



USAID | WEST BANK/GAZA

Memorandum to the Files

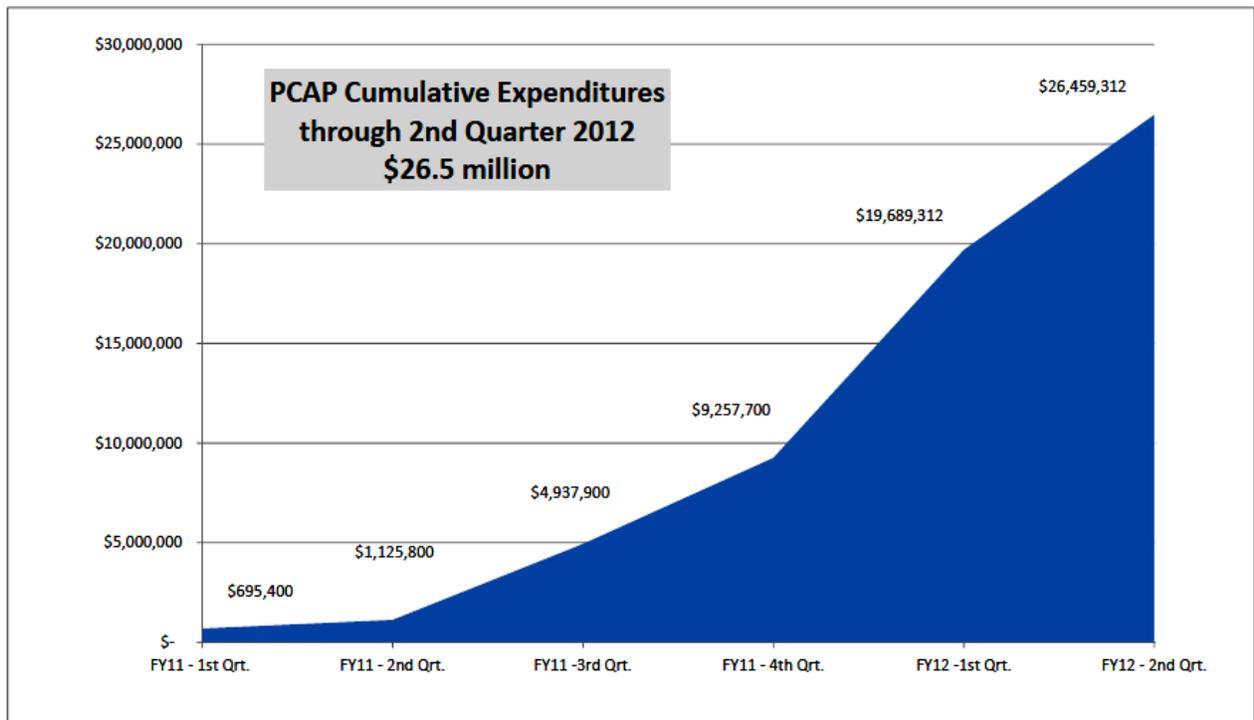
Date: June 27, 2012

Reply to

Attn: Michael Maxey, Senior Project Management Specialist

Subject: End of Service Report

This report provides a summary of my service as the PCAP Agreement Officer Representative from January 26, 2011 until June 1, 2012. During this period, PCAP was able to develop and implement a comprehensive community assistance initiative that by May 2012 reached 175,530 beneficiaries in Gaza and was expending more than \$2 million per month (as of March 2012 cumulative expenditures exceeded \$26 million).¹ While there was a steep learning curve, the program is now moving rapidly to implement activities critical to PCAP's "theory of change" which posits that improved social and economic conditions will give hope to vulnerable Gazans and promote the potential for peace in the region. Key issues centered on streamlining the PCAP activity approval process and shortening the timeframe for anti-terrorism and commodity transport approvals. Key lessons learned were the need for clarity in approval and implementation processes, more program flexibility to cope with operating and funding constraints unique to Gaza, and upfront monitoring systems to identify problems and recommend corrective action (a Gaza Monitoring Unit is critically needed in order to effectively manage PCAP).²

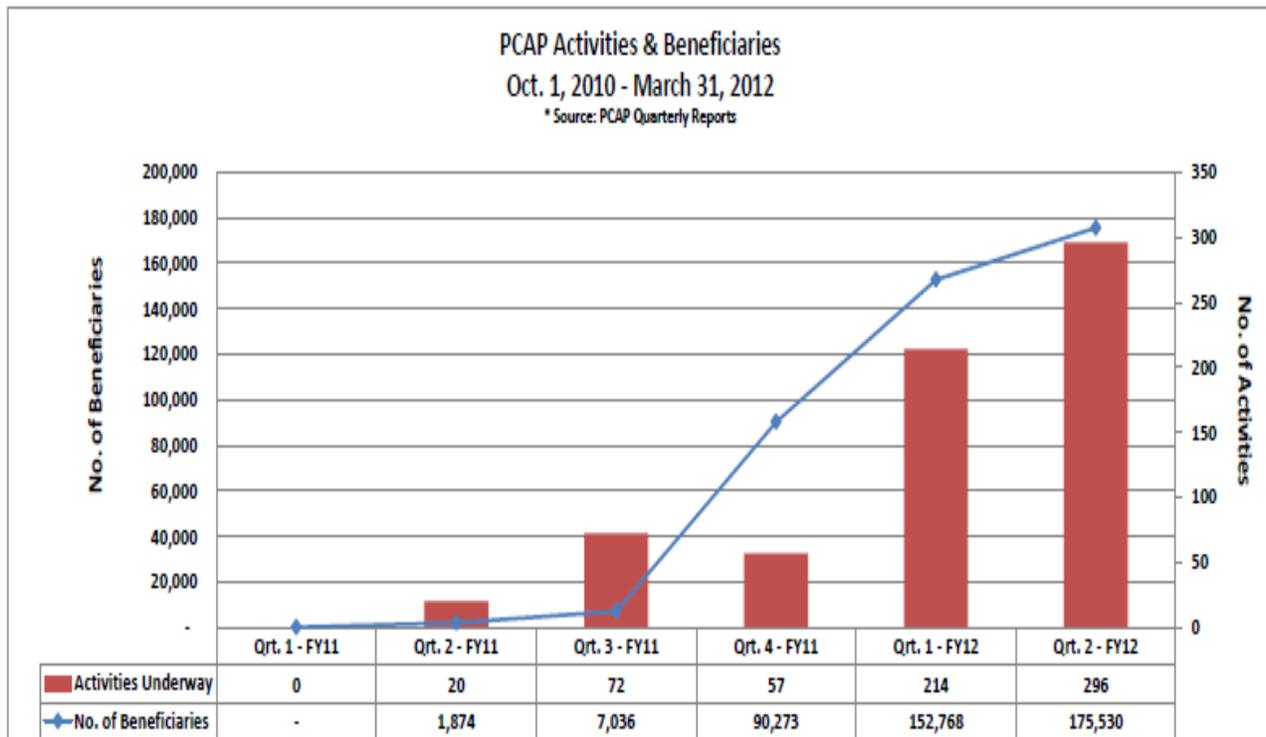


¹ Data source is May 2012 Geo-MIS data query for total number of PCAP FY 2011/FY 2012 beneficiaries and the PCAP FY 2012 Second Quarterly Report dated March 31, 2012..

² The current Gaza Monitor has done an outstanding job but she needs the support of a full team that is coordinated and managed by the Mission M&E Team.

Accomplishments

Although there were initial difficulties in meeting bureaucratic and security requirements, PCAP was able to make significant progress in terms of housing rehabilitation, food security, employment generation, formal/non-formal education, psycho-social programs, and non-food item humanitarian assistance. Major shortfalls were noted in community infrastructure and business development as well as lesser constraints in work force development. The first Mission Management approval to begin PCAP implementation was issued on February 24, 2011 – five months after the program began – this delay and other factors contributed to a significant shortfall in the program meeting its first year targets (90,273 beneficiaries were reached by PCAP during FY 2011 falling short of the goal of 205,224).³ The impact on program momentum during “demobilization” was apparent as activities late in the 4th quarter of FY 2011 were targeted for close out in anticipation of no additional funding. However, beneficiaries were expanded in the ongoing PCAP activities and new funding helped the program reach a total of 175,530 beneficiaries by March 2012. A week by week description of the challenges faced, actions taken, and the overall chronology of events are included in the attached compilation of my weekly reports as PCAP AOR.



PCAP gained traction in the 3rd quarter of FY 2011 but then went through an adjustment period in the latter part of the 4th quarter due to the “demobilization” planning and closure of some activities. However, overall beneficiaries continued to expand in housing, education, cash for work, and humanitarian assistance activities.

³ Delays were caused by many factors including the overall activity approval process, waiver requirements and the process for gaining their approval, and COGAT commodity import approvals. There was a multi-step process required to start implementation that included: (1) the approval of the PCAP Year One Implementation Plan (December 2010); (2) execution and Mission Review of a Gaza Sector Needs Assessment (January 2011); (3) initial approval of PCAP activities by Mission Management (February 2011); (4) submission of COGAT requests for import of PCAP financed commodities into Gaza (March 2011); (5) waivers for procurement and approval of ineligible commodities (April 2011); (6) approval of community infrastructure activities (April 2011); and (7) approval of PMP (May 2011).

Issues

- Community Infrastructure - In terms of the impact of implementation on indicator targets for FY 2012 and FY 2013, the Mission will have to determine whether to reduce the overall program outcome target of reaching 600,000 beneficiaries with USG funded social assistance activities. Targets for FY 2012 and FY 2013 will be affected by the outcome of Mission deliberations on how to proceed with community infrastructure. This activity is a major contributor to the overall number of beneficiaries. Reduced implementation of community infrastructure could mean a significant drop in the overall number of beneficiaries and could require the Mission to assess whether PCAP can achieve the original program targets.⁴
- Business Development – Workforce training, building successful business partnerships in ICT, construction, recycling, and other promising areas are key to supporting long term economic growth in Gaza. However, this component of the program is one of the weakest areas. While PCAP was able to train some businesses and workers, it fell significantly short of overall target, no business partnerships were established, and very little substantive work was accomplished in promoting private sector development. Training to improve workforce skill levels is proceeding but the portion exclusively focused on youth did not move forward as planned due to delays associated with anti-terrorist vetting requirements. The business development component needs to be carefully assessed for impact and sustainability.⁵
- Housing Rehabilitation - Of the activities implemented to date, PCAP rehabilitation work in the housing sector has demonstrated the most impact on long-term outcomes. PCAP developed an innovative program to provide incremental but critical housing improvement through a “windows and doors” model that reached more than 1,000 families. This approach is a model for other donors and private efforts aimed at increasing overall access to adequate shelter in Gaza. PCAP also provided construction sector training that helped increase workforce capacity in one of the few sectors of Gaza’s economy that is showing rapid growth. Finding ways to replicate and expand this program could be important to reaching more beneficiaries and promoting hope among a populace that is continues to live in very difficult circumstances.

In summary, PCAP is moving forward but needs to be assessed to determine whether it can meet its target outputs over the next year and a half. If the community infrastructure program does not proceed, it will be very difficult to reach the overall beneficiary targets. The economic recovery goals could be adversely affected if the business development component of the program is not revitalized. The upcoming mid-term evaluation will provide an opportunity to analyze whether PCAP can meet its overall implementation targets, assess the continuing validity of PCAP’s “theory of change,” and guide a Mission discussion on how best to amend the program to address its current operating environment. I believe PCAP is having a positive impact and contributing to USG foreign policy objectives in the region, and I wish Godspeed to those working to improve the lives of the people in Gaza.

⁴ Community Infrastructure is budgeted under the PCAP Cooperative Agreement to receive \$25,084,889 but to date, more than half way through life of program, only \$1.3 million is programmed for expenditure. In terms of the number of beneficiaries, this activity was originally projected to provide assistance to 130,000 beneficiaries.

⁵ Business Development is budgeted under the PCAP Cooperative Agreement to receive \$7,978,958 but to date has only expended \$389,984. This program is severely constrained and while it was redesigned and the Chief of Party indicated he would take more direct responsibility for its implementation, this is a component of the program that needs to be closely monitored.

Palestinian Community Assistance Program (PCAP) Theory of Change USAID West Bank/Gaza

A stable, capable and positively engaged Gaza contributing to a peaceful and responsible Palestine is congruent with U.S. foreign policy interests. In order to support this goal, USAID established the Palestinian Community Assistance Program (PCAP), a \$100 million, three year initiative in Gaza focused on: (1) improving living conditions through housing and community infrastructure renovation; (2) promoting food security and economic growth through home garden production, ICT (Internet and Communication Technology) enterprise development, and skills training; and (3) maintaining social cohesion and recovery through community outreach programs focused on mental well-being, childhood education, humanitarian assistance and cash-for-work programs. The PCAP “theory of change” posits that greater access to basic services, increased family income, and improved quality of life will minimize the drivers of conflict associated with significant social recovery and economic development challenges.⁶

PCAP assessed unsatisfied basic needs and perceptions of deficiencies in key demographic groups in Gaza. Programs and activities aimed at addressing these deficiencies were designed and focus primarily on improving access to basic services, giving hope to residents that a better future is possible, and laying the foundation for long-term recovery and stability. Under PCAP, damaged homes and community infrastructure will be repaired, food security and family incomes increased, workforce skills improved, and nutrition, mental well-being and non-formal education strengthened. Addressing these deficiencies will change attitudes and create the conditions necessary for social and economic recovery.⁷

As PCAP is implemented, efforts will be made to assess which activities are most effective in achieving the program’s overall development goal of paving the way to a better future for Palestinians. These “best practice” models will be used to promote additional investments by key stakeholders (bi-lateral and multi-lateral donors, non-profit sector and private sector). As more resources coalesce around key interventions, a critical mass, a “tipping point” will occur which will favor the development of a stable, capable and positively engaged Gaza contributing to a peaceful and responsible Palestine.⁸

⁶ Richard E. Rubenstein. “Basic Human Needs: The Next Steps in Theory Development.”

http://www.gmu.edu/programs/icar/ijps/vol6_1/Rubenstein.htm - Addressing drivers of conflict is widely accepted as a prerequisite for post-conflict transformation of states into stable, capable and positively engaged societies; if primary human needs are not addressed, conflict is more likely to occur.

⁷ Fearon, Humphreys, and Weinstein. “Can Development Aid Contribute to Social Cohesion after Civil War?” American Econ Review: Proceedings 2009. Available at: <http://www.columbia.edu/~mh2245/papers1/aer2009.pdf>

⁸ Mercy Corps. “Strengthening Our Ability to Promote Stability” - <http://mercycorps.org/countries/uganda/20131> Mercy Corps has developed three programs (in Uganda, Ethiopia, and Indonesia) that “aim to promote stability through peacebuilding and economic development.” Through comparative case studies, Mercy Corps will develop measures of program impact and data collection tools. Their research will allow them to examine the theories of change that underlie Mercy Corps’ programs. Mercy Corps is the primary implementer of PCAP in USAID West Bank Gaza.

Vision: A Stable, Capable and Positively Engaged Gaza Contributing to a Peaceful and Responsible Palestine.

Goal: Pave the way to a better future for Palestinians through improved social, economic and basic services that promote recovery and economic development in Gaza.

Outcomes: (1) Improved access to and delivery of basic services. (2) Strengthened capacity of private sector. (3) Improved social conditions. (4) "Best Practices" models that demonstrate cost effective, productive, and sustainable mechanisms to improve basic services, increase economic growth, and improve social conditions.

Indicators: 1.3, 2.1, 2.3, 2.4.2, 2.4.4, 3.1, 3.2, 3.3

Gaza Development Context

Uncertain Political Environment

Constraints on Movement and Access

Interference by De Facto Government

Strategic Tools

Donor Coordination – Sector Clusters and information sharing mechanisms on development and humanitarian assistance to Gaza.

USAID Coordination – Gaza Partners Working Group and Coordination Mechanism in place with USAID-financed programs in Gaza.

PCAP & Other Program Models – Pilot programs to inform development process and provide "Best Practices" for wider adoption of infrastructure, economic and social initiatives.

Critical Assumptions: Political situation will be maintained or improved. Relative level of security will be maintained or improved. Models developed under USAID activities will be adopted broadly within Gaza.

Risks to Program: Security situation provokes military incursion by Israel into Gaza and a general deterioration of security, basic services and economic conditions.

Intermediate Results

Intermediate Result 1 – Basic infrastructure and housing needs of Gazans improved.

Output/Indicator:

Ind. 1.1: **Community Infrastructure Strengthened** - # of schools, health clinics, community center, etc rehabilitated.

Ind. 1.2: **Housing Availability Improved** – # of houses rehabilitated.

Ind. 1.3: **Basics Services Improved** - Percentage of people reporting improved basic infrastructure in target communities.

Intermediate Result 2 – Economy recovery strengthened in Gaza by creation of income generation and business development opportunities.

Output/Indicator:

Ind. 2.1: **Improved Food Security through Increased Agricultural Production** – Percentage of targeted households that report an increase in food supply.

Ind. 2.2: **Employment Generated** – # of people employed through "cash for work" and other PCAP related programs.

Ind. 2.3: **Strengthened Human Resources** – # of interns trained & percentage of trainees demonstrating increased skills.

Ind. 2.4: **Business Development** - 2.4.1 # partnerships established, 2.4.2 # of professional associations with increased capacity, 2.4.3 # of ICT jobs created, and 2.4.4 - # of firms strengthened and targeted firms demonstrate increased competitiveness.

Intermediate Result 3 – Social recovery strengthened in Gaza through tangible improvements in food security, education, health and psychosocial services.

Output/Indicator:

Ind. 3.1: **Formal and Non-formal Education Enhanced** – # of children enrolled and showing improvement in Neighborhood After School Programs.

Ind. 3.2: **Recovery & Resilience Improved** – Percentage of participating children that demonstrate increased resilience.

Ind. 3.3: **Psycho-Social Support Improved** – Percentage of targeted children that demonstrate improved emotional well-being.

Ind. 3.4: **Humanitarian Support Improved** – # of people from vulnerable households benefitting.

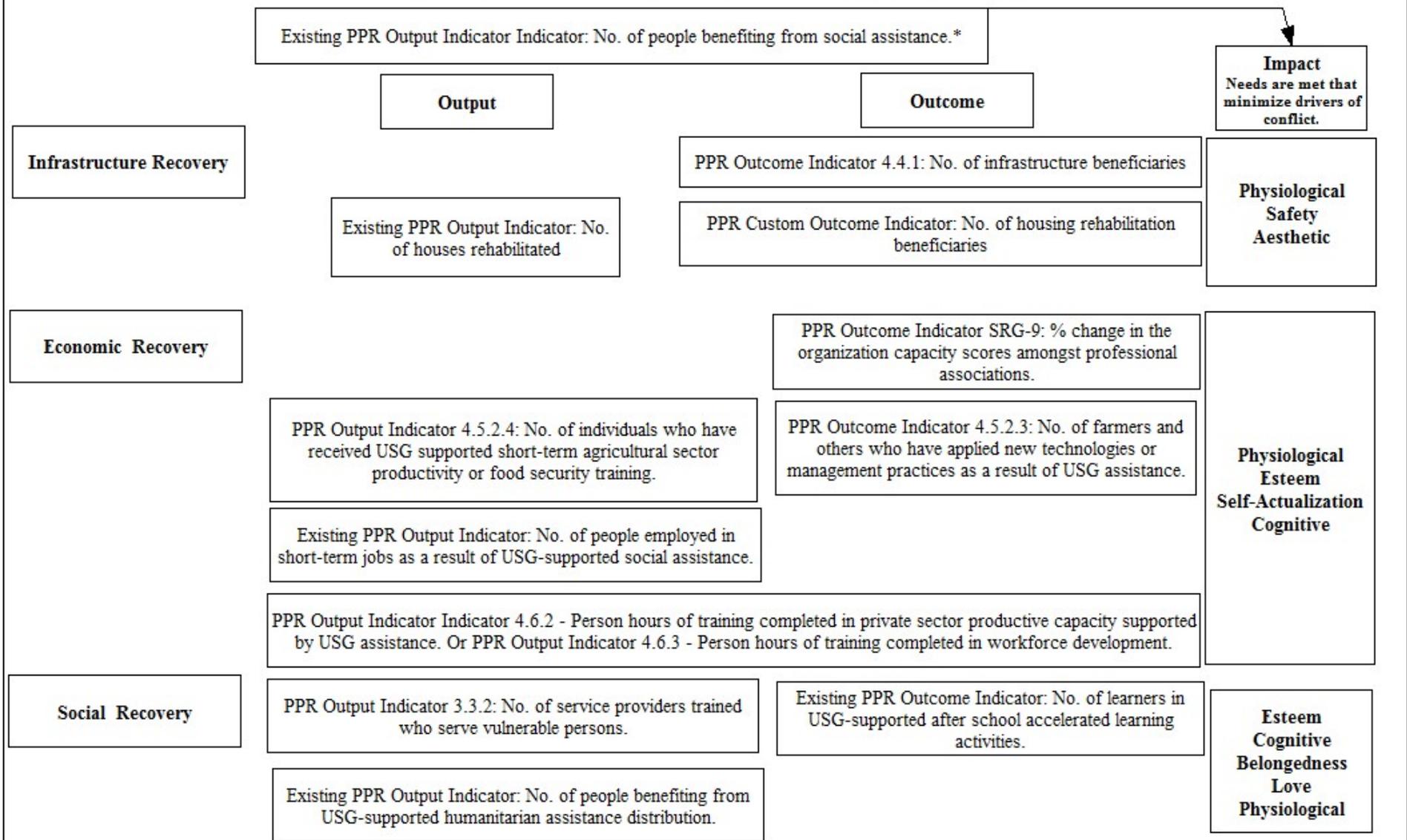
Activity Types

- Technical Assistance
- Training
- Sub-Grants Program

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PCAP Revised PPR Indicators & Theory of Change



* "Social Assistance" (as defined by Tayseer Edeas "USAID Standard Definitions for M/F Beneficiaries" email dated 10/03/2011) is number of people directly benefiting from all USAID PCAP objectives/Intermediate Results: infrastructure recovery, economic recovery and social recovery; this may include social assistance recipients (CFW, NFI, training, youth children, etc.), housing and community infrastructure beneficiaries, direct beneficiaries of economic recovery (farmers, professionals and businessmen).

** Definition of "Service Provider" provided by Tayseer Edeas email dated 10/03/2011 indicates that these are individuals not entities.