

West Bank and Gaza Rehabilitation and Development Project in Gaza and the West Bank (RDP-II)

Item	Assessment Remarks	Rating
Country & Project Name	West Bank and Gaza Rehabilitation and Development Project (RDP-II)	
Loan Number	--	
Project Id.	1262	
Board Date	September 2002	
Effectiveness Date	April 2003	
Original Closing Date	December 2006	
Final Closing Date	December 2008	
Total Project Cost USD(M)	USD 6.5 million	
IFAD loan USD (M)	IFAD grant of USD 3.0 million	
Cofinanciers (if any)	USD 1.5 million from beneficiaries; USD 0.9 million from AAAID; USD 0.3 million from RDP-I Trust Fund	
Implementing Agency	ANERA acted as the overall coordinating body.	
Principal Components	The overall goal of the project was to improve the living conditions and livelihood opportunities of poor Palestinian communities living in rural areas in the West Bank and Gaza. Its specific objectives included: i) restoring access to essential social and physical infrastructure and services through infrastructure rehabilitation and expansion; ii) providing immediate income through the provision of employment in infrastructure rehabilitation and expansion; iii) assisting the target group in accessing the necessary resources to improve their income-earning opportunities, particularly through the women's livelihood support component. The project's components are: i) Community Infrastructure; ii) Women's Livelihood Support; iii) Agricultural Development; iv) Development Initiatives Fund; v) Project Management.	
Project Performance		
Design	The RDP-II project continued to support the Palestinian people, following the positive experience of RDP-I, whose lessons learnt were utilised in the preparation of the RDP-II . The two NGOs (ANERA and PARC) that had been used in the RDP-I were re-engaged to assist with the project formulation and to implement the project. Because of the extreme uncertainty existing at the time of project start up, RDP-II was meant to be flexible with changes in funding allocation between the various components made depending on those that proved most suited to the conditions prevailing at the time. In addition, the project endorsed a highly participatory mode of implementation involving close collaboration between IFAD, the implementing NGOs and the beneficiaries. Project interventions were demand-driven and necessarily responsive to the needs of the communities ; emphasis would be placed on community involvement in all the proposed activities to ensure ownership, enhance long term sustainability and build local capacity within the local rural communities. No targets were included in the Logical Framework ; these were later established during 2003 and 2004 when efforts were made to establish a suitable and effective M&E system in PARC.	4
Implementation	The project's implementation was affected by the intifada since 2000 and by the blockage imposed after the election of Hamas in late 2006. It also suffered from a hiatus in funding after the original IFAD Grant had been depleted (early 2006). During implementation, two components of the five (the Agricultural Development component and the Development Initiatives Fund) were not implemented due to insufficient funding and the restricted access for implementation in the Gaza Strip . In late 2006, IFAD prepared a document called RDP-II Extension covering three year period (2007-2009) and the project was extended by 2 years. To make up for the failure of mobilise additional co-financing as envisaged at appraisal, within this second stage (RDP-II Extension), approval was given by IFAD Management to utilise residual funds (USD 4.4 million) available in the Loan Guarantee Fund (LGF) from RDP-I. Although project completion date was set as 30 June 2008, ANERA considered that this only governed the Grant funding from IFAD and not the sums relocated from RDP-I LGF. They treated the relocated funds as a separate project, and did not prepare the completion report for RDP-II nor prepare for the grant closure. The RDP-II design required the establishment of a steering committee. This was only established in late 2007 and met only once on 31 January 2008. The failure of the Project Steering Committee has effectively resulted in two separately managed projects implemented by two different parties, ANERA and PARC. With regard to the M&E system, this was weak and tended to reflect estimated numbers and focused on output results rather than being based on a systematic monitoring of beneficiaries and conditions over the project life. Base data were not sufficiently established and	3

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	compilation of accurate data was difficult. The deficiencies of the M&E systems have impeded the ability to track changes, identify real successes and failures and to realistically measure the impact of interventions on people's lives.	
Relevance	Overall, the project had a high degree of relevance . A highly participatory mode of implementation was developed involving close collaboration between IFAD, the implementing NGOs and the beneficiaries for detailing the design of the project activities. The partner organisations had a long experience of working with communities and showed that through introducing decentralised structures and devolving more responsibilities to communities , these were able to implement programmes even in the prevailing difficult circumstances. The overall focus of the project on addressing the women and poor in the rural communities was highly relevant to meeting the needs identified at the time of project design. Given the constraints faced by women and poor farmers in rural areas in accessing credit through commercial banks, the approach and tools utilized were relevant and appropriate in terms of credit accessibility, institutional capacity and the development of human capital through training and development. The project components were all relevant, but the overall programme was ambitious in assuming that additional funding would be forthcoming.	5
Effectiveness	The project demonstrated effectiveness in achieving some of its objectives . Considerable benefit has been delivered to those communities affected by the wall closure by the Israeli Government. RDP-II completed the physical targets for most of the infrastructure components within the first two years of the project. This was achieved through the combination of physical infrastructure assets combined with interventions to directly support women in the community. Saving and credit associations targeted at women have been very successful in addressing poverty in those groups where the breadwinners suddenly lost their job. Women said the project improved their lives in terms of income and ability to educate their children.	4
Efficiency	The PCR provides little information to assess efficiency of programme implementation. Efficiency was certainly affected by the many problems encountered during the early years of implementation . The efficiency of the project using IFAD Grant funds was greater than that shown for the Extension period that was financed using reallocated IFAD loan guarantee funds (LGF). The performance under RDP-II Extension fell short of the initial high standards. Planning for the latter projects using the reallocated LGF from RDP-I did not follow the earlier proven approach whereby construction started only after all funding contributions (from IFAD and the beneficiaries) had been secured and banked. In addition, individual project planning was slow with continual delays experienced for a number of reasons. As far as the performance of SCA, this appears to be far worse compared to the average MFIs within the industry sector, in light of inefficiencies related to collection policies , as there were significant problems with collection of due payments. This resulted in less funds being available for lending to additional applicants and with time would result in complete depletion of capital.	3
Partner Performance		
IFAD	IFAD was responsible for serious management oversight and did not act proactively to tackle some important needs of the RDP-II . It did not pick up a number of issues related to reporting, official agreements, monitoring and feedback, general communications and progress and regular control and flow of funds . One key factor affecting project's performance was the infrequency of IFAD supervision missions and the composition of missions . At key times, no missions were fielded and the steering committee meetings that were required under RDP-II extension were delayed several times impacting significantly on the late implementation of the already prepared work plans of ANERA.	2
Cooperating Institution	IFAD-directly supervised project	
Government	The PCR does not provide sufficient information to assess Gov't's performance. It is only mentioned that beneficiary and local governments made contributions to the total cost of the project and this indicated the high needs and levels of commitment by both groups of beneficiaries. However, Gov't may have a direct responsibility for insufficient funding as well as the failure to set up the Project Steering Committee.	4
NGO/Other	ANERA acted as the overall coordinating body. ANERA performed well during the first three years of the project when activities were supported by the IFAD grant. Once these funds were depleted, ANERA seemed to lose its direction failing to follow up on key issues and not responding to grant covenant requirements related to funding, reporting and association issues. At a higher level, management oversight was lacking and the overall management was weak and impacted negatively on the implementation of RDP-II Extension using reallocated IFAD LGF. Recommendations from IFAD Management and supervision missions were not seriously followed up and grant compliance became progressively weak. ANERA's reporting has been weak, especially since 2006; it also did not provide IFAD with a completion report after the Project Completion date. Project completion and Grant Closure dates were not	3

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	sufficiently well recognised and enforced and this led to the confusion that existed during 2009. With regard to PARC , it did not have a full understanding of the scope and purpose of some key activities. Between ANERA and PARC, there was a lack of interactive communication that prevented the setting up of greater linkages and better use of available resources. PECDAR became involved after the reallocation of LGF from RDP-I. It was responsible for providing additional local funds to the project and met the cost of the engineering supervision and oversight. However, this proved to be less effective than when these responsibilities were given to ANERA as part of their management role as the inputs were not consistent, did not recognize the engineering capacity at municipality level and was too hands off.	
Cofinancier(s)	Cofinancing with the exception of the beneficiary contribution did not materialize. Contributions made by the beneficiaries during implementation reached 20% of the total cost and this is remarkable considering the shortage of funding available in the West Bank. The level of contributions indicates the high needs and levels of commitment by beneficiaries and contributed significantly to meeting the project objectives.	4
Combined Partner Performance	Under RDP-I, the principle of a number of organizations working together with sound systems of coordination between them was successfully established and this was continued in RDP-II. The implementation of the various components and activities were to be undertaken, principally, by ANERA and PARC, through a joint collaborative arrangement. However, communications between ANERA and PARC were very limited with regard to progress, direction and way forward at a time when the whole project had experienced serious and critical challenges.	3
Rural Poverty Impact		
Physical Assets	The project has provided quite a number of physical assets (classrooms, new kindergartens, toilet facilities, playgrounds and similar facilities) to the rural communities. In addition, the community centers have provided women with a place to regularly meet. The project also benefitted two communities with water supply distribution system and house connections where the former supply had been isolated by the construction of the Israeli wall. Fifteen rural communities were provided with agricultural access roads to compensate for road closures resulting from the wall construction of some access roads for Palestinians.	5
Financial Assets	Considerable achievements have been realized by SCAs, such as: i) growth has been realized in savings, number of members, groups, retained earnings and assets. SCA support has empowered many women by providing them access to resources and enabled them to contribute significantly to the family income . Forty per cent of productive loans were provided for productive purposes and many women reported that they were able to expand their businesses and become powerful partners in the family. Communities have also benefitted through the provision of daily paid labouring work . This has permitted families who have lost all source of income to have some temporary work in order to support the family through a very difficult period.	5
Food Security	With regard to this impact domain, the PCR provides very few information. The only reference is made to the fact that thanks to the project, family members are spending less time in looking after the children's education and well-being and they have more time for income generating activities and to improve the food security of the household.	NA
Environment	NA	NA
Human Assets	The PCR provides little information to assess project's impact on human assets. The provision of a number of physical assets has significantly changed the standard of living of those communities, particularly for women and children . The project also contributed to children's education . Girls are being educated separately from boys and the classrooms in which they are receiving their education are larger and more conducive to learning.	4
Social Capital and Empowerment	The project provided capacity building and skills development of groups and SCAs members . About 453 training and development activities for SCAs and SCGs were conducted between 2003 and 2009. The total numbers of beneficiaries were around 16,612. Through SCAs, women have been able to meet to discuss the options available under the project and how to take advantage of the loans on offer. Many women became leaders in their communities and participated in local elections, thus enhancing the principle for democracy and participation.	4
Ag. Productivity	The component under which support was planned for agricultural development was not implemented. The PCR mentions that an indirect benefit has been achieved through the development of the savings and credit associations allowing women to invest in horticulture and agriculture related activities and also through the provision of the two new agricultural wholesale markets.	3
Institutions and Services	NA	NA

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Markets	The PCR does not tell us much about this impact domain. Two new agricultural wholesale markets have been assisted in areas where IFAD has provided assistance to the farming communities under earlier project support. Although these are not yet operational, they will provide more capacity and a more rapid throughput for the produce of small farmers in the surrounding agricultural areas of Tulkarem and Jericho.	4
Rural Poverty Impact		4
Overarching Factors		
Innovation	The Saving and Credit component was innovative when the project has started 15 years ago. Also the Guarantee Fund mechanism was highly innovative in the country context when started.	4
Replicability and Scaling-up	The assessment of the replicability of the project is quite weak. The PCR only mentions that there is likelihood that other donors may be willing to both meet the requirements of the community and their own governing strategy through the piggybacking of interventions of other donors programmes.	NA
Innovation, Replicability and Scaling-up		4
Sustainability and Ownership	With regard to infrastructure works, these are likely to be sustainable , as National PA standards for planning, design and construction have been adopted as well as the local authorities should ensure annual maintenance programmes and community involvement in fund raising. The financial and institutional sustainability of SCAs is still of concern . Although PARC has taken steps to gradually enable SCAs to stand on their own with good progress realized to date, SCAs are still highly dependent on donor and PARC funding and institutional support . If PARC and donors cease financial support, none of the SCAs is financially viable and thus cannot sustain operations on their own. Furthermore, given the high rate of arrears, the portfolio at risk is very high and as such capital erosion will occur sooner or later. There is the need of an exit strategy to improve collection and increase revenues in order to improve sustainability and gradually reduce dependency on donor's support.	4
Targeting	The project activities were to be implemented throughout the West Bank and Gaza Strip, focusing on the selection of poor villages on the basis of various poverty criteria (not specified in the PCR). Emphasis was placed on selection of remote villages which were not covered by other programmes and included those directly affected by the construction of the concrete and wire wall by the Israeli Government. Since women and children were disproportionately affected by the intifada, they constituted the principal target group for the project activities with a special focus on women-headed and women-managed households. Other target groups for individual activities comprised small farmer households, sharecroppers and unemployed heads of households.	5
Gender	Women have been granted particular attention by the project, due to their condition of head of the household. Women have benefitted from activities such as water supply, health infrastructure and girls' education. The major emphasis of the project to meet the needs of women was in the involvement of women in the SCAs which had a significant impact on empowering women and improving their status in the household and community. Their access to credit has made a significant contribution to enabling women to contribute to increasing the income of their families which reflected positively on their families livelihood and welfare. Women have increased self-confidence, high morale, greater participation in community life and possession of leadership roles.	5
Overall Performance		4
Estimated number of beneficiaries	107, 655 direct beneficiaries; 58,337 women.	
PCR Quality		
Scope	The PCR does not follow the PCR template thoroughly. However, it provides all the requested annexes.	4
Quality	The PCR focuses strongly on project's management issues, and it lacks of a good base of data and documentation to analyze the other issues.	3
Lessons	In light of the several problems faced by the project, the lessons learned should have deserved a higher reflection and level of attention.	4