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Independent Evaluation

PALESTINE

Revised Technology Transfer for Recycling of
Building Material Waste, Gaza

Support to the Marble and Stone Industry in the
West Bank



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO EVALUATION GROUP

Independent Evaluation

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Building Material Waste, Gaza*

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West Bank

TF/PAL/05/001 and TE/PAL/05/001



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Abbreviations and acronyms

AHLC	Ad Hoc Liaison Committee
EDIP	Enterprise Development and Investment Promotion
HRD	Human resource development
IDF	Israeli Defence Force
ILO	International Labour Organization
IP	Integrated Programme
MoNE	Ministry of National Economy
PFI	Palestinian Federation of Industries
PPP	Public Private Partnership
PPU	Palestine Polytechnic University
PRLP	Palestine Reform and Development Plan (PRLP)
SC	Steering Committee
TVET	Technical Vocational Educational Training Centre
UNIDO	United Nations Industrial Organization
UNDP	United Nations Development Programme
USM	Union of Stone and Marble

Evaluation terms

Outcome:	The likely or achieved short-term and medium-term effects of an intervention's outputs.
Outputs:	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Relevance:	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities, and partners' and donors' policies.
Effectiveness:	The extent to which the development intervention's objectives were achieved or are expected to be achieved.
Efficiency:	A measure of how economically resources/inputs (funds expertise time, etc.) are converted to results.
Sustainability:	The continuation of benefits from a development intervention after major development assistance has been completed.
Impacts:	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

Executive summary

The project

The project arose from Italian Co-operation's work in Palestine, prior to 2005, with internally displaced persons, whose homes on the border with Egypt were destroyed, and then in 2005 with the removal of Israeli settlements from the Gaza Strip. Italian Co-operation recycled the debris into material for basic construction work, and it approached the United Nations Industrial Organization (UNIDO) to use this activity as a basis for transferring skill and technology to the construction sector as part of the Palestinian National Authority's economic development strategy.

The project began on July 1st 2005 with a time-span of 30 months, and budget of €2,650,000 (incl. 8% support costs). Its first steps were to research and design the recycling facility in partnership with local municipalities. Military and political events caused work to be suspended in 2007.

As the situation in Gaza showed no sign of early resolution, UNIDO worked with the Palestinian National Authority in Ramallah to shift the locus to the West Bank and assist the construction industry by creating a Technical Vocational Educational Training Center (TVET) based at the Palestine Polytechnic University (PPU) in Hebron, comprising a stone testing centre and two-year diploma course using a model stone-cutting factory. Further training activities, and industry data collection, were to be conducted by the sector association: the Union of Stone and Marble (USM).

The second phase of the project was designed with the start date of August 1 2008, a time-span of 15 months, and a budget of €765,000 (incl. 8% support costs). It was then further revised to include the earlier Gaza activity, with a start date of November 1 2008, a time-span of 26 months and the original budget of €2,650,000. The two initiatives in Gaza and the West Bank were referred to as Phase I (Technical Component) and Phase II (Training Component).

The Diploma Course began in September 2009 but the lack of approval by the Israeli Defence Force for importing the equipment (still not received by September 2010) has prevented the full implementation of the project.

The evaluation

The project was designed to be completed on December 2010. To assist decisions on unspent funds, the evaluation was moved forward to July 2010. An

international consultant, Mr Tim Dyce was appointed team leader, and two national consultants were appointed: Eng. Muhammad Sharia for the West Bank and Dr Mohammed Migdad for the Gaza Strip. The evaluation mission visited Palestine 4th to 9th July.

Given the many changes to the project, the purpose of the evaluation was to assess how many of its objectives had been achieved, draw lessons and recommendations and assist the donor to decide how the remaining funds should be spent -- including the option of recycling water contaminated by stone processing. Moving the evaluation forward, with several key developments still unresolved, has placed limitations on the evaluation's ability to reach firm conclusions on the relevance of project results.

The design of both phases of the project has been relevant to the needs of the targeted populations. Phase I's debris recycling aimed to remove hazardous rubble and produce basic construction material. The project attempted to avoid distorting the private sector's eventual ability to meet these needs sustainably. A new co-ordination structure assisted municipalities to meet infrastructure priorities.

The project largely met UNIDO's Programme Framework and the priorities of the Italian Government, with slight difference between the donor's priorities (largely the continuation of its earlier humanitarian work) and UNIDO's, which were more comprehensive and should have arisen more directly from the Palestinian National Authority's economic programme and the project's feasibility study recommendations.

Phase II's approach of a training and technical centre for the Stone and Marble sector was well designed in its choice of technical institute, planned establishment of a testing centre, and the structuring of a public private partnership to manage the centre -- albeit skewed rather more to the public than to the private partners. But it must still be questioned whether 1) a diploma course should be the dominant response to the human resource development needs of the sector, and 2) a TVET can be the principal vehicle to meet the strategic needs of the sector. For that, a greater role and further resources are needed for the sector association, the Union of Stone and Marble.

Effectiveness

Despite a great deal of work and some good results in preparatory stages, the effectiveness of both components of the project was seriously impeded by the environment of conflict and by insufficient coordination between partners.

The security measures of the Israeli authorities, together with the schism between the Fatah-led Palestinian National Authority in Ramallah and the

Hamas-led alternative in Gaza, forced an early pause on Phase I's objective of a sustainable enterprise recycling rubble into construction material, a pause that is likely to remain permanent.

In Phase II, despite a building and partial staffing, the long delays by the Israeli Defence Force, in approving the import of the Centre's equipment, have prevented the testing centre from operating and the diploma course from delivering its key modules. There have been insufficient results in building awareness and co-operation in the Stone and Marble sector to tackle strategic issues such as environmental management.

Efficiency

An underfunded Integrated Programme (IP) and insufficient local UNIDO personnel, together with inadequate co-ordination within the UN system has produced areas of paralysis: in obtaining approvals, organizing payment of providers, and appointing the full complement of Centre staff. It has also led to confusion between the Palestinian Authority's co-ordinating role as a counterpart partner, and a UNIDO role of project management. This has been compounded by reliance for project supervision and support on the shell of an inherited IP Programme with virtually no other activities.

Some partnerships necessary for success in the project are operating well, (as between the Ministry of National Economy and the PPU); others are weaker (as between the USM and the PPU) or non-existent, (as between the Hebron municipality and the TVET). Given UNIDO's more recent focus on post crisis poverty alleviation, such a project needs better risk analysis and sharper responses to inevitable problems.

In particular, the communication between the United Nations Development Programme (UNDP) and UNIDO needs to be examined dispassionately. Understanding the pressure on UN colleagues is not an excuse to avoid clear analysis of why a project can virtually come to a stop because of inadequate co-ordination. This threatens the interests of the ultimate stakeholders: the Italian taxpayer and the Palestinian construction sector with its businesses, and the young people who look to it for employment in the future.

Sustainability

Phase I was suspended before implementation let alone consolidation. The technical and organizational planning seems to have had the small longer term effect of exposing a number of local experts and officials to UNIDO's technical problem solving and institution building expertise, on which there is potential to build in the unlikely event of change in the political environment.

Phase II has seen the erection of a new building for the TVET Centre but has had a truncated implementation while awaiting the arrival of the essential equipment and appointment of a new Director, thus leaving the long term credibility and market viability of the Diploma in a fragile state.

Much confidence has been placed in the Public Private Partnership model but a weak business plan without post-project income planning and lack of regular meetings give cause for concern. Strategic and capacity strengths in the USM have not been developed sufficiently to meet the construction sector's medium and long-term needs.

Impact

Partly as a result of Phase I, rubble was recycled into road fill in the Gaza Strip by informal use of the equipment provided. Local personnel had access to expertise and overseas models and to a new structure of municipality co-ordination, though not on the scale intended and its later effect, if any, is unknown.

Phase II has endowed the Palestine Polytechnic University with major funding for an as yet unequipped facility, and set up an innovative, though not fully developed, governance partnership structure. A four-semester course curriculum has been developed of which two semesters have been delivered to seventeen students (and one semester to a further five) without yet offering the core technical modules.

The sector association has begun a data profile exercise on the industry to assist longer term strategic planning.

Conclusions

Much hard work of high quality has been done but the project has had limited results because of an extremely difficult environment and lacks a local UNIDO presence.

Decisions have had to be made which in hindsight should not have been made -- for example commencing the TVET course before importation of the necessary technical equipment was assured.

Some partnerships necessary for success in the project are operating well, such as between the Ministry of National Economy and the PPU; others are weak or non-existent, as for example between the Hebron municipality and the TVET.

Lessons learnt

Useful lessons on rubble recycling that were learned in Gaza were applied by UNIDO in response to the 2010 Haiti Earthquake.

Business plans for projects are unreliable tools if they rely solely on project funding and do not assess post-project income streams.

In Public Private Partnerships, decision-making, risk taking, and financial investment of public and private partners should be clearly and equitably shared.

In preparing project business plans input should be sought from local entrepreneurs and possibly also international entrepreneurs, and not just from public sector experts in project management or the supervision of business sectors.

UNIDO should avoid structuring a project where an officer of a counterpart Ministry is given a management role, e.g.: approving project disbursements, as it creates a potential conflict of interest. The present UNIDO Focal Point himself underlined to the evaluation that he is a representative of the Ministry to UNIDO and not an officer of UNIDO.

UNIDO officers should not be put in a position where appearances of conflict of interest could arise. Particular care should be taken in any case where the UNIDO officer is of the same nationality as the country where the intervention is taking place.

Recommendations

The key question is whether remaining resources should be used to: a) extend support to the TVET centre to give it greater stability; b) extend support to the USM to develop commercial strategies for the sector c) invest in the recycling of stone sludge

The principal recommendation of the evaluation is to expand current strategic planning initiatives and build capacity in the USM to lead and modernize the sector, making the USM and the sector a stronger partner in the TVET.

The second recommendation is that a high level delegation of UNIDO, donor and partners pursue all channels through, or independent of, UNDP to gain approval for importing the TVET equipment.

The third recommendation is that the recycling of sludge should be managed by a greater number of stakeholders than those involved in the TVET project, and

USM capacity building should aim at the stone and marble sector being a reliable partner in such a recycling programme.

The fourth recommendation is that UNIDO should take steps to ensure as far as possible 1) that the project assets in Gaza are being used for the intended beneficiaries of the first phase (and, if circumstances change, as part of future aid to the people of the Gaza Strip); and 2) that the equipment located in the West Bank is being used for the ultimate beneficiaries of the second phase of the project.

Further recommendations are made to improve the governance system of the TVET centre and management of the Diploma Course. These are found in Section 5 below.

1

The evaluation

1.1 Purpose

The evaluation is designed to examine the activities and outputs of the project in its two phases, and assess if and how they have served to advance the outcomes and objectives of the project document in its two articulations since the starting date of 1st July 2005 and the renewed activity starting 1st November 2008; in particular to:

- Assess the progress towards achieving the planned objectives of the project keeping in mind the change of scope that the project has experienced;
- Enable the Italian Government (donor) to make informed decisions as to the possible extension and re-orientation of the project to recycling dirty water;
- Identify lessons and recommendations for a potential next phase of the project,
- Draw lessons for other projects in emergency-related environments.

The intended users of the evaluation are the ultimate beneficiaries of the project – the business owners and workers in the stone and marble sector and the young women and men who seek employment in it –, the Government of Palestine, in particular the Ministry of National Economy and the two other partners within the public private partnership set up under the Project: the Palestine Polytechnic University in Hebron, and the Union of Stone and Marble; and other actual and potential partners such obviously as the donor: the Government of Italy, and also the Scuola del Marmo of Verona (Italy), other UN agencies, and local municipalities such as those of Hebron and Bethlehem.

1.2 Methodology

The evaluation was carried out in accordance with the Terms of Reference (refer Appendix 3) as an Independent Terminal Evaluation in compliance with UNIDO's Evaluation Policy. It assessed the project activities and achievements against the objectives set out in the project documents, and collected evidence in a triangulated approach: information and opinion from a range of sources: review of documents, interviews with key actors in the project's management, and contextual input from partners, beneficiaries and observers. As time in the field was limited and the project activities diverse, questionnaire surveys were not

used. After earlier documentary research and interviews at UNIDO HQ, an inception report was submitted and approved. Some data was further checked after the mission and further interviews conducted with UNIDO HQ experts. Evaluation of the project was carried out against the criteria of Relevance, Effectiveness, Efficiency, Impact and Sustainability.

1.3 Team

Two national consultants were recruited: one based in the West Bank, Eng. Muhammad Sharia, who has wide experience of the Stone and Marble, the other in Gaza, Dr Mohammed Ibrahim Migdad, is Professor of Economics at the University of Gaza. The Team Leader, Mr Tim Dyce, is an international consultant with wide experience of project evaluations.

1.4 Conduct

The evaluation began with briefings for the team leader at UNIDO HQ in Vienna. Because of security briefings, the team leader and West Bank consultant were required to stay in Jerusalem on the 4th and 5th July. On the 6th, 7th and 8th July they visited Bethlehem, Hebron and Ramallah (West Bank). The Team Leader conducted further interviews at UNIDO HQ on the 15th July. The Gaza consultant Dr Migdad conducted interviews in the Gaza Strip on the 4th-6th, 9th and 11th-13th July 2010.

1.5 Limitations

The project is being conducted in a turbulent part of the world (The Gaza strip and the Occupied Territories of the West Bank of Palestine), and during a particularly turbulent time: the 2005 removal of Israeli settlements in the Gaza strip, the incursion into Lebanon 2006, the election of the Hamas Party and subsequent measures by the Israeli army, civil conflict between rival parties inside Palestine, the blockade of Gaza and the cessation of international relationships with the Hamas leadership in Gaza.

The evaluation team was aware of the difficulties in maintaining normal processes of project management in such an environment. It also understood that recollections of past events and their interpretation could be coloured by events and by lack of access to information. Despite this a sufficiently coherent picture emerged for the evaluation to draw its conclusions supported by the balance of evidence. All interviewees were encouraged to speak openly. They were assured that no comments would be sourced directly to named individuals. No direct connection should be assumed between comments on particular issues in the report and people listed in the Persons Interviewed, as information on issues was normally gained from a number of sources.

The team was restricted by:

- The physical separation of one of its members. Communication with the Gaza consultant could only be by email.
- The limited time available for interviews (only three days were available for travel on the West Bank). More time, for example, would have been useful to verify the extent to which the project had truly arisen from the priorities of the Palestinian Authority.
- Some people being unavailable for interview either by choice or by physical distance and logistical problems.

As the Palestine Integrated Programme Steering Committee was the only body that involved the main stakeholders of the project it was of some concern that no arrangements were made for a meeting either for the evaluation team to receive its view of the project or to debrief to it at the conclusion of the mission.

Despite this, the team was able to interview a range of people and thanks are due to the UNIDO staff in Vienna and to agencies in Jerusalem and the West Bank -- not least the West Bank evaluation consultant and the UNDP -- in facilitating meetings and the necessary movement of people to achieve them. The UNIDO focal point in particular has a broad experience of the project and the background to UNIDO work. However he holds a range of responsibilities as in the Ministry and while doing his utmost to assist the evaluation, had limited time available during the mission.

The evaluation approached UNDP to see if an appointment could be made for the team leader to meet directly with a representative of the Israeli Defence Force to see what could be learned from the then seven-month delay in getting approval for importing the Centre equipment. The UNDP answer came back through a secretary that it was not worth their while. It is accepted that the evaluation request was made at short notice but it was felt that the UNDP's lack of help on this matter worked against the effectiveness of the evaluation.

2

Political and economic context¹

2.1 Prior to the project: 2000-2005

The wider political and economic rationale behind the original recycling project was set out in the programme document of the *Integrated Programme of Technical Co-operation with the Palestinian National Authority*, under the umbrella of which the project was placed at its inception in 2005. At that point, the Programme included both Gaza and the West Bank. It noted that forty years of occupation had left a “heavily distorted economy ... almost completely dependent on the Israeli economy” and considerably less developed than other countries in the region (industry accounting for 12-13% of GDP as against nearly 30% in Jordan) and the size of an average industrial enterprise being about four workers the same as it had been in 1927². Hopes that the autonomy stemming from the Oslo Accords of 1993 would lead to strong development of the private sector and expanded employment for the rapidly increasing (3% per annum) population were not realized³.

The Second Intifada of 2000 marked an escalated cycle of violence, a dramatic fall in domestic investment and cessation of external investment. The extensive system of new Israeli settlements and checkpoints set up by the Israeli Defence Force restricted the movement of people and goods. Palestinian manufacturers were unable to meet delivery schedules. Their costs rose, at a time when the Israeli economy was increasing low-cost imports from other sources. Traditional Palestinian low-value labour-intensive products (e.g.: garments and footwear) were rendered uncompetitive. Labour productivity in the West Bank fell sharply after 2000, increased to a level 44% higher than in 1996 but set against a near 24% fall in manufacturing employment over 2000-2004 indicated that, while less efficient firms were driven from the market, the resources freed up were not reinvested in economic growth but lay idle.

In Gaza, the small size of businesses, the lack of incentive to invest in new equipment and the isolation from the commercial and technical learning possible through normal business networks or working in Israeli companies -- from which they were being progressively excluded -- were factors leading towards stagnation. UNIDO saw its expertise in moving manufacturing sectors into higher

¹ Information here is based on UNIDO project documents and consultant reports.

² Employment is principally male: only 7% of those working in the sector are women.

³ Industrial employment fell from 14.1% to 12.3% between 1994 and 2004.

value-added goods and expanded markets, as relevant; and this led to the Integrated Programme first phase.

The Marble and Stone Sector⁴ is historically an important industry in Palestine which is home to commercial quantities of construction stone of a type, quality and colour attractive to markets in the immediate region and further afield⁵. It employs 13,500 workers⁶ -- the largest percentage of the Palestinian workforce -- in some 300 quarries and 600 stone cutting companies employing on average 10-50 workers.

2.2 The project period: 2005-2010

A characteristic of the project is that it was not launched primarily to strengthen this sector but rather in response to an Italian Co-operation initiative.

This targeted internally displaced persons living in Gaza, to facilitate recycling building waste that had been caused firstly by the demolition of buildings along the border perimeter with Egypt and secondly, after the evacuation of the Israeli settlements, from the destruction of homes and infrastructure by the departing settlers.

The then Mediterranean and Middle East Countries Directorate of the Italian Ministry of Foreign Affairs had worked with the Palestinian Authority to fund the production of recycled materials for building Palestinian infrastructure, as part of a broader national development plan.

By accessing UNIDO's expertise, and bringing the project under the Integrated Programme, the task of recycling demolition material was to be greatly enhanced as a project to make inputs of skill and technology into the construction sector. This project in 2005 was focussed on activities in the Gaza strip.

However all this was to change very rapidly with the election, in January 2006, of a Hamas government. The attempts to form a government of unity between Hamas and the previous governing party, Fatah, were not successful and in June 2007, Hamas expelled Fatah from the Gaza strip and established its own government.

The United States and countries of the European Union, including the donor Italy, cut off co-operation with the Gaza Hamas government, and the UNIDO project was forced to rethink its focus, activities and beneficiaries from Gaza to the West Bank.

⁴ Strictly speaking no marble, as such, is available in Palestine. The sector however defines itself as encompassing both marble and stone and this has proved useful in this project for the natural affinity it has with the marble industry in Italy whence skills and technology are planned to be sourced.

⁵ In 2008 Palestinian stone was estimated to amount to 4% of the total world production of 600 million square metres and world value of 28 billion dollars.

⁶ Average earnings are estimated in 2010 to be approximately USD 1,000 per worker.

3

Organizational background

3.1 Evolution of the project documents

3.1.1 *Recycling in Gaza*

The development objective of the project of “fostering the reconstruction process and revitalizing the national building industry while addressing the issue of environment protection”⁷ went back to an October 2003 agreement between the Italian Foreign Ministry and the Palestinian Authority to assist national development in Palestine through the production of value-added building materials from debris.

UNIDO at the same time had developed a specific proposal to assist in using local natural resources and recycled waste. The aim was to produce semi-finished products, bricks and prefabricated flooring tiles. This would allow for the introduction of new technical knowledge and skills, make better use of local resources, be structured to foster and not distort the local market in such products, and contribute to the construction of housing and infrastructure, and to employment in directly or indirectly related sectors.

The intended beneficiaries were the Palestinian population (particularly workers and young entrepreneurs), the Government authorities and institutions dealing with industrial and infrastructure development, private sector associations, entrepreneurial groups and financing institutions addressing building activities.

The immediate objective was to transfer know-how and technology to produce aggregates and/or value-added building materials from debris. Two recycling facilities were planned, to be owned and managed by local public and/or private partners. Waste materials would be transported to and crushed in the facilities and transformed into semi-finished and finished products.

International and national experts would ensure proper technical and know-how inputs into the preparatory activities. The International Centre for Science and High Technology (ICSHT) in Trieste, Italy was to provide additional funding and training of local management and technicians. It was assumed that the local authorities would be able to secure the availability of land and utilities for the facilities.

⁷ Project document TF/PAL/05/001, page10.

The first version of the project document was signed in June - July 2005 by the Minister of National Economy of the Palestinian Authority and the representative of the Italian Co-operation. The document established that the project was to be “managed by UNIDO through UNIDO Integrated Programme Office in Palestine in close coordination with the UNIDO focal point at the Ministry of National Economy⁸”. The project was due to start on 1 July 2005, last for 30 months and cost €2,650,000.

A Steering committee was set up to “take strategic decision on the ownership, siting and operation of the production facilities to be established”. It comprised the Ministry of Public Works, Ministry of Local Governments, the Palestinian Federation of Industries, the donor (the Italian Government) and UNIDO and “APLA, the Engineering Association and others as appropriate”.

The document foreshadowed a “company that will take responsibility for the operation and management of the production facilities” and for international and national experts to provide to the steering committee the technical inputs on the preparatory activities “in relation to the company”.

The idea was that once the project was established, a public-private partnership would be in place, with a company -- operating on a commercial basis -- providing construction material to the municipal authorities.

It was envisaged that in Phase II of the project the company would work with a Joint Services Council (formed from the main municipalities), UNIDO, and the donor, though the structure for this was left vague. There was also provision for co-operation with the pre-existing recycling programme of the Italian Co-operation.

3.1.2 Technical and Vocational Education Training (TVET) in the West Bank

In the light of the political and military events of 2005-2006, UNIDO and its partner the Palestinian Authority Ministry of National Economy (now excluded from the Gaza strip) were forced to find a new direction for the project. Maintaining the objective of support to the construction industry, the Steering Committee⁹ focussed on the Stone and Marble Sector and requested UNIDO to explore three different feasibility studies in the West Bank: 1) a technical centre dedicated to the sector at a Technical and Vocational Educational Training (TVET) institution; 2) an Eco-Industrial Park also dedicated to the sector; 3) a recycling facility to produce calcium carbonate out of the sludge produced by the industry.

After consultation with the donor, the TVET option was chosen¹⁰ based on a pre-feasibility study drawn up¹¹ with inputs from the Palestinian Federation of

⁸ Project Document TF/PAL/05/001, page 8.

⁹ Steering Committee minutes 25th June 2006.

¹⁰ Steering Committee minutes 15th August 2007.

Industries and from one of the leading Italian marble training institutions¹², and based also on analysis of the Stone and Marble sector carried out by the Industrial Modernization Centre set up by the UNIDO Integrated Programme for Palestine.

The study also carried out its own surveys among the member businesses of the sector and noted the many obstacles¹³ that had led to a 50% decline in industry production between 2000 and 2006, amongst them the high costs of production of Palestinian stone as against stone exports from Jordan and the weaknesses of both the supporting infrastructure and the regulatory system needed by the sector; environmental certification with reference to the disposal of industry waste being a key requirement for improving exports.

The study recommended a number of steps to overcome these obstacles, including 1) backward and forward integration: greater investment in the raw material supply (and assured ownership of the quarries that provide it) and control over its distribution channels; 2) clustering businesses together to cut costs on importing intermediate materials while avoiding a monopoly (hence advising against the Union of Stone and Marble running its own company).

However the competitiveness of Palestinian stone was acknowledged particularly in American and European markets where the warmer colour of the stone and its associations with the Holy Land are marketing advantages. The study recommended continuous improvement of quality systems in the cutting, processing and finishing of the products, and a number of objectives for the TVET the first of which was to “contribute to the development and sustainability of the Marble and Stone sector in Palestine through enhanced education, competences and skills of the concerned entrepreneurs, managers and employees”

These directions were agreed with the donor in an exchange of letters¹⁴ and embodied in a new project document with a starting date of 1 August 2008, a projected length of 18 months and a budget of €765,000 representing the unused funds still available to the project. The project approval process within UNIDO however found that under the agreement existing with the donor these funds could not be used for a new project but must fulfil the purposes of the original project.

A further project document was therefore developed which changed the starting date to 1 November 2008, extended the project to 26 months and indicated a budget of €2,650,000. The new activity was seen as growing out of the original objective of skill transfer to the construction industry through firstly an Industrial

¹¹ *Pre-feasibility study for a marble and stone TVET Centre in Palestine* Paolo Bellamoli and Suhail Sultan, November 2006.

¹² Scuola del Marmo di S. Ambrogio di Valpolicella.

¹³ Listed on page 18-19 of the Pre-Feasibility Study.

¹⁴ Letter 7th November 2007 to the Consul-General of Italy, Dr Nicola Manduzio, from the Minister of National Economy of the Palestinian Authority, Mr Mohammad Hassouneh and UNIDO Project Manager, Mr Emilio Vento; and reply 11th March 2008 Dr Luciano Pezzotti Consul-General of Italy.

and now a Vocational component. An amended version of the Excel chart of outputs and activities of the original 2005 project was included.

The closure of the borders with Gaza brought a range of problems for the project. Not only was a key piece of the recycling equipment left on the West Bank side of the border where it remains to this day but also, apart from the restrictions imposed by the Israeli Government and IDF, all ties with the participating municipalities were cut by the Palestinian Government in Ramallah and have never been resumed. Even the partial lifting of the restrictions by the Israeli authorities in 2010 has not affected the blockade by the authorities in Ramallah on contacts with those in the Gaza strip.

Throughout the time when the first phase of the project was put on hold and then the second phase designed and initiated – both the donor and UNIDO indicated that a moral commitment existed to the people of Gaza even when a technical one was not possible. It did not appear however from evaluation interviews in Gaza that the message of this commitment had been heard there: the project is regarded as “not having been implemented”¹⁵. In the interview conducted by the Gaza consultant, the Minister of National Economy in Gaza said he had no knowledge of the project, its financing, or even that UNIDO had been involved¹⁶.

It was always hoped that the situation would improve and that some form of activity could re-start. However after five years it was acknowledged to the evaluation that such a situation cannot continue, which makes more urgent a decision on how the remaining resources should be allocated.

UNDP, which does have access to the Gaza Strip, has carried out a waste disposal project with more limited aims: namely to clear material to prevent hazards to health and safety and permit land usage for roads and other purposes¹⁷. The UNDP noted that further usage of the recycled waste by the private sector is limited but there is a need in Gaza for recycling solid waste including production of organic fertilizer. As recorded below, the de facto Gaza administration has used the machinery and achieved some of the intended results of the original project. The evaluation was told that if further equipment was provided, the project could be revived, extended, and management passed back to the original municipalities of Rafa and Khan Younis.

3.2 Relationship to the Integrated Programme

The Integrated Programme (IP) was initiated in 1999 for the years 2000-2005, and entered a second phase with a new Programme Document in February 2008. The purpose was the upgrading of Palestinian industrial enterprises to enhance competitiveness and foster access to export markets for the manufacturing sector.

¹⁵ “frozen without co-operation or even informing partners in Gaza” (interviews July 2010).

¹⁶ UNIDO is bound to act in partnership with the relevant Ministry of the Palestinian Authority. It has no authority to enter into dialogue with what in effect is a breakaway territory not recognized by the United Nations.

¹⁷ Interviews with UNDP staff Jerusalem 05.07.10.

There has been recent reflection by UNIDO of the effectiveness of Integrated Programmes: they make a lot of sense in terms of design but have often failed to gain sufficient funding to make them work. The 2005 evaluation of the Palestinian IP¹⁸ pointed to success in strengthening the Palestinian Federation of Industries but weaknesses in implementing the upgrading needs of selected businesses.

Unlike some other IPs¹⁹ there was insufficient funding for the “Industrial Modernization Centre”: consultants were trained but could not effectively do their work. The IP evaluation noted systemic difficulties in Palestine: lack of a developed industrial policy framework though some progress in awareness of its need; lack of documented decision-making; lack of results monitoring schemes; weak governance in terms of a lack of steering committee co-ordination and that the representative of a partner organization played a dual role as manager in his own organization and focal point for UNIDO. These weaknesses and compromises were noted in the evaluation as partly justified because of the unique circumstances of Palestine.

While the Recycling Project was brought under the umbrella of the IP, the IP itself remains only a shell, existing mainly on paper. After the transfer of activities to the West Bank, no new steering committee was established for the project and the IP Steering Committee met infrequently, if at all.

At the time of the evaluation in July 2010, the fact that the Committee had not met for four months and did not see it as necessary to convene to meet with the evaluation team indicated that this large structure was not playing an effective supervisory role over the TVET project. The same problem of individuals playing dual roles made for confused lines of accountability.

From data in the IP progress reports²⁰ the principal activity of the IP was mentioned as the TVET component with only passing reference²¹ to the Stone and Marble Sector. The 2005 evaluation actually recommended that because of its independent origins the recycling project should not be integrated within the IP.

¹⁸ P. Loewe, M. Hedeshi S. Abbas: Independent Evaluation of the UNIDO Integrated Programme for Palestine XP/PAL/05/002 Draft Report 20.12.05.

¹⁹ Refer: 209 Independent Evaluation of UNIDO Integrated Programme Made in Syria.

²⁰ May 2009, October 2009 and March 2010.

²¹ A small line item in the accounts page 4 Programme Progress Report March 2010 page 4.

4

Activities and assessment of the project

4.1 Recycling in Gaza

4.1.1 Activities

The project began on 1st July 2005 and the UNIDO technical team pilot tested existing recycled material. While the results were good, the earlier hopes of producing materials for house construction were not realized and the main use for the product was in road construction. Three of the four pieces of new equipment namely the tractor, the crusher and the sieve (or screen) were sourced in Italy. The fourth, an excavator, was sourced in the West Bank but because of the closure of the border was never moved into the Gaza Strip. The Italian equipment was imported, but because the approval for the import had not been concluded before its departure from Italy, had to wait for a month in storage at the port of Ashdod while the paperwork was completed for which the Israeli authorities charged €1,000 a day.

4.1.2 Assessment

The objective set out in the project document of 1st July 2005 was twofold: transferring technology to produce building material from debris, and ensuring that the technology and resultant products were adapted to local “industrial socio-economic and environmental needs”. Delivery was structured in two phases: working out the process for transferring the technology and then setting up the facility that would deliver the product. The project was also seen as a component of the on-going UNIDO technical assistance to the Palestinian economy²² the objective of which was: “To foster sustainable industrial development by strengthening human and institutional capacity at the Ministry of National Economy and at the private sector focussing on industrial upgrading of enterprise business performance”²³

²² Project Document TF/PAL/05/001, page 1.

²³ Integrated Programme of Technical Co-operation with the Palestinian National Authority Feb 2008 p.4.

RELEVANCE

Donor

The project was highly relevant to Southern Gaza's combined need for construction material and the disposal of rubble left by two phases of the destruction of buildings. The fact that it was relevant to a specific humanitarian project run by Italian Co-operation had strengths namely: a pre-existing base, activities that were valued by the beneficiaries, and the experience and expertise of the donor agency.

Palestinian Agencies

Particularly for the chosen municipalities it was relevant to their needs to acquire material for building and also to reclaim space that, because of the demolition activity, was unused or unsafe. The co-ordination mechanism that was set up between them, effectively sharing in the assets that the project provided, enhanced their individual ability to deliver to their beneficiaries. However, it is not clear that the transition to a wider-scale UNIDO intervention: strengthening an industry sector through skill and technology transfer, was seen as relevant to sufficient stakeholders to make the project work as intended, especially in terms of including the private sector²⁴. Also the relevance of the product to the construction needs of Gaza was also over-estimated. It was useful for roading and landfill but not, with the particular rubble then being targeted, for the construction of buildings.

The injection of expertise was clearly relevant to the objectives of the Ministry of National Economy to modernize industry through building capacity and skills, and importing technology, yet for this more tightly focussed construction-oriented project to contribute sustainably to these broader aims depended in large part on the success of the Integrated Programme which at that stage was undergoing a hiatus between the first phase 2000-2005 and the delayed start 2004-2008 of the second phase²⁵.

In theory the project was relevant to the MoNE but in reality its implementation was likely to fall through the gap between it and the IP. Ultimately, this could not be tested because by 2006 the MoNE in Ramallah, UNIDO's counterpart, had cut all contacts with the de facto" Government in Gaza. But, even prior to the events that brought this about, the design of the project needed to be relevant to the probabilities of the local environment rather than to its possibilities.

In other words, for the project to have the wider impact desired for it, it was, yes, possible that the private and public sector agencies involved would, with sufficient external funding and support, have had the capacity to use this project as a building block for a greater strengthening of the industrial sector. But given the

²⁴ It was not possible for the evaluation to assess, for example, what steps the Palestinian Federation of Industries took to facilitate private sector involvement and a model that maximized employment.

²⁵ The 2005 IP evaluation pointed to the lack of funding needed to make an impact at sector wide level.

lack of capacity²⁶ and the lack funds it was probably that they wouldn't. A different design was needed.

UNIDO

The relevant UNIDO strategic objectives are those for the period 2010-2013. Phase One of this project lies outside this time frame and so relevance is assessed here only with respect to Phase Two²⁷.

EFFECTIVENESS

The project's development objective was to: "contribute to the on-going effort of the Palestinian authority to overcome the present economic crisis, fostering the reconstruction process and revitalizing the national building industry, while addressing the issue of environment protection."

The project outputs were conceived in two phases: the first assessed the various steps to get the project operational: i) setting up the project governance (grandly called the "Leadership Scheme"), ii) analysing the market for finished products and their compatibility with local standards, iii) defining the best viable technological solution suitable for Palestine, iv) assessing the human resource needs, v) analysing the potential for investment in the projected company and its impact on the local market; vi) determining the location of the pilot facilities, and vii) designing the structure of the proposed company (called the "Ownership Scheme"). In the second phase i) the implementation plan was to be prepared, ii) the managing company established as operational, iii) relevant personnel trained, and iv) facilities in place and operational.²⁸

Records had been kept of key meetings related to these early steps though the status of some meetings was unclear. The final technical report of July 2006, based on the work of a contracted national expert, summed up the activities of the first phase. It is clear that the preparatory work -- design, research, network building, funds mobilization and limited technology and skills transfer -- was effective in its short term aims.

But as the implementation was not carried through the longer term effects of the preparation work, and how successfully the commercial and governance features would have been adapted as a result of the pilot activity, cannot be judged.

The Gaza Recycling Phase of the project had been divided into two stages: the first the Definition of the Modalities for the technology transfer process had seven outputs concerned with research and design; the second stage, the Implementation of the Facilities had four outputs to set up the company and facilities, and train personnel.

²⁶ Both phases of the project were affected by frequent changes of Minister in the MoNE.

²⁷ See below page.

²⁸ Given the time lapse and the separation of the Gaza evaluator from the rest of the team it was not possible for the Evaluation to assess all these steps in detail.

The available documentation shows achievement of most of the first stage outputs and the beginnings of those of the second stage. By the time of the suspension of the project, the process for crushing had been designed, the market for the product had been defined, the site for locating the equipment had been established, the three Italian pieces of equipment had been imported, the employment potential of the project had been explored, and the organizational co-ordination between three national ministries and between the three municipalities had been set up.

The initial crushing was to be carried out by the Italian Co-operation (which already had a crusher in place) and UNIDO. Subsequently it was to be by “a non-profit company supervised by the involved municipalities” and by July 2006 the committee was negotiating with contractors to do the crushing. At that point, activity ceased.

It can be said that at least partly as a result of Phase I, rubble was recycled into road fill in the Gaza Strip (even if by later informal use of the equipment) and several local personnel had had access to expertise and overseas models as well as to a new structure of municipality co-ordination but to what extent this knowledge added value to recycling the rubble or was passed on to Gazan communities is unknown.

Finally, though outside the project structure in both Gaza and the West Bank, all four pieces of equipment were later used for some of the purposes intended: rubble was recycled. So some advantage was gained also by the indirect beneficiaries.

EFFICIENCY

Timeliness

During the period July 2005 to June 2006 the activities of the preparatory phase were carried out in a timely manner: the necessary committees were set up and met regularly, the consultancies were commissioned and reports were received. Some slowness was observable in respect of locating private sector partners.

Management of funds and project

As noted, the equipment was imported before the Israeli Defence Force had given its approval, leading to an unnecessary penalty cost (for storage) of €30,000. The disbursement of funding was carried out in an orderly manner. The only outstanding issue is the fate of the project's assets.

Legal ownership of the three pieces of equipment located in the Gaza Strip: crusher, screen and tractor remains with UNIDO in trust for the donor, and beneficiaries. After the project was suspended in mid-2006 they were housed in a UN compound close to the Rafa area (near the border with Egypt). At some point in 2007 the de facto Government in Gaza removed them “for protection”. This also removed them from the control of the municipalities, which were intended as

the original beneficiaries²⁹, and made it available for use further north in Gaza City. The machinery suffered damage during the military hostilities of 2009 but was repaired.

After those hostilities, the crusher and screen were leased to a private contractor with the aim of the Ministry using the rental to maintain the machinery. The nature of the rubble requiring recycling had changed (metal structures rather than pure brick was involved) and attempts were made to develop new kinds of hammers. The original activities of using demolition waste for road construction was extended and seems in some cases to have been used for building construction where material was sold directly to individuals “under the supervision of the Ministry”. One piece of equipment, the tractor, at some point, went missing and has been the subject of a police investigation: the person responsible has been identified but not yet charged.

As to the excavator located on the West Bank, there is some confusion. According to one official in the MoNE the excavator was in use, but according to another, ownership had been transferred to the Ministry of Public Works. Comments in other interviews raised the possibility of it having been sold commercially.

The Ministry's Focal Point for UNIDO later provided to the Evaluation, copies of a mission report (under his authorship and that of the project manager) noting an agreement on the 15th February 2010 that:

“there is no reason to keep any more under inventory the equipment that was delivered for the recycling of debris in Gaza Strip Accordingly the MNE will provide UNIDO with a letter explaining the status of the equipment related to the first phase of the project and will formally ask for transfer of property”.

Also provided were copies of two letters one of which referred to the excavator and noted that it (and a computer and office equipment):

“has been taken for use by the MoNE” and that the MoNE “would like to finalize a formal hand-over of the relevant property” according to UNIDO's “guideline and instruction”.

The evaluation was unable to trace any record however of a transfer of these assets by UNIDO to the MoNE. There is some appearance therefore that the property was sequestered without authorization. Before the end of the evaluation mission, the Team Leader asked the UNIDO Focal Point to arrange a visit for the West Bank-based evaluator to verify the existence and current usage of the excavator.

This was agreed to, but after the end of the mission the UNIDO Focal Point advised the evaluator that the visit would instead be carried out by a current UNIDO officer, a Palestinian national, who was formerly the UNIDO National Co-

²⁹ Rafah, Khan Younis and Gararah.

ordinator in Palestine. The evaluation has not received subsequently any information about whether this visit took place or what were its findings.

There are three points of principle and practice here:

1. The transfer of project assets should be made only as and when the relevant UNIDO official, in this case the project manager, is satisfied that the inputs of the project have been completed to a sufficient degree, and that the project can be terminated and assets transferred to the counterpart national agencies. Until that point, the trusteeship responsibility of UNIDO in relation to the donor (and the donor's chosen obligations to the beneficiaries), remain in place.
2. UNIDO should avoid structuring a project where an officer of a counterpart Ministry is given a management role, e.g.: approving project disbursements, as it creates a potential conflict of interest. The present UNIDO Focal Point himself underlined to the evaluation that he is a representative of the Ministry to UNIDO and not an officer of UNIDO.
3. Independent evaluations must stand apart from all stakeholders of a project, including UNIDO itself. UNIDO officers should not be put in a position where appearances of conflict of interest could arise, as unfortunately, they do in this case. Particular care should be taken in any case where the UNIDO officer is of the same nationality as the country where the intervention is taking place.

No imputation is made by the evaluation here on the conduct of any personnel interviewed. It is not an evaluation's purpose to carry out an audit or investigation, but in this case the relevant UNIDO function should assess whether one is advisable.

Management of partnerships

The Federation of Industries in Ramallah was an original partner in the project but according to one source interviewed "did not find an appropriate role" and ceased attending the meetings. At some point after 2007, it was suggested (it appears by a UNIDO staff member and the Ministry of National Economy in Ramallah) that the Federation of Industries in Gaza could continue the project rather than the Ministry of National Economy in Gaza. The Gaza Federation said no. Today it feels that USD 750,000 – equivalent to the funds originally allocated to Gaza but invested instead in the Hebron TVET -- should be invested into Gaza as part of any revival of the project.

The municipalities of Rafa, Khan Younis and Gararah were formed into a Joint Services Council as part of the management structure of the project. While in 2006 they lost contact with UNIDO and the Ramallah-based agencies, they retained contact with the local consultants who had advised the project. In 2007, they lost control of the equipment to the Ministry of National Economy in Gaza.

The Council's focus was more on the health and safety aspects of the recycling, a concern they retain. It was felt that the structure of the Joint Services Council was a useful mechanism and could be revived to manage an externally supported project to deal with solid waste.

The UNDP, with its broader mandate in Palestine and so wider range of contacts and experience, could probably have enhanced the UNIDO project in building the stronger networks that the project needed. Because of its access to funding through the Quartet on the Middle East (of which the UN is a member) was able to continue waste disposal activities.

However UNDP complained that its attempt to co-operate with UNIDO broke down because of the “lengthy procedures on the UNIDO side” and the relationship did not develop beyond consultation in the early stages. This may be a one-sided view but may also represent poor communication between UNDP and UNIDO. The connections with the donor were obviously of key importance. Those with the Islamic University and the Engineers Association during the project were useful but in the time could not be taken very far.

IMPACT AND SUSTAINABILITY

The impact in terms of the development objective was very limited and achieved mainly in informal ways outside the project structure, where the equipment was used to recycle waste after the 2009 hostilities. Local individuals and agencies were involved in the research and design of the technology and implementation model but it is not clear if they applied this to solving other construction problems.

A legacy of the aborted project seems to have been brief experience of a useful co-ordination mechanism for local government in Gaza. In terms of the more limited practical objectives other agencies notably UNDP carried out a programme of its own which was focussed on removing harmful waste and not primarily on recycling. Other agencies have since taken an interest³⁰

The project was not sufficiently advanced at the time of its suspension to be sustainable, in particular the viability of the market model (the “company”) and the governance structures of the public private partnership were untested.

4.2 Technical services to the stone and marble sector in the West Bank

4.2.1 Activities

Prior to the decision to establish a TVET Centre, considerable work had gone into its design³¹ and into analysing the best location for the centre. At that time, the difficulties faced by the Palestine Vocational Training System in Palestine were identified as the issues facing the funding of such a centre. The Palestine Polytechnic University (PPU) in Hebron was located adjacent to some 200 stone-cutting firms, areas of stone and marble industry activity and offered land and a

³⁰ The International Labour Organization (ILO)’s skill inputs to manufacture pressed earth bricks.

³¹ Refer: Emilio Vento: Pre-Feasibility Study for a Marble and Stone TVET Centre in Palestine November 2006 based on the work of Paolo Bellamoli and Suhail Sultan.

building. The Union of Stone and Marble (USM) in Bethlehem, likewise situated close to 200 cutting firms, and likewise offering land and infrastructure, and also the Hebron Municipality offered land and infrastructure and the Hebron Chamber of Commerce offered a classroom facility.

The minutes of a meeting on 18th August 2007 record that it was decided that the PPU and the USM would be “perfect partners”, though the deciding factors were not recorded. For a Diploma to be awarded, the Centre had to be part of an existing higher academic institution. Since the Centre also had to be located in the southern part of the West Bank (Hebron or Bethlehem), the three conventional universities and the Open University in the area at that time were approached and assessed for suitability to be chosen as a partner. The technical focus of the PPU clearly made it a favourite.

The management of the centre was conceived as a public private partnership with the Ministry of National Economy, the PPU and the industry body, the USM, being partners and each having a representative on the 3-person board. The municipality of Hebron while remaining supportive of the project expressed to the evaluation the view that no place had been found for it in the partnership.

The building offered by the PPU was found to be structurally unsound and had to be replaced. The project allocated €100,000 with the PPU contributing a further €30,000. An architect was commissioned, and work was commenced (and was nearing final completion at the time of the evaluation) on a purpose-built Centre (housing both the training model cutting equipment and the testing centre). After tendering, the equipment for the twin centres was purchased from Italian manufacturers. Mindful of the earlier problems with authorization of imports, UNDP advised that shipment should not be made until the Israeli authorization was received.

However pressure was building on the management of the project to hire staff so that the first students could be enrolled at the beginning of the 2009-2010 year. The UNIDO project manager wanted to ensure that the technical equipment would be in place, but the Minister of National Economy together with the other stakeholders insisted on an early start. Two teachers and a director were recruited. The director resigned within three months, being recalled to the Ministry to serve a new Minister of National Economy, and was not replaced. The teachers were to be heads respectively of the training and testing centres respectively and have remained on the payroll ever since, despite not having any equipment with which to do their jobs.

The first semester of the Diploma Course began in September 2009, with the USM taking a key role in recruiting students. Eighteen students were enrolled and seventeen completed the first semester, another five students were selected for the second semester making twenty-two in all. It had been assumed that the Centre’s equipment would be in place for at least the second semester in September 2010.

That assumption proved not to be true. The Israeli Defence Force requested copies of the equipment manuals to ensure that it could not be used for purposes that threatened security. After those were supplied, photographs of the equipment were requested. Under the procurement processes of the UN system,

UNIDO must work through the UNDP which further complicates matters. At the time of the evaluation there had been no progress in the approval.

By this time, two semesters had taken place and the students were forced to study subjects such as computer skills and Arabic³² that did not require the use of the cutting equipment.

Several students were motivated to enrol by what they believed to be a promise of further study in Italy though according to the students interviewed, they had later been told that the further study would be available for only a handful of students, perhaps only one.

Other activities – limited training courses and research towards helping the sector plan strategically -- were designed to take place on the premises of the USM in Bethlehem. A coordinator and one administrative staff person have been paid by the project since January 2010. They have been primarily concerned with promoting the Diploma course to students and preparing to make a detailed profile of the industry by collecting data from member companies.

4.2.2 Assessment

The objective of the project in the revised project document of 1 November 2008 was to “contribute to the on-going effort of the Palestinian Authority to overcome the present economic crisis fostering the reconstruction process and revitalizing the national building industry while addressing the issue of environment protection”³³.

As this project document was a revision of the earlier 2005 project document, it noted the first project outcome as the “transfer to Palestine of know-how and the necessary technology to produce aggregates and/or value added building materials using debris and waste through the installation of a dedicated facilities (sic)”. This outcome in the document was therefore divided into outputs and activities that had already been implemented³⁴ and those that remained to be carried out. However the nub of the document was contained in a final paragraph: “A further outcome of the project is the set-up of an independent and sustainable Technical and Vocational Educational Training Centre (TVET) capable to provide specialized and credible technical training and educational services to the Stone and Marble sector to contribute to the competitiveness and growth of such an important sector of the Palestinian economy”

The objectives of this additional outcome were defined as:

1. contributing to the development and sustainability of the M&S Sector in Palestine through enhanced education, competences and skills;
2. contributing to reinforcing the national and international image and visibility of the Palestinian M&S Industry,

³² A number of general topics of this kind are required by the Ministry of Education as components of a Diploma course.

³³ Project Document TF/PAL/05/001, page 10.

³⁴ And which have been assessed in the preceding section.

3. providing support for facilitating exchange of experiences, sharing of information identification of new opportunities and strategies,
4. promoting innovation and technology, improving production processes and establishing technical standards; and
5. raising awareness and sensitivity for sustainable exploitation of natural resources, environmental impact, safety and health at work, research and development

The outputs of the TVET were designed to be:

1. A diploma certificate comprising classroom-based theory and industry-based field training
2. An industrial laboratory which can simulate an operating stone factory to train students in practical methodologies before sending them to actual workplaces.
3. A testing laboratory for students and (on a fee paying basis) the industry, to examine the physical, mechanical and chemical properties of the local stone
4. A source, in addition to the academic certificate, of training courses in different business and technical fields for others in the industry including senior and middle management.

RELEVANCE

Donor

The project continued a 19 year record of support by the Italian Government for the Palestinian Territory including both emergency relief (as in the origins of the first phase of the project) and social and economic development, largely channelled through its membership of the Ad Hoc Liaison Committee (AHLC) for aid to the Palestinian Authority, and the related World Bank Palestine Reform and Development Plan (PRLP). Progress by the Palestinian Authority has been noted³⁵ in governance and fiscal reform and in development of the private sector (such as the 1.4 billion of investment proposals at the May 2008 Bethlehem Palestine Investment Conference).

The initiative of Italian Co-operation in strengthening the skill and technical base of Palestine's stone and marble sector is fully congruent with Italy's support for the directions set out by the AHLC and World Bank.

Palestinian agencies

³⁵ Stagnation or Revival – Israeli Disengagement and Palestinian Economic Prospects 2008.

The project was designed to help an important industrial subsector in terms of its contribution to the overall Palestinian economy, percentage of exports, labour productivity and employment generation. It is therefore in line with the general policies adopted by the Palestinian Authority (PA)³⁶ and relevant to the UNIDO Integrated Programme that was established to support the PA's economic development strategies, in particular to enhance the competitive advantages of the industrial sector. The project is in line also with the policies of the Palestinian Federation of Industries (PFI) to improve the industrial sector as a whole.

UNIDO

The relevant UNIDO goals and strategies to which the project's contribution must be assessed are those currently in force under the Medium Term Programme Framework 2010-2013, of which the overriding development objective is stated as "Industrial development for poverty reduction, inclusive globalization and environmental sustainability"³⁷.

The project clearly answers the Framework's priorities of technical and know-how transfer. It works to increase the employability of young people through the provision of the diploma course; and it contributes to building capacity for increased trade in one key sector of the Palestinian economy, though the actual trading connections have been established by one of the partners (EDIP) which focuses on the handful of large stone cutting businesses. In this, the project does not completely avoid the danger in least developed countries, as the Framework points out³⁸, of a disproportionate share of the industrial output being in the hands of a small number of large businesses. The project has some built-in measures to improve the capacity of small enterprises through the steps taken by the USM to build profiles on all businesses in the sector and the promise of both the USM and the TVET to offer a wider range of courses. However these have not been pursued with great vigour.

Similarly the empowerment of women in the sector has not been identified as a priority despite the important but hidden role many women play in administrative and support roles in family businesses in the sector. There are no women among the first intake of students though one of the two junior expert staff in the Centre is female.

Youth employment and youth entrepreneurship is named by the Framework as a priority area for the Arab countries and reflected in the target beneficiaries identified in the project document. These needs are being met as a priority in the TVET through the diploma course. However the course will only touch a handful of young people and the project needs to advance these priorities through a greater range of measures.

³⁶ Palestinian National Plan 2011-2013.

³⁷ As several of the features of this Framework (largely constructed in 2008) were developed since the original (2005) starting date of the project, only the Second Phase of the project is assessed here for relevance against the Framework.

³⁸ Para 25 page 9.

More seriously, the project departs from the Framework's priority of environmental management and possible unacceptability on the international market of Palestinian stone products because of their failure to meet clean production standards. The project management is to be commended for addressing this issue by commissioning a study on sludge recycling. But the project design was deficient in not building environmental outputs and activities to support the environmental emphasis of the development objective.

The Framework has emphasized the usefulness of trading consortia and cluster development. These networking structures are relevant to the needs of the Stone and Marble sector and had been reflected in the project feasibility study, drawn up with help from the PFI, but not in the project document. As advised to the evaluation by UNIDO's cluster specialists, these structures require preliminary stages of sector wide awareness and motivation. The difficulties of creating this degree of sector solidarity and interdependence arise not only from the conflict situation in which Palestinian businesses have to operate but also in the traditional independence and caution about outsiders that are characteristics of small family businesses operating in the Middle East milieu. Awareness-raising to counteract these attitudes and facilitate relevant institution building based on UNIDO's experience and the Framework's priorities (in relation both to post-crisis poverty alleviation³⁹ and to work in the Arab region⁴⁰) were not reflected in the project design to the degree that might have been expected.

The fundamental question of relevance is however whether the emphasis placed on the diploma course reflects the balance of human resource development needs of the sector. A diploma course is the highest of the possible technical certifications available within the VET system. Clearly, with the right curriculum, it has the potential to contribute needed knowledge and skills and help create a career path for the next generation of managers in the sector. Whether such a course carries the highest priority for this skill development in the sector and is relevant to a sufficient number of younger workers in the sector, as opposed for example to an enhanced apprenticeship scheme, is hard to estimate and is not argued in the project document.

These wider needs are presumably covered in activities 1.5 and 1.6⁴¹ which cover preparation of curriculum for long and short-term training. Against a rising youth demographic (52% of the population is under eighteen⁴²) and with a Stone and Marble sector as the largest industrial sector in the country employing 13,500, the diploma course, on its own, is a very large investment in a very small number of future technical managers in the industry.

³⁹ The project document applied a standard format for technology transfer without crisis risk analysis.

⁴⁰ The 24 July 2006 minutes record a lack of enthusiasm by the contractors for job creation approach.

⁴¹ Annex 6: sixth page – pagination not given in the printed document.

⁴² Implementation of the Palestine Reform and Development Plan 2008-2010, 2 May 2008, page 29.

The Business Plan⁴³ for the Centre noted (though there was no breakdown) that employees in the sector either had a BA degree in subjects such as accounting linguistics or education, or had not finished their high school, and that there was therefore a need for a professional degree in the stone sector. Its strong argument is that while the sector represents 4% of world output it represents only 2% of added value and this is a result of a lack of knowhow (the example was given of people buying inappropriate quarries without testing the stone first).

It is understandable however that the emphasis of the project has been on the TVET as the project design fails to give sufficient priority to strengthening the sector and to its sector association the USM. It is hard to see how the TVET is able to meet its objectives without having the USM as a strong partner. Probably nowhere is that more apparent than in the environmental responsibilities of the sector, and the appropriate disposal of the waste sludge it produces.

EFFECTIVENESS

Establishment of the TVET

At the time of the evaluation, and largely because of the impasse over approval for the equipment to be imported, the project has only partly achieved its objectives. The course has started, the Dean and staff have monitored its delivery and have made adjustments, the building has largely been built, the right machinery has been sourced, a governance structure is in place, and the USM has received extra capacity and is preparing a data collection process on the current state of the industry.

However, without the machinery being imported, the core subjects of the diploma course and the services of the testing centre cannot be delivered. It is accepted that the obstacles to progress in this area are enormous and many of them are unique to the status of Palestine as an occupied territory and the security requirements imposed by the occupying authority.

The most important question for the evaluation however is have the steps so far, advanced the goal of building skill and capacity in the Stone and Marble sector? The potential imbalance towards the interests of the University rather than the Sector has already been noted and will be more apparent when the autonomy of the TVET governance ceases in one or two years' time and the Centre becomes one among the sixteen centres of the PPU. If the course fails to meet the sector's expectations and insufficient students enrol, the building and the investment could be used for other university purposes even if the testing centre continued its service (as a profit centre for the university).

The Course itself is still in its first stages. However the expectations of the sector are high and need to be met within a reasonable time frame -- or dialogue opened up to explain why they cannot. Of the first batch of students, four or five came from families running some of the larger quarries and cutting factories.

⁴³ Business Plan for a Marble and Stone Centre in Palestine April 2009 pp. 5, 7 and 8.

Feedback from two of these students⁴⁴ was that the course so far was largely irrelevant: they already knew the content of the computer skills introductory course, and did not see the point of learning Arabic when English would be more useful for export promotion.

This dissatisfaction may well have been principally because the lack of equipment prevented the technical subjects being taught, but it also raises the question of whether the technically savvy and entrepreneurially inclined higher level of student needed for management roles in the sector will find useful the more general academic subjects that the Ministry of Education requires to be built into courses of diploma level. Perhaps of more concern is that several of the rest of the students entered the course because their grades were too low to get into other courses and simply wanted “any qualification at all”. For such students with lower educational aspiration and skills the practical courses that the USM intends to run may be more useful.

While this present student mix is such that the course needs to be responsively managed, the policy of a 100% pass rate is unusual. It is justified on the grounds of not wanting to discourage the lower level students. However if the purpose is to create a prestige qualification, such a policy can only “devalue the currency”.

This is not to say that the course is irrelevant to the needs of the industry but to ask if the high proportion of resources being directed to it is the best investment in the human resource and employment needs of the industry and the country⁴⁵. The project will need to evaluate the results, utility and experience of the course to its first batch of students to discover if the curriculum and methodology of the diploma course is accurately matched to the sector’s needs, for example, for value-added products, strategic planning, and changes of business culture.

The project objectives were much wider than simply the establishment of a TVET centre, and the outputs of the centre were wider than just the diploma and the services of the testing laboratory. They included training courses in different business and technical fields for others in the industry including senior and middle management.

⁴⁴ Clearly not a representative sample, except perhaps of the students from families running the factories, but the only contacts feasible on a three-day visit during the student vacation.

⁴⁵ As an earlier UNRWA report noted there was a need to “transform the conception of educational and vocational training centres from a strategy based on training job seekers to one based on job creation. This means that it should contribute to forging the market rather than anticipating it. TVET needs to be viewed less through a relief or delivery of education lens, and more as a sub-branch of tertiary education directly linked to job attainment, organically linked to external actors in the market.” Geneva Conference 7-8 June, 2004: Working Group III “Promoting the Socio-Economic Development of the Palestine Refugees” Discussion Paper page 16.

Some of the objectives however are not properly the province of a Technical Institute. The work, for example, of contributing to reinforcing the national and international image and visibility of the Palestinian M&S Industry (objective 2) identification of new opportunities and strategies (part of objective 3), promoting innovation and technology, improving production processes and establishing technical standards (objective 4); and raising awareness and sensitivity for sustainable exploitation of natural resources, environmental impact, safety and health at work, research and development (objective 5) need to be carried out under the leadership of the sector with the Technical Institute acting as an advisor to it, rather than the other way round.

It should be noted that the Dean and staff worked closely with the sector in designing the curriculum. There are no women students on the course and the evaluation put to the Dean that the women in many of the family businesses may be important silent partners in the success of these businesses if they are carrying out administrative and support tasks. The Dean acknowledged that courses to strengthen skills and capacity for women in these roles could be developed.

Environment protection

Environment protection was part of the project's development objective, though specific outputs were not defined for this objective. This did not matter in the first phase as the core outcome was one of recycling. However there should have been a place for them in the design of the second phase. The testing centre, for example, could have been tasked, in cooperation with other centres in the PPU such as the Centre of Engineering and the Centre of Applied Science, to examine the varieties of residue and research further their commercial potential.

The stone industry in Palestine consumes around 750,000 cubic metres of water annually. Most of it is discharged together with the calcium residue of the cutting process, into the ground or into the municipal drainage system, resulting in a considerable part of the sewage system of Hebron becoming unusable. Some of it is dried and then dumped in the nearby countryside. The dried version and the powder generated in the cutting process also add to air pollution and raise occupational health and safety issues. A large quantity of the liquid run-off ends up in Israeli territory and to pay for the extra filtration required, an estimated €30,000,000 is deducted from the grants made by the Israeli Government to the Palestinian Authority. The sector's failure to observe international standards of environmental protection is likely at some point to act as a disincentive to potential international buyers.

Several attempts have been made by local and international agencies to improve this situation. The Hebron municipality operates a recycling facility which is however underutilized because small cutting factories often find it cheaper to pay someone to take the slurry away at night and dump it locally rather than drive it into town.

While the residue can be processed into calcium carbonate (a product used in a number of ways as a whitener), the stumbling block -- apart from the variety of the product quality in each quarrying area -- is that it has limited marketability and

is unlikely to generate enough return to make investment in calcium carbonate production worthwhile. Failing such commercial income, the public authorities will eventually have to insist that the cost of disposing of waste is built into the price of the product.

The geographical spread of the cutting factories, and the variety of the stone, means that one centralized recycling facility or one system of recycling is unlikely to serve all the factories in the West Bank. Those in the Bethlehem area are already situated in two clusters which could be organized as commercial clusters to own and operate recycling facilities.

Whatever system is proposed, however, the key requirement is that the sector takes ownership of the issue and develops the awareness and commitment to make it work -- qualities that most observers that the evaluation met with, feel are lacking in the sector. Without activity of this order it is unclear how the project can be said to have achieved results in the area of environment protection.

EFFICIENCY

Timeliness

The most damaging inefficiency has been the inability to gain from the Israeli authorities, in particular the Israeli Defence Force (IDF), the necessary approvals for importing the machinery. These delays have seriously undermined the project and prevented a large number of its key activities from happening. It can be said that the whole project and the ultimate value of the two million plus euros of Italian funding has been held hostage by this delay

The evaluation made several attempts to understand the reasons for this so that lessons could be applied in the future. The request for import approval had had to be channelled to the Israeli Government through the UNDP and the evaluation attempted to gain a briefing from the UNDP office in Jerusalem about the procedure. The officer designated to meet the evaluation bowed out at the last minute and the official nominated as replacement did likewise. It is understood that the holiday season meant some key staff were away and there was pressure on remaining staff. The self-described "just technical people" who were available, said they were not competent to discuss the approval procedure issue.

Without more effective UNDP co-operation, the evaluation was unable to draw any lessons about this major difficulty.

Management of funds and project

- Political environment

Many of the difficulties with efficiency in the management of time, money and resources lay outside UNIDO's control. The high turnover of Ministers of National Economy (three during the life of the project and a fourth during the preparation stages) brought about a change in priorities and placed more pressures on the

able official who has been UNIDO Focal Point for six years. An appointment for such length also carries dangers of an accretion of roles and expectations.

A lack of an effective local UNIDO presence, in a Resident Representative, local project manager or CTA, has sometimes led to a leadership and co-ordination vacuum where otherwise problems could have been met and solved more easily. It has also placed more responsibility on the Focal Point, who is not a UNIDO staff member and whose first loyalties must be to the Palestinian Authority and his Minister.

- Commercial management

This governance structure is a very weak version of a Public Private Partnership (PPP)⁴⁶. A PPP is meant to apply to the delivery of public services and benefits, the private sector's orientation to results, its understanding of markets, and its discipline in pricing and costs.

Under a PPP the private sector partners make an investment and the public sector makes it financially worthwhile for them to make that investment. In this case the USM represents a private sector but is not itself a business and has not created any business vehicle such as an investment company, which its member businesses would finance. The PPU has invested €30,000 of its own but has benefited from a €100,000 straight grant from the Italian Government via UNIDO for the building, and will have use of the further assets of the equipment when it arrives.

At the end of the project cycle this facility is likely to become an asset of the PPU which has some incentive to retain it for the use of the Stone and Marble sector (though the testing laboratory) but likewise could convert the assets to other uses.

At the moment, all parties are protected from risk by the use of the project funding. Without responsibility for risk the PPP lacks the incentive to ensure its work is commercially viable. Furthermore while the private sector is intended to be the principal beneficiary of the TVET, through the inputs of skill and technical services that it will make to the sector, the sector carries the major responsibility for marketing the course and may lack sufficient weight on the governing board to influence the content of the course if the course loses credibility in the eyes of its target market.

This protection from risk is evidenced by the fact that the TVET made the decision to market and run the course without being assured of the core equipment needed for the technical content of the course. This has meant that the grant money is being used up to maintain staffing and keep students in the classroom while the testing centre is not able to offer services and the students are not learning what they came to learn. It is arguable that with a more

⁴⁶ A PPP can be defined as : "A cooperative venture between the public and private sectors, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards" (The Canadian Council for Public-Private Partnerships).

enterprise-based business plan this decision would not have been made and there should have been more entrepreneur input to the business plan.

- Governance

The governance structure of the TVET centre is seen, particularly by the PPU as an exciting new model: a public private partnership (PPP), and the TVET has used the model as the basis for a seminar discussion on innovative ways of structuring education. However that same seminar was noted by the USM as giving a small concern that the TVET was moving its focus away from the Stone and Marble sector onto the more general interests of the university.

The Board of three is weighted in favour of the public sector with the Polytechnic and the Ministry between them having two thirds of voting power. The fact that it has met only twice this year also raises issues of its governance discipline.

One solution would be to double the representation either of just the sector or of both the sector and the university. The sector should be represented by at least one out of the two who is a hands-on business owner-manager. The sector representation would then have support in debating the issues leading to decisions. It might advantage the university also to have another representative from a level closer to the actual delivery of training such as the Dean of the Faculty. A representative of the Diploma course students, elected annually, could be included either as a voting or non-voting member.

Some of this imbalance in the governing board could also be corrected at least until the end of the project if there was, above it, an effective steering committee supervising the governance system through its infancy⁴⁷. But there is no steering committee for the second phase of the project and while the IP's Steering committee is nominally in charge, it has met only once since the beginning of 2010 and suffers from the fact that the IP itself is largely a dead letter. The fact that the IP reports⁴⁸ make only one passing mention of the USM, and otherwise speaks solely of the TVET, confirms that the IP committee is not close enough to this particular sector even though it has become the principal focus of UNIDO's activity in Palestine.

- Administration

The fact that the TVET director resigned early in the project in order to return to the Ministry and was not replaced, while sensible on budgeting grounds, left the two teachers struggling to fill the gap: the technical centre director was appointed acting director without recognition in remuneration or practical support. These two junior technical staff members are committed and enthusiastic but young and inexperienced. The laboratory manager had not received manuals for the expected equipment. Nor has she been given a pricing strategy for the commercial side of the centre. The technical centre trainer has no text books or reference material for the course. What has been made available to the students so far was made up of print-outs downloaded from the internet, something the

⁴⁷ Though not if the same people sit on both bodies.

⁴⁸ See above section 3.2.

students commented on as appearing unprofessional. This indicates that the TVET board has not properly filled the gap left by the resignation of the Centre director.

The invoice payment procedure during 2010 can only be described as chaotic with angry suppliers besieging the acting director and ultimately the chairman of the PPU and only being paid, in a few cases, after a wait of nearly six months. This again reduces the credibility of the TVET in the eyes of the local private sector. The problem seems to be the cumbersome system where invoices presented to the TVET must go to the UNIDO focal point in the MoNE for authorization, then to the Project Manager in Vienna for funds to be released, then back to the UNIDO national co-ordinator in Jerusalem, and so to the UNDP for final payment to be made.

IMPACT AND SUSTAINABILITY

Again, the obstacles that the project has faced make it difficult to note or predict impact. Despite its difficulties, however, the Centre building is nearing completion, twenty-two students have commenced training and the sustained activities around forming the project and its innovative governance structure have been given a short term morale boost for the industry's confidence in working with the PPU.

Like the project as a whole, the PPP is protected from fully confronting the risks to future income by what is --for the time being -- assured international funding. It is important to recognize that the PPP model has been chosen to ensure the sustainability of the facility, which means it has to operate as a commercial as well as a governance model and a weakness here is the lack of an effective business plan. The document entitled Business Plan for a Marble and Stone TVET Centre in Palestine⁴⁹ is restricted to being mainly a budget and a work-plan. There is a brief risk analysis but no alternative scenarios or monitoring indicators in cash flow and balance sheet movements. Like the project as a whole, it is protected from fully confronting the risks to future income by what is -- for the time being -- assured international funding.

The lack of an effective business plan⁵⁰ and the dependency on the project funding has already been noted as has the issue of market acceptability of the course. The testing centre has not yet been itself tested but there seems ample evidence of long term market demand for its services especially if its standards are accepted internationally.

Public funding will probably be necessary but the commitments from Government beyond the end of the project are not yet clear. In the medium term, USAID funds through EDIP have been promised, though the EDIP philosophy was explained to

⁴⁹ April 2009.

⁵⁰ The evaluation was later advised that another Business Plan, accessible using COMFAR software, exists. As this was not provided, during the evaluation or subsequently, the evaluation cannot judge whether it deals with the concern that projected income is based on grant money.

the evaluation as picking the “market winners” (i.e. larger export-oriented businesses) and facilitate their participation in trade fairs and investment arrangements. Given the preponderance of small family-owned enterprises in the sector, allowing many of these to fall behind the major players could have unfortunate social implications.

However the most serious threats to the TVET have more to do with the viability of the sector itself: environmental pollution, dwindling supplies of the raw material, lack of value-adding activity, insufficient focussed planning on how to expand overseas markets. The preparation of a strategic plan and efforts to foster involvement in it on the part of all the sector is the most urgent but least developed on the various initiatives of the project. The PPU has not been able to support the USM (and the USM has limited resources itself) to do the strategic planning to deal with these.

5

Conclusions, lessons learned and recommendations

5.1 Conclusions

5.1.1 *General*

The evaluation recognizes that a lot of hard work of high quality has been done but that the project has had to operate within an extremely difficult environment. It also notes that UNIDO lacks a local presence sufficient for the project support needs.

Decisions have had to be made which in hindsight might not have been made -- for example commencing the TVET course before importation of the necessary technical equipment was assured.

Some partnerships necessary for success in the project are operating well, such as between the Ministry of National Economy and the PPU; others are weak or non-existent, as for example between the Hebron municipality and the TVET.

The evaluation process has the potential to give all parties the opportunity to look at how this project has developed and how its remaining resources should be allocated.

5.1.2 *Phase One: Gaza*

The project arose from the Italian Co-operation's work with internally displaced persons whose homes were destroyed along the border between Gaza and Egypt and then in the removal of the Israeli settlements from the area. The aim was to recycle the debris into material useful for basic construction work. By taking over this initiative UNIDO turned it into a project to transfer skill and technology to the construction sector and extended that concept when the locus of the project was shifted to the West Bank.

While the project management has tried to maintain openness to restoring its involvement in Gaza, the political realities have worked against it. The agency titled the "Ministry of National Economy" of the de facto Government of Gaza has informally suggested a revision of the original project objectives to include solid waste recycling. The Italian Co-operation advised the evaluation that the donor was not interested in continuing any funding for the activities originally planned for Gaza.

There remain the issues of ownership of both the Gaza-based and West Bank-based machinery. These need to be clarified in line with standard procedures of accountability. While it is understandable that due processes are difficult to observe in such a turbulent environment it is important that UNIDO maintains the integrity of its own processes, and should therefore, in consultation with the donor, maintain an interest in the fate of these assets, including the efforts by the de facto authorities in the Gaza strip to retrieve the equipment and hold unauthorized users of it to account.

5.1.3 Phase Two: TVET technical services

A shaky start has been made but further progress is dependent on:

- Successful importation, installation and operation of the machinery,
- Deployment of full staffing of the centre
- Effective training and assessment of existing students
- Improvement of existing governance system
- Successful completion of industry data survey by USM
- Strong cooperative relation with industry for the purposes of apprenticeship training and employment after graduation
- Development of marketing and management inputs to industry and associated strategic planning

This is a family-based but male-dominated industry. The evaluation requested more information about the role of women in the predominantly family owned businesses and whether courses to strengthen their skills in administrative and other support roles could be provided. It was agreed that there could.

The evaluation was asked to comment specifically on the recycling issue. It was also asked to phrase recommendations for action on the issue in terms of programmes that UNIDO is already running. The evaluation spoke with both the Cleaner Production and the Cluster Programmes regarding possible assistance but while tools are available from both programmes the experts agreed that there first had to be awareness and commitment among a critical mass of businesses in the sector for these tools and programmes to have any effect.

This comes back to a role for the sector association to expand and modernize the services it provides to its member businesses and the advocacy it can provide both in regulatory and policy matters to the government and in commercial matters for improving competitiveness in domestic and international markets.

It is another area where a stronger sector leadership would be able to work with the PPU to enhance the scope of the TVET. While UNIDO does not have an industry sector strengthening programme as such, it has considerable experience of working with industrial representative bodies and it can draw on expertise from elsewhere in the UN system.

5.2 Lessons learned

UNIDO notes that the Gaza experience of recycling this kind of rubble was useful when dealing with earthquake recovery in Haiti in January 2010.

In developing Public Private Partnerships care must be taken to ensure that the respective interests of both the public and the private sectors are clearly expressed and that the decision-making, risk taking, and financial investment of the partnership is equitably shared.

In developing business plans for projects, income projections should not rely principally on the project funding but must clarify the income streams from local sources public and private.

In preparing project business plans input should be sought from local entrepreneurs and possibly also international entrepreneurs, and not just from public sector experts in project management or the supervision of business sectors.

UNIDO should avoid structuring a project where an officer of a counterpart Ministry is given a management role, e.g.: approving project disbursements, as it creates a potential conflict of interest. The present UNIDO Focal Point himself underlined to the evaluation that he is a representative of the Ministry to UNIDO and not an officer of UNIDO.

UNIDO officers should not be put in a position where appearances of conflict of interest could arise. Particular care should be taken in any case where the UNIDO officer is of the same nationality as the country where the intervention is taking place.

5.3 Recommendations

5.3.1 General

The principal question is whether the remaining resources should be used to:

- a) extend support to the TVET centre to give it greater stability in staffing
- b) build capacity in the USM to lead commercial strategies for the sector
- c) invest in the recycling of stone sludge

The evaluation is of the view that while any of the three options would be of value, the focus of the project from the beginning has been about skill transfer to a key industrial sector in the Palestinian economy. Strengthening the Polytechnic University is a means to the end of strengthening the sector, not the other way round.

The water recycling project is intimately connected to the economic development of the stone and marble sector and has profound implications for the health and environmental sustainability of local communities. UNIDO initiatives such as

forming clusters of stone-cutting factories to manage water recycling within geographical areas such as near Bethlehem would be a useful measure as part of strengthening the sector. The issue could also be the subject of support by UNIDO's Cleaner Production programmes. However the recycling issue is one that needs to be addressed in its own right with a wider range of partners (in particular with the Municipality of Hebron). The more immediate need is for assistance to the Stone and Marble Sector to develop greater cohesion and strategic thinking which would then ready it to contribute effectively to a wider plan to protect water resources, and reduce the health hazards and economic costs of the present methods of waste disposal.

The principal recommendation of the evaluation is to expand the current strategic planning initiative and build greater capacity in the USM to lead and modernize the sector. Such steps will also make the USM and the sector a stronger partner in the PPP. The TVET will not produce the results hoped for by the sector (training a new generation of leaders) unless the sector itself is developing strategically along a path of upgrading including adding value to its products.

The second recommendation is that a high delegation of the donor and partners with UNIDO pursue all channels through, or independent of, UNDP to gain approval for importing the TVET equipment. The difficulties around the approval process and with UNDP should be documented and discussed.

The third recommendation is that the recycling of sludge should be managed by a greater number of stakeholders than those involved in the TVET project, and USM capacity building should aim at the stone and marble sector being a reliable partner in such a recycling programme.

Although the project assets (equipment) from the first phase of the project were held by UNIDO in trust for the intended beneficiaries in the Gaza Strip, the assets are in the de facto control of groups not partnered to UNIDO. **The fourth recommendation is that UNIDO should take steps to ensure as far as possible 1) that the project assets in Gaza are being used for the intended beneficiaries of the first phase (and, if circumstances change, as part of future aid to the people of the Gaza Strip); and 2) that the equipment located in the West Bank is being used for the ultimate beneficiaries of the second phase of the project.**

5.3.2 Governance

- The management board of the TVET should be expanded to include two representatives from each of the three partners, namely the Ministry of National Economy, the PPU and the USM.
- Greater on-going industry input should be achieved both via the USM representatives and by one-off consultations with those in the sector that are sponsoring the students.

- A structure and process for consulting with the students, including a possible student representative on the TVET board, should be established.
- The appointment of a competent centre director should be revisited.
- Any amendment to the project should remove the supervisory function from the Integrated Programme and set up a specific steering committee with a broader representation from the private sector.
- To ensure there are no appearances of conflict of interest, managerial or administrative functions of the project should not be carried out by the focal point within the counterpart Ministry.
- Consideration should also be given to broadening the range of personnel that have experience with UNIDO by discussing with the counterpart Ministry rotation of the focal point position but ensuring no loss of corporate memory.
- For the same reason, while the expertise and local knowledge of Palestinian nationals working within UNIDO should be made available to UNIDO personnel working into Palestine, those nationals should not themselves exercise managerial or co-ordinating roles.

5.3.3 Training

- Reconsideration should be given to the policy of 100% pass rates.
- The curriculum should be expanded to include emphasis on marketing and management skills and separate courses developed for business administration roles carried out by female members of family enterprises in the sector.
- The competency of the staff should be supplemented by visiting lecturers.
- The greater use of apprenticeships and the involvement of USM in their development should be encouraged.
- The possibility of training in Italy should be clarified and students informed.

Annex 1: Persons interviewed

INTERVIEWS: VIENNA AND PALESTINE (WEST BANK)

- **DONOR: Government of Italy**

Ms Alessandra Pastorelli, Alternative Permanent Representative, Permanent Mission of Italy to the International Organizations, Vienna

Mr Gian Pietro Testolin, Emergency Program Co-ordinator, Consulate General of Italy, Office of Development Co-operation

- **INTERNATIONAL AGENCIES**

UNIDO

Mr Emilio Vento, Unit Chief and Deputy Director, Compliance Infrastructure Unit, Trade Capacity Branch, United Nations Industrial Development Organization Vienna.

Mr Peter Loewe, Evaluation Group

Mr Tommaso Saltini, UNIDO expert adviser, Associazione Di Terra Santa, (NGO)

Other UN Agencies

Mr Musa Al-khatib, Projects Manager Programme of Assistance to the Palestinian People United Nations Development Programme, UNDP Jerusalem

Mr Mutaz Dawabsheh, Manager Rubble Removal (Gaza), UNDP Jerusalem.

Mr Mounir A. Kleibo, ILO Representative, West Bank and Gaza Strip, Jerusalem

USAID Contractor: EDIP (Enterprise Development and Investment Promotion)

Mr Carl Larkins, Chief of Party, EDIP, Jamil Centre, Ramallah

Mr Roman S Ponos, Deputy Chief of Party, EDIP, Jamil Center, Ramallah.

Mr Hasan Abdel-Jabbar, Senior Business Development Manager, EDIP, Ramallah

- PALESTINIAN AUTHORITY

Ministry of National Economy, Ramallah, Palestine

Eng. Mazen T. Sinokrot, Former Minister of National Economy

Mr Saad O. Khatib, Senior Policy Advisor to the Minister

Eng. Ziad Toame, Director General, Industry Trade and Consumer Services

- MUNICIPALITIES

Dr. Victor Batarseh, Mayor of Bethlehem, Manger Square, Bethlehem.

Mr Jawad Herbawi, Advisor to the Mayor of Hebron Municipality, Palestine

Mr Tawfiq Arafah, City Engineer, Hebron Municipality, Palestine

- UNIVERSITY: **Palestine Polytechnic University, Hebron, Palestine**

Dr Abraham Al Masri, President

Mr Nizar T Amr, Dean, Applied Professions College

Dr Suhail S. Sultan, Director of Public Relations and Planning and Development

Mr Jawad Haj Acting Director, Stone and Marble Centre; Director, Industrial Centre

Ms Safa Sedir, Director, Testing Centre

- STONE AND MARBLE SECTOR

Sector Association: Union of Stone and Marble Industry Palestine, Bethlehem

Mr Subhi Thawabteh, Chairman, Board of Directors

Mr Noordin, Deputy Chairman, Board of Directors

Eng Maher Hushaysh, Executive Director

Mr Wisam Taraweh, Head of Technical Unit

Companies

Mr Ehsan M. Al Saheb, General Manager, Al Saheb Marble and Stone Company
Beit Fajar Palestine Family Company, Owner, Hebron

Mr Thawabtech, owner, Thawabteh Company, Industrial Zone Beit Fajjar-
Bethlehem

INTERVIEWS: PALESTINE (GAZA)

Gaza Government

Eng. Ziad al-Zaza, Minister of National Economy in Gaza

Eng. Iyad Jawy, former representative of Ministry of National Economy in 2007

Municipalities

Dr Ali Barhoum, General Director of Municipality and Director of Joint Services
Council (established to implement the project with representatives of the
municipalities of Rafah, Khanyounis and Gararah)

Professor Engineer Issa al-Nashar, Mayor of Rafah

Palestinian Federation of Industry

Eng. Amr Hamad, Deputy Secretary General of Palestinian Federation of Industry

International Agencies

UNIDO Consultant

Dr. Rifaat Rustum UNIDO consultant to Phase One of project

UNDP

Eng. Imran Kharoubi manager of UNDP Gaza recycling project

Eng. Salah Taha UNIDO consultant for the Gaza recycling project

Donor

Mr. Yousef Borae, representative of the Italian Cooperation

Annex 2: Documents consulted

UNIDO: Medium Term Programme Framework November 2008 and Programme and Budget 2010-2011;

UNIDO: IP Programme Documents and Progress Reports;

UNIDO: Independent Evaluation of the UNIDO Integrated Programme for Palestine 2005;

UNIDO: Technology Transfer for “*Recycling of Building Material Waste*”: a Platform for Production of Low Cost Construction products: Project documents, Steering Committee minutes, and Technical Reports for Phases One and Two;

UNIDO: Paolo Bellamoli and Suhail Sultan *Pre-Feasibility Study for a Marble and Stone TVET Centre in Palestine* November 2006;

UNIDO: Paolo Bellamoli and Suhail Sultan *Business Plan for Marble and Stone TVET Centre Palestine* September 2008 and April 2009;

UNIDO: Tommaso Saltini, UNIDO expert adviser: Draft report on possible use of remaining funds for recycling waste water from the Stone and Marble Sector.

Annex 3: Terms of Reference

Independent Evaluation of the UNIDO Project:

TE/PAL/05/001

Technology Transfer for “Recycling of Building Material Waste”, a platform for production of low-cost construction products

I. BACKGROUND AND CONTEXT

Palestine is a permanent observer to UNIDO. Although UNIDO has no field presence in Palestine and the country is not covered by any other field office, the Organization’s cooperation with the Palestinian Authority dates back to 1999 when the Integrated Programme (IP) was initiated.

In 2005, the Government of Italy made available a contribution towards the project *Technology Transfer for “Recycling of Building Material Waste”, a platform for production of low-cost construction products* (TE/PAL/05/001) to be implemented in the West Bank and Gaza.

The project was launched on the 1st July 2005 as part of the Integrated Programme (IP) for Palestine. Its **overall development objective** was “to contribute to the ongoing effort of the Palestinian Authority to overcome the economic crisis, to foster the reconstruction process and revitalize the national building industry while addressing the issue of environment protection”⁵¹. The **immediate objective** was to transfer know-how and the necessary technology to produce aggregates and/or value-added building materials using debris and waste through the installation of dedicated facilities in the southern Gaza strip and on the West Bank.

Two recycling facilities, owned and managed by local public and/or private partners, were planned. Waste materials would be transported to, crushed in the facilities and transformed in semi-finished and/or finished products for the building industry. International and national experts were supposed to be appointed to ensure proper technical and know-how inputs into the preparatory assessments activities. The International Centre for Science and High Technology (ICS) in Trieste (Italy) was supposed to provide additional funding to the project for the needed technical capacity building for the training of local management and technicians. The project was expected to generate employment in the sectors directly or indirectly related to building material and civil construction.

An assumption was that the local authorities would be able to secure the availability of land and utilities for the establishment of the facilities. Intended beneficiaries were the Palestinian population (workers and young entrepreneurs),

⁵¹ Project document, 2005.

the Government authorities and institutions dealing with industrial and infrastructure development, private sector associations, entrepreneurial groups and financing institutions addressing building activities.

Unfortunately, the project could not be implemented as planned due to various difficulties encountered in the Gaza strip and the project's scope was revised **in November 2008**. Its **immediate objective** became to *set up an independent and sustainable Technical and Vocational Educational Training Centre (TVET)*, capable to provide specialized and credible technical training and educational services to the stone and marble sector in Hebron.⁵² The Centre was supposed to be hosted by the Palestine Polytechnic University in Hebron, while a technical support unit was supposed to be hosted by the Union of Stone and Marble in Bethlehem. While the University would deliver lab testing and trainings, the Union would deliver consulting and technical services to SMEs. Not only Stone and Marble SMEs but also workers and unemployed individuals would benefit from the services offered by the Centre and by the Union. Preliminary technical training for the recruited personnel of the Centre was foreseen with the Scuola del Marmo of Verona in Italy.

During its second phase (2008-2010), the project focused on the local communities, workers or unemployed individuals, stone and marble SMEs and in particular young entrepreneurs.

It should be kept in mind that the project is being implemented in a difficult security and political environment with high risk of influencing the project's results.

The project was supposed to end in December 2010; however a proposal for the full disbursement of the project funds is currently under preparation. This proposal would focus on recycling the dirty water used to cut the stone.

The evaluation of the project, which is mandatory according to the Technical Cooperation Guidelines and included in the Evaluation Group Work Programme for 2010-2011, is scheduled for June-July 2010.

II. BUDGET INFORMATION

Project No.	Total allotment in Euro (2005-2010)	Expenditure in Euro (2005-2010)	Expenditure in % (2005-2010)
TE/PAL/05/001	2,453,700	1,987,203	81

Source Agresso as of 23 April 2010

III. RATIONALE AND PURPOSE

The initial project document planned a terminal evaluation at the end of the implementation period. Bearing in mind that a proposal for the full disbursement

⁵² Project Document, 2008

of the project funds is currently under preparation, the main purposes of the evaluation are:

- (i) To assess the progress towards achieving planned objectives of the project keeping in mind the change of scope that the project has experienced;
- (ii) To enable the Italian Government (donor) to make informed decisions as to the possible extension and possible re-orientation of the project on recycling dirty water;
- (iii) To draw lessons and provide recommendations for a potential next phase of the project,
- (iv) To draw lessons of wider application and for a possible replication of the project in other emergency environments.

The key intended users of the evaluation will be the beneficiaries of the project, the Government of Palestine, in particular the Ministry of National Economy, the UNIDO, the donor and other partners in this project such as the Palestine Polytechnic University in Hebron, the Union of Stone and Marble and the Scuola del Marmo of Verona (Italy).

IV. SCOPE AND FOCUS

The evaluation will cover the period from July 2005 to June 2010.

The project is part of the UNIDO Integrated Programme (IP) for Palestine which includes a dedicated component on construction material and waste treatment and recycling, synergies with the IP will be looked at. The evaluation will therefore look into coordination mechanisms, integration and synergies between the project and other components of the IP.

V. EVALUATION ISSUES AND KEY EVALUATION QUESTIONS

The evaluation will address the following issues:

Ownership and relevance

The extent to which:

- (a) The original and revised project is aligned to stakeholders' priorities, policies and needs.
- (b) The original and revised project is relevant to the Palestinian construction sector.
- (c) The original and revised project is relevant to the target population (Government authorities and institutions, private sector and Palestinian population).
- (d) The target population is using UNIDO's services and finds them in line with their needs.
- (e) The objectives of the project are still valid in light of the re-orientation of the project's scope.

- (f) The project is relevant to UNIDO strategic objectives (Medium-Term Programme Framework, and Programme and Budget) and thematic priorities.
- (g) The project is aligned with the donor's priorities.

Efficiency of implementation

The extent to which:

- (a) Inputs from UNIDO, the Palestinian counterparts and institutions, the concerned private sector entities involved in the execution of the project, and the donor, have been provided as planned and were adequate to meet requirements.
- (b) UNIDO inputs and services were of quality and timely.
- (c) UNIDO has provided the necessary backstopping.
- (d) The outcomes, outputs and activities of the project were reformulated to properly accommodate the new initiative in Hebron and were realistic within the budget available.
- (e) The least costly resources and processes were used in order to achieve the objectives.
- (f) The contextual environment has facilitated or impeded the achievement of planned outputs and outcomes.

Project design and management

The extent to which:

- (a) The original and revised project documents' designs were appropriate (existence of a log frame, clear objectives, performance indicators and risk analysis) and address priorities common to the Palestinian Government, the target population, UNIDO and the donor.
- (b) The project design considered the specificities of the Palestinian context and needs.
- (c) The budget was revised to accommodate the changes in scope and objectives.
- (d) The International Centre for Science and High Technology (ICS) in Trieste was involved.
- (e) The involvement of the ICS was efficient and effective.
- (f) The coordination between UNIDO, the Palestinian counterpart, the National Coordinator, and the donor was efficient and effective.
- (g) The Steering Committee mechanism was established.
- (h) The establishment and functioning of the Steering Committee was efficient and effective.
- (i) The absence of UNIDO field presence and field coverage was adequately addressed by alternative management mechanisms.
- (j) The UNIDO HQ based management, coordination, quality control and technical inputs have been efficient and effective,
- (k) The management of the TVET Centre involving UNIDO, the private sector and a University was appropriate and has been efficient and effective.
- (l) Monitoring and reporting were carried out as planned and based on indicators for outputs and objectives.

- (m) Risks likely to influence the project's results were identified and tackled.

Effectiveness

The extent to which:

- (a) The outputs and outcomes of the first phase of the project (industrial component) were achieved.
- (b) The outputs and outcomes of the second phase of the project (vocational component) were achieved or are likely to be achieved.
- (c) The construction sector was strengthened, employment was generated and the environment protection fostered.
- (d) Men and women have benefited equally from the project results.

Impact and sustainability

- (a) Assessment of the sustainability of the TVET Centre in terms of technical expertise, financial resources and organizational management after the end of the project.
- (b) Assessment of the likelihood that changes and benefits will be maintained over a long period of time.

VI. EVALUATION APPROACH AND METHODOLOGY

The evaluation is to be conducted in compliance with UNIDO evaluation policy and the Technical Cooperation Guidelines and attempt to determine, as systematically and objectively as possible, the relevance, efficiency, effectiveness impact and sustainability of the project. The evaluation will assess the achievements of the project against its objectives and outputs established in the project document and subsequent revision, including re-examination of the relevance of the objectives and of the design. It will also try to identify factors that have facilitated or impeded the achievement of the objectives. It will also review issues highlighted in the Thematic Evaluation of UNIDO Post-Crisis Projects and assess the extent to which recommendations from the Independent Evaluation of the Integrated Programme carried out in 2005 have been taken into consideration.

The evaluation will be carried out through analyses of various sources of information including desk analysis, observation, feedbacks/evaluations of trainings provided or survey of trainees, and focused group discussions and interviews with various stakeholders such as experts and consultants, Government counterparts, the private sector, trainees, the donor representative and UNIDO staff members, and through the cross-validation of data.

The successive components of the project (the industrial component and the vocational component) will be treated separately by two National Consultants.

The evaluation methodology will be further developed by the evaluation team and presented in the inception report.

The steps of the evaluation will be as follows:

1. Desk study (analysis of project-related documents). On this basis the evaluators will elaborate on the above evaluation issues, produce a detailed list of evaluation questions that will be used in stakeholder interviews or questionnaires, and prepare the programme for the mission.
2. Interviews with staff at UNIDO HQ.
3. Inception report using the EVA format
4. Field mission. The evaluation team will receive briefings from Ministry of National Economy and carry out interviews with representatives of governmental bodies, the private sector and the direct beneficiaries.
5. Presentations and discussions of preliminary findings with key stakeholders in the field.
6. Presentation and discussion of preliminary findings at UNIDO HQ.
7. Preparation of the draft evaluation report to be circulated for comments and factual validation.
8. Preparation of the final report using the EVA format

While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties.

VII. TIMING

The evaluation is scheduled to take place in the period June to July 2010. The field mission for the evaluation is planned for early July 2010.

The final report will be prepared within 4 weeks of completion of the field mission and will be submitted to the Palestinian Authority, the Government of Italy and UNIDO.

VIII. EVALUATION TEAM COMPOSITION

The evaluation mission will be composed of

- One international evaluation consultant
- One national evaluation consultant looking into the industrial component of the project in the Gaza strip
- One national evaluation consultant looking into the vocational component of the project in Hebron

The UNIDO Evaluation Group will be responsible for the quality control of the evaluation process and of the report. The consultants will be contracted by UNIDO. The tasks of the team members are specified in the job descriptions attached to these Terms of Reference (Annex 1).

All members of the evaluation team must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the project under evaluation. This principle is underlined in the UNIDO

Evaluation Policy: “For independent evaluations, the members of an evaluation team must not have been directly responsible for the policy-setting, design or overall management of the subject of evaluation (nor expect to be so in the near future)”.

IX. GOVERNANCE AND MANAGEMENT OF THE EVALUATION PROCESS

In accordance with the Evaluation Group Work Programme, the decentralisation of project evaluations to Project Managers and UNIDO Representatives is being pursued. On this basis, a collaborative approach was adopted for this evaluation with a substantial involvement of the Project Manager and the Area Officer

The evaluation team will present its preliminary findings in the field and at UNIDO Headquarters. A draft evaluation report will be circulated for comments. The reporting language will be English.

Review of the Draft Report: The draft report will be shared with the Palestinian counterparts, the Government of Italy, the Project Manager and other relevant UNIDO staff members for comments and factual validation. This consultation also seeks agreement on the findings and recommendations. The evaluators will take comments into consideration when preparing the final version of the report.

Quality Assessment of the Evaluation Report: All UNIDO evaluations are subject to quality assessments by UNIDO Evaluation Group. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality (Annex 2). These applied evaluation quality assessment criteria are used as a tool for providing structured feedback.

Job descriptions

Independent evaluation of the UNIDO project:

TE/PAL/05/001

Technology Transfer for "Recycling of Building Material Waste", a platform for production of low-cost construction products

Job description for the International Evaluation Consultant

Post title	International Evaluation Consultant and Team Leader
Estimated duration	30 working days over a period of 2 months
Starting date required	21 June 2010
Duty station	Home base; missions to UNIDO HQ and Palestine

Duties of the international consultant:

The international evaluation consultant will collaborate with the national evaluation consultant on the independent evaluation of the UNIDO project "Recycling of Building Material Waste" in Palestine. On the basis of the Terms of Reference s/he will carry out the following duties:

Duties	Duration (working days)	Location	Results
Desk study of project documents, reports, etc	5 days	Home base	List of evaluation questions and tools developed Draft inception report
Interviews with staff at UNIDO HQ	2 days	UNIDO HQ	Inception report
Evaluation mission: briefing, interviews and presentation of preliminary findings	7 days	Ramallah, Palestine	Notes
Presentation of preliminary findings at UNIDO HQ	2 days	UNIDO HQ	Notes
Drafting of the evaluation report in EVA format; submission to stakeholders for comments; and finalization of report	14 days	Home base	Draft report Final Report
Total	30 days		

Qualifications:

- University degree relevant to the project under evaluation
- Knowledge and experience in recycling/civil engineering, the building material sector and/or vocational training related activities
- In-depth experience in evaluation
- Excellent writing skills in English

Languages:

The consultant must have excellent English writing skills. Arabic is an advantage.

Absence of Conflict of Interest:

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project or theme under evaluation.

Independent evaluation of the UNIDO project:

TE/PAL/05/001

Technology Transfer for "Recycling of Building Material Waste", a platform for production of low-cost construction products

Job description for the National Evaluation Consultant 1

Post title	National Evaluation Consultant
Estimated duration	15 working days over a period of 2 months
Starting date required	21 June 2010
Duty station	Home base/Gaza

Duties of the national consultant:

The national consultant will collaborate with the international consultant on the independent evaluation of the UNIDO project "Recycling of Building Material Waste" in Palestine. In particular, s/he will assess the industrial component of the project in the Gaza strip. On the basis of the Terms of Reference s/he will carry out the following duties:

Duties	Duration (working days)	Location	Results
Desk study of project documents, reports, etc and collection of additional information as required	5 days	Home base	List of evaluation questions and tools developed Draft inception report
Establishment of the mission's programme; Interview guidelines in collaboration with the international consultant			
Evaluation mission: briefing and interviews	5 days	Gaza, Palestine	Notes
Drafting of chapters of the evaluation report in collaboration with the international consultant	5 days	Home base	Draft report
Total	15 days		

Qualifications:

- University degree relevant to the project under evaluation
- Knowledge and experience in recycling building materials/civil engineering related activities
- Experience in evaluation
- Good writing skills in English

Languages:

The consultant must be fluent in Arabic and English

Absence of Conflict of Interest:

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project or theme under evaluation.

Independent evaluation of the UNIDO project:

TE/PAL/05/001

Technology Transfer for "Recycling of Building Material Waste", a platform for production of low-cost construction products

Job description for the National Evaluation Consultant 2

Post title National Evaluation Consultant
Estimated duration 15 working days over a period of 2 months
Starting date required 21 June 2010
Duty station Home base/West Bank

Duties of the national consultant:

The national consultant will collaborate with the international consultant on the independent evaluation of the UNIDO project "Recycling of Building Material Waste" in Palestine. In particular, s/he will assess the vocational component of the project in Hebron. On the basis of the Terms of Reference s/he will carry out the following duties:

Duties	Duration (working days)	Location	Results
Desk study of project documents, reports, etc and collection of additional information as required	5 days	Home base	List of evaluation questions and tools developed Draft inception report
Establishment of the mission's programme; Interview guidelines in collaboration with the international consultant			
Evaluation mission: briefing and interviews	5 days	West Bank (Ramallah, Bethlehem and Hebron), Palestine	Notes
Drafting of chapters of the evaluation report in collaboration with the international consultant	5 days	Home base	Draft report
Total	15 days		

Qualifications:

- University degree relevant to the project under evaluation
- Knowledge and experience in vocational/training related activities
- Experience in evaluation
- Good writing skills in English

Languages:

The consultant must be fluent in Arabic and English

Absence of Conflict of Interest:

According to UNIDO rules, the consultant must not have been involved in the design and/or implementation, supervision and coordination of and/or have benefited from the programme/project or theme under evaluation.

Annex 4: Checklist on evaluation report quality

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
A. Did the report present an assessment of relevant outcomes and achievement of project objectives?		
B. Were the report consistent and the evidence complete and convincing?		
C. Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible?		
D. Did the evidence presented support the lessons and recommendations?		
E. Did the report include the actual project costs (total and per activity)?		
F. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
G. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented?		
H. Was the report well written? (Clear language and correct grammar)		
I. Were all evaluation aspects specified in the TOR adequately addressed?		
J. Was the report delivered in a timely manner?		

Rating system for quality of evaluation reports

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.