

Palestinian Authority
Participatory Natural Resource Management Programme
(PNRMP)
(Project number 1079, loan number L-I-476, grant number G-I-C-1071 & G-I-C-1071A)

Project Performance Evaluation
Approach Paper

A. Background

1. For completed investment projects financed by IFAD, Independent Office of Evaluation (IOE) undertakes project performance evaluations (PPEs) involving country visits for a number of selected projects (about 10 in a given year)¹.
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 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. 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 West Bank viz. Ramallah, Jenin, Nablus and Tulkarm. As at the time of the designing of the programme (1997) poverty rates were found to be higher overall in Gaza (25.3%) as compared to West Bank (17.1%).² In terms of district wise distribution of poverty figures, Jenin (30.2%) had a higher rate of poverty compared to Nablus (12.8%), Tulkarm (16.3%) and Ramallah (9.9%) 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.³
6. **Target group and targeting approach.** The programme appraisal report envisaged targeting at two levels. In selection of villages it envisaged an inter-agency Village Selection Committee (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 Programme Management Unit, on behalf of the Ministry of Agriculture. 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

¹ 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.

² Poverty in West Bank and Gaza, World Bank (2001): https://unispal.un.org/pdfs/WB_22312_GZ.pdf

³ As elaborated in the appraisal report.

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.

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	USD 680	USD 1500
Minimum number of dependents on a single wage earner	5	3
Size of farm	Less than 20 dunums in low-rainfall areas, and less than 10 dunums in high-rainfall areas.	Not specified
Family size	family of six or more	Not specified

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 USD 10,000), medium term loans (12-24 months, up to USD 15,000) and long-term loans (24-36 months, up to USD 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 Project Management Unit, 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 Programme Management Unit (PMU) in Ministry of Agriculture (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 EB approved a loan of USD 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 2000-01, and 2005, 2006 and 2007). The undisbursed balance of USD 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 USD 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 project.

Table 2: Allocated Financing Phase II (in million US\$)

Component	IFAD		UNDP		MFIs		Beneficiaries		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
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%
TOTAL	7.81	56%	3.3	24%	0.88	6.3%	1.387	10%	0.478	3.3%	13.902	100%

Table 3: Actual financing by component Phase II (in million US\$)

Component	IFAD		UNDP		MFIs		Beneficiaries		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
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%
TOTAL	7.003	49%	3.095	21.7%	0.757	5.3%	2.017	5.3%	1.417	14.1%	14.292	100%

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 project. The programme costs for second phase I by financier remains unavailable and will be retrieved during the meetings with former project staff in the mission

10. **Timeframe.** The Participatory Natural Resource Management Programme (PNRMP) in the West Bank (implemented between 2000 and 2015) has been selected for a Project Performance Evaluation. The programme was financed through a loan from the IFAD Fund for Gaza and West Bank (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 Fund for Gaza and West Bank 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 project documents the part of the project implemented through the loan funding is referred to as Phase I while that implemented through the grant is referred to as Phase II in project documents. Irrespective of the phase, the nature of activities financed by the project 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.⁴
12. **Implementation arrangements.** As per the design, the Ministry of Finance (MOF) 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. The Ministry of Agriculture (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 implemented the Programme through local NGOs. This was reflected in an agreement between the Ministry of Agriculture and UNDP.

⁴ As per Flexcube, retrieved on 4th April 2017.

13. For PNRMP phase II (agreement signed in 2009, actual activities implemented from 2011), the institutional capacities of MOA were deemed adequate. The MOA was designated as the main implementing agency. As stated, after Mid-term review, UNDP-PAPP under the Deprived Families Economic Empowerment Programme (DEEP) implemented the credit component, under the supervision and oversight of the MOA. A Programme Steering Committee was also constituted for oversight of the entire Programme, review procurement and progress and ensure compliance with legal covenants of the Financing Agreement. The implementing partners for the land development component were 6 local NGOs selected competitively, and 4 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 Policy⁵ 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 the PNRMP's objectives were effectively achieved. The Toc of the project depicts the project context, causal pathways from project 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 project 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 project 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 project. 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 project 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 project 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**⁶. 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.
 - (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.

⁵ <http://www.ifad.org/pub/policy/oe.pdf>

⁶ 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.

- (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; and
 - (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 project has conducted an impact survey towards the end of 2015. However, there was no baseline survey was conducted at the start of the project. Two other surveys - UNDP-DEEP survey of rural credit clients and an outcome survey of land development beneficiaries, were undertaken. In addition, the project 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 project 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 project 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 (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 project key project documents, the PPE will involve following steps:
- (i) **Country work.** The PPE mission is scheduled for around 7 May – 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 project will be validated during the field mission through interaction with project 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.

22. **Tentative timetable** for the PPE process is as follows:

<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	Finalisation of the report
October 2017	Publication and dissemination

E. Specific issues for this PPE

23. **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 project operations and community engagement.** The project 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 project. 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 project 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 project 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% of the Phase-II investment. The activities of the credit component were implemented only in the final two years of the project'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 criteria, 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% in West Bank and Gaza in 2015⁷ and wage differentials between men and women⁸ 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 accord 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

⁷ Palestinian Central Bureau of Statistics and National Population Committee:
http://pcbs.gov.ps/portals/pcbs/PressRelease/Press_En_IntPopDy2015E.pdf

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

levels such as national NGOs and UNDP. This evaluation will attempt to understand as to how the project 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 project. 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

24. 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

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

PNRMP project 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)
- Mid-term 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 (PCR) 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

Theory of change – Participatory Natural Resources Management Programme (PNRMP)

