

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 approach¹ 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.² 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. This will be especially important in light of the currently limited IFAD funding for projects in Palestine.³

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.

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

2. 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.

3. 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.