvesting and other agro-ecosystem functions, or a choice of terracing techniques).
15. **Adaptation to climate change.** Programme interventions supported provision of fruit tree seedlings to farmers and their intensification on reclaimed/rehabilitated land for promotion of diverse income sources. The soil and water conservation practices introduced by PNRMP had positive implications on how farmers managed water and land to improve ecological flows. The programme has addressed a key constraint of access to water for the farmers by improving the integration of water harvesting and land management.

### Recommendations

16. **Recommendation 1.** Future programmes should better integrate elements for the 'enhancement of resilience' of target beneficiaries' and communities' livelihoods into programme objectives. This will include supporting rural people to construct their livelihoods using two main strategies: agricultural intensification and livelihood diversification.<sup>2</sup> Within the rubric of agriculture intensification, this may involve interventions facilitating access to input and output markets where target groups beyond landowners will be able to participate and benefit. Complementary activities such as off-farm livestock production and value addition to agricultural production should also be considered to make programme interventions more inclusive beyond landholders.
17. **Recommendation 2.** Targeting mechanisms will have to incorporate a diverse range of modalities to enable participation of marginalized and poorer sections of the communities such as women, youth and marginal landholders. This will require tailored targeting strategies, including on- and off-farm activities.
18. **Recommendation 3.** Communities and their institutions should serve as the entry point for interventions. This will help achieve more inclusive targeting and wider outreach of programme interventions through on- and off-farm activities by reducing transaction costs and mobilizing community capital. Community and collective institutions can also serve as mechanisms for facilitating increased access to markets and as an interface with other complementary donor-funded activities.

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<sup>1</sup> Landscape approaches attempt to enhance sustainability and multi-functionality within the landscape while achieving multiple outcomes with multiple stakeholders over long periods of time.

<sup>2</sup> Livelihood diversification refers to attempts by rural households to find new or additional ways to generate incomes or to insulate themselves from environmental and economic shocks and seasonality. It includes both on- and off-farm activities which are undertaken to get income that is additional to that from the main household agricultural activities. This may be, for example, from marketing agricultural produce, sale of waged labour, self-employment in value addition activities at farm level, or diversification of production (e.g. crop and livestock) to spread risks.



This will be especially important in light of the currently limited IFAD funding for projects in Palestine.<sup>3</sup>

19. **Recommendation 4.** Wherever possible, land restoration activities should be undertaken using the landscape approach, which would imply looking at restoring landscapes and not just individual farms, so as to maximize the functionality and production potential of restored land.

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<sup>3</sup> Palestine is not a Member State of IFAD, at the time of writing this report. Hence, a performance-based allocation system allocation is not available and financing for the Resilient Land and Resource Management Project is through reflows from the credit component of PNRMP and transfer of the supplementary funds fee reserve to the Fund for Gaza and West Bank, as approved by the Executive Board in December 2016.

## IFAD Management's response<sup>4</sup>

1. Management appreciates the efforts of the Independent Office of Evaluation of IFAD (IOE) in preparing the project performance evaluation (PPE) of the Participatory Natural Resource Management Programme (PNRMP).
2. Management would like to highlight that PNRMP – whose implementation started 17 years ago – was implemented under conditions of extreme fragility and complexity, with disruptions and institutional and political constraints throughout the programme's life. Despite these challenges, PNRMP made significant contributions towards land restoration and institutional development. Furthermore, the programme has influenced the policy framework: its approach and achievements have been integrated in the Agriculture Sector Strategies, scaled up by other donors in Palestine, and have contributed to building institutions in the post-Oslo framework (all recognized by the PPE in the sections on relevance and effectiveness). This experience highlights the significant role that IFAD-funded operations can play in fragile situations, and the need to develop and pilot differentiated approaches as well as further exploring opportunities for working with other development partners in such situations.
3. With regard to the evaluation, Management appreciates the analyses and recommendations developed by IOE, some of which were already considered in the PNRMP completion report (PCR, March 2016) and have been already been taken into account in the design of the new IFAD-financed project in Palestine (the Resilient Land and Resources Management Project - RELAP). While Management recognizes the need for some improvements, Management would like to highlight that the programme achieved clear increased incomes<sup>5</sup> over a period that corresponded with massive declines in both food and agricultural production per capita,<sup>6</sup> given the fragility and challenges in the region. Moving ahead, Management would appreciate IOE's further consideration of the differentiated contexts and have this reflected more robustly in evaluations of such projects/programmes.
4. Management has noted that the absence of a baseline survey hampers effective post-project evaluation. While the baseline survey was not mandatory in 1998 when the programme was designed (and in fact not part of the regular menu of good practices employed by country teams at that time), Management will ensure that key baseline data required to assess impact is available for future projects/programmes.
5. With regard to gender and despite noticeable efforts from the Programme Management Team and the Ministry of Agriculture, Management has noted the relatively lower achievements of the programme. This has been duly noted and will be specifically addressed in the RELAP design, with gender strategies, targets and customized approaches (including support to women- and youth-owned enterprises and female-headed households).
6. Management has noted the recommendations, and would like to reconfirm that many of the suggested approaches have already been integrated in the RELAP

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<sup>4</sup> The Programme Management Department sent the final Management's response to IOE on 21 November 2017.

<sup>5</sup> The PNRMP impact assessment noted: (1) a clear increase in the production and sales of crops on land developed, and consequently increased incomes (incomes under the land development component increased between 12 per cent and 19 per cent, and asset increases were recorded for over 60 per cent of beneficiaries); and (2) an increase in the value of land developed (by 60 per cent for land served by constructed roads, 61 per cent for land rehabilitated, and 71 per cent for land reclaimed). Similarly, for credit clients, net monthly incomes of enterprises supported by credit rose from about US\$601/month to about US\$888/month.

<sup>6</sup> The project completion report, the economic and financial analysis and the PPE in its sections on rural poverty impact all concluded increases in income for beneficiaries of land reclamation and land rehabilitation. Over the broadly corresponding period (1997-2012), both food production and agricultural production per capita declined by about 28 per cent (PCR, FAO Statistical Database). This huge discrepancy between the achievements and the context was not adequately reflected in the PPE.

design. However, it should be noted that RELAP also has significant new features related to climate resilience (a much stronger focus than envisaged at PNRMP completion); this is in response to specific requests from the Ministries of Agriculture and Environment.

7. Management's responses to the recommendations are below:

- (a) **Recommendation 1.** Future programmes should better integrate elements for 'enhancement of resilience' of beneficiaries' and communities' livelihoods into programme objectives. This will encompass supporting rural people to construct their livelihoods through two main strategies: agricultural intensification and livelihood diversification.

**Agreed:** The design of the RELAP project already has non-farm and micro-enterprise related activities that will support livelihood diversification and enhanced resilience.

- (b) **Recommendation 2.** Targeting mechanisms will have to incorporate a diverse range of modalities to enable participation of marginalized and poorer sections of the communities such as women, youth and marginal landholders.

**Agreed:** Differential targeting strategies have already been developed in the new design through different models of land development, reducing overall costs and beneficiary contributions to models and through investment grant support to micro-enterprises.

- (c) **Recommendation 3.** Communities and their institutions should serve as the entry point for interventions. This will help achieve more inclusive targeting and wider outreach of programme interventions through on- and off-farm activities by reducing transaction costs and mobilizing community capital.

**Agreed.** Natural resource, and water, rangeland and landscape management will be undertaken with community-wide approaches. However, some cost-intensive land development activities can only be undertaken on individual plots (however and when possible, the approaches will be modified with contiguous plots and new community selection methods).

- (d) **Recommendation 4.** Wherever possible, land restoration activities should be undertaken using a landscape approach, which would imply looking at restoring landscapes and not just individual farms, so as to maximize the functionality and production potential of restored land.

**Agreed.** Management agrees with the responses under recommendation 4. This will be undertaken in the land development activities as mentioned above.

**Abdel Awawdi shows awassi sheep he purchased using the credit funds from PNRMP in Deir Dibwan, Ramallah.**

**©IFAD/James Gasana**





# Palestine

## Participatory Natural Resources Management Programme Project Performance Evaluation

### I. Evaluation objectives, methodology and process

1. **Background.** Project performance evaluations (PPEs), involving country visits, are undertaken on select projects for which project completion report validations (PCRVs) have been conducted. The Participatory Natural Resources Management Programme (PNRMP) was selected for a PPEs as it is the first evaluation to be conducted in Palestine and holds the potential for providing lessons in implementing projects in fragile contexts. The PPE's lessons will also potentially feed into future IFAD operations in Palestine.
2. **Objectives.** The main objectives of PPEs are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
3. **Scope.** The PPE took into account the preliminary findings from the desk review of the project completion report (PCR) and other key programme documents and interviews at IFAD headquarters. During the PPE mission, additional evidence and data was collected to verify available information and reach an independent assessment of performance and results.
4. **Methodology and process.** The PPE assessed the programme performance based on the evaluation criteria set out in the second edition of IOE's Evaluation Manual,<sup>1</sup> as mentioned in the approach paper and annex II of this report. In line with the practice adopted in many other international financial institutions, IOE has used a six-point rating system where 6 is the highest score (highly satisfactory) and 1 is the lowest score (highly unsatisfactory).
5. In addition to the desk review, the methods deployed consisted of individual and group interviews with programme stakeholders: beneficiaries, former programme staff, local and national government authorities, and direct observations by the evaluation team on site. The PPE also made use of additional data available through the programme's monitoring and evaluation (M&E) system and impact surveys where applicable. The impact survey conducted in 2015 served as an important source of primary data. Triangulation was applied to verify findings emerging from different information sources.
6. **Data availability and limitations.** PPEs do not collect their own quantitative data. Instead, PPEs review the project/programme's own M&E system and conduct spot checks in the field. However, the programme's M&E system was found to be weak, e.g. lacking in outcome level data for many indicators such as productivity figures of restored land. Also, the impact survey lacked information regarding the units of measurement of various indicators and of the relevant baseline year against which impact indicators were measured. In addition, the impact survey did not establish attribution or contribution, and the difference between test and control groups, where noted, did not elaborate on the statistical significance between them. Most M&E data in the programme documents was at the output level. The PPE has attempted to get around this constraint by reconstructing the theory of change (ToC) of the programme and rigorously testing the causal chains, impact drivers and assumptions which are needed to move along the impact pathways – from outputs to intermediate outcomes to impact. An additional barrier has been the

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<sup>1</sup> Second edition of the IOE Evaluation Manual: <https://www.ifad.org/documents/10180/bfec198c-62fd-46ff-abae-285d0e0709d6>.

mainstreaming of the precarious security situation into the analysis of the PPE, which makes it difficult to assess the programme's achievements solely on the basis of outputs, outcomes and impacts. The PPE has taken into account the approaches used by the programme and the fulfilment of the impact drivers, within the control of the programme, when assessing the programme.

## II. The programme

### A. Programme context

7. Palestine has an estimated population of 4.8 million (2016), with 1.9 million in Gaza and 2.9 million in the West Bank.<sup>2</sup> Palestine is a lower-middle-income country with a per capita GDP of US\$2,943 (2016)<sup>3</sup> and a poverty rate of 25.8 per cent in 2011 (17.8 per cent in the West Bank).<sup>4</sup> However, national poverty lines differ and, at the time of writing, for a family of five consisting of three children, was NIS 2,237 (US\$637)<sup>5</sup> per month.<sup>6</sup>
8. Due to the West Bank's dependence on Israel for trade and employment (31 per cent of West Bank labour force in 1992) from 1967 to 1993, the closure of the borders in 1993 had a major impact, resulting in an unstable economic situation.<sup>7,8</sup> The Palestinian economy is considered to be extremely volatile, with GDP growth decreasing from 25.9 per cent in 1998 to -9.9 per cent in 2000.<sup>9</sup>
9. The political situation in Palestine and the West Bank is universally recognized as one of the most complex and volatile political and institutional contexts globally. Palestine has been affected by extended periods of political and economic turmoil. Negotiations between Palestinian and Israeli authorities started in the aftermath of the first Intifada (1987-1991). Intifada refers to the massive Palestinian protests in the context of the Israeli-Palestinian conflict and two of them have taken place to date. The peace process began with negotiations resulting in the signing of a series of accords known as the Oslo Accords, starting in 1993. However, the reconciliation process broke down in 2000 leading to the second Intifada (2000-2005), which affected the implementation of PNRMP. A conflict broke out between Hamas and Fatah, factions of the Palestinian National Authority in the aftermath of the elections of the second Palestinian Legislative Council in 2006. The conflict led to a financial crisis in the Palestinian Government which was then prompted to request IFAD to turn the PNRMP loan into a grant.
10. Under the framework of the Oslo Accords (signed in 1993), the Palestinian Authority was designated to have exclusive control over both security-related and civilian issues in Palestinian urban areas (referred to as "Area A") and only civilian control over Palestinian rural areas ("Area B"). The remainder of the territories (referred to as "Area C") including Israeli settlements, the Jordan Valley region and bypass roads between Palestinian communities, were to remain under Israeli control. The area under Area C has been expanding steadily since the Oslo Accords and now covers 63 per cent of the West Bank.<sup>10</sup>
11. The agricultural sector, including plant and animal production, forestry, and rangelands, plays an important role in the Palestinian economy and food security situation, providing employment for more than 39 per cent of the people working in informal sectors. Agriculture's share of GDP has fallen steadily in the last decades from 18.8 per cent in 1987 to 5.6 per cent in 2009-2011.<sup>11</sup> The sector is dominated

<sup>2</sup> Palestinian Central Bureau of Statistics (2014) 'Population'.

[http://www.pcbs.gov.ps/site/lang\\_\\_en/881/default.aspx#Population](http://www.pcbs.gov.ps/site/lang__en/881/default.aspx#Population).

<sup>3</sup> World Bank (2016) 'West Bank and Gaza GDP per capita (current US\$)'

<http://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=PS>.

<sup>4</sup> Palestinian Central Bureau of Statistics (2014) 'Household Budget',

[http://www.pcbs.gov.ps/site/lang\\_\\_en/881/default.aspx#Population](http://www.pcbs.gov.ps/site/lang__en/881/default.aspx#Population).

<sup>5</sup> UN exchange rate US\$ - NIS July 2017.

<sup>6</sup> Figures provided by Ministry of Agriculture.

<sup>7</sup> AWRAD (2015). Participatory Natural Resources Management Programme Impact Survey. Arab World for Research & Development (AWRAD).

<sup>8</sup> World Bank. (2017a). *Where we work: West Bank and Gaza - Overview*. Retrieved 26 May 2017 from <http://www.worldbank.org/en/country/westbankandgaza/overview#1>.

<sup>9</sup> World Bank (2017b). *West Bank and Gaza*. Retrieved 26 May 2017 from <http://data.worldbank.org/country/west-bank-and-gaza>.

<sup>10</sup> IFAD (2016) PNRMP project completion report.

<sup>11</sup> Besieged Palestinian Agriculture, UNCTAD: [http://unctad.org/en/PublicationsLibrary/gdsapp2015d1\\_en.pdf](http://unctad.org/en/PublicationsLibrary/gdsapp2015d1_en.pdf)

by a large number of fragmented, small-scale farming units that are owned by families whose livelihoods depend upon cultivating their lands.<sup>12,13</sup> In addition, the Palestinian agricultural sector is characterized by a highly uncertain tenure situation, with ownership titles unclear in many cases.<sup>14</sup> Most rural families combine agriculture with other forms of income generation. A critical challenge coming out of the Oslo Accords was the restricted access to groundwater for Palestinian farmers, with about 82 per cent of the groundwater inaccessible for use.<sup>15</sup>

## **B. Project implementation**

12. **Programme area.** The programme area comprises four districts in the West Bank, namely Ramallah, Jenin, Nablus and Tulkarm. At the time of programme design (1997), poverty rates were found to be lower in the West Bank (17.1 per cent) as compared to Gaza (25.3 per cent). In terms of district-wise distribution of poverty figures, Jenin (30.2 per cent) had a higher rate of poverty compared to Nablus (12.8 per cent), Tulkarm (16.3 per cent) and Ramallah (9.9 per cent).
13. **Programme objectives and outcomes.** The objectives of the programme were to increase the incomes and living standards of small farmers in areas where there are few alternative income-generating possibilities by developing and managing the land and water resources to conserve and enhance their productivity.<sup>16</sup> The objective was to be achieved through achievement of two stated outcomes, namely:  
(a) smallholders use knowledge and improved services to convert unused land to productive land; and  
(b) on-farm and off-farm investments through microfinance institution (MFI) credit are enhanced.
14. **Target group and targeting approach.** The programme appraisal report envisaged targeting at two levels. In selecting villages it envisaged an inter-agency village selection committee (VSC) to undertake the official selection of villages to enter the programme. This selection was undertaken based on the ranking of criteria such as the presence of, *inter alia*, infrastructure, social services, and sources of income.<sup>17</sup> It was to meet annually to consider the recommended shortlist of villages prepared by the programme management unit (PMU), on behalf of the Ministry of Agriculture (MoA). The VSC was to include the programme director, a representative of the Ministry of Local Government, senior representatives of participating non-governmental organizations (NGOs), and a representative of district administration in which the villages are located.
15. Targeting at the household level differed between the intended and actual targeting undertaken. This is especially reflected in the difference between the targeting specified in the grant agreement and that in the operations manual. The estimated size of the target group is not provided in the design report. The PCR estimates that the programme had 36,000 direct beneficiaries.

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<sup>12</sup> FAO. (2011). Palestinian Womens' Associations and Agricultural Value Chains.

<sup>13</sup> AWRAD. (2015). Participatory Natural Resources Management Programme (PNRMP) Impact Survey. Arab World for Research & Development (AWRAD).

<sup>14</sup> Food Security and Land Governance factsheet: <http://www.landgovernance.org/assets/2014/09/Palestinian-Territories-Factsheet-20121.pdf>

<sup>15</sup> Near East, North Africa and Europe Division of IFAD (2016). Participatory Natural Resource Management Programme PCR. Rome.

<sup>16</sup> Appraisal report.

<sup>17</sup> Appraisal report, volume III, Programme Implementation Manual.



Table 1  
**Targeting criteria in grant agreement and the operations manual**

Criteria	<i>Farmers selection criteria according to grant agreement</i>	<i>Farmers selection criteria according to operations manual<sup>18</sup> - Phase I</i>	<i>Farmers selection criteria – Phase II</i>
Income per capita	US\$680 (annual)	US\$1500 (monthly)	National poverty line + 50 per cent
Minimum number of dependents on a single wage earner	5	3	Not specified
Size of farm	Less than 20 dunums in low-rainfall areas, and less than 10 dunums in high-rainfall areas	Not specified	Less than 20 dunums in low-rainfall areas, and less than 10 dunums in high-rainfall areas
Family size	family of six or more	Not specified	Not specified

Source: Phase II Assessment Report and MoA communication elaborating comments on the draft PPE report, 8 October 2017.

16. **Programme components.** The programme initially started with four components at design and was amended later on to three components, as follows:
- (i) **Land development:** (i) construction of rural access roads; (ii) rehabilitation and/or construction of rain water collection cisterns; (iii) rehabilitation of small natural springs for providing supplementary irrigation and drinking water for livestock; (iv) establishment of fencing to provide protection against wild animals; (v) removal of rocks from unused areas so as to bring the said areas into productive use; (vi) rehabilitation or construction of terraces for land currently under production; (vii) plantation of seedlings; and (viii) establishment of home gardens.
  - (ii) **Credit:** (i) provision of credit to on- and off-farm rural entrepreneurs for income-generating activities, including short term loans (9-12 months, up to US\$10,000), medium term loans (12-24 months, up to US\$15,000) and long-term loans (24-36 months, up to US\$20,000) to enhance access to working capital, and to establish and strengthen enterprises; (ii) training and professional assistance (capacity-building) to the microfinance institutions on the subjects of financing of rural micro, small and medium enterprises (MSMEs), and (iii) capacity-building for the PMU, MoA and Ministry of Finance staff involved in the implementation of the component.
  - (iii) **Programme management and institution building:** (i) establishment of a PMU in MoA and the provision to the PMU of office equipment, vehicles, furniture, technical assistance, incremental operating costs for vehicles and office operations and maintenance, as well as training of MoA staff.
17. The ToC of PNRMP is presented in detail in annex VI and contains three pathways from programme components to the overall goal. Pathway 1 is determined by intermediate state "Community structures and institutions plan and implement inclusive livelihood options". This pathway rests on outcome 1, "Smallholders use knowledge and improved services to convert unused land to productive land" which is aimed at converting unused land to productive land through land reclamation and rehabilitation. Pathway 2, determined by intermediate state "Smallholders have access to inclusive rural financial services and to markets". This pathway rests on outcome 2, "On-farm and off-farm investments through MFI credit are enhanced". Pathway 3, determined by intermediate "MoA's capacity to enhance land development is strengthened". Capacity-building of MoA remained an implicit objective of PNRMP.

<sup>18</sup> The operations manual was first produced in 2004 and revised subsequently during project implementation.

18. **Project financing and timeframe.** The programme was financed through a loan of US\$7.8 million from the IFAD Fund for Gaza and West Bank (FGWB), a supplementary window, on a highly concessional basis, approved in 1998. Given the institutional and political volatility with the second Intifada, only about four years of activities were undertaken (some activities over 2000-2001, and 2005, 2006 and 2007). The loan was prematurely closed in June 2009 due to impending political and financial crisis arising out of second Intifada and the following political turmoil. The undisbursed amount of US\$4.98 million in FGWB was approved as a grant in December 2008, while the undisbursed amount of US\$2.99 million of a previous project, Relief and Development Programme, was reassigned to FGWB and channelled to PNRMP as a grant in 2012.
19. In programme documents, the part of the programme implemented through loan funding is referred to as Phase I while that implemented through the grant is referred to as Phase II. Irrespective of the phase, the nature of activities financed by the programme remained the same, with the exception that a credit component was not implemented in the first phase.
20. At the time of the loan/grant closing, the disbursement rate was 100 per cent (cumulative about SDR 7.325 million) for the loan account and both the grant accounts.<sup>19</sup>

Table 2

**Allocated financing - Phase II (millions of US\$)**

Component	IFAD		UNDP		MFIs		Beneficiaries		Government		Total	
	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent
Land Development	4.859		0		0		1.387		0.414		6.66	47.9%
Credit	2.5		3.33		0.88		0		0.0019		6.71	48.3%
Programme Management	0.456		0		0		0		0.044		0.5	3.6%
<b>TOTAL</b>	<b>7.81</b>	<b>56%</b>	<b>3.3</b>	<b>24%</b>	<b>0.88</b>	<b>6.3%</b>	<b>1.387</b>	<b>10%</b>	<b>0.478</b>	<b>3.3%</b>	<b>13.902</b>	<b>100%</b>

Table 3

**Actual financing by component - Phase II (millions of US\$)**

Component	IFAD		UNDP		MFIs		Beneficiaries		Government		Total	
	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent
Land Development	4.839		0		0		2.017		0.947		7.8	54.6%
Credit	1.852		3.095		0.757		0		0.002		5.72	39.9%
Programme Management	0.312		0		0		0		0.448		0.761	5.3%
<b>TOTAL</b>	<b>7.003</b>	<b>49%</b>	<b>3.095</b>	<b>21.7%</b>	<b>0.757</b>	<b>5.3%</b>	<b>2.017</b>	<b>14.2%</b>	<b>1.417</b>	<b>9.9%</b>	<b>14.292</b>	<b>100%</b>

Source: Project completion report

The difference in approved and disbursed total (in US\$) could be attributed to the SDR/US\$ exchange rate fluctuation over the period since approval of the programme. The programme costs for the phase I by financier remain unavailable.

21. **Implementation arrangements.** As per the design, the Ministry of Finance was designated as the executing agency, on behalf of the Palestinian Authority, responsible for the receipt, disbursement (to the implementing agency) and accounting of external loan funds received. MoA was the main programme implementing agency, responsible for ensuring that all aspects of implementation relating to land development are carried out in accordance with the agreed

<sup>19</sup> Flexcube, 4 April 2017.

programme plan. In Phase I, given the nascent institutional capacities and the disruptions caused by the Intifada and subsequent fiscal crisis (with the actual events spread over the entire 2000s), the responsibility for implementation was transferred entirely to UNDP-PAPP (United Nations Development Programme - Programme for Assistance of Palestinian People). UNDP implemented the programme through local NGOs. This was reflected in an agreement between MoA and UNDP.

22. For PNRMP Phase II (agreement signed in 2009, actual activities implemented from 2011), the institutional capacities of MoA were deemed adequate. MoA was designated as the main implementing agency. As stated, after the midterm review, UNDP under the Deprived Families Economic Empowerment Programme (DEEP) implemented the credit component, under the supervision and oversight of MoA. A programme steering committee was also constituted for oversight of the entire programme, to review procurement and progress, and ensure compliance with the legal covenants of the financing agreement. The implementing partners for the land development component were six local NGOs selected competitively, and three microfinance institutions for the implementation of the credit component.
23. **Supervision arrangements.** Most of the implementation of PNRMP Phase I took place before IFAD updated its operating model to direct supervision and implementation support (also the country context implied that travel was not possible for large periods of programme implementation). In this period, MoA and NGOs were appointed for implementation and supervision of the programme. Over the life of PNRMP II, IFAD fielded nine supervision missions in addition to a country portfolio assessment mission (2008), a midterm review (2012) and the completion mission. Often there was more than one supervision mission of the programme per year. Additionally, UNDP/DEEP supervised the credit component of PNRMP Phase II.
24. **Partnerships.** The programme had MoA in the coordination and implementation role through Phases I and II. During Phase I, UNDP provided implementation support to MoA, especially through its role in coordinating the implementing NGOs. PNRMP worked through six NGOs which implemented the land restoration activities through local contractors. The credit component was implemented through three microfinance institutions which accessed the programme funds and lent it onwards.
25. **Review of outputs.** The evaluation findings on programme output achievements are summarized in tables 4 and 5 and analyzed below under the headings of land reclamation and improvement, and inclusive rural finance services.
26. **Land reclamation and improvement.** The total land area improved in Phase I was 4,889.7 dunums, broken down as follows: 3,817.8 dunums reclaimed, 1,035 rehabilitated, and 36.9 dunums of home gardens. As for Phase II, the total land area improved was 5,816.2 dunums: 2,076.3 dunums reclaimed, 3,728.2 rehabilitated and 11.7 dunums of home gardens. No targets had been fixed for Phase I; for Phase II the achievements were 131 per cent of land improvement targets.

Table 4  
**Programme achievement rates in land reclamation and improvement**

Description	Targets (*)		Results as of		per cent achieved (*)
	Phase II	31.12.08 (Phase I)	31.1.16 (Phase II)	Phase II	
<b>Beneficiaries</b>					
Number of beneficiary HHs of land development	710	632	838	118	
Number of beneficiary of rural roads	670	382	650	97	
Total beneficiary HHs for land, roads, gardens	1,380	1,014	1,488	108	
Of which female-headed HHs	200	97	159	80	
Number of beneficiary of training	600	42	657	110	
Of which female	Not planned	N/A	90		
<b>Land improvement</b>					
Land improved (dunums)	4,450	4,889.7	5,816.209	131	
Land reclaimed (dunums)	1,750	3,817.8	2,076.34	119	
Land rehabilitated (dunums)	2,700	1,035	3,728.169	138	
Home gardens	Not planned	36.9	11.7		
Water cisterns (m <sup>3</sup> )	31,400	25,957	33,680.3	107	
Water cisterns constructed (number)	Not planned		584		
Retaining walls built (m <sup>2</sup> )	197,000	218,425	173,881	88	
Sites fenced (m)	118,000	22,550	101,722	86	
Seedlings planted	109,000	99,843	98,190	90	
Rural roads constructed (km)	27	17.38	29.8	110	

Source: Project completion report

(\*) No planned targets for Phase I

27. Part of the land improvement activities were the construction of water cisterns for crop irrigation needs. At the end of Phase I, the cisterns built by the programme provided water storage capacity of 25,957 m<sup>3</sup>. With an additional 584 cisterns built in Phase II, this capacity reached 59,673 m<sup>3</sup>. Over the two phases, the programme also distributed 198,033 olive and other fruit tree seedlings and herb seedlings to its beneficiaries, and constructed 47.2 km of rural roads.



Table 5  
**Programme achievement rates in credit component (Phase II)**

Description	Targets (*)		Results as of		per cent achieved (*)	
	Phase I	Phase II	31.12.08 (Phase I)	31.1.16 (Phase II)	Phase I	Phase II
<b>Crop production</b>						
Number of beneficiary HHS	452		453		100	
Of which female-headed HHS	30		22		73	
Land benefitted (dunums)	6,747		6,500		96	
<b>Credit component</b>						
Number of loans provided (all types)		602		704		117
Total loans delivered (US\$)		6,114,900		5,345,589		87
Number of beneficiaries		602		717		119
Of which men-headed HHS		Not planned		475		
Number of groups		Not planned		23		
Women-headed HHS		Not planned		219		
Portfolio at risk (% at 60 days)		5%				

Source: Project completion report

28. **Inclusive rural financial services.** The results achieved by the programme under the credit component are summarized in table 5. Credit activities started in 2014. At programme completion, the total number of loans provided by MFIs was 704, 113 per cent of the Phase II target. The total number of beneficiaries is 717, of which 219 are women-headed households, and 23 are groups. The total amount of credit delivered was US\$5,345,589, 87 per cent of the target. The majority of loans (91 per cent) were given in 2015, with funds received in the same year. The majority of borrowers' projects focused on livestock (66 per cent), followed by agriculture (26 per cent), and trade (8 per cent).
29. The land component remained the main focus of the programme's activities and the programme adopted a largely land-centric approach to income enhancement, as will be elaborated later in the report. The credit component was implemented in the final two years of the programme, i.e. 2014 and 2015, and was not implemented in conjunction with the land restoration activities.

#### Key points

- PNRMP targeted the four districts of Ramallah, Jenin, Nablus and Tulkarm
- PNRMP was implemented in a highly fragile context with frequent disruptions during the implementation period.
- The programme financing terms were changed from that of a highly concessional loan to a grant upon the Government's request. The part of the programme implemented through a loan is classified as Phase I and that implemented through the grant is Phase II.
- The programme had two main components: land restoration and credit activities.

### III. Main evaluation findings

#### A. Project performance and rural poverty impact

##### Relevance

30. Relevance is the extent to which the objectives of a development intervention are relevant to the national policies and strategies, and are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of programme design and coherence in achieving its objectives. This is done through the review of the explicit and implicit elements of the programme's logic model (or theory of change), as shown in annex VI, and tests the alignment of programme objectives with the planned activities and outcomes.
31. PNRMP's development objectives were defined in the appraisal report as "to increase the incomes and living standards of small farmers in areas where there are few alternative income-generating possibilities by developing and managing the land and water resources to conserve and enhance their productivity". Within this broad objective, the programme aimed specifically at achieving two outcomes:
  - (i) Smallholders use knowledge and improved services to convert unused land into productive land, and
  - (ii) On-farm and off-farm investments through MFI credit are enhanced.
32. **Relevance of the objectives to national policies and strategies.** The above objectives were relevant to the challenging political context of the West Bank, in particular to the context of geographical fragmentation and restrictions maintained by Israel on the movement of Palestinian farmers, services and agricultural trade. In this context, in its traditional economic role, agriculture has a unique significance to the Palestinian people and their identity. In this regard, the protracted socio-political context has served to increase the relevance of PNRMP to many Palestinian smallholders who face serious constraints in availability of arable land as well as pressure from the dense matrix of measures restricting movements and access to natural resources.
33. Discussions with Government officials and analysis of Government policies and priorities showed that PNRMP was a welcome initiative, supporting MoA to achieve its strategic objectives. It was relevant to the first development Plan of 2007, "Palestinian Reform and Development Programme", which supported strategies to increase employment and incomes in the agricultural sectors through land and infrastructure development including loan schemes for the rural poor. It was also relevant to the Agriculture Sector Strategy (2011-2013) objectives: (i) effectively and sustainably manage agricultural resources throughout the Palestinian territory; (ii) improve the productivity of both plant and livestock activities and their contribution to realizing food security; and (iii) provision of appropriate agricultural infrastructure and services. The Government streamlined the PNRMP model of land development into the National Agriculture Sector Strategy: 'Resilience and Development' (2014-2016).<sup>20</sup> The Sector Strategy defined the four strategic objectives listed below. The PNRMP is entirely relevant to the second strategic objective and is largely relevant to the first, third and fourth objectives.
  - (i) Ensure farmers' resilience and attachment to their land;
  - (ii) Efficient and sustainable management of natural resources;
  - (iii) Enhanced agricultural production and productivity;
  - (iv) The agriculture sector has effective and efficient capacities.

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<sup>20</sup> This is reported in the PCR (pages iv and 10), and is recognized by MoA authorities met by the evaluation team.

34. The objective of the programme did not adequately reflect the importance of resilience in a highly unstable and conflict-prone context such as Palestine, especially in light of the multidimensional livelihood systems that exist in rural areas. In such a context it should be noted that resilience here encompasses looking at the importance of multiple livelihoods that exist within rural households to enable them to manage risks (such as environmental, economic and political) and reduce exposure to them.<sup>21</sup> Land remains an important element of resilience in times of instability but does not encompass the full spectrum of resilience and income enhancement options. Such multi-dimensionality and importance of resilience, involving multiple livelihood options, is covered in detail later in this section.
35. **Relevance of design.** Annex VI contains the reconstructed ToC of the programme with its three pathways. As the ToC describes, the original intervention logic is simple in that it envisages land reclamation activities complemented by a part of its original credit component invested in on- and off-farm activities. In light of the highly fragile political, social, economic and security context that PNRMP operates in, emphasis on enhancing resilience of target groups (and of the programme itself) remains of prime importance but is not adequately reflected in the original programme design and implementation. Such resilience building flows from pathways 1 and 2 in general and outcomes 1 and 2 in particular, which will be covered later in this section.
36. The original design of land development interventions followed a two-tiered investment approach: “farmer-based” (sub-chapter 1.1) and “community-based” (sub-chapter 1.2). Laying the scope of the interventions of the programme, the appraisal report recalled the appraisal mission finding that land reclamation, agricultural roads, and rehabilitation of wells, cisterns and springs were all high priority and could readily be grouped together into an “area-based development programme with the village as the focal point” (paragraph 74). Within such scope, integrated and participatory natural resource management should be understood as an approach that combines land management and agricultural production with social and institutional development, in addition to pursuing a broad range of activities that meet the livelihood needs of beneficiary communities. However, as the implementation progressed, the programme followed a household and farm-level targeting strategy with an exclusive focus on land.
37. **Pathway 1** lays out in the ToC that the programme’s evolving design did not account for livelihood options beyond those centred on land, and by extension, agriculture. The programme’s evolving design lacked the appropriate balance between the physical works (i.e. engineering activities) for land management that are necessary to improve productivity, and interventions to strengthen the capacity of community structures and institutions to plan and implement inclusive livelihood options. This ‘engineering’, land-centric approach had implications for the coherence of the design with the stated objectives, as well as for the means adopted by the programme to achieve them.
38. The exclusive land focus is not optimal in Palestine for achieving the objectives of increasing income, considering the relatively low share of agriculture in the Palestinian economy (5.5 per cent in 2011)<sup>22</sup> as well as in individual households targeted by PNRMP itself. The evolving design did not consider that meeting the defined PNRMP objectives required taking account of agricultural and non-agricultural elements in a comprehensive manner, so the interventions of the programme addressed the realities of the complex livelihood compact extending beyond agriculture. This had implications for the magnitude of impact on beneficiary incomes. The below table, drawing data from the 2015 impact survey, captures the multiple set of livelihood options that targeted communities pursue and derive their

<sup>21</sup> Promoting the resilience of poor rural households: <https://www.ifad.org/documents/10180/0709dfd8-718d-4be5-ae1-d410d93a3d1f>

<sup>22</sup> The Besieged Palestinian Agricultural Sector, UNCTAD: [http://unctad.org/en/PublicationsLibrary/gdsapp2015d1\\_en.pdf](http://unctad.org/en/PublicationsLibrary/gdsapp2015d1_en.pdf)

income from. It also shows that the share of agriculture along with other activities has only changed marginally before and after programme activities were implemented.

Table 6  
Share of income from various sources<sup>23</sup>

<i>What is the percentage of your income that derived from the following sources?</i>	<i>Current (per cent)</i>	<i>Before the project* (per cent)</i>
Agriculture	19.93	16.41
Government income	24.68	24.88
Non-government income	13.32	12.73
Relatives financial assistance	2.83	2.17
Land lease	0.72	0.72
Your lease	0.92	0.97
Trade\private business	17.91	18.05
Sale of home-made products	1.48	1.66
Working in Israel	10.01	10.18
Donations	0.90	0.78
Other sources	7.56	7.32

Source: Impact survey 2015

\*The column totals 96 per cent; the other 4 per cent remains unaccounted for (not elaborated in the impact survey).

39. While the original design did have a microfinance component, as shown in pathway 2 of the ToC, to address off-farm investments, this was not followed up in a consistent manner as the design evolved. In addition, off-farm activities demand services beyond access to finance to encompass the host of services and input and output markets were not envisaged in programme design. Throughout, the focus remained predominantly on land restoration and enhancement of productive capacity, at the expense of numerous other livelihood options such as livestock, micro and small enterprises, etc. That said, the PPE acknowledges that land is certainly an important element in building resilience of rural populations in that, in times of political instability and resultant economic shocks in the Palestinian economy, large sections of the Palestinian population fall back upon their landholdings as a measure of last resort. However land, and by extension agriculture, alone is not sufficient to increase the internal resilience of the highly diversified livelihood systems of Palestinians.
40. In addition to the gaps in pathway 2, the microfinance component of PNRMP was stalled until 2014 due to a lack of capacity among implementing partners, as well as lack of interest from suitable financial institutions. This may be indicative of an inadequate diagnostic exercise on the implementation arrangements for the credit component. This in turn led to a situation where the credit component was implemented in a disjointed manner from the land restoration activities.
41. The programme was designed in a context of protracted conflict, and against a backdrop of unsecure land tenure for many poor households. Many households had landholdings that were too small to meet their needs, and gender and age differentials existed with regard to access to land. In such a situation, poverty is a multidimensional challenge and the rural poor need more than land management to improve their lives. In particular, it merits a complete coverage of key elements affecting people's livelihoods,<sup>24</sup> which extend beyond land itself. This further

<sup>23</sup> These shares of incomes of various sources are those pertaining to land restoration beneficiaries. The categories of 'government' and 'non-government' income is understood to be the income derived from working in the Government and private sector, respectively.

<sup>24</sup> Hamilton-Peach, J. and Philip Townsley, P. (no date). An IFAD Sustainable Livelihoods Framework. (<https://www.ifad.org/documents/10180/2d92d7ce-1693-4e99-8f2b-1bfcf0c90b92>).



contributes to the resilience of the target populations instead of resilience of the land itself.

42. With regard to resilience, the programme's adaptability to frequent disruptions was found to be good and this can be attributed to two main design features. First, the integration of the PMU into the land directorate ensured constant coordination and oversight and ease of recommencing activities in target areas. Second, and not necessarily a positive feature, is the highly standardized and engineering approach of the programme centred on land, instructed by the Technical Operations Manual. Notwithstanding the reservations expressed earlier in this report, the manual provided a concrete source of reference for the programme team to carry out operations in spite of disruptions. The operations manual also created a systematic approach for interaction between the Government and NGOs, as will be covered under the section on Institutions and Policies.
43. The emphasis on land, by nature, also affects targeting, wherein the precondition to benefit from the programme is contingent upon ownership of land. This does not necessarily ensure the inclusion of the poorer and marginalized sections such as women and youth, as covered later under Gender Equality and Women's Empowerment. Off-farm activities, small enterprises, access to markets could have helped to target the poorer and more marginalized members of rural communities (women and youth) to improve their access to livelihood opportunities, both in downstream agriculture-based value chains and non-agriculture-based activities. The gap between intended and actual targeting was further exacerbated by the requirement of a beneficiary contribution of 25 per cent of the value of civil works, which was found to be high, (see Efficiency) and led to the selection of landowners who could pay such a contribution.<sup>25</sup> The assessment of Phase II of PNRMP (2011) is confirmed by this PPE's assertion of a lack of significant poverty focus.
44. The engineering-centric, land-focused approach was at the expense of a broader community-centric approach with communities being the entry point, as envisaged at the design stage and in the title of the programme, which suggests 'participatory' approaches. In theory, such community-centric approaches may involve looking at the numerous livelihood options pursued at the community level and working with them. Although in the main text the original programme design focuses on community-based "participatory" land development, the focus in the logical framework<sup>26</sup> is on land management activities. There was little participation of community institutions and local governance structures in planning and implementing programme activities. Municipalities in Palestine are an important level of public authority which offer democratic representation and accountability to the villagers. They are the closest entry point for citizens to express their interests and needs, and they link with district and state services, such as MoA and NGOs, to deliver services. Within the programme, the role of municipalities was restricted to the collection of individual applications for land restoration by PNRMP.
45. As concerns pathway 3, PNRMP was approved and became operational in the aftermath of the Oslo Accords when the Palestinian Authority in general and MoA in particular had just been established and was characterized by weak capacity. Institution building was important in such a fragile context. Implementation arrangements had to be sufficiently calibrated to the existing capacities within Government and other participating implementing institutions, i.e. UNDP and NGOs. In Phase I, PNRMP was coordinated on the Government side by a PMU based in MoA, and the coordination of the programme's activities were carried out by UNDP – Programme for Assistance of Palestinian People. This enabled sufficient time for MoA to build its capacity and shape the operations manual of the programme.

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<sup>25</sup> The evaluation team met land owners who were employees in ministries, retired teachers, returnees from the Middle East and senior managers in the private sector.

<sup>26</sup> The improvements made by in the revision of the logical framework by IFAD supervision mission of 2006 have not strengthened the community focus.

46. As of Phase II, the PMU evolved into the land directorate of MoA, thus streamlining land management experiences, to consolidate the learning and disseminate PNRMP's results to a wider framework. The streamlining of the PMU, *inter alia*, into the Ministry enhanced the resilience of the programme implementation structure to the frequent disruptions inherent in the context. Such integration into Government systems also enabled the establishment of a system of interaction between Government and implementing NGOs based on symbiotic strengths, which will be elaborated later under institutions and policies criteria.
47. In summary, the programme's objectives were in line with the broader Government policies and strategies. The programme had an implicit yet mainstreamed institution building outcome at the ministry level, wherein the PMU developed detailed procedures and processes for land restoration activities, which ultimately led to its transformation into a dedicated land directorate in MoA. The programme's land restoration operations were highly standardized and driven by the technical operations manual which was characteristic of an 'engineering' project. While it had the unintentional benefit of bringing resilience to project management in a conflict-ridden environment, the approach prevented a focus on poverty reduction efforts through the prism of a sustainable livelihoods approach which looks beyond land itself. In addition, it had implications for the targeting efforts of the programme, whereby potential beneficiaries with little or no access to land (women, youth, marginal landholders and landless) could not be sufficiently included in the programme's activities. The land focus also resulted in a scant focus on community-based organizations and mobilization of social capital for implementing the community-based and area-based approaches, envisaged in the original design. The programme is rated as **moderately satisfactory (4)** on relevance.

### **Effectiveness**

48. Effectiveness is the extent to which the development intervention's objectives were achieved, taking into account their relative importance. Achievement of objectives is assessed through causal pathways that contributed to them, as set out in annex VI. The assessment of the programme is hindered by a lack of reliable outcome level M&E data, with the exception of the Impact Survey conducted in 2015. Even in this survey the baseline year and the unit of measurement for several indicators are unclear.
49. **Pathway 1: Community structures and institutions plan and implement livelihood activities.** The evaluation of the effectiveness of the programme along this pathway is primarily based on the extent to which the programme achieved its planned land development results in the sub-areas of land development, farmers training, improved crop productivity and off-farm livelihood options. It is also done through tracking the support to beneficiaries to strengthen and use the social capital of their communities in planning and implementing land management and their wider livelihood situation, and their institutional capacity to take the ownership of post-programme development activities. In this regard, the PNRMP Phase II Assessment Report (preparatory document for the 2012 midterm review) recalled that the focus of the original design in the appraisal report was on community-level agricultural land development through a participatory and integrated approach that combines infrastructure development (agricultural roads) with access to credit and technical assistance for improved crop production and productivity.
50. **Land restoration.** Under this component, the programme design intended to improve the crop production of small farmers by: (i) restoring the productive capacity of land through reclamation and rehabilitation of degraded lands and provision of water; (ii) creating a more effective interface between the farmers and the technical service agencies; (iii) establishing a pilot project in around 20 villages for the production, processing and export of high quality olive oil; and (iv) providing access to institutional credit;

51. The programme was effective in converting more than 10,700 dunums of unused or underproductive land to productive land through land reclamation and rehabilitation activities. Investments include removal of surface and subsurface rocks with bulldozers, construction of terraces (reclamation) or their repair (rehabilitation), fencing to protect against wild animals, construction of wells and water collection cisterns, and the construction or improvement of farm access roads. The programme's land restoration activities directly benefitted 632 households in Phase I, and 838 households in Phase II. As per the impact survey conducted in 2015, the average area of rehabilitated land increased from 1.74 dunums to 10.74 dunums. Water cisterns were found to be of importance to the land restoration efforts. The amount of water collected yearly (presumably per farm) increased from 5.5 m<sup>3</sup> to 41.5 m<sup>3</sup>. Between 60 and 65 per cent of respondents attribute the above increases to the programme itself. In the case of some lands, lack of access roads remains a particular problem. The programme built 47 km of roads: 61 per cent of the beneficiaries benefitting from the roads have stated that they have undertaken development or improvement of land after the roads were constructed.
52. In all the sites visited by the evaluation team, the programme beneficiaries interviewed showed satisfaction with what was achieved. The benefits they mentioned included increased plant coverage, water harvesting allowing for better irrigation, rural roads that have improved transportation to their farm sites and improved market access.
53. The evaluation team observed, however, that land reclamation activities have not used a landscape approach in order to select technical options that are specific to landscape functions and land management constraints. While the terracing technology used is effective for soil and water conservation, the programme has used it as turnkey package in all the topographic configurations and soil thickness conditions. After visiting managed lands in different districts, the evaluation found that in certain very rocky mid-hillsides where soil is too thin to adequately fill the rock retaining walls of the terraces, a partial land improvement approach would have been more cost effective than standardized terracing. This would have reduced unit costs<sup>27</sup> and either increased the number of beneficiaries or managed more land per beneficiary household. The high costs of land restoration activities in turn also substantially reduced the direct outreach of the programme with roughly 2,000 households benefitting from the two major activities of land restoration and credit. The programme did not have targets in the appraisal report and targets were available only for Phase II activities.
54. **Crop productivity.** The main crops planted were olives, almonds, peaches and other stone fruits. The impact survey of 2015 noted that the number of olive trees per unit (whether it is per unit of land or per household is not noted in the impact survey) had doubled from 75 to 150 trees. Similarly, almond trees had increased from 2.25 to 39.4 trees, while fruit trees increased from 1.49 to 29.42 per unit. It is unclear as to whether it was due to an increase in productivity of land or due to an increase in the area of land under production and to what extent.
55. **Training of farmers.** The programme was successful in deriving knowledge from its field experience and transferring it through manuals. A total of 675 farmers were trained in land development, water harvesting and orchard management, and 14 MoA staff were trained in management and administration. The training allowed farmers to make crop and fruit tree production possible on unproductive or marginally productive lands. Thus, with regard to outcome 1, the evaluation found that the programme had been highly effective in helping the beneficiaries use knowledge and improved services to convert unused land into productive land.
56. **Support to community structures and institutions.** The training activities conducted by the programme were not part of an effort to develop institutional

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<sup>27</sup> A similar point was made by the IFAD supervision mission of December 2005.

assets at community level to enable community-based institutions to have collective capacities to sustain and increase achieved land management and improvement benefits after programme completion. Yet the appraisal report had pointed out “a major opportunity for Palestinian farmers to upgrade from a traditional low input/low output/low quality system, focused on the domestic market, to a modern export oriented industry”, adding that “the investments needed to upgrade the industry are relatively small, but the potential benefits are great, and can be focused on the poorer members of the rural community who are most heavily dependent on olive production”. During the field visits, the evaluation team met several programme beneficiaries who are members of olive cooperatives, but who said that their institutions had no interaction with the programme.

57. The original design of an ‘area-based approach with the village as the focal point’, would call for the involvement of local governments and community-based formal and informal structures which can mobilize social capital, plan and implement natural resource management plans in general and land management in particular, at a landscape level and in an integrated manner. In light of the importance of building the resilience of target beneficiaries, collective institutions would also have been instrumental in planning and implementing livelihoods at the community level. However, as covered earlier under Relevance, the same was not emphasized enough in the evolving design and implementation of PNRMP.
58. **Other livelihood activities.** The credit component of the programme advanced loans to over 600 beneficiaries over the final two years, which were used for on-farm and off-farm activities. However, as will be discussed under the assessment on the next pathway, these activities were undertaken in a disjointed manner from the other beneficiaries, and loans were given out on the basis of the ability of individuals to provide guarantees, rather than to intended target groups of the programme in general.
59. **In summary, on pathway 1,** the programme achievements in land management and crop production described above show a strong positive result in the use by farmers of the knowledge they acquired from training organized by the programme. Across the four districts that were supported, land management practices and crop production improved substantially. These results are impressive particularly if account is taken of the programme’s capacity on the ground during the second Intifada (2000-2004). However, the outreach of the programme to direct beneficiary households remained small in light of the high cost per beneficiary, which has been covered under Efficiency. Community-based approaches of including collective institutions to enhance livelihood options were not explored.
60. **Pathway 2: access to inclusive rural financial services and to markets.** The assessment of the effectiveness of the programme along pathway 2 is based on the programme’s performance in supporting beneficiaries of land management interventions and beyond<sup>28</sup> to have access to financial services and markets. It is done through assessing the programme’s effectiveness in delivering outcome 2, and whether the conditions necessary to achieve intermediate state 2 are in place and allowing the production of benefits to beneficiaries of land management interventions.
61. **Inclusive rural financial services.** Under its credit component, the programme envisaged: (i) the establishment of a credit fund with a commercial bank to provide credit for financing a wide range of income-generating enterprises in the participating villages, with preference being given to women; and (ii) provision of a contribution to a credit risk fund, with costs shared with the commercial bank, the Palestinian Authority and clients. It was anticipated that the major end-uses of the borrowed funds would be the establishment of perennial crops, mainly olives, on

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<sup>28</sup> The original design envisaged that beneficiaries of land restoration activities would be able to avail of credit for on- and off-farm activities.



newly reclaimed and other suitable lands within the villages, the financing of inputs and services for seasonal crops, and the financing of other village-based income-generating enterprises, mainly by women. This was partly in line with the sustainable livelihoods approach mentioned earlier and the need for resilience within the livelihood systems.

62. The programme advanced loans worth US\$5.35 million to 717 households. A survey reported in the 2015 PNRMP progress report showed impressive results of the credit component. There was an increase of 47.8 per cent in the monthly net businesses income compared to baseline data. The report concluded that this increase in net monthly income is expected to sustain beneficiaries from slipping back into the poverty zone. However, for poor farmers it was difficult to access to MFI loans because of two major constraints: (i) the need to provide credible guarantees, and (ii) the length of the grace and repayment periods.<sup>29</sup>
63. The rescheduling of the credit component to Phase II, and its late start, and the lack of interest in loans among beneficiaries of land management support led to the challenge of integrating land development with the credit component as envisaged in the original design of the programme. For this reason, there is very little overlap between the beneficiaries of credit and land development activities. The delay of the credit component led to the disbursement of all credit in 2014 and 2015. This meant that the MFIs gave loans to people willing and able to take them, rather than those within IFAD's target group who needed them to diversify or strengthen their livelihood options.
64. **Access to markets.** Sustainable results in agricultural production depend, to a large extent, on the availability of profitable markets that provide farmers with incentives to invest in production and to afford an injection of investment. The design of the programme highlights the importance of profitable markets particularly for olives, and specified an intervention in the form of a "Pilot Project for Export-Quality Olive Oil Production".
65. The PCR reports that pilots were undertaken in 2006 on an olive oil pilot project for export-quality production. However, it was not consistently followed up on after the pilot was over, through provision of inputs and linkages to markets.<sup>30</sup> With regard to other aspects of access to markets, it was found that the creation of new rural access roads (47 km) in target areas allowed farmers to improve access to land as well as to markets. However, the programme has not addressed the issue of responsibility for roads maintenance; a weakness which requires attention.
66. **In summary, under pathway 2,** PNRMP had some of the necessary elements in place. The credit component worked in a disjointed manner from the rest of the programme activities. While it was a necessary element to diversify livelihoods within the programme, it was not envisaged and implemented in a manner coherent with the rest of the programme's activities. Access to markets was limited to providing access roads and had no substantial interventions for enabling value addition of the incremental produce the land restoration activities would result in.
67. **Pathway 3: MoA's capacity to enhance land development is strengthened.** Under its capacity-building component, the programme supported MoA to develop certain technical capabilities enabling it to supervise the participating NGOs, and to build a relationship with them on a partnership basis to ensure that their knowledge and experiences could be fully incorporated into the programme design and operating procedures which would improve the efficiency and effectiveness of implementation.
68. The achievements of PNRMP in enhancing MoA's capacity to enhance land development are substantial. The PMU was provided with office equipment, technical

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<sup>29</sup> Project completion report.

<sup>30</sup> Ibid.

assistance, vehicles and incremental operating costs were covered for vehicles and office operations and maintenance, and training for MoA staff, as planned. They were effective in carrying out day-to-day programme management duties, coordinating the partner NGOs, putting in place an M&E system (albeit at the output level only), collection and reporting data related to financial management, land reclamation/improvement and related infrastructure, and following up on recommendations made by IFAD's supervision missions.

69. The evaluation noted that the involvement of the PMU/MoA, right from the beginning, ensured continuity of the programme during external disturbances and force majeure situations, and the establishment of the programme steering committee has greatly improved coordination between the implementing parties and information flow with respect to constraints, lessons learned and resolving problems. Under PNRMP the ministry developed a technical operations manual for land restoration, which was mainstreamed into the Government's own land restoration processes. The operations manual also provided a frame of reference for MoA to interact with implementing NGOs.
70. MoA authorities appreciate the added value of the programme as far as the framework of partnership with agricultural NGOs involved in implementation is concerned, as covered later under Institutions and Policies. Furthermore, MoA staff have developed capacity to implement activities which were contracted to the NGOs in the area of land management and have been doing so with the Ministry's own funding as well as funding from other donors.
71. In summary, the programme worked intensively in the area of land restoration. It made significant strides in achieving outputs towards land restoration, in spite of the frequent disruptions experienced in Palestine during implementation. However, the emphasis on building resilience of the target populations through diversified and sustainable livelihoods options, of importance in a fragile environment such as Palestine, was found to be insufficiently emphasized in the evolving design. This, combined with the complexity of livelihood systems where agriculture occupies a relatively smaller role in the income profile, implied that the increases in income of the target beneficiaries were not very high (as covered under the Rural Poverty Impact section). The programme's interventions in enabling increased access to markets (input and output) and finance lacked a comprehensive approach and worked in a disjointed manner from the rest of the programme. Interventions in capacity-building of MoA were found to be successful and fitted the implementation and policy mandate of the programme.
72. In light of the narrative above, the PPE rates the programme as **moderately satisfactory (4)** on effectiveness.

### **Efficiency**

73. **Process efficiency.** The programme was approved in April 1998 and became effective in February 2000. This encompassed a period of 21.6 months from approval to effectiveness which was double the average of 10.75 months for the entire portfolio of projects financed by NEN, as of the date of approval of PNRMP, i.e. April 1998.<sup>31</sup> The programme was implemented over a period of 15 years between 2000 and 2015 with frequent disruptions, for the most part, due to force majeure.
74. **Cost efficiency.** The day-to-day supervision and implementation of land restoration activities was outsourced to local NGOs. The programme management costs are available only for Phase II in the programme documents and are stated to be approximately US\$761,000, 5 per cent of the total expenditure of US\$14.3 million. However, as conveyed to the evaluation team during the mission, the programme management costs do not include the supervision and administration charges paid to

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<sup>31</sup> Flexcube.

the NGOs.<sup>32</sup> Even if such charges are included, as the cost of outsourcing the said activities, the programme management costs increase to US\$1.4 million, about 10 per cent of the total cost of the Phase II of the programme, which is a reasonable proportion.

75. **Economic internal rate of return (EIRR).** The PCR calculates the EIRR of the programme at 8.4 per cent, whereas IFAD considers an EIRR of 12 per cent as the suitable minimum for its projects. The evaluation team found two major issues which had a bearing on the EIRR, as well as the efficiency of the programme at large. First, the programme had an extended implementation period of over 15 years. Extended implementation cycles require discount rates to be applied over net benefits which are spread over a longer period of time along with increased costs, thus lowering the EIRR.
76. Second, the land reclamation and rehabilitation activities cost more per dunum than envisaged at design (weighted average of US\$400/dunum). As the PCR reports, in Phase II, land reclamation cost nearly US\$1,930/dunum while land rehabilitation cost about US\$857/dunum. The evaluation finds that this is largely attributable to the highly technical and land-centric approach of the programme. As a result, land reclamation and rehabilitation activities were highly standardized in their scope and scale and machinery intensive approaches were adopted towards land restoration, irrespective of the suitability of the terrain and magnitude of incremental benefits. IFAD programme documents reinforce and validate the PPE's observation.<sup>33</sup>
77. On the other hand, as has been acknowledged above in relevance and effectiveness, the engineering-centric approach, in conjunction with the mainstreaming of the PMU into MoA, also had a positive effect in that it was found to be a useful approach in a highly volatile context such as Palestine. The detailed operational manual and the technical specifications provided therein held out a fixed frame of reference for the programme staff and NGOs to continue functioning in spite of frequent disruptions. This led to a relatively smooth resumption of PNRMP activities in spite of force majeure situations.
78. In purely cost-benefit terms, the programme did not lead to substantial increases in incomes at the household level for reasons mentioned in previous sections and in terms of household incomes and net assets. The programme had a very high level of per capita investment for returns in the form of increased incomes which were marginal as per the figures of the impact survey.
79. In summary, the programme's efficiency was affected by a host of factors within and outside the programme's control. The programme's management costs were found to be reasonable for the long implementation cycle and accounting for the payments to NGOs for day-to-day supervision and implementation of land restoration activities. However, the EIRR and, as a function of that, the cost-benefit ratio, was found to be sub-optimal. The majority of the investments made in land restoration had high costs per capita due to the approaches adopted in the programme.
80. In light of the above, efficiency is rated as **moderately satisfactory (4)**.

### **Rural poverty impact**

81. The analysis in this section uses quantitative data from the 2015 impact survey. However, the survey does not capture the counterfactual data for important indicators, such as income. In addition, for some indicators where the programme recorded baseline figures (presumably through recall techniques), the year for which the baseline is being captured was unclear. The statistical significance of the

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<sup>32</sup> The supervision report of 2005 stated that NGOs are paid 15 per cent of the value of civil works, supervised by them, as supervision and administration charges. The value of civil works undertaken is stated to be around SDR 3.19 million. For the purpose of this evaluation, SDR was converted to US\$ based on the rate obtained by dividing the amount disbursed as expressed in US\$ (US\$9.79 million) in the PCR by the amount disbursed as expressed in SDR in Flexcube. This yields an exchange rate of 1.336 US\$/SDR.

<sup>33</sup> Midterm review 2012, p. 7, para. 39.

differences between baseline and post-programme figures for various indicators is also unclear.

### Household incomes and net assets

82. Some of the major interventions of PNRMP were in land reclamation and rehabilitation (including water and soil conservation measures), and credit for productive economic activities. The impact evaluation conducted by the programme indicates that Phase I beneficiaries of land reclamation and rehabilitation have experienced higher increases in income (29 per cent) compared to Phase II beneficiaries (7 per cent) (see table 7), presumably due to the long gestation period of trees such as olives, almonds and peaches before production reaches maturity. Household incomes of beneficiaries of land development activities (presumably across phases) are stated to have increased by 16 per cent. This marginal increase can be attributed to the relatively small share of household income derived from agriculture in target households, as covered under Relevance.

Table 7  
Increase in incomes of land restoration beneficiaries

<i>Indicator</i>	<i>Phase 1 beneficiaries</i>	<i>Phase 2 beneficiaries</i>
Per cent increase in household income	29	7
<i>Indicator</i>	<i>Land reclamation beneficiaries</i>	<i>Land rehabilitation beneficiaries</i>
Per cent increase in household income	19	12

Source: PCR

83. The value of land reclaimed and rehabilitated was recorded to have increased by 71 per cent and 61 per cent respectively for PNRMP beneficiaries, from 15,000 Jordanian Dinars to 25,000 Jordanian Dinars on an average, which the impact survey attributes to the restoration efforts and agricultural roads of PNRMP. However, the unit of land for which value is recorded is unclear as is the baseline year. In qualitative terms, the tenure of land ownership was perceived to have improved as a result of PNRMP's interventions.
84. Credit intervention was intended to provide capital for existing and new enterprises. Two-thirds of loans went to existing enterprises, while the other one-third went to starting up new enterprises, with an overwhelming focus on livestock followed by agriculture. The progress report of 2015 measured an average increase of 48 per cent in monthly income from such enterprises, from US\$601 to US\$888 and the average monthly income from new enterprises is said to be about NIS 2,700 (US\$788<sup>34</sup>).<sup>35</sup> The impact survey measures an overall increase in household incomes of 14 per cent (from US\$852 to US\$969) for households benefitting from credit.

Table 8  
Increase in incomes by type of credit financed enterprise

Loan type	Average monthly profit before loan (US\$)	Average monthly profit after loan (US\$)	Increase in monthly profit as a result of loan (US\$)	per cent increase in monthly profit as a result of loan (US\$)
Livestock	632	823	191	30%
Plants/agriculture	887	1,144	257	29%
Trade	386	643	257	67%

Source: Impact survey 2015

<sup>34</sup> UN exchange rate for US\$ to NIS, July 2017.

<sup>35</sup> Impact survey 2015.

### **Human and social capital and empowerment**

85. PNRMP worked with households as its unit of account. Hence there was no particular emphasis on creation of social capital within target communities. There were significant gaps in the targeting strategy and processes as discussed under Relevance. Women and youth in particular were left out of the programme operations which did not generally target the relatively poorer sections in the target areas, due to the overwhelming focus on land and the expected beneficiary contribution towards land restoration activities. Notwithstanding the evaluation's reservations on the programme's targeting, PNRMP did provide improved access to individual households to higher quality and quantity of natural resources by increasing the productive capacity of land, building roads leading to farm lands and improving water storage capacity. The amount of water collected in water wells/cisterns is recorded to have increased from 5.5 m<sup>3</sup> to 41.5m<sup>3</sup>.<sup>36</sup> The building of agricultural roads is also said to have reduced the travel time to respective lands by half (from 31 minutes to 15 minutes) and the average cost of transportation to access the land is reduced by 41 per cent, from NIS 34 New to NIS 20.

### **Institutions and policies**

86. PNRMP started working with MoA at a time when the Palestinian Government was in its nascent stages of operation after the Oslo Accords. The PMU in Phase I was converted into the land directorate of MoA, which is now the policy making and coordination unit as pertains to land restoration. To that end, PNRMP provided the required impetus to the evolution of the land directorate.
87. PNRMP's operations manual was found to have been adopted by the land directorate to build capacity of the directorate to manage and guide land restoration projects of the Government, as well as other donors. The programme was implemented through well-established, local NGOs undertaking the coordination and management role for civil works for land restoration activities. Palestine presents a particular context where NGOs have historically had higher capacity and more experience than Government.<sup>37</sup> Under PNRMP, MoA was successful in developing and adopting a system of interaction between Government and NGOs, wherein the relative strengths and experience of NGOs was utilized to implement development activities at the farm level.
88. However, the programme did not work towards strengthening local governments or community institutions, despite this being emphasised in the design. Rather, the emphasis remained largely at the household level.

### **Food security and agricultural productivity**

89. PNRMP focused on cash crops such as olives and fruit trees such as peaches and almonds. Hence, there was no direct impact on food security as a result of the programme itself, apart from the savings as a result of own consumption. Hence, there may have been indirect effects on food security, if revenues from sales were used for purchase of food, although no evidence is available on this.

Table 9

#### **Increases in number of trees on-farm**

	<i>Before</i>	<i>After</i>
Olive trees	75.16	153.8
Fruit trees	1.49	29.42
Almond trees	2.25	39.34

Source: PNRMP Impact survey annexes

90. The above figures indicate that the number of olive trees has doubled on-farm, while the number of fruit and almond trees has increased by up to 20 times. However, the

<sup>36</sup> Impact survey 2015.

<sup>37</sup> Many NGOs have been operational in the West Bank and Gaza since before the internationally recognized Palestinian Authority Government was formed. NGOs have also been the preferred implementation partners for many donors.



survey does not appear to have a standard size for the unit of account for the indicator, i.e. farm. There is also no counterfactual data available to compare such increases against. PNRMP's interventions involved constructing water cisterns and rehabilitating water springs to facilitate rainwater harvesting. According to the impact survey, the amount of water harvested annually by individual beneficiaries had increased from 5.5 cubic meters to 41.5 cubic meters.

91. In summary, the programme interventions led to increases in the levels of incomes of targeted beneficiaries, though such increases were marginal for land restoration beneficiaries. This is a reflection of the unidimensional focus of the programme in an otherwise complex, multidimensional rural livelihood system. Credit activities were found to have been a suitable way to enhance off-farm incomes to the limited extent to which the credit component could function. PNRMP's focus on individual households and farmlands as the points of entry and its implementation structure meant that grass-roots/community organizations and institutions were largely outside the programme's scope. To that end, the interventions had a marginal role in promoting human empowerment and social capital. However, PNRMP's work with MoA is noteworthy. The programme had significant gaps in inclusion of traditionally marginalized sections such as women and youth. On the other hand, within the rubric of land restoration, the programme strengthened access to land through roads and strengthened tenure claim in addition to access to water. The PPE rates rural poverty impact as **moderately satisfactory (4)**.

#### **Sustainability of benefits**

92. The sustainability of the benefits generated by the programme has been assessed through enabling factors at three levels: institutional and political; community/village; and farm level.
93. **Political level.** One of PNRMP's major successes has been the graduated integration of the PMU into MoA, and what eventually became the land directorate within the ministry.<sup>38</sup> This ensured a high level of ownership on the part of the Government, as reflected in numerous Government policies. Notwithstanding the reservations on the highly technical approach adopted by the programme (see Relevance, and Institutions and Policies), the PPE team was informed that the programme's land reclamation and rehabilitation standards were mainstreamed into other programmes being managed or coordinated by the ministry at the national level. Government authorities were appreciative of PNRMP and the follow-on programme – the Resilient Land and Resource Management Project – under design at the time of writing.
94. **Community level.** The programme did not work sufficiently through established community institutions and local government, but rather through ad-hoc project committees (consisting of three members of the community), which were involved in beneficiary selection. Collective community resources and capacities were not tapped to monitor, implement, maintain and magnify the programme's initiatives and the same is reinforced through the narrative in programme documents.<sup>39</sup> Mobilization of collective community efforts for labour intensive activities in land restoration commenced only later in the programme's life.<sup>40</sup>
95. **Farm/household level.** The programme targeting strategy worked almost exclusively at household level with focus on land as the entry point. The targeting strategy and criteria adopted (see Relevance) led to inclusion of non-poor individuals. As such, the target groups had the financial capacity to maintain the benefits of land restoration activities. The programme's stipulated beneficiary contribution of 25 per cent of the land's restoration costs appeared to have ensured

<sup>38</sup> Most international donors working through a project modality implement projects through local NGOs rather than through Government structures. This is partly due to the fact that NGOs' operations predate that of the Palestinian Authority Government.

<sup>39</sup> Impact survey 2015.

<sup>40</sup> After May 2012 the project accepted beneficiary contributions in the form of in-kind of labour from community members mobilized by the concerned beneficiary.

sufficient buy-in from the households. However, the programme's relatively wealthy target group also had a wider income base beyond agriculture and land-centric economic activities. Hence, some of the beneficiaries were found to lack focus on agriculture as a business and rather looked at agriculture and land as an ancillary activity with social and political value. As a result, some of the lands were poorly maintained. As covered under Rural Poverty Impact, the incomes of land reclamation and rehabilitation beneficiaries have increased, albeit marginally, at the household level and so has farm-level productivity of trees such as olives, peaches and almonds.

96. As pertains to the credit component, in light of the relative affluence of the target group and the inherent guarantees needed to avail of the loans, the non-performing portfolio is expected to be negligible. In terms of incomes, the credit beneficiaries have reported an increase in income of 14 per cent on an average (US\$852 to US\$969). However, the credit funding is expected to last for just one cycle after which the reflows are expected to be invested in the follow-on project, RELAP.<sup>41</sup> Thus, the credit fund is not expected to fund subsequent cycles or expand outreach to newer borrowers.
97. Overall, PNRMP's experiences as well as operations are found to have been mainstreamed into wider policy as well as into other projects being implemented by Government. Government's ownership of the programme logic as well the programme itself was high. The programme was not able to tap into collective community resources to implement, sustain and leverage its own efforts. At the household level, income increases for credit and land restoration beneficiaries ensure viability of respective economic activities. Sustainability of benefits is rated **satisfactory (5)**.

## **B. Other performance criteria**

### **Innovation**

98. An innovative aspect of the programme's initial years was the use of contracted NGOs to collaborate in the implementation of land management interventions with Government as the coordinating entity. The operational manual laid out standard operating practices for engagement of the Government with NGOs (see Relevance as well as Institutions and Policies). It should be noted that involvement of NGOs in implementation of development projects, albeit directly funded by donors, was neither new in Palestine, nor was the formula necessarily cost-effective. However, the process of facilitating the implementation through Government structures along with complementary capacities of NGOs was new at the time the programme started and promoted a system of standardizing the interactions between Government and the NGOs.
99. However, the programme's model of working with NGOs did not go as far as establishing strategic partnerships with civil society organizations to enhance their role in rural development in general, and sustainable land management in particular. The role of NGOs remained at the level of sub-contracting service agreements.
100. The programme's performance on innovation is rated as **moderately satisfactory (4)**.

### **Scaling up**

101. The implementation mechanism of housing the PMU of PNRMP within MoA meant that experiences, especially in land restoration and management, were internalized by MoA. The new national agricultural sector strategy (2014-2016) streamlined these experiences and it contemplates the reclamation of 75,000 dunums and the rehabilitation of 10,000 dunums of rangelands.

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<sup>41</sup> RELAP concept note, 2017.

102. It should also be noted that many donor agencies are working with the PMU and are implementing projects with important land management components. These donors include the Islamic Development Bank, the European Union, FAO, Italy, the Netherlands and Spain. Some of these donor projects, which are implemented through MoA, have mainstreamed the land restoration practices of PNRMP. Programme performance on scaling up is rated as **satisfactory (5)**.

### **Gender equality and women's empowerment**

103. The programme's achievement on gender equality and women's empowerment is assessed through (i) approaches for streamlining gender in the programme; (ii) women's access to resources, assets and services; and (iii) women's influence in decision-making.
104. The programme design did not have an explicit gender approach. In the course of implementation, neither gendered analysis nor a women's needs assessment was conducted, and no gender specific livelihoods assessment was undertaken. Overall the implementation was gender-neutral, engaging men and women in the numbers and roles in which they exist in the agricultural context of targeted communities. This is especially true when it comes to land, as the ownership, rewards and responsibilities for productive usage tend to be unevenly distributed in favour of men. With regard to women's access to resources, assets and services, the evaluation observed that in the implementation of Phase I, gender concerns were not adequately addressed as far as the participation of women in land development activities is concerned. In such a situation, women are typically targeted through off-farm activities. In Phase II, the programme made improvements by providing women preferential access to credit, and the selection criteria for loans were crafted to ensure the same.
105. The PCR states that nearly 30 per cent of the 717 beneficiaries of loans were women. However, in many cases women were mere surrogate borrowers for the male members of the family, who were the actual users of the loans. In the field visits, the evaluation team met and heard several men using the MFI loans obtained on their behalf by their wives or sisters, but did not observe any women's involvement as managers of loan beneficiary enterprises.
106. With regard to women's influence in decision-making, the appraisal report stipulated that "Female-headed households including widows, deserted wives, divorcees, and wives of detainees and prisoners would be given special encouragement to participate through involvement of village women's committees where these exist". The evaluation found that this has not been implemented, as women's committees have not been formed or engaged in the framework of programme interventions. The only area where women have been involved in a decision-making process is the beneficiary selection committee, wherein at least one of the three members was to be a woman.
107. In light of the above, the performance on gender equality and women's empowerment is rated as **moderately unsatisfactory (3)**

### **Environment and natural resource management**

108. The programme's interventions in land reclamation and land rehabilitation are largely informed by the political context in which environmental security<sup>42</sup> is of paramount importance due to the attention given to land access and management related issues in the public discourse in the West Bank. There is environmental insecurity due to the fact that reduced access to land and water resources, which is a key issue in the political conflict in the Palestinian context, aggravates scarcity of fertile land and water as environmental resources. The programme did not collect data on soil and

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<sup>42</sup> Environmental security is defined as "a threat to national security posed by unattended international environmental problems and their capacity to promote conflict and political instability". See Butts, Kent Hughes. *NATO's Contributions to European Environmental Security*, 1993. Available at <http://www.dtic.mil/dtic/tr/fulltext/u2/a275918.pdf>.

water conservation outcomes, nor baselines against which any changes can be assessed. Therefore, the analysis of biophysical changes was limited to a qualitative assessment through field observations and discussion with beneficiaries.

109. Based on this, the evaluation team found that important biophysical changes are taking place primarily through terracing that controls soil erosion and cisterns for harvesting, used for fruit trees and crop irrigation. Both terracing and water harvesting allowed bringing degraded lands back into production through irrigating fruit trees and agricultural crops. Retaining walls of 392,000 m<sup>2</sup> and fencing to the extent of 124,272 m were built. Farmers confirmed that by mitigating water scarcity, it is now possible to produce more on limited land, and to overcome seasonality restrictions. As stated in table 4, nearly 10,705 dunums of land was restored by the programme over its lifetime, in addition to building rainwater storage capacity of 59,637 m<sup>3</sup>.
110. However, the programme did not apply a landscape approach<sup>43</sup> to optimize landscape multi-functionality (integrated fruit tree-crop production, agriculture production, rural livelihoods, water harvesting and other agro-ecosystem functions, or choice of terracing techniques). An initiative that embarks on land management has to develop the capacities to integrate a range of production systems (crops, animals, trees), and work at different scales (individual farm, hillsides/hilltops, and linked valley downstream). The reclamation strategies need, therefore, to look at all the essential functions of the landscape that human activity or otherwise has degraded, in order to replenish them according to today's demands and to the needs of the future generations. The land and household level targeting precludes such an approach. In addition, as noted under efficiency, machinery intensive approaches were adopted for land restoration, irrespective of the suitability of the terrain (factors such as depth of soil cover) which is not ideal.
111. In relation to promoting environment and natural resource management, it should be mentioned that one of the ten good practice principles set out by IFAD's Environment and Natural Resource Management policy,<sup>44</sup> is particularly relevant to the programme context: livelihood diversification to reduce vulnerability and build resilience for sustainable natural resource management. The evaluation observed in the field that, within the rubric of natural resource management, beneficiary households have diversified their farming systems with fruit trees such as almond, apple, apricot, grapes, figs, olive, peach, with agricultural crop intercropping. Impact survey data (Arab World for Research and Development - AWRAD) (2015) show that while there was an average of 84 trees/farmer before the programme, there were 247 trees/farmer at the end of the programme, representing a diversity of income sources and increased vegetation. The performance on environment and natural resource management is rated as **moderately satisfactory (4)**.

### **Adaptation to climate change**

112. This part assesses the contribution of the programme to increase climate resilience and beneficiaries' capacity to manage short- and long-term climate risks. Climate change impacts, and the need to adapt to these impacts, were not part of the PNRMP design at the outset.
113. Although the appraisal report did not make any reference to climate change under the summary of environmental impacts, the programme implemented interventions that contributed to climate change mitigation and adaptation. Furthermore, today adaptation to climate change is increasingly part of the development landscape, and the programme's achievements show a long-term positive impact on the adaptation

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<sup>43</sup> Landscape approaches attempt to enhance sustainability and multi-functionality within the landscape while achieving multiple outcomes with multiple stakeholders over long periods of time.

<sup>44</sup> IFAD (2012). Environment and natural resource management policy - Resilient livelihoods through the sustainable use of natural assets. IFAD, Rome.

to climate change of the beneficiary households. The potential for this long-term impact can be assessed with regard to climate-resilient livelihood practices, environmentally friendly adaptation through farming systems practices, integrated approach to land and water management to enhance climate change adaptability, delivering agricultural credit that supports adaptation to climate change for all actors in "green growth" value chains, and the degree of inclusion of streamlining gender aspects to climate vulnerability.

114. **Climate-resilient livelihoods strategies such as diversification of land use and incomes.** Programme interventions supported technologies that enhanced carbon sinks and adaptation to climate change, such as provision of fruit tree seedlings to farmers and their intensification on reclaimed/rehabilitated land for the promotion of income sources. These fruit tree seedlings support diversification of land use and sources of income. However, these interventions are not geared towards empowering sociologically weaker groups, such as land-poor smallholders and women, to undertake measures to be better positioned to face the challenges of climate change.
115. **Environmentally friendly adaptation through farming systems practices.** Progress has been made towards resilience through land reclamation and rehabilitation interventions, and agricultural production on managed land. Farmers met by the evaluation team reported that they had observed changes attributable to improved land management. In particular, they attributed improvements in the dry season to water availability in constructed cisterns, and to intercropping crops with fruit trees. In most cases fruit trees planted on terraces in Phase 1 were already producing fruit.
116. **The integrated approach to land and water management allowing increased water efficiency enhances adaptation to climate change.** The soil and water conservation practices introduced by PNRMP have important implications for the manner in which farmers manage water and land to improve ecological flows, by improving the integration of water harvesting and land management.
117. **Inclusion of gender aspects to climate vulnerability at programme design and in implementation.** It is well recognized that climate change has different impacts on men and women, and in most cases, the adverse effects of the change disproportionately affect women. However, overall gender considerations were not adequately included in the programme design, and there was no significant improvement during implementation.
118. The performance on adaptation to climate change is rated as **satisfactory (5)**.

### **C. Overall programme achievement**

119. Overall, the programme made significant progress in terms of outputs, in spite of the frequent disruptions during the implementation. This is especially true of the land restoration activities, which remained the focus throughout most of the implementation period. It enabled beneficiaries to improve agricultural productivity on their degraded lands through investments in reclamation and rehabilitation work, construction and rehabilitation of rural roads to improve farmers' access to their lands, irrigation infrastructure, and crop production. Economic and social benefits are flowing to the farmers from increases in cultivated area, soil and water conservation to reduce erosion, rain water harvesting for irrigation, increases in plant cover, improved farming systems with intercropping between fruit trees on managed land, and olive production and sale.
120. However, there was a narrow understanding of community-based investments, which limited them to physical works. This caused a shift in the implementation approach from a community-based and livelihood-centric approach to a land-centric approach. This led to issues with targeting and elite capture within the land restoration activities. In addition, in light of the 'engineering' approach of the



programme dictated by the technical operations manual and the relatively small share of agriculture in the income profile of rural households in Palestine, in general and those among the target groups in particular, the programme achieved limited outreach and limited increases in incomes of target households. Credit activities financed on- and off-farm activities and target beneficiaries experienced increases in incomes, although the credit component was implemented in a disjointed manner from the land restoration activities.

121. PNRMP contributed towards the gradual capacity-building of the land directorate in MoA. Notwithstanding the reservations on the programme's technical approach to its activities, PNRMP's land restoration approaches were mainstreamed into Government's own policies and operations as well as those of other donors whose projects MoA handles.
122. The PPE rates PNRMP's overall achievement as **moderately satisfactory (4)**.

## **D. Performance of partners**

### **IFAD**

123. The work carried out by IFAD in the process of PNRMP design provided a good diagnosis of the socio-political and rural development context in West Bank. At implementation stage, IFAD support allowed a good start of the programme interventions. In particular it supported the preparation of the Programme Implementation Manual (also known as Technical Operations Manual), executed a start-up workshop and supported the development of accounting procedures.
124. In the course of programme implementation, IFAD was proactive in finding solutions to anticipated problems. An example is IFAD's response to the Government's request to convert the loan into a grant, which was acted upon in 2009. However, at times, successive supervision missions have given recommendations which were inconsistent with previous missions. For example, throughout the first phase, successive supervision mission reports gave conflicting recommendations on the possibility of diverting funds from the credit component. In addition, at times, some supervision recommendations were not sufficiently followed up. One example is on the land management technological package. In December 2005, the supervision mission recommended considering, where appropriate, partial land improvement rather than the use of the complete package of works, as a means of reducing the costs and increasing the number of beneficiaries. However, the technical operations manual was only revised to reflect this change in May 2012.
125. IFAD took an opportune decision to seek UNDP's collaboration in implementing the programme in the period 2004-2008. In this period, which came after the second Intifada (2000-2004), that caused activities to stop for over two years, UNDP and MoA were successful in building partnerships with local NGOs for their involvement in the implementation of the programme. These partnerships allowed PNRMP to respond quickly in providing development assistance to the beneficiaries of the programme in a rapidly evolving context.
126. IFAD's performance had a number of shortcomings. First, though the "rolling planning" approach adopted for implementation of the programme was justified in the political context, it needed to be supported by more frequent and well thought through logical framework (or theory of change) updates, with well-informed revisits to key assumptions. Such updates would have better enabled IFAD to realign PNRMP's activities with the overarching objective of poverty reduction and the need for beneficiary resilience. Second, IFAD should have been more proactive in working with MoA on how to maintain the programme's original community-based development approach, encompassing a wider set of livelihood activities. This was largely a result of inadequate oversight from IFAD in PNRMP's initial years, which were also characterized by a high turnover of country programme managers. However, IFAD's support to the programme steadily strengthened in Phase II.

127. Based on the narrative above the IFAD's performance is rated as **moderately satisfactory (4)**.

### **Government**

128. The Government fully supported the objectives of the programme, and even integrated them in its Sector Strategy. MoA ensured the chairmanship of the Programme Steering Committee, which provided PNRMP adequate supervision and commitment. It established a PMU under the General Directorate for Land Development, which was also responsible within the Ministry for the oversight function of the programme in Phase I.
129. The Government allocated to the PMU suitably qualified and experienced staff, which included a PMU Director, an Assistant Director, an M&E Coordinator, five Field Programme Coordinators, and a Finance Officer. MoA ensured that the PMU was applying the best land management practices and sharing the programme's experiences. The PMU played an active role in supervising the operations of the NGOs and in ensuring that the field coordinators regularly visited the sites where the programme's activities were conducted. It also ensured that a technical committee of UNDP (in Phase I) and PMU officers and NGO site supervisors met regularly to review progress and resolve issues. It should be noted that in addition to their routine duties, the field coordinators were responsible for coordinating site and beneficiary selection activities with partner NGOs, as well as providing technical inputs and oversight on issues of cost appraisal of programme activities related to land development, procurement, and implementation.
130. However, the PMU could have been more rigorous in its targeting strategy and approaches, especially with regard to enabling the participation of poorer and more marginalized sections of the population. It focused solely on land restoration activities and did not consider the multi-dimensionality of the livelihood systems in rural Palestine. The M&E of the programme was found to be deficient with data available, for most part, at the output level only. No baseline survey was conducted and the outcome surveys undertaken did not indicate baseline years (or units of measurements in many cases).
131. The Government's performance is rated as **moderately satisfactory (4)**.

### **E. Assessment of the quality of the project completion report**

132. **Scope of PCR.** The PCR covered all the elements set out in the PCR guidelines of 2015. This includes the evaluation criteria in the main text as well as informative annexes, as stipulated in the guidelines. The scope of the PCR is rated as **satisfactory (5)**.
133. **Quality.** The programme was characterized by scant M&E data with the absence of baselines and periodic surveys. The PCR could have further utilized data from the annexes in the impact survey. However, PPE recognizes that not all indicators reported in the annexes of the impact survey document may be robust. The PCR was prepared with the participation and inputs of the Government and other stakeholders, as validated during the PPE mission. The PCR preparation process was also an opportunity for the lessons to be taken on board by Government. This is reflected in the agreement of the Government with the emerging lessons presented by IOE at the wrap-up meeting at the end of PPE mission. The PPE rates quality of the PCR as **satisfactory (5)**.
134. **Lessons.** The PCR has articulately captured many of the lessons that reflect the consistent findings of this evaluation. This is especially true of the lessons on gender, targeting, community focused approaches and need for emphasis on markets and value chains. The PPE rates lessons elaborated in the PCR as **satisfactory (5)**.
135. **Candour.** The PCR could have better recognized the gaps, which have been subsequently explored in this PPE report. Many of the lessons learned in the course

of the programme were also gaps which were identified by previous programme documents. The deviation in the narrative and storylines of the PCR and the PPE and the respective ratings on criteria indicates that the PCR was more optimistic in its assessment of the programme. The PPE rates the candour of the PCR as **moderately satisfactory (4)**.

**Key points**

- PNRMP implementation was land-centric, taking an engineering approach. The land focus also impacted the outreach and the extent of impact on incomes.
- Targeting could have been more inclusive to better include women, youth and marginal landholders.
- The programme made a significant contribution to capacity-building within MoA, which in turn contributed to scaling up of PNRMP's land restoration practices.
- The progress of the programme in achievement of outputs in spite of the disruptions is commendable.

## **IV. Conclusions and recommendations**

### **A. Conclusions**

136. The evaluation has highlighted several positive outcomes and impacts and a number of challenges for the programme. At the outset, the evaluation commends the programme's progress in achieving the planned outputs in light of the severe political and economic challenges in Palestine. Within the rubric of land restoration, the programme strengthened access to land through roads and strengthened tenure claim, in addition to access to water. The original design was community-based with an integrated participatory approach. At implementation, there was a shift to a more land-focused approach, which led to concentrating the focus on individual households rather than supporting the communities to strengthen their structures and institutions so that they could plan and implement their land development and livelihood activities at large. Such land focus also had implications for targeting wherein many of the households targeted by the programme were found to be relatively well off.
137. The programme objectives and design did not sufficiently integrate elements of resilience of livelihoods into its design and implementation through diversification and a comprehensive view of livelihood options within communities. This would have made the targeting more inclusive and would have had a higher impact on beneficiary incomes. Actual implementation largely excluded women, youth, landless (or those with marginal landholdings) from large parts of its interventions, especially those pertaining to land development. PNRMP facilitated access to credit for financing on- and off-farm activities. However, this intervention was implemented in a disjointed manner from the land restoration component. In addition, it did not extend beyond providing one round of cheap credit to those able to provide requisite guarantees. Efforts to provide access to markets for increased production in restored land and beyond were also lacking.
138. In terms of natural resource management, the programme enhanced the productive capacity of the land and controlled degradation, in the process also enhancing adaptation capacity to climate change. However, in light of the household and farm-centric targeting strategy, the programme did not apply a landscape approach to optimize landscape multi-functionality (such as integrated fruit tree-crop production, agriculture production, rural livelihoods, water harvesting and other agro-ecosystem functions, and choice of terracing techniques).
139. The programme did not sufficiently promote approaches to strengthen community-based institutions and farmers' commodity organizations of which beneficiaries may have been members, to enhance their access to markets in a way that would have promoted green growth and maximized benefits associated with increased production and off-farm livelihood activities. In addition, involvement at the community level with community institutions would have enhanced the prospects of taking a landscape view of land restoration activities and mobilizing community social capital.
140. Notwithstanding the gaps in community-level institution development efforts, the programme worked intensively with MoA to enhance the capacity of the then newly incorporated PMU, which went on to be absorbed into MoA as the land directorate. Such institutional work helped in the stabilization and smoothening of programme implementation in the face of frequent disruptions and subsequent dearth of support from IFAD. Such institution building also had a positive impact on scaling up efforts of the PNRMP's land restoration processes into the Government policies and other donor-funded projects.

## B. Recommendations

141. The evaluation is aware of the deliberations taking place, as of the time of writing this report, on the design of a follow-on project tentatively titled 'the Resilient Land and Resources Management Project (RELAP)'. The project concept note<sup>45</sup> made available to the evaluation team indicates that some of the findings of this PPE are being reflected upon in the process of designing the new project. The below recommendations will serve to feed into the design process and reinforce some of the aspects that are already reflected in the RELAP concept note.
142. **Recommendation 1.** Future projects should better integrate elements for 'enhancement of resilience' of livelihoods of target beneficiaries and communities into their objectives. This will encompass supporting rural people to construct their livelihoods through two main strategies: agricultural intensification and livelihood diversification.<sup>46</sup> Within the rubric of agriculture intensification, this may involve interventions facilitating access to input and output markets where target groups beyond landowners will be able to participate and benefit. Complementary activities such as off-farm livestock production and value addition to agricultural production should also be considered to make interventions more inclusive beyond landholders.
143. **Recommendation 2.** Targeting mechanisms will have to incorporate a diverse range of modalities to enable participation of marginalized and poorer sections of the communities such as women, youth and marginal landholders. This will require tailored targeting strategies, including on- and off-farm activities.
144. **Recommendation 3.** Communities and their institutions should serve as the entry point for interventions. This will help achieve more inclusive targeting and wider outreach of programme interventions through on- and off-farm activities by reducing transaction costs and mobilizing community capital. Community and collective institutions can also serve as mechanisms for facilitating increased access to markets and as interfaces with other donor-funded activities which carry out complementary activities. This will be especially important in light of the currently limited IFAD funding for projects in Palestine.<sup>47</sup>
145. **Recommendation 4.** Wherever possible, land restoration activities should be placed in a landscape approach, which would imply looking at restoring landscapes and not just individual farms, so as to maximize the functionality and production potential of restored land.

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<sup>45</sup> Dated 11 May 2017.

<sup>46</sup> Livelihood diversification refers to attempts by rural households to find new or additional ways to generate incomes or to insulate themselves from environmental and economic shocks and seasonality. It includes both on- and off-farm activities which are undertaken to get income that is additional to that from the main household agricultural activities. This may be for example from marketing agricultural produce, sale of waged labor, self-employment in value addition activities at farm level, diversification of production (ex. crop and livestock) to spread risks.

<sup>47</sup> Palestine is not a Member State of IFAD at the time of report writing. Hence, a PBAS allocation is not available and financing for RELAP is through reflows from the credit component of PNRMP and transfer of the supplementary funds fee reserve to the FGWB, as approved by the Executive Board in December 2016.



## Basic programme data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Near East and North Africa	Total programme costs	13.902		14.292	
Country	Palestine	IFAD loan and percentage of total	7.81	56%	7.00	49%
Loan number	L-I-476 G-I-C-1071	Borrower	0.478	3.3%	1.417	14.1%
Type of programme (subsector)		UNDP - Cofinancier 1	3.3	24%	3.095	21.7%
Financing type	Loan (Phase I) Grant (Phase II)	MFI - Cofinancier 2	0.88	6.3%	0.757	5.3%
Lending terms *	Highly concessional Grant	Beneficiaries	1.387	10%	2.017	14.2%
Date of approval	23/04/1998					
Date of loan signature	07/05/1998					
Date of effectiveness	01/02/2000					
Loan amendments		Number of beneficiaries: (if appropriate, specify if direct or indirect)	N.A		36,000	
Country programme managers	Annabelle Lhommeau	Loan closing date	30/06/2004		31/03/2016	
Regional director(s)	Khalida Bouzar	Midterm review			2012	
Lead evaluator for project performance evaluation	Prashanth Kotturi	IFAD loan disbursement at project completion (per cent)			100%	
Project performance evaluation quality control panel	Fabrizio Felloni Chitra Deshpande	Date of project completion report			29/03/2016	

Source: Project completion report and Flexcube.

\*There are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three-fourths of one per cent (0.75 per cent) per annum and having a maturity period of 40 years, including a grace period of 10 years; (ii) loans on hardened terms, bearing a service charge of three-fourths of one per cent (0.75 per cent) per annum and having a maturity period of 20 years, including a grace period of 10 years; (iii) loans on intermediate terms, with a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate and a maturity period of 20 years, including a grace period of 5 years; (iv) loans on ordinary terms, with a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, and a maturity period of 15-18 years, including a grace period of three years.

## Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
<b>Rural poverty impact</b>	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> <li>Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.</li> </ul>		No
<b>Project performance</b>	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the programme's life.	X	Yes
<b>Other performance criteria</b>			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision-making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate	The contribution of the programme to reducing the negative impacts of	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
change	climate change through dedicated adaptation or risk reduction measures.		

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
<b>Overall project achievement</b>	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
<b>Performance of partners</b>			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

\* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

## Rating comparison<sup>a</sup>

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>Project Performance Evaluation rating</i>	<i>Rating disconnect</i>
<b>Rural poverty impact</b>	5	4	-1
<b>Project performance</b>			
Relevance	6	4	-2
Effectiveness	5	4	-1
Efficiency	5	4	-1
Sustainability of benefits	5	5	0
<b>Programme performance<sup>b</sup></b>	<b>5.25</b>	<b>4.25</b>	<b>-1</b>
<b>Other performance criteria</b>			
Gender equality and women's empowerment	4	3	-1
Innovation	4	4	0
Scaling up	5	5	0
Environment and natural resources management	4	4	0
Adaptation to climate change	-	5	-
<b>Overall programme achievement<sup>c</sup></b>	<b>5</b>	<b>4</b>	<b>-1</b>
<b>Performance of partners<sup>d</sup></b>			
IFAD	4	4	0
Government	5	4	-1
<b>Average net disconnect</b>			<b>-0.63</b>

<sup>a</sup>Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

<sup>b</sup>Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

<sup>c</sup>This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.

<sup>d</sup>The rating for partners' performance is not a component of the overall project achievement rating.

### Ratings of the Project Completion Report quality

	<i>PMD rating</i>	<i>IOE rating</i>	<i>Net disconnect</i>
Scope	6	5	-1
Quality (methods, data, participatory process)	5	5	0
Lessons	5	5	0
Candour	5	4	-1
Overall rating of the Project Completion Report	5	5	0

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.a. = not applicable.

## Approach paper

### A. Background

1. For completed investment projects financed by IFAD, the Independent Office of Evaluation of IFAD (IOE) undertakes project performance evaluations (PPEs) involving country visits for a number of selected projects (about 10 in a given year).<sup>1</sup>
2. A PPE is conducted after a desk review of the PCR and other available documents, with the aim of providing additional evidence on project achievements and validating the conclusions of the PCR. The main objectives of a PPE are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
3. The Participatory Natural Resource Management Programme (PNRMP) in the West Bank has been included in the 2017 IOE work programme and budget and will be undertaken between May and October 2017.

### B. Programme overview

4. **Programme area.** The programme area comprises four districts in the West Bank: Ramallah, Jenin, Nablus and Tulkarm. At programme design time (1997), poverty rates were higher overall in Gaza (25.3 per cent) as compared to the West Bank (17.1 per cent).<sup>2</sup> In terms of district-wise distribution of poverty figures, Jenin (30.2 per cent) had a higher rate of poverty compared to Nablus (12.8 per cent), Tulkarm (16.3 per cent) and Ramallah (9.9 per cent) and much higher than the average for West Bank.
5. **Programme objectives.** The objectives of the programme are to increase the incomes and living standards of small farmers in areas where there are few alternative income-generating possibilities by developing and managing the land and water resources to conserve and enhance their productivity.<sup>3</sup>
6. **Target group and targeting approach.** The programme appraisal report envisaged targeting at two levels. In selection of villages it envisaged an inter-agency VSC to undertake the official selection of villages entering the programme. It was to meet once each year to consider the recommended short –list of villages prepared by PMU, on behalf of MoA. The VSC was envisaged to include the Programme Director, a representative of the Ministry of Local Government, senior representatives of participating NGOs, and representative of district administration in which villages are located.
7. The targeting at the household level differed in the intended and actual targeting undertaken. This is especially reflected in the difference between the targeting specified in the grant agreement and that in the operations manual. The estimated size of the target group is not provided in the design report. The PCR estimates that the programme had 36,000 direct beneficiaries.

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<sup>1</sup> The selection criteria for PPE include: (i) information gaps in PCRs; (ii) projects of strategic relevance that offer enhanced opportunities for learning; (iii) a need to build evidence for forthcoming corporate level evaluations, country strategy and programme evaluations or evaluation synthesis reports; and (iv) a regional balance of IOE's evaluation programme.

<sup>2</sup> Poverty in West Bank and Gaza, World Bank (2001): [https://unispal.un.org/pdfs/WB\\_22312\\_GZ.pdf](https://unispal.un.org/pdfs/WB_22312_GZ.pdf)

<sup>3</sup> Appraisal report.



Table 1  
**Targeting criteria in grant agreement and the operations manual**

<i>Criteria</i>	<i>Farmers selection criteria according to Grant Agreement</i>	<i>Farmers selection criteria according operation manual</i>
Monthly income per capita	US\$680	<b>US\$1,500</b>
Minimum number of dependents on a single wage earner	5	<b>3</b>
Size of farm	Less than 20 dunums in low-rainfall areas, and less than 10 dunums in high-rainfall areas.	<b>Not specified</b>
Family size	family of six or more	<b>Not specified</b>

Source: Phase II assessment report

8. **Programme components.** The programme initially started with four components at design and was amended later on to consist of three components which were as follows:
- (i) **Land development:** (i) construction of rural access roads; (ii) rehabilitation and/or construction of rain water collection cisterns; (iii) rehabilitation of small natural springs for providing supplementary irrigation and drinking water for livestock; (iv) establishment of fencing to provide protection against wild animals; (v) removal of rocks from unused areas so as to bring the said areas into productive use; (vi) rehabilitation or construction of terraces for land currently under production; (vii) plantation of seedlings; and (viii) establishment of home gardens.
  - (ii) **Credit:** (i) provision of credit to on and off-farm rural entrepreneurs for income-generating activities, including short term loans (9-12 months, up to US\$10,000), medium term loans (12-24 months, up to US\$15,000) and long-term loans (24-36 months, up to US\$20,000) to enhance access to working capital, and to establish and strengthen enterprises, (ii) training and professional assistance (capacity-building) to the microfinance institutions on the subjects of financing of rural micro, small and medium enterprises (MSMEs), and (iii) capacity-building for the PMU, Ministry of Agriculture (MoA) and Ministry of Finance staff involved in the implementation of the component.
  - (iii) **Programme management and institution building:** (i) establishment of a PMU in MoA and the provision to the Project Management Unit of office equipment, vehicles, furniture, technical assistance, incremental operating costs for vehicles and office operations and maintenance, as well as training of MoA staff.
9. **Project financing.** For Phase I, the IFAD Executive Board approved a loan of US\$7.8 million and this was the primary source of financing. Given the institutional and political volatility with the second Intifada, only about four years of activities were undertaken (some activities over 2000-2001, and 2005, 2006 and 2007). The undisbursed balance of US\$4.98 million was used to finance Phase II in the form of a grant, approved by Executive Board in December 2008. In addition, a balance US\$2.99 million from the Relief and Development Programme was transferred into the IFAD Fund for Gaza and West Bank (FGWB) for the implementation of PNRMP Phase II and a grant of approximately US\$2.99 million was made available as a supplementary grant to the programme.

Table 2  
**Allocated financing Phase II (US\$ millions)**

Component	IFAD		UNDP		MFIs		Beneficiaries		Government		Total	
	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent
Land Development	4.859		0		0		1.387		0.414		6.66	47.9%
Credit	2.5		3.33		0.88		0		0.0019		6.71	48.3%
Programme Management	0.456		0		0		0		0.044		0.5	3.6%
<b>TOTAL</b>	<b>7.81</b>	<b>56%</b>	<b>3.3</b>	<b>24%</b>	<b>0.88</b>	<b>6.3%</b>	<b>1.387</b>	<b>10%</b>	<b>0.478</b>	<b>3.3%</b>	<b>13.902</b>	<b>100%</b>

Table 3  
**Actual financing by component Phase II (US\$ millions)**

Component	IFAD		UNDP		MFIs		Beneficiaries		Government		Total	
	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent
Land Development	4.839		0		0		2.017		0.947		7.8	54.6%
Credit	1.852		3.095		0.757		0		0.002		5.72	39.9%
Programme Management	0.312		0		0		0		0.448		0.761	5.3%
<b>TOTAL</b>	<b>7.003</b>	<b>49%</b>	<b>3.095</b>	<b>21.7%</b>	<b>0.757</b>	<b>5.3%</b>	<b>2.017</b>	<b>5.3%</b>	<b>1.417</b>	<b>14.1%</b>	<b>14.292</b>	<b>100%</b>

Source: Project completion report

The difference in approved and disbursed total (in US\$) could be attributed to the SDR/US\$ exchange rate fluctuation over the period since approval of the programme. The programme costs for Phase I by financier remains unavailable and will be retrieved during the meetings with former programme staff in the mission

10. **Timeframe.** The programme was financed through a loan from the FGWB on highly concessional basis, approved in 1998. However, the loan was prematurely closed in June 2009 due to impending political and financial crisis. The undisbursed amount in the FGWB was approved as a grant in December 2008 while the undisbursed amount of a previous project, Rehabilitation and Development Project Phase II, was reassigned to the FGWB and channelled to PNRMP as a grant in 2012. In programme documents the part of the programme implemented through the loan funding is referred to as Phase I while that implemented through the grant is referred to as Phase II in programme documents. Irrespective of the phase, the nature of activities financed by the programme remained the same, with the exception that credit component was not implemented in the first phase.
11. At the time of the loan/grant closing, the disbursement rate was 100 per cent (cumulative about SDR 7.325 million) for the loan account as well as both the grant accounts.<sup>4</sup>
12. **Implementation arrangements.** As per the design, the Ministry of Finance was designated as the Executing Agency, on behalf of the Palestinian Authority, responsible for the receipt, disbursement (to the implementing agency) and accounting of external loan funds received. MoA was the main programme implementing agency, charged with responsibility for ensuring that all aspects of implementation relating to land development are carried out in accordance with the agreed programme plan. In Phase I, given the nascent institutional capacities and the disruptions caused by the Intifada and then the civil war and ensuing fiscal crisis (with the actual events spread over the entire 2000s), the responsibility for implementation was transferred entirely to UNDP-PAPP (United Nations Development Programme - Programme for Assistance of Palestinian People). UNDP

<sup>4</sup> Flexcube.

implemented the programme through local NGOs. This was reflected in an agreement between the Ministry of Agriculture and UNDP.

13. For PNRMP Phase II (agreement signed in 2009, actual activities implemented from 2011), the institutional capacities of MoA were deemed adequate. MoA was designated as the main implementing agency. As stated, after the midterm review, UNDP-PAPP under the Deprived Families Economic Empowerment Programme (DEEP) implemented the credit component, under the supervision and oversight of MoA. A programme steering committee was also constituted for oversight of the entire programme, to review procurement and progress and to ensure compliance with the legal covenants of the financing agreement. The implementing partners for the land development component were six local NGOs selected competitively, and four microfinance institutions for the implementation of the credit component.

### C. PPE scope and methodology

14. The PPE exercise will be undertaken in accordance with the IFAD's Evaluation Policy<sup>5</sup> and the IFAD Evaluation Manual (second edition, 2015). Analysis in the PPE will be assisted by a review of a reconstructed theory of change (ToC), depicted in Annex 1, to assess the extent to which PNRMP's objectives were effectively achieved. The ToC of the programme depicts the programme context, causal pathways from programme outputs (the goods and services that it delivers) through changes resulting from the use of those outputs made by target groups and other key stakeholders towards impact (increase the incomes and living standards of small farmers in areas where there are few alternative income-generating possibilities). The ToC also depicts Intermediate States, i.e. changes that should take place between programme outcomes (specific objectives level) and impact. The ToC further defines external factors which influence change along the major impact pathways. These external factors are assumptions when the programme has no control over them, or Drivers of Impact when the Project has certain level of control.
15. The PPE has reconstructed the preliminary PNRMP's ToC based on the original design and a review of the documentation on the programme. The PPE Mission will discuss the reconstructed ToC during the field visits to ascertain the causal pathways identified and validate the Intermediary States, the Assumptions, and the Drivers of Impact. The ToC will be revised, if necessary, based on inputs from the field visit.
16. **Scope.** In view of the time and resources available, the PPE is generally not expected to undertake quantitative surveys or to examine the full spectrum of programme activities, achievements and drawbacks. Rather, it will focus on selected key issues. The PPE will take account of the preliminary findings from a desk review of PCR and other key programme documents and interviews at the IFAD headquarters. During the PPE mission, additional evidence and data will be collected to verify available information and reach an independent assessment of performance and results.
17. **Evaluation criteria.**<sup>6</sup> In line with the second edition of IOE's Evaluation Manual (2015), the key evaluation criteria applied in PPEs in principle include the following:
  - (i) **Relevance**, which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives.

<sup>5</sup> Revised IFAD Evaluation Policy (2011) <http://www.ifad.org/pub/policy/oe.pdf>

<sup>6</sup> The order presented below is the order in which the narrative will be presented. However, the rating on project performance will be calculated as the average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits will the project performance rating.

- (ii) **Effectiveness**, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance.
  - (iii) **Efficiency**, which indicates how economically resources/inputs (e.g. funds, expertise, time, etc.) are converted into results.
  - (iv) **Rural poverty impact**, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. Four impact domains are employed to generate a composite indication of rural poverty impact: (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies. A composite rating will be provided for the criterion of "rural poverty impact" but not for each of the impact domains.
  - (v) **Sustainability of benefits**, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
  - (vi) **Gender equality and women's empowerment**, indicating the extent to which IFAD's interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision-making work loan balance and impact on women's incomes, nutrition and livelihoods.
  - (vii) **Innovation and scaling up**, assessing the extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.
  - (viii) **Scaling up**, assessing the extent to which IFAD development interventions have been (or are likely to be) scaled up by Government authorities, donor organizations, the private sector and other agencies.
  - (ix) **Environment and natural resource management**, assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resource and the environment.
  - (x) **Adaptation to climate change**, assessing the contribution of the project to increase climate resilience and increase beneficiaries' capacity to manage short- and long-term climate risks.
  - (xi) **Overall project achievement** provides an overarching assessment of the intervention, drawing upon the analysis and ratings for all above-mentioned criteria.
  - (xii) **Performance of partners**, including the performance of IFAD and the Government, will be assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle.
18. **Rating system.** In line with the practice adopted in many other international financial institutions and UN organizations, IOE uses a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 being the lowest score (highly unsatisfactory).
19. **Data collection.** The PPE will be built on the initial findings from a review of the Project Completion Report and other documents. In terms of M&E data, the programme has conducted an impact survey towards the end of 2015. However, there was no baseline survey was conducted at the start of the programme. Two other surveys - UNDP-DEEP survey of rural credit clients and an outcome survey of land development beneficiaries, were undertaken. In addition, the programme has

maintained a database of all households benefitting from credit financing and the sites where land reclamation and rehabilitation activities were carried out. In order to obtain further information, interviews will be conducted both at IFAD headquarters and in the country. During the in-country work, additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative participatory techniques. The methods deployed will consist of individual and group interviews with programme stakeholders, beneficiaries and other key informants and resource persons, and direct observations. The PPE will also make use – where applicable – of additional data available through the programme’s monitoring and evaluation (M&E) system. Triangulation will be applied to verify findings emerging from different information sources.

20. **Stakeholders’ participation.** In compliance with the IOE Evaluation Policy, the main programme stakeholders will be involved throughout the PPE. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the programme was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with the Near East, North Africa and Europe Division (NEN) of IFAD and with the Government. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations.

#### **D. Evaluation process**

21. Following a desk review of PCR and other key programme documents, the PPE will involve following steps:
- (i) **Country work.** The PPE mission is scheduled for around 7-18 May 2017. It will interact with representatives from the Government and other institutions, beneficiaries and key informants, in Ramallah and in the field. The proposed theory of change of the programme will be validated during the field mission through interaction with programme stakeholders. At the end of the mission, a wrap-up meeting will be held in Ramallah to summarize the preliminary findings and discuss key strategic and operational issues. The IFAD country programme manager for Gaza and West Bank is expected to participate in the wrap-up meeting.
  - (ii) **Analysis, report drafting and peer review.** After the field visit, and the analysis, a draft PPE report will be prepared and submitted to IOE internal peer review for quality assurance.
  - (iii) **Comments by NEN and the Government.** The draft PPE report will be shared simultaneously with NEN and the Government for review and comment. IOE will finalize the report following receipt of comments by NEN and the Government and prepare the audit trail.
  - (iv) **Management response by NEN.** A written management response on the final PPE report will be prepared by the Programme Management Department. This will be included in the PPE report, when published.
  - (v) **Communication and dissemination.** The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print.

**Tentative timetable**

<i>Date</i>	<i>Activities</i>
March 2017 – April 2017	Desk review
7 May – 18 May 2017	Mission to the West Bank
June – July 2017	Preparation of draft report
July 2017	IOE internal peer review
August 2017	Draft PPE report sent to NEN and Government for comments
September 2017	Finalization of the report
October 2017	Publication and dissemination

**E. Specific issues for this PPE**

22. **Key issues for PPE investigation.** A PPE is a project evaluation with a limited scope and resources. As such, PPEs are not expected to investigate all activities financed under the project or to undertake in-depth impact assessment. Key selected issues to be reviewed, closely identified based on the initial desk review, are presented in the below. These may be fine-tuned based on further considerations or information availability, consultation with NEN and the Government.
- (i) **Entry point for programme operations and community engagement.** The programme opted to work with individual households rather than with communities and their organizations. Farm-level land reclamation and rehabilitation served as an entry point for the programme. The PPE will focus on the relevance and the effectiveness of the implementation approach followed by PNRMP and the level of involvement of communities and their institutions in programme interventions. This remains especially crucial for a land reclamation and rehabilitation intervention in light of the capital-intensive nature of such interventions and the necessity to have an integrated view of the contiguous landscape in target communities.
  - (ii) **Post-reclamation benefits of land.** The land reclamation and rehabilitation intervention intended to prepare the land for productive uses. The PPE mission will attempt to assess the utilization of the reclaimed land and the support extended by the programme to make productive use of such land. Another aspect of benefit accrued through land reclamation and rehabilitation is the possibility of tenure security provided by productive usage in a precarious security context, as in West Bank. Overall, the PPE mission will focus on the post-reclamation benefits accrued to the target populations.
  - (iii) **Targeting.** The programme had a well laid out targeting approach for selection of villages and individual households, at the design stage. However, programme documents identify some trade-offs that the programme potentially had to make in reconciling poverty targeting with the ability of target farmers' ability to pay beneficiary contribution to reclamation and rehabilitation activities and the need to target a minimum viable area of contiguous land. The evaluation will validate the stated and actual targeting approaches of the programme.
  - (iv) **Credit Component.** The credit component comprised nearly 40 per cent of the Phase II investment. The activities of the credit component were implemented only in the final two years of the programme's implementation. The project performance evaluation will assess the modality selected for implementing the credit intervention, the good practices and whether it generated credit disciplines and returns to cover costs.
  - (v) **Gender:** Gender is an important evaluation criterion, as covered by the evaluation manual. However, emphasis on gender and women's empowerment and its mainstreaming is especially crucial in Palestinian



territories in light of their relative socio-economic marginalization. The low female participation rate in labour force, at 18.8 per cent in West Bank and Gaza in 2015<sup>7</sup> and wage differentials between men and women<sup>8</sup> are symbolic of such constraints faced by women in West Bank and Gaza. The evaluation will attempt to understand the constraints faced by women and the mechanisms adopted by PNRMP to address such constraints.

- (vi) **Institutional capacity-building.** The programme was implemented in the aftermath of the signing of the Oslo Accords when public institutions were still in nascent stage of development. To get around such capacity constraints the programme was implemented through plethora of institutions at different levels such as national NGOs and UNDP. This evaluation will attempt to understand as to how the programme contributed to enhancing capacity of the Ministry of Agriculture and other institutions to manage and implement development projects and carry out fiduciary functions.
- (vii) **Lessons and recommendations for replication/scaling up.** The evaluation team is cognizant of deliberations between IFAD and the Government to replicate/scale up the programme. While IOE's evaluations have twin objectives of accountability as well as learning this evaluation will attempt to focus on, extract specific lessons and frame recommendations which may feed into replicating/scaling up PNRMP.

## F. Evaluation team

23. The team will consist of Mr Prashanth Kotturi, IOE Evaluation Analyst and Mr James Gasana (rural development expert, IOE consultant). The team will also consist of a local consultant. The team will be responsible for the final delivery of the report. Ms Delphine Bureau, IOE Evaluation Assistant, will provide administrative support.

## G. Background documents

24. The key background documents for the exercise will include the following:

### PNRMP programme specific documents

- Appraisal Report (1998)
- IFAD President's Report (1998)
- Country Programme Assessment Mission (2008)
- President's Memorandum (2008)
- Grant Agreement (2009)
- Assessment report – Phase II (2011)
- Midterm review mission (2012)
- President's Memorandum (2012)
- Revised Grant Agreement (2013)
- Supervision Mission Aide Memoire and Reports
- Impact Survey (2015)
- Project completion report (2016)

### General and others

- IFAD (2011). IFAD Evaluation Policy.
- IOE (2012). Guidelines for the Project Completion Report Validation and Project Performance Assessment.
- IFAD (2015). Evaluation Manual – Second Edition
- Various IFAD Policies and Strategies, in particular, Strategic Framework (2002-2006), Rural Finance, Rural Enterprise, Targeting, Gender Equity and Women's Empowerment

<sup>7</sup> Palestinian Central Bureau of Statistics and National Population Committee: [http://pcbs.gov.ps/portals/pcbs/PressRelease/Press\\_En\\_IntPopDy2015E.pdf](http://pcbs.gov.ps/portals/pcbs/PressRelease/Press_En_IntPopDy2015E.pdf)

<sup>8</sup> Palestinian Central Bureau of Statistics: <http://www.pcbs.gov.ps/portals/pcbs/PressRelease/WomenDy2015E.pdf>

## **List of key people met**

### **Government**

#### **Central ministries**

Laila Sbieh, General Director of International Relationships, Ministry of Finance

Mohammed Shahabari, Head of Natural Resource Management sector, Ministry of Agriculture

H.E. Sufian Sultan, Minister, Ministry of Agriculture

H.E. Abdullah Lalouh, Deputy Minister, Ministry of Agriculture

### **UNDP and FAO**

Naser Fagih, Poverty Reduction, team leader, UNDP

Iyad Nabulsi, Microfinance Specialist, UNDP

Basin Dudeen, Project Manager, UNDP

Jawad Manasrah, Microfinance Coordinator, UNDP

Abdallah Abu Al Rb, Microfinance Coordinator, UNDP

Samar Samara, Gender and M&E Coordinator, UNDP

Amin Alhaj, Programme Manager of Agriculture Portfolio

Azzam Saleh, Head of Programme, West Bank and Gaza Strip, FAO

Ciro Fiorillo, Head of Office, West Bank and Gaza Strip, FAO

### **NGOs and project management coordinators**

Mohammed Selah, Coordinator Jenin, Ministry of Agriculture Jenin

Abed Yasin, Programme Director, ESDC

Ali Alkam, Coordinator Jerusalem, District Jerusalem

Jahed Banghoulbi, Coordinator Ramallah, Ministry of Agriculture Ramallah

Haneen Masri, Coordinator Nablus, MoA Nablus

Muabel Abu Jeish, Project Coordinator, PARC

Mizar Azar, Project Coordinator, ESPC

Saadeh Abu Sheikah, Project Coordinator, UAWC

Wajdi Odeh, Project Coordinator, Ministry of Agriculture

Albard Algoul, Project Coordinator, Ministry of Agriculture

Hasam Aborab, Maan Development Centre, Maan

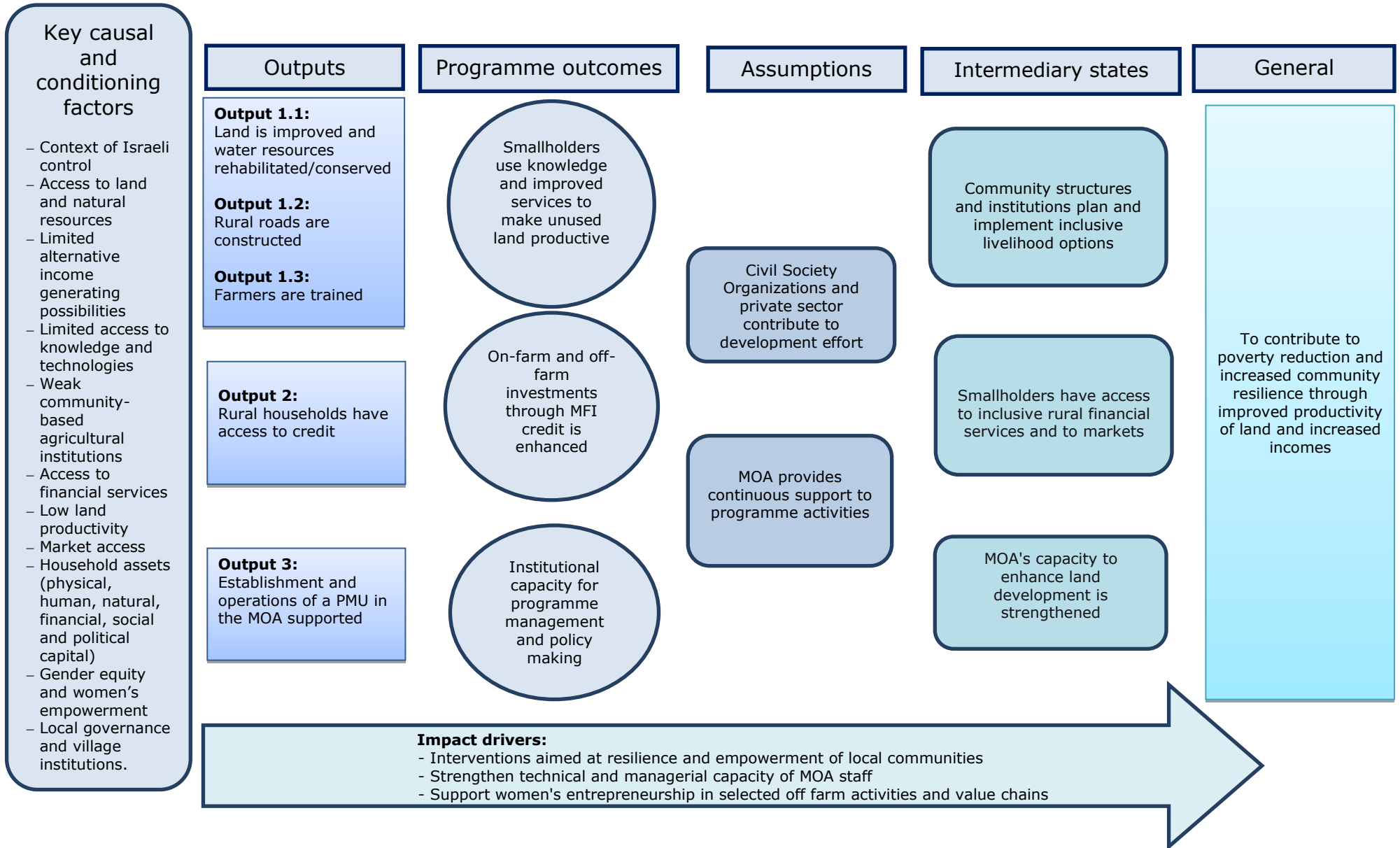
Feras Tabi Beileh, Project Management Department, Ministry of Agriculture

## Reconstructed theory of change

1. The programme was designed before the theory of change (ToC) approach was in use, therefore this aspect was lacking. The ToC depicts the causal pathways from planned outputs through outcomes (changes resulting from the use made by target groups of programme outputs) towards impacts. It identifies “Intermediary States (IS)”, which are transitional conditions required to progress from outcomes to the goal (i.e. longer-term impacts). Once ISs are identified, it is possible to determine the Assumptions (A), i.e. the factors that if present are expected to contribute the achievement of impacts, but are beyond the control of the programme; and the Impact Drivers (ID), i.e. the factors that if present are expected to contribute to the realization of the achievement of the impacts, and can be influenced by the programme or its stakeholders.
2. As part of this Evaluation’s methodology, a ToC underlying the programme design was reconstructed on the basis of documentation received, and it is presented in the Figure below. It shows the logic sequence of programme results, from the planned outputs to respective outcomes and to longer-term goal. The ToC not only encompasses the elements of design which are present in the design but also those which are essential but not reflected in the original or evolving design. The reconstructed ToC was used to analyze the broader progress to impact through the aggregation of available evidence on broader scale and longer-term results.
3. The ToC contends that to achieve the general Goal of the programme, which is “to increase the incomes and living standards of small farmers in areas where there are few alternative income-generating possibilities by developing and managing the land and water resources to conserve and enhance their productivity”, it is necessary to follow three pathways for change, which are determined by the below three Intermediate States and the respective assumptions and impact drivers. However, in the reconstructed ToC the overall goal of the programme has been modified to reflect the importance of resilience in a highly unstable and conflict prone context such as Palestine. This modified goal reads as “To contribute to poverty reduction and increased community resilience through improved productivity of land and increased incomes”. Elements of resilience enhancement were present in the programme design while some other elements were found to be absent.
  - (i) Pathway 1, determined by intermediate state “**Community structures and institutions plan and implement inclusive livelihood options**”. This pathway rests on outcome 1, “Smallholders use knowledge and improved services to convert unused land to productive land” which is aimed at converting unused land to productive land through land reclamation and rehabilitation. In addition, the target communities mobilize their social capital to map out their capacities and resources and plan appropriate livelihood options for themselves which include on and off-farm livelihood activities. However, as laid out in the relevance section, this emphasis on comprehensive livelihood options is found lacking. There is an organic and direct link with pathway 2 below.
  - (ii) Pathway 2, determined by intermediate state “**Smallholders have access to inclusive rural financial services and to markets**”. This pathway rests on outcome 2, “On-farm and off-farm investments through MFI credit are enhanced”. It envisages that target communities will be able to access finance and other kinds of input and produce markets to maximize the value of their on and off-farm livelihood activities. As mentioned under pathway 1 this can possibly be envisaged to be through collective and community-based institutions.

- (iii) Pathway 3, determined by intermediate “**MoA’s capacity to enhance land development is strengthened**”. Capacity-building of the Ministry of Agriculture remained an implicit objective of PNRMP. This pathway is set in the backdrop of the formation of MoA in the aftermath of the Oslo Accords and the formation of the Programme Management Unit for the implementation of PNRMP. It envisages that MoA will be able to develop internal capacity to manage agricultural development projects in general and land development projects in particular.

# Reconstructed theory of change diagram



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