

KNOWING WHAT WORKS



Central Project Evaluation

Water Programme for the Palestinian Territories

PN 2013.2257.7

Evaluation Report

On behalf of GIZ by Heinz-Peter Wolff (QUASIR) and Abdelrahman Alamarah (Tamimi)

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Abbreviations

AHLC	Ad Hoc Liaison Committee
BMZ	German Federal Ministry for Economic Cooperation and Development
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
MoLG	Palestinian Ministry of Local Government
MoWA	Palestinian Ministry of Women Affairs
NGO	Non-governmental organisation
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
PA	Palestinian Authority
PARC	Palestinian Agricultural Relief Committee
PHG	Palestinian Hydrology Group
PWA	Palestinian Water Authority
SDG	Sustainable Development Goal
UPWSP	Union of Palestinian Water Service Providers
WSP	Water Service Provider
WSRC	Water Sector Regulatory Council



The project at glance

Palestinian Territories: Water Programme for the Palestinian Territories

Project number	2013.2257.7
CRS purpose code	14010 Water sector policy and administration
Project objective	The capacity of water sector institutions for planning, steering and regulating the water supply and wastewater disposal is improved.
Project term	October 2013 – June 2018
Project volume	EUR 8,700,000
Commissioning party	German Federal Ministry for Economic Cooperation and Development (BMZ)
Implementing organisation	GIZ
Executing agency (in the partner country)	Palestinian Water Authority
Other development organisations	-

Summary

This report presents the findings of the final evaluation of German technical cooperation with water sector institutions and organisations in the Palestinian Territories. This third consecutive project under the Water Programme for the Palestinian Territories (PN 2013.2257.7) started in 2014 and will phase out in mid-2018. Building on the achievements of prior projects under the Water Programme (PN 2005.2007.2 and PN 2009.2084.3) dating back to 2006, it has continued to support the Palestinian water sector's reform process. The evaluation also included a separate assessment of the long-term results generated by both of the preceding projects. Earlier interventions by Palestinian-German technical cooperation, which first started at the end of the 1980s, do not form part of this evaluation.

The Water Programme for the Palestinian Territories (PN 2013.2257.7) started just before the new Palestinian Water Law came into force in 2014. Its objective is to 'improve the institutional, technical and operational capacities of water sector institutions in the Palestinian Territories. Two modification offers in 2015 and 2016 respectively extended the project area to include Gaza. They also added an indicator for gender, increased the intended target values for all other existing indicators and upped budget funding from 6.2 to EUR 8.7 million.

The instruments used to achieve this objective focused on two areas of intervention: 1) Supporting national institutions to implement reform processes and 2) improving the management capacities of Water Service Providers (WSPs). The project also pursued the cross-cutting issue of gender.

The five outcome indicators of success in the last modification offer comprised three indicators on the application of new regulations by water sector institutions, one on gender advocacy and another on planning for Area C. The indicator for the area under full Israeli control was in compliance with BMZ's country strategy, which provides for the inclusion of all occupied Palestinian areas in order to prepare the ground for the two-state solution supported by the Federal German Government. BMZ's strategy explicitly states that long-term political development goals should take precedence over interventions geared to medium-term success, even if they are more likely to succeed.

The project's interventions were identified and defined on the basis of a Theory of Change (ToC). This was however only partially applicable given the changing conditions in the water-sector reform process. Not enough was known at the time of project planning to anticipate possible differences between the ToC and actual developments. However, neither the ToC nor the resulting interventions and indicators of success were aligned with the modification offers. The evaluation therefore had to resort to an amended ToC to appropriately gauge the project's achievements. These rectifications relied on contributions made by local stakeholders at two workshops during the evaluation mission.

GlZ's Corporate Unit Evaluation set out the questions for the evaluation in its evaluation matrix. The matrix comprised the five OED/DAC criteria of relevance, effectiveness, impact, efficiency and sustainability. Each of the criteria comprised two to four dimensions. The Unit also provided standard formats for reporting and asked the evaluators to undertake contribution analyses for selected questions and to use a predetermined tool for analysing efficiency. The evaluation mission chose its analytical approaches to these questions after reviewing documents pertaining to the project and its context. The project provided the aforementioned documents and the evaluation team added additional references to the project's context.

An 11-day evaluation mission in the project region allowed for interviews with stakeholders from all the project's partners, with project staff, the local BMZ representative, other international donors and key persons from non-governmental organisations and scientific institutions. Two stakeholder workshops with participants from all project partners, and a sample survey of Water Service Providers during the mission provided additional information and enabled the triangulation of findings. Data published by national and international organisations was leveraged in the final phase of the evaluation report.

• Relevance

The first dimension of the evaluation of the project's relevance focused specifically on how the project 'fitted into the relevant national and international frameworks'. Results from comparative and descriptive analyses showed that the project corresponded fully to all relevant national partner country strategies as well as to BMZ's current sectoral and country strategies. The national strategies examined included the new Water Law, the Palestinian Water Authority's strategies for water sector reform, the Water Sector Regulatory Council's (WSRC) strategy as well as the National Gender Strategy.

Anticipated contributions in terms of the Agenda 2030 Sustainable Development Goals (SDG) focused in particular on SDG 16 'Effective, accountable inclusive institutions' and SDG 5 'Gender equality'. Indirect contributions to SDG 6 'Ensure availability and sustainable management of water and sanitation for all' may be assumed, but were not corroborated by evidence. However, no data was on hand for quantifying such effects. The conclusions are based on a comparative, descriptive analysis that involved a combination of document analyses with information gleaned from stakeholder interviews (method and data triangulation).

The second dimension of the evaluation assessed 'the concept's suitability for resolving the target group's core problems and needs. This assessment had to deal with the discrepancy between the target group stated in the project documents and the de-facto target group. The concept focused on water sector organisations and was geared to their core problems, while all planning documents gave the Palestinian population as the target group. Analyses at the level of the de-facto target group built on information from stakeholder interviews and the results of a survey of randomly selected members of the Union of Water Service Providers.

The third dimension concerned 'the adequacy of project design for the chosen project objective'. This revealed shortcomings in the project's Theory of Change. However, the chosen design was nevertheless robust enough to achieve substantial successes in most cases. The major consequences concerned the overestimated expectations at the outcome and impact level. The findings in this dimension were gleaned from a participatory review of the results model during two stakeholder workshops.

The fourth dimension of the evaluation regarding 'project adaptations in line with requirements, including re-adaptation where applicable' again confirmed the robustness of the design. The only significant limitation during project implementation came about due to the Israeli administration's suspension of master planning in parts of Area C. The assessment involved document analysis and the interpretation of information from interviews conducted with national stakeholders and international donors.

• Effectiveness

The first dimension of the evaluation of the project's effectiveness focused on 'the project's achievements in contractually agreed outcome indicator values'. Full attainment of the stipulated target value was achieved in only one out of five indicators. The political developments referred to above prevented any further success. The rate of achievement for the remaining target values was around 50%. The use of indicators with the same targets but adapted to SMART criteria yielded slightly, but not significantly, better results. The evaluation strategy for this dimension involved descriptive comparative analyses of the project offers and documented evidence of achievements in line with the specified sources of verification.

The second dimension looked at how 'successfully services had contributed to the achievement of the project objective'. The findings underscored the international donor community's strong commitment to the project region. A stakeholder-driven contribution analysis of three selected development hypotheses from the rectified results model indicated an average contribution of 72% to the achievement of the stipulated outcomes. The project was undisputedly the major supporter in terms of its contributions to the Water Sector Regulatory Council, the Union of Palestinian Water Service Providers and, in particular, its support to gender mainstreaming in water sector organisations. The project's contribution to the development of core elements of water sector reform was the smallest, due to the large number of donors active in this field.

The third dimension focused on 'additional (not formally agreed) positive results at impact level, their monitoring and the harnessing of additional opportunities for further positive results'. A noticeable (not formally agreed) positive result at impact level was the multiplying effect of the project's gender mainstreaming activities on the opinions and engagement of water sector actors and other donors. However, the project did not monitor this effect and so could not capitalise on its success. The assessment consisted of descriptive analyses of information gained during interviews with national stakeholders, international donors and members of civil society.

• Impact

The first dimension of the evaluation of the project's impact dealt with 'the occurrence or predictability of superordinate long-term goals'. The first step involved identifying a suitable substitute long-term goal since there was no programme objective. The chosen substitute of '*improved water supply and wastewater services for the Palestinian population*' was a central impact given in the project's results model. It also represented a measurable contribution to BMZs strategic goals. However, the cause-and-effect chain identified in the rectified results model proved too multifaceted for the attribution of any significant project-generated impacts to the superordinate goal. The evaluation methodology consisted of descriptive analyses of statistical data from the Water Sector Regulatory Council and databases maintained by international organisations.

The second dimension, which focused on 'the project's contribution to the potential achievement of superordinate long-term goals', yielded much higher probabilities. The project's area of intervention constitutes the linchpin for improvements in water services for the Palestinian population. Descriptive analyses were used to assess the plausibility of such contributions, the project's impact as part of concerted action with other stakeholders and its active and systematic contribution to widespread impact.

• Efficiency

Supported by GIZ's efficiency tool, a 'follow-the-money' approach was used to assess the project's efficiency. The first dimension – use of project resources and services – was fully in line with the project's financial plans. The second dimension – analysis of allocation efficiency – was less satisfactory due to the modest degree of success for most outcome indicators.

• Sustainability

The first dimension of the evaluation of the project's sustainability focused on the 'prerequisites for ensuring long-term success'. Knowledge transfer by the project was well documented and the information was accessible to partners. The partner organisations mainstreamed all advisory inputs. Keen to adopt the new knowledge, Water Service Providers (WSP) will, with a few exceptions, generally continue take knowledge on board. This could potentially compensate for the absence of a structured exit strategy at the time of the evaluation and the lack of any specific documentation concerning lessons learnt. The assessment consisted of descriptive analyses of documents and results of a random WSP survey.

The second dimension addressed the 'durability of results' and relied on descriptive scenario analyses. The project's results fit the current situation, but the dynamics of change in the project region and specifically in the Palestinian water sector are unpredictable. Multiple governance conditions mean there are potentially substantial variations in sustainability. The project however is unable to undertake any preventive countermeasures.

The third dimension, namely 'sustainable balancing effects', was assessed using descriptive analyses of anticipated developments. Negative trade-offs as well as positive synergies are possible between the results of the project and ecological, social and economic parameters. The lack of analyses and monitoring of the project's impacts on the livelihoods of the target population, i.e. the Palestinian people, did not allow for any quantitative estimations of such effects.

• Recommendations

- The Theory of Change for interventions in the dynamic process of water sector reform necessitates thorough reviews at shorter time intervals. This applies in particular to the politically volatile situation in the Palestinian Territories (see Section 4.1).
- The increasing availability of information on the time needed to see through essential steps (e.g. for adopting and enforcing bylaws) in the water reform process needs to be taken into consideration when planning and modifying projects.
- The precise definition agreed on for the target group should be treated in line with its status as the central element of the project design (see Section 4.1).
- Sustainable support to the water sector requires the analysis and evaluation of financial interdependencies between WSPs and end users. Such information, as well as data on interdependencies within the ecological dimension, is politically sensitive for the partner country. However, quantitative assessments and informed decision-making are barely plausible without them.
- Monitoring at project level should go beyond the monitoring of project activities and indicator achievement. Impact monitoring requires a specific approach and resources, but offers a chance of identifying opportunities and bottlenecks in the water sector in good time.

Criterion	Score	Rating
Relevance	<i>80 out of 100 points</i>	<i>2 = successful</i>
Effectiveness	<i>64 out of 100 points</i>	<i>4 = rather unsatisfactory</i>
Impact	<i>41 out of 100 points</i>	<i>5 = unsatisfactory</i>
Efficiency	<i>85 out of 100 points</i>	<i>2 = successful</i>
Sustainability	<i>81 out of 100 points</i>	<i>2 = successful</i>
Overall score and rating for all criteria	<i>70 out of 100 points</i>	<i>3 = rather successful</i>

100-point-scale	6-level scale (rating)
92-100	Level 1 = very successful
81-91	Level 2 = successful
67-80	Level 3 = rather successful
50-66	Level 4 = rather unsatisfactory
30-49	Level 5 = unsatisfactory
0-29	Level 6 = very unsatisfactory

1 Evaluation Objectives and Questions

The report presents the findings of the final evaluation of German technical cooperation with Palestinian water sector institutions and organisations. This third consecutive project under the Water Programme for the Palestinian Territories (PN 2013.2257.7) started in 2014 and will phase out in mid-2018. It is built on the achievements of prior projects dating from 2006 (PN 2005.2007.2 and PN 2009.2084.3), thereby helping the partner country to move forward with its water-sector reform process. The evaluation also included a separate assessment of the long-term results generated by both of the preceding projects. Earlier interventions by Palestinian-German technical cooperation from the end of the 1980s do not form part of this evaluation. All three evaluated projects were TC modules, but will be referred to as 'projects' for the purpose of this report.

1.1 Objectives of the Evaluation

The objective was to analyse the current project's implementation processes and results. The evaluation thus set out to determine the extent to which the project helped improve the capacity of Palestinian water sector institutions for planning, steering and regulating water supply and sanitation. In terms of its structure, the evaluation complied with OECD-DAC criteria, with the evaluation criteria for German bilateral cooperation and with the pertinent UN Sustainable Development Goals (SDGs).

The project under review operated under the framework of the new Palestinian Water Law of 2014. Additional enquiries by the evaluation mission covered the period from 2006 until 2013. This enabled it to assess how previous GIZ interventions had contributed to and impacted on the creation and design of the new framework and how sustainable they had been.



Water reservoirs on roof tops in Ramallah serve to bridge gaps in water supply and balance variations in water pressure

1.2 Evaluation Questions

Project evaluation relied on standardised evaluation criteria and predefined questions formulated by GIZ to ensure comparability. Both the OECD/DAC criteria for evaluating development assistance and the evaluation criteria for German bilateral cooperation are designed to examine a measure's relevance, efficiency, effectiveness, impact and sustainability. The aspects of coherence, complementarity and coordination are also included in these criteria.

GIZ's predefined framework set out the dimensions of the evaluation and the corresponding analytical questions. These dimensions and questions form the basis of all central project evaluations at GIZ and can be found in the evaluation matrix (see **Fehler! Verweisquelle konnte nicht gefunden werden.**). In addition, contributions to the Agenda 2030 and its principles of universality, inclusiveness and multi-stakeholder partnerships were also taken into account. The same applies to the cross-cutting issues of gender, the environment and human rights. An exception was the 'Leave No One Behind' principle (LNOB), which was not taken into consideration in order to ensure the fair evaluation of pre-2016 project designs.

GIZ's Sectoral Department (FMB) put forward an additional question, with a view to ascertaining how previous German support had contributed to the design and implementation of the new Palestinian Water Law from 2014 and how this role was perceived. The evaluation mission considered questions put to local stakeholders in interviews as well as those put to actors from the international donor community.

Project staff and local counterparts compiled a list of additional questions on

- project compliance with the strategies of the Palestinian administration and BMZ,
- the plausibility of the project's approach, specifically with regard to the reliability of some of its output indicators. An example here is the assumed implementation of certain aspects of technical reform, in particular the introduction of tariffs and WSP regulation,
- compliance with the specific needs and opportunities of the various cooperation partners, e.g. the deployment of two development advisers,
- project impacts on relationships between the organisations involved, specifically how it helped improve them,
- whether the steering structure provided the project with the political backing it needed to achieve the targeted results in the partner system,
- the adequacy of specific implementation elements (international consortium, local subsidy contracts),
- the way in which regional and international events (e.g. the Gaza War in 2014) impacted project design and its achievements and
- the effects of the different donors' strategies and measures on the project and its outcome and vice versa.

Questions concerning the compliance of project design and the plausibility of its approach were answered as part of the catalogue of standardised questions given in the evaluation matrix (OECD/DAC criterion of relevance). Answers to the other questions exceeded the scope of standardised questions and were answered separately in the section on the OECD/DAC criterion of effectiveness.

2 Object of the Evaluation

The subject of the evaluation was the most recent project under the Palestinian-German Water Sector Programme (PN 2013.2257.7). Part of the evaluation did however focus on the long-term results of the two preceding projects in the period from 2006 to 2013 (PN 2005.2007.2 and PN 2009.2084.3). All projects supported the partner organisations in the successive rollout of Palestinian water sector reforms. They also entailed additional components designed to support individual Water Service Providers and foster gender equity in the Palestinian water sector.

The reform process basically started with Palestinian self-administration in 1995 but gained specific momentum in 2009 following the endorsement of the 'Action Plan for Water Sector reform' by the Palestinian Cabinet of Ministers.

The 1995 Israeli-Palestinian Interim Agreement (Oslo II Accord) divided the occupied Palestinian Territories into three administrative areas A, B and C. Category A areas are under full Palestinian control, category B areas are under joint Israeli-Palestinian control and category C areas are under Israeli control. Article 40 of Annex 3 to the Interim Agreement (i.e. the Protocol Concerning Civil Affairs) delays any final settlement on water and sewage in all areas until the permanent status negotiations, which will take place at an indefinite time in the future.

In Section 4, Article 40 stipulates that, in the interim, 'The Israeli side shall transfer to the Palestinian side, and the Palestinian side shall assume powers and responsibilities in the sphere of water and sewage in the West Bank related solely to Palestinians, that are currently held by the military government and its Civil Administration, except for the issues that will be negotiated in the permanent status negotiations ..' (cf. Israel Ministry of Foreign Affairs, 1995).

However, Palestinian access to water resources, as stipulated in the agreement, is increasingly failing to meet demand for water. The Israeli-Palestinian Joint Water Committee (JWC), which was originally created as a temporary authority to manage water and sewage-related infrastructure in the West Bank, has proven unable to execute this task over the past twenty years or more, even though it continues to exist to this day, at least nominally.

The Palestinian political response in 1995 was to set up the Palestinian Water Authority (PWA). PWA is a sub-ministerial body due to the limitations set by the Oslo agreement. The technical level was handled by a number of local and communal Water Service Providers (WSP) across the fragmented areas A and B. Israel is nominally responsible for water supply and sanitation for the Palestinian population in category C areas, but these services depend to an increasing degree on water infrastructure provided by Palestinian organisations or the international community.

Restricted access to water resources means that Palestinian WSPs have to purchase water from Israel. They

The Palestinian Water Sector Reform Process

- Reorganised the Palestinian water sector' administrative and political structure
- Reduced PWA's scope of responsibility and handed over power to the newly created WSRC and NWC
- Has no impact on transboundary water rights and thus on the availability of water for the Palestinian Territories
- Produced a new Water Law in 2014, which led to 27 bylaws, only 2 of which have been approved to date (one of them in April 2018)
- Makes no reference to the UPWSP

either do this through the Palestinian West Bank Water Department or buy it directly from the Israeli water company Mekorot.

Until 2002, any changes to this situation occurred at a technical level only and involved infrastructural improvements, mostly financed by international donors. Political and administrative level changes in water governance in the Palestinian Territories started with the ratification of the first Palestinian Water Law in 2002. This Law declared all water resources in Palestine to be public property and defined the role and mandates of the Palestinian Water Authority. The water sector's ensuing development, coupled with international support, led to the endorsement of the 'Action Plan for Water Sector Reform' in 2009, which yielded the new Palestinian Water Law in 2014.

The new law provides for (i) a separation of tasks and responsibilities in the water sector between the Palestinian Water Authority (PWA) and the Water Sector Regulation Council (WSRC), (ii) the reorganisation of the West Bank Water Department (WBWD) into the National Water Company (NWC) and (iii) the clustering of communal Water Service Providers (WSPs) into regional water utilities.

The history of Palestinian water laws, along with the rollout of the new law since 2014, provide the background for some critical observations about the subject of this evaluation. The 2002 Water Law strengthened the central political and regulatory mandate of the Palestinian Water Authority, while the new law of 2014 stipulated – amongst other things – splitting the two mandates between the Palestinian Water Authority and the Water Sector Regulatory Council.

It should be noted at this point that

1. The new law came about after substantial donor lobbying (DOC: LACS, 2012).
2. The Water Sector Regulatory Council (WSRC) was created in keeping with the new law (DOC: PWA 2015, Presidential Office 2002, 2014, GIZ Water Programme 2015b) and after the signing of the last implementation agreement.
3. Up till today, the Palestinian Water Authority (PWA) has been the sole contracting partner of the German Water Programme in all three consecutive projects. Support to other local partners in GIZ activities, namely the Water Sector Regulatory Council (WSRC) and the Union of Palestinian Water Service Providers (UPWSP), derived from the initial implementation agreement with PWA. Any changes in PWA's stance and strategies vis-à-vis the WSRC and UPWSP, e.g. within the scope of the modification offers, were not taken into account (DOC: GIZ 2006b, 2010, 2013c).

The creation and staffing of the WSRC in 2014 as 'a financially and administratively independent institution' (DOC: WSRC homepage) did not consider managers and staff at the respective departments in the Palestinian Water Authority, that had been responsible for regulatory functions up till 2014. GIZ intervention PN 2013.2257.7 helped set up the WSRC and launch its operations through to the evaluation mission (DOC: GIZ/KfW 2016, INT: WSA). However, the PW still has its regulatory departments and these were receiving ongoing support at the time of the evaluation mission from the Technical Planning and Advisory Team (TPAT). TPAT is funded by the 'Palestinian Partnership for Infrastructure Development Multi-Donor Trust Fund (PID-MDTF)' under the World Bank.

The Palestinian Water Authority (PWA) appointed a new head in 2014 who adopted a different approach and pace with regard to rollout of the new Water Law (DOC: PWA 2015, 2016a, 2016b). PWA published its implementation approach for the new Water Law in its Water Sector Reform Plan 2016-18 (supported by the above-mentioned Technical Planning and Advisory Team - TPAT) and in its Strategic Plan 2016-18 (DOC: PWA 2016a, 2016b).

The joint GIZ and KfW progress report from 2015 already mentioned the new PWA leadership's concern about several legal aspects of the new laws, such as the WSRC mandate for licensing municipal water departments (DOC: GIZ/KfW 2015). However, GIZ modification offers to PN 2013.2257.7 neither stated these concerns nor considered the publication of the PWA strategy 2016-2018 (DOC: PWA 2017a), meaning the project continued

its previous strategy unchanged (DOC: GIZ 2015a, 2016),

The majority of Water Service Providers (WSP) in the Palestinian Territories are municipal organisations. Their first attempt at organising as a union for the purpose of mutual support and joint capacity development started in 2007 under the umbrella of the large WSP that was being supported by GIZ projects at the time. Under the title 'Water Union of Service Providers', this attempt failed to meet expectations. In response to the new Water Law, they re-grouped as a workers' syndicate by the name of the Union of Palestinian Water Service Providers (UPWSP) in March 2014. Operating under the Ministry of Labour, the UPWSP with its new, democratically elected administration received support from the latest project. (cf.

last accessed March 25, 2018).

2.1 Definition of the Evaluation Object

The evaluation's central focus was on the third project of the Palestinian-German Water Sector Programme (PN 2013.2257.7) that started in 2014 and is scheduled to phase out in mid-2018. Acting under the provisions of the new 2014 Water Law, it has earmarked some EUR 8.7 million to support water-sector reform process in the West Bank and – to a certain extent – in Gaza. The project aims to improve the '... institutional, technical and operational capacities of water sector institutions in the Palestinian Territories' (DOC: GIZ 2013b, 2013c). The instruments chosen to achieve this objective concentrated on two areas of intervention: (1) Assisting national institutions to implement reform processes and (2) improving WSP management capacities. In addition, the project pursued the cross-cutting issue of gender.

Supported partner organisations at macro level include the Palestinian Water Authority (PWA) and the Water Sector Regulatory Council (WSRC); at the meso level, the Union of Palestinian Water Sector Providers (UPWSP); and at the micro level, individual Water Service Providers (WSP). The project's Theory of Change corresponds to its predecessors' theory, but prioritised different areas of activity, e.g. the development of water tariffs in accordance with the transfer of mandates from PWA to WSRC stipulated in the new 2014 Water Law.

The Palestinian-German Water Sector Programme (PN 2013.2257.7) has built on the achievements of its two preceding projects, which underwent a separate analysis as part of this evaluation. The first predecessor project (PN 2005.2007.2) got off the ground in 2006 as the 'first phase of the Water Programme Palestinian Territories' (DOC: GIZ Water Programme 2009, p.1). It ended in 2009. With a financial volume of EUR 5.01 million, this project operated in the Palestinian areas of the West Bank under the provisions of the first Palestinian Water Law of 2002. Its project objective read: 'The supply of water and sanitation is improved'. The project had four components: 1) national sectoral policy, 2) sector and staff development, 3) water supply and sanitation and 4) mobilisation of communities. Supported partner organisations included PWA at the macro level and Water Service Providers as well as communities on the micro level.

The second predecessor project (PN 2009.2084.3) started in October 2010 and ended in September 2013. It had a financial volume of EUR 5.89 million. This project focused on the Palestinian areas in the West Bank and, following its modification offer of 2012, launched initial activities in Gaza. According to the implementation agreement, its objective is as follows: 'The steering and service delivery capacity of relevant sector institutions is improved' (DOC: GTZ 2010). This project featured three components with corresponding results: (1) Coordination, regulation and negotiation capacities of PWA are strengthened/improved; (2) The capacity of main sector stakeholders in managing, replicating and disseminating their relevant experiences and know-how is improved; (3) The capacity of the water and wastewater service providers is improved' (DOC: GTZ 2010). Supported partner organisations included PWA at the macro level, Water Service Providers on the micro level and – to a certain extent – UPWSP.

The objectives and approach, i.e. simultaneous interventions on the micro, meso and macro levels, remained largely unchanged in all projects. The Theory of Change shifted from prioritising capacity development for local Water Service Providers and water consumer groups in the first predecessor project (PN 2005.2007.2) to a

growing emphasis on support for capacity development at the macro level. The latest significant adaptation was the mainstreaming of the gender component in the third project of the Palestinian-German Water Sector Programme project (PN 2013.2257.7) which also produced the first and as yet last results model for the Theory of Change.

The three projects of the Water Sector Programme, i.e. PN 2005.2007.2, PN 2009.2084.3, PN 2013.2257.7, were funded by BMZ without any co-financing from other donors. The Palestinian Water Authority (PWA) was the national executing agency in all three instances. Support to individual WSPs was provided on the basis of a joint operation plan by the Palestinian Water Authority and GIZ staff. The same applies to support for the Union of Palestinian Water Service Providers as of 2014 and to its predecessor, the Water Union of Service Providers (under PN 2009.2084.3). Support to the Water Sector Regulatory Council started after it was set up in 2014. It is also based on the same plan. The placement of a development advisor at the Union of Palestinian Water Service Providers and the Water Sector Regulatory Council respectively created an additional link between these two organisations and GIZ project staff.

Thus, until 2013 at least, Germany was the major donor driving forward development in the Palestinian water sector. Other international donors strongly committed to the Palestinian water sector include the World Bank, the European Union, the French Development Agency, the Japanese International Cooperation Agency, the Emirate of Qatar, the Islamic Development Bank, USAID and the Netherlands. Germany heads the Sector Working Group on Water Supply and Sanitation (WSS-SWG) under the auspices of the international Ad Hoc Liaison Committee (AHLC) but has announced its plans to withdrawal from this role with the phasing-out of its current water sector project (INT: Donors).

The Water Programme in the Palestinian Territories 2006 - 2017

The BMZ-funded Water Programme consisted of three consecutive projects (or 'phases' as they were referred to the first two projects). The first phase focused on all national actors involved in Palestinian water governance, i.e. sectoral organisations, Water Service Providers (WSP) as well as end users (DOC: GTZ 2006a). The two subsequent projects carried forward the multi-level approach, but shifted their focus to water sector organisations and WSPs only (DOC: GTZ 2009b, GIZ 2013a).

Introduced to the programme as an outcome indicator in the second project, the cross-cutting issue of gender was made a specific area of intervention in the third.

Contract partner and signatory of the implementation agreements for all three projects was the Palestinian Water Authority (PWA).

Development of module objectives and areas of intervention ('components' up to 2013):

1) Project PN 2005.2007.2, 2006-2009:

Objective: Objective in the German offer to BMZ is worded differently to the English version in the implementation agreement. German version: 'The supply of water and sanitation is improved.' (DOC: GTZ 2006a), English version: 'Water supply and wastewater services are improved.' (DOC: GTZ 2006b)

Evaluation: Evaluation report on external consultants available (DOC: GTZ 2009a)

Areas of intervention and success:

1. National sector policy: Coordination and steering capacities of the Palestinian Water Authority (PWA) and National Water Council (NWC) are improved.
 - *Abstract on success:* Not successful, NWC has not been formed, bylaws were not approved, PWA mainly performed other tasks (DOC: GTZ 2009a)
2. Sector development: Human Resources Development
 - *Abstract on success:* Predominantly successful, Training Coordination Unit (TCU) established at PWA, Draft National Training Policy prepared (DOC: GTZ 2009a)
3. Water supply and wastewater services: Selected service providers, supported by KfW, have become more efficient in providing good value services.
 - *Abstract on success:* Partially successful, one provider implemented business development plan successfully, targets in water loss reduction and water fee collection rate only partially met (DOC: GTZ 2009a)
4. Community mobilisation: Improvement in cooperation between water utilities and communities
 - *Abstract on success:* Successful, one provider implemented business development plan successfully, targets for water loss reduction and water fee collection rate only partially met (DOC: GTZ 2009a)

(continued)

(continued)

The Water Programme in the Palestinian Territories 2006 - 2017

Development of module objectives and areas of intervention ('components' until 2013):

2) Project PN 2009.2084.3, 2009-2013:

Objective: 'The steering and service delivery capacity of relevant sector institutions is improved.'
(DOC: GTZ 2009b, 2010)

Evaluation: GIZ-internal project progress review (PPR) only (DOC: GIZ 2013a)

Areas of intervention and success:

1. PWA's coordination, regulation and negotiation capacities are strengthened/improved.
 - *Abstract on success:* Partially successful; PWA established system for monitoring WSP performance; tools developed for joint water committee at PWA. However, these are not being applied with sufficient level of PWA 'ownership' (DOC: GTZ 2013a, p.12)
2. The capacity of main sector stakeholders for managing, replicating and disseminating their relevant experiences and know-how is improved.
 - *Abstract on success:* Partially successful, two Water Service Providers (WSP) adopted management instruments from other WSPs; experiences disseminated through the newly founded Water Union of Service Providers (WUSP, predecessor of the Union of Palestinian Water Service Provider (UPWSP)) did not achieve desired results (DOC: GTZ 2013a)
3. The capacity of the Water and Wastewater Service Providers is improved.
 - *Abstract on success:* Partially successful, targeted increase in water fee collection rates by supported WSPs only partially achieved; two WSPs successfully applied sustainable sanitation concept and training plan of at least 1% of the staff budget; planning and implementation of business plans and operational plans in Ramallah/AI Bireh partially achieved (DOC: GTZ 2013a)

3) Project PN 2013.2257.7, 2013-2018:

Objective: 'The capacity of institutions to manage, regulate and provide services in the water sector has improved.' (DOC: GTZ 20013b, 2013c)

Evaluation: External evaluation, GIZ Evaluation Unit (DOC: this study)

Areas of intervention (for evaluation of success, see Section 4.2 on effectiveness):

1. Regulation: Water sector administration is improved
2. WSP management capacities: The management capacities of WSPs and sanitation service providers have been strengthened
3. Implementation of the gender strategy: The Ministry of Women's Affairs (MoWA) has established a system for monitoring implementation of the gender strategy in the environment sector with a focus on the water sector.

(DOC: GIZ 2013b, 2013c)

2.2 Results Model including Hypotheses

The module objective of the current project PN 2013.2257.7 reads: 'The capacities of the water sector institutions for planning, steering and regulating water supply and wastewater management are improved.' The project offer and its modifications stated the following central elements: (1) improved services, (2) regulation, (3) resource protection, (4) financial sustainability for Water Service Providers (WSPs), (5) supply security in C Areas and (6) gender equity. The starting point for interventions were the weaknesses of the water sector institutions and the WSPs that were identified during the preceding projects (DOC: GIZ, 2013b, 2016).

The planned interventions were intended to be consistent with the ongoing reform of the water sector and focused on:

- Developing and differentiating the instrumental framework for steering sectoral development and
- Having the WSPs apply developed instruments and procedures.

The last modification offer included the implementation of the new tariff bylaws for water and wastewater. This is regarded as essential for improving the financial situation of the WSPs and as an incentive for the sparing use of water (DOC: GIZ 2016).

The interventions encompass all steering and implementation levels in the water sector, i.e. in ministries, sector institutions and Water Service Providers (multi-level approach). The modification offers from 2015 and 2016 resulted in the addition of the following tasks:

- Supporting and dedicated handling of dialogues between sector institutions due to the ongoing difficulties regarding the efficient harmonisation of sectoral tasks and
- A stronger focus of activities on Area C and Gaza. (DOC: GIZ 2015a, 2016).

The project offers grouped the outputs and activities into two intervention areas plus a cross-cutting gender component. The first intervention area focused on regulatory aspects in the water sector. Major activities here comprised advice to the Palestinian Water Authority (PWA) and to the Water Sector Regulatory Council (WSRC) regarding regulatory instruments, processes and strategic planning (see

Table 1). The second intervention area focused on developing WSP management capacities through support, including technical support, and targeted capacity building measures. Activities in the cross-sectoral gender component consisted of formulating and implementing measures to foster gender equity (see

Table 1).

A specific challenge for the evaluation was the absence of a programme objective. All available results matrices of project proposals and modification offers state that *‘so far, no joint programme objective or indicators have been agreed upon for the DC Programme Water, Wastewater and Solid Waste’*. Interviews with stakeholders on all levels led the evaluators to conclude that this deficiency was due to the nature of German-funded support under the specific conditions in Palestine. The political status of the partner country is provisory. Furthermore, there is still no agreement between international stakeholders as to which final solution should be aspired to. German technical cooperation aims at securing tolerable social and economic conditions for the Palestinian population. However, it also has a political component in accordance with the visions of the German Federal Government. Documented detailed commitments on the technical level have the potential to restrict adaptability to the volatile political environment (DOC: BMZ 2016, INT: BMZ).

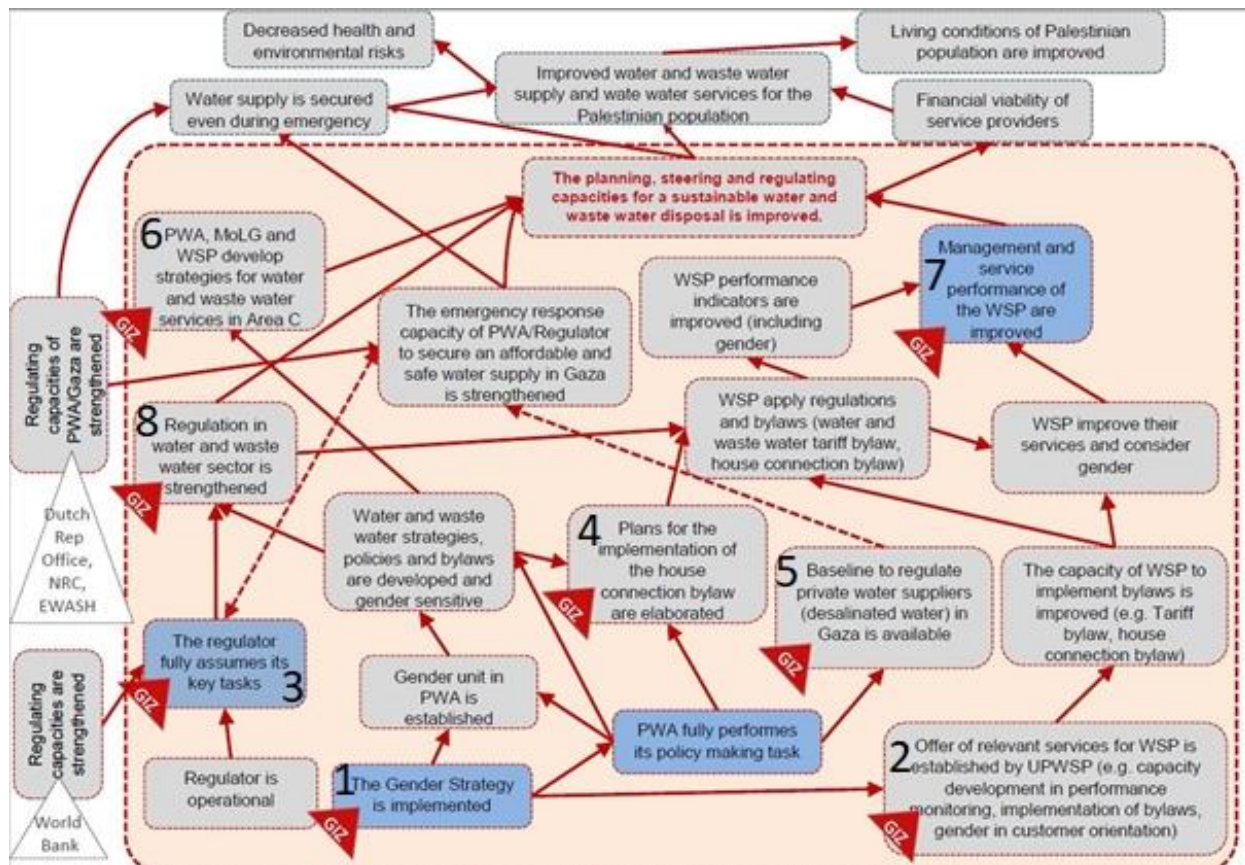
Figure 1 displays the project’s results model, i.e. the Theory of Change (ToC), which dates back to 2015. The modification offers of 2015 and 2016 did not result in any changes. The red triangles in the model mark those results that are expected due to project interventions. The dotted box defines the system boundaries presumed for the project’s sphere of responsibility. The numbers added to the marked results are intended for referencing the project outcomes and outputs as stated in the project’s results matrix. The initial version of the model did not contain any marks or colour codes. However, the project staff amended and confirmed the marks in Figure 1 during the evaluation mission.

The central hypothesis deduced from the module objective and the results model was formulated as follows:

Initial development hypothesis of the project (outcome to impact):

'Improved capacities of water sector institutions for planning, steering and regulating water supply and wastewater management (module objective) leads to improved water supply and wastewater services for the Palestinian population and renders service providers financially viable. It also contributes to achieving the objective of a secure water supply, also during emergencies (impacts, first level of results outside of the project's system boundaries).'

Figure 1: Initial results model (source: project documents)



The multi-level approach links support for the macro-level institutions to results 1, 3, 4, 5, 6 and 8. Support for results 1 (gender strategy), 4 (plans for enforcing the house connection bylaw) and 5 (baseline to regulate private water suppliers in Gaza) are the responsibility of the Palestinian Water Authority. Support for results 3 (assumption of regulatory tasks by regulator) and 8 (regulation of water and wastewater sector strengthened) were tasks for the Water Sector Regulatory Council. Result 6 (development of strategies for Area C) was supposed to become a joint undertaking between the Palestinian Water Authority, the Ministry of Local Government and the respective Water Service provider at the micro level.

Representing the meso or intermediate level, the Union of Water Service Providers was considered in result 2 which concerns offers of training for individual WSPs. Individual local WSPs at the micro level benefited from support in developing management skills and in resolving selected technical duties.

The results hypothesis, as given in the project offer, identified the core problem of an insecure water supply as the result of the deficient performance of the Palestinian Water Service Providers. It mentions the additional effect had by the regional transboundary water policy but restricts itself rightfully to that part of the problem that can be addressed through technical support for the partner country. Specifically, support is to be delivered by

- 1) Building human capacity through training workshops at all levels
- 2) Providing expertise to assist the conceptual design and rollout of regulation processes on the macro and micro level
- 3) Continuing to improve managerial capacity at the level of Water Service Providers, including support for the Union of Palestinian Water Service Providers as an intended training multiplier
- 4) Promoting gender mainstreaming in the Palestinian water sector.

(DOC: GIZ 2013b, 2015a, 2016a, GIZ/KFW 2016).

The impact model came with no additional documents explaining the connections displayed. The connection arrows imply that

- 1) The development and adoption of a gender strategy at the Palestinian Water Authority (result 1) is important for
 - a. the Palestinian Water Authority to be able to fully assume its policy-making tasks
 - b. the Union of Palestinian Water Service Providers to be able to offer relevant services to individual Water Service Providers (result 2),
 - c. strengthening regulations in the water and wastewater sector (result 8) and
 - d. developing strategies for water and wastewater services in Area C
- 2) The offer of relevant services by the Union of Palestinian Water Service Providers (result 2) improves the management and service performance of the individual WSPs (result 7). This goes hand in hand with the provision of a plan for implementing the house connection bylaw (result 4)
- 3) The Water Sector Regulatory Council assumes all of its key tasks in full (result 3). This applies to gender mainstreaming (result 1) and to strengthening regulations in the water and wastewater sector (result 8)
- 4) Once the Palestinian Water Authority assumes its policy-making tasks in full, this will allow for the development of a baseline for regulating private water suppliers in Gaza (result 5). This will boost its own – and the Water Sector Regulatory Council's – emergency response capacity for securing affordable water supply in Gaza.

Central hypotheses concerning the way in which outputs will contribute to the outcome include:

- Having the Palestinian Water Authority and the Water Sector Regulatory Council (Output A) develop core elements of water sector reform will improve the capacities of the water sector institutions for planning, steering and regulating water supply and wastewater management (outcome).
Core elements comprised:
 - 1) The submission of performance indicators by individual Water Service Providers to the Water Sector Regulatory Council.
 - 2) The formulation and official adoption of tariff calculations, performance monitoring, reuse of wastewater and licensing of individual Water Service Providers.
 - 3) Agreement between the Palestinian Water Authority and Water Service Providers concerning an implementation plan for strengthening institutional and individual capacities for wastewater management and reuse based on a Capacity Development (CD) strategy developed by the Palestinian

Water Authority.

- 4) The development of plans for 2 internal reform processes of the Palestinian Water Authority (e.g. communication and consumer awareness for Water Service Providers) and their submission to the executives of the Palestinian Water Authority for the purpose of approval.
- The application of core components of sector reform by Water Service Providers (Output B) improves the capacities of water sector institutions for planning, steering and regulating water supply and wastewater management (outcome). The core component at the WSP level was the submission of a WSP request for approval of water and wastewater tariffs to the national regulatory body. Supportive elements, which are not anchored in the new Water Law from 2014, include:
 - 1) Targeted approval of the UPWS training and capacity development measures for individual WSPs and
 - 2) Agreement between 5 WSPs and PWA and WSRC on individual minimum targets for the non-revenue water indicator. This indicator involves standardised calculation procedures in accordance with PWA's Non-Revenue Water Reduction Strategy.
 - Gender equity allows for sensitive strategies and policies and thus improves the capacities of water sector institutions for planning, steering and regulating water supply and wastewater management (outcome). The gender equity elements included:
 - 1) developing an operational plan for the Gender Unit envisaged for the Palestinian Water Authority,
 - 2) having this plan adopted by the WSRC and the WSPs and
 - 3) implementing a minimum number of measures from the operational plan within the Palestinian Water Authority.

Central hypotheses concerning the contributions of activities include:

- Advising the Palestinian Water Authority (PWA) and the Water Sector Regulatory Council (WSRC) on their institutional set-up; introducing standardised instruments and processes for regulation; and supporting strategic planning result in the development of core elements of water sector reform (Output A).
- Enabling the Union of Palestinian Water Service Providers to provide technical training and capacity development measures for water supply and wastewater service providers in the West Bank and Gaza in line with the Palestinian Water Authority's capacity development strategy leads to the application of core components of sector reform by the WSPs (Output B).
- Implementing activities from the Gender Action Plan and advising the Gender Focal Point of the Palestinian Water Authority, as well as other sector institutions, on the formulation and implementation of measures designed to foster gender equality in the sector create the basis for gender-sensitive strategies and policies.

Table 1 shows the relationship between the results supported by the project (see Figure 1) and the respective activities according to the project's results matrix. The letter codes for outputs and activities in

Table 1 refer to the results matrix in the project offers and the implementation agreement (DOC: GIZ 2013b, 2013c, 2916).

Table 1: Relationship of defined project outputs and activities to supported results

Output	Activities	Number in results matrix
A: The Palestinian Water Authority and the Regulatory Council have developed core elements of sector reform	A1: Advise PWA on the implementation of selected activities agreed in the strategy (2016-2018) and its implementation plan.	5
	A2: Provide technical advice to WSRC on the introduction of standardised instruments and processes for regulation.	3
	A3: Advise PWA's wastewater department on the technical steering of wastewater management and the reuse of wastewater and sludge.	6
	A4: Elaborate and coordinate the national plan for implementing the household and premises wastewater connection by-law.	4
B: The water supply and wastewater service providers apply core components of the sector reform	B1: Design and implement capacity development measures (on technical, financial and managerial level) for WSPs in the West Bank and Gaza	7a+b
	B2: Provide technical support (water loss reduction measures, tariff adjustments, etc.) to WSPs, including those providing services for the population in Area C.	8
	B3: Enable UPWSP to operationalise core procedures (coordination of WSP training activities, exchanges of knowledge between WSPs, and PR).	2
C: PWA's Gender Unit is operational	C1: Advise PWA's Gender Unit, and other important sector institutions in the water and wastewater sector, on the formulation and implementation of measures that will foster gender equality in the sector	1

A comparison of project outcomes with the Sustainable Development Goals (SDG) given in the United Nations' Agenda 2030 indicated there would be a contribution to SDG 16, i.e. 'the building of effective, accountable institutions'. Further confirmed impacts included contributions to gender equality (SDG 5) and to the build-up of a resilient infrastructure (SDG 9)

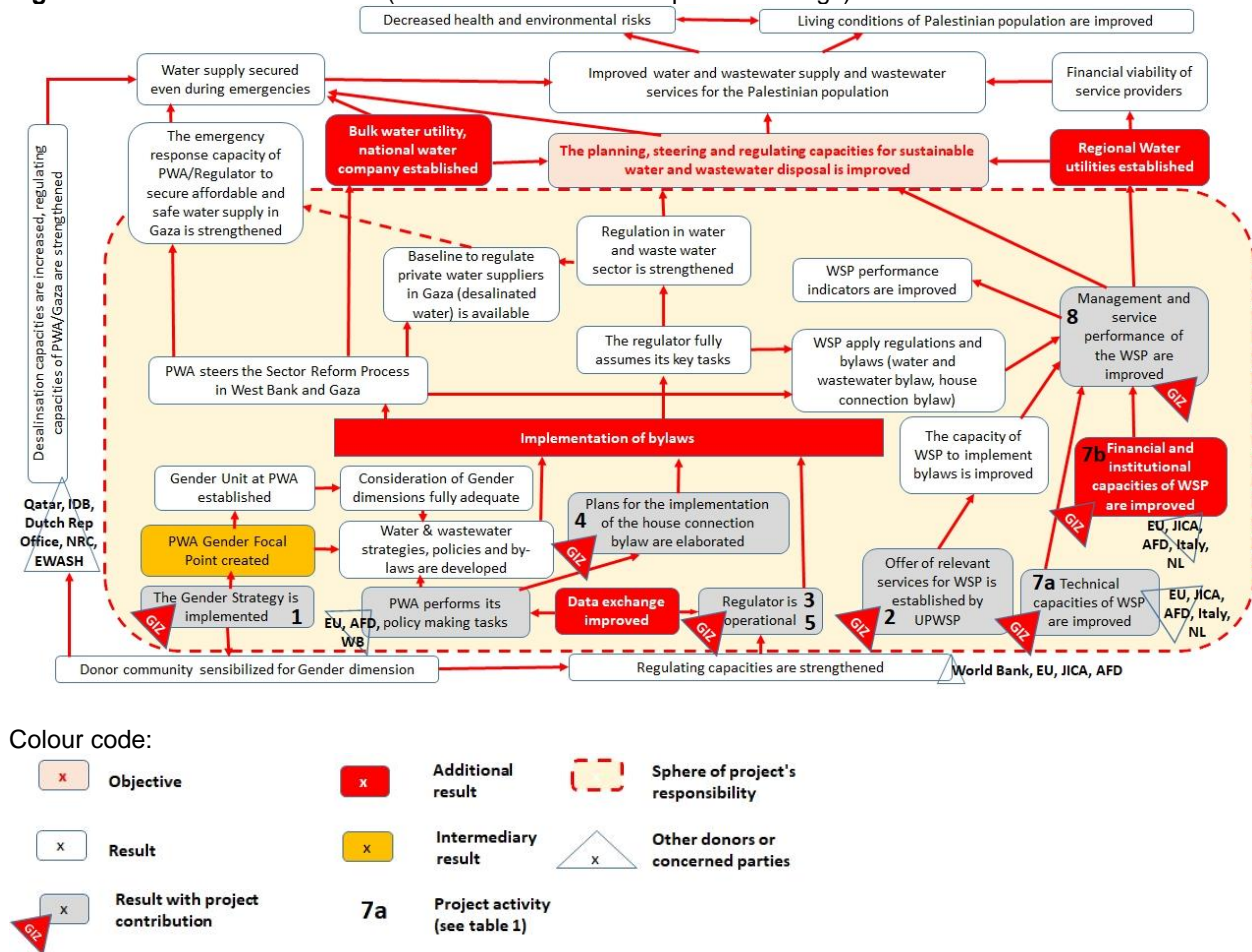
Consequences in terms of SDG 6, i.e. 'Ensure availability and sustainable management of water and sanitation for all' and SDG 12, i.e. 'Ensure sustainable consumption and production patterns', may be expected in the long run, but would require the achievement of objectives outside of the project's system boundaries of interventions first.

However, water is an essential systems element, which explains the distinct multi-layered interaction between projects in the water sector and most other dimensions of societal and sustainable development. The project under evaluation is the last component in a series of technical cooperation measures which started about 30 years ago. However, it is now operating under conditions that changed significantly in 2014. As a consequence, the project was not able to effect any measurable changes with regard to the SDGs – with the exception of SDGs 16, 6 and 9. Given the partner country's particular political situation, even the absence of any further deterioration in the situation can be defined as success in some areas.

A stakeholder-driven contribution analysis during the evaluation mission revealed omissions and incorrect assumptions in the model, which challenged its suitability as a basis for an evaluation. The findings during the evaluation mission confirmed the validity of the changes and supplements.

Figure 2 displays the rectified results model, which served as the relevant Theory of Change for the analyses during the evaluation.

Figure 2: Rectified results model (source: mission workshops and findings)



Rectification of the project's results model during this evaluation comprised seven significant changes to the former version of 2015:

1. Improving water services depends not only on the current Water Service Providers but, to a significant extent, on the creation and functional capacity of Regional Water Utilities and the National Water Company as stated in the 2014 Water Law.
2. The mechanism for enforcing bylaws at the level of all water sector actors – something which goes beyond their mere development – will decide on the effectiveness of steering and regulatory capacities.
3. The Water Sector Regulatory Council (WSRC) can fully assume its role only once the bylaws have been enforced. This will result in the transfer of authority for monitoring water agreements between bulk suppliers and service providers from the Palestinian Water Authority to the Water Sector Regulatory Council and in improved data exchange with the Palestinian Water Authority.
4. WSP success essentially depends on their financial and institutional abilities as well as on their capacity to implement bylaws.
5. The Ministry of Local Government, the Palestinian Water Authority and the Water Service Providers did not develop strategies for Area C. Consequently, the respective result was removed in contrast to the initial impact model.
6. The same holds for the anticipated Gender Unit, which has not yet been realised. Consequently, policies and strategies are not yet as gender sensitive as anticipated. Also, monitoring of women's role at the Water Service Providers is also not as effective as it should be.

7. A number of hitherto unnamed additional donors contribute to the achievement of results under the model, e.g. the European Union, the Japanese International Cooperation Agency and the French Development Agency.

(DOC: report of first workshop)

The stakeholders also mentioned the fact that no consumer satisfaction mechanisms had been built into the bylaws and regulations, as stipulated in the Water Law of 2014. Hence, no such mechanisms are in place and therefore could not be considered in the evaluation.

Rectified development hypothesis according to contribution analysis (outcome to impact):

'The improved capacities of water sector institutions for planning, steering and regulating water supply and wastewater management (module objective) constitutes one out of four components required for improved water supply and wastewater services for the Palestinian population, for WSP financial viability and for achieving the objective of a secured water supply, even during emergencies (impacts, first level of results outside of the project's system boundaries).'

The other three elements are (1) the creation of the national water company (NWC) and regional water utilities, (2) increased capacities for water desalination and (3) the enforcement of all stipulated bylaws. The project offers did include (3), at least with regard to the bylaws on house connections and on tariffs.

The rectified results model and the related development hypothesis did not contest the specified outputs and activities in the project's result matrix (see

Table 1). However, they indicated a significantly larger gap between the project interventions and the achievement of the expected project outcome due to additional results that were required. The rectified results model also changed the location of intended results 5, 7 and 8, as reflected in the evaluation of the project's impact (see Section 4.3).

3 Evaluability and Evaluation Process

The evaluation sourced initial information from a number of documents and phone interviews with project staff during the inception period of the evaluation. The 10-day period allocated for the evaluation in the project area allowed for workshops and interviews with national and international stakeholders and individual project staff members. It also provided an opportunity to add additional documents and data to the knowledge base. Moreover, it allowed the evaluation team to gather impressions on the project's environment and results on the ground.

3.1 Evaluability: Data Availability and Quality

The project provided an extensive amount of documents during the inception phase of the evaluation. This came about for three reasons: First, the evaluation covered three consecutive projects, albeit with a specific focus on the last project from 2014 until 2018. Two, the last project had a distinctively advisory character vis-à-vis partners at the macro, meso and micro level, thus generating a substantial amount of consultant reports and joint reports with the partner organisations. Three, the administrative role of the partners, who published a significant number of policies, strategies and reports in their fields of responsibilities.

The project's contract partner was the Palestinian Water Authority (PWA), which was the sole governmental organisation with national water sector responsibilities at the time project 2013.2257.7 was planned. Also under the New Palestinian Water Law of 2014, PWA remains responsible for the proposal of '...draft laws, draft regulations to the competent authorities for their due issuance' (DOC: presidential Office, 2014, article 8.14). Other partners involved in project implementation include:

- 1) The National Water Regulatory Council, which was established in 2014 according to the New Palestinian Water Law, which coincided with the initial year of project 2013.2257.7
- 2) The Union of Palestinian Water Service Providers, which evolved as successor organisation to the private-sector organisation 'Water Union of Service Providers' and
- 3) Local water service providers, which mostly operate as enterprises of the individual Palestinian communities.

Table 2 gives an overview of the topicality and quality of the basic project documents. It also provides a detailed list of the documents provided, including the partner's political, sectoral and technical documents.

Table 2: Basic documents

Basic document	Estimation of actuality and quality
<u>Projects proposals, modification offers and plans of operation</u>	
- Project proposal and implementation agreement 2013.2257.7	The proposal complies with GIZ/BMZ standards and contains the required <u>results matrix</u> . The analysis of the initial situation is based on assumptions, which only partially materialised during the project period.
- Modification offers for project 2013.2257.7 from 2015 and 2016	The modifications dealt with the project's expansion and changes in the regional situation. Critical assumptions in particular with regard to the partner's commitment were not rectified. The components of the last offer provided a baseline for the evaluation of the OECD/DAC criteria relevance, impact, sustainability and coherence
- Plans of operation 2015 and 2017, project 2013.2257.7	The plans give a detailed description of the joint decisions by the national partner and the project concerning intended activities during the respective periods. They also provided a baseline for evaluation of the OECD/DAC criteria effectiveness and sustainability .
- Project proposals and implementation agreements 2005.2007.2 and 2009.20847.3	Defined the context and intentions of the preceding projects. The structure of the proposal was in line with former GIZ standards, i.e. the equivalent of the results matrix did not include information on activities. The last version of the offers served to evaluate the OECD/DAC criteria impact and sustainability
- Modification offers for project 2009.20847.3 from 2011 and 2012	
- Explanation on indicators and phase reduction, 2009.20847.3	
<u>Contextual analyses, political-economic analyses or capacity assessments to illuminate the social context</u>	
- Situation Analysis for Women Water and Wastewater Sector 2011	Provided a still relevant overview of the gender situation in administrative leadership positions and provided a baseline for the evaluation of the project's gender output (Output C) with regard to the OECD/DAC criteria relevance, impact, sustainability and coherence .
- Politökonomische Kurzanalyse Palästiniensische Gebiete 2015 (Brief politico-economic analysis of Palestinian Territories 2015)	Brief but comprehensive analysis of the situation in the Palestinian Territories, which was still valid during the period of the evaluation mission and provided a baseline for the evaluation of the OECD/DAC criteria impact and sustainability .
- Peace-building Needs Workshop 2015	The SWOT analysis mentions central strengths, options, shortcomings and challenges of the GIZ Water Programme. The valid statements provided a baseline for the evaluation of the OECD/DAC criteria relevance and effectiveness .
<i>(continued)</i>	

Table 2: Basic documents (*continued*)

<u>Peace and Conflict Assessment (PCA Matrix), gender analyses, environmental and climate assessments, safeguard & gender etc.</u>	
- PCA-Bericht Beratung Palästinensische Gebiete Juni 2012 (PCA report: Consultancy for Palestinian Territories June 2012)	Provides valid general strategic guidelines for German technical cooperation. Contributed to the evaluation of sustainability and coherence of the project outputs.
- Understanding gender in Palestine 2015	See above: Situation Analysis for Women Water and Wastewater Sector 2011
<u>Annual project progress reports and, if embedded, also programme reporting</u>	
- Project Progress Reports 2007, 2008 and Results Report on Programme Progress PN 2005.2007.2, 2009	The progress reports on the preceding projects provided information for evaluating impact and sustainability .
- Progress Report on Technical Cooperation PN 2009.2084.3, 2010 and status report Water and Wastewater Programme, 2011	
- Fortschrittsbericht TZ Maßnahme im Zeitraum 10.2013 - 02.2015 (Project progress review. TC measures in the period Oct. 2013 – Feb. 2015)	Describes the project's progress up to Feb. 2015 and contributed to the evaluation of effectiveness
- Gemeinsame Berichterstattung Wasser Abwasser Abfall (TZ and FZ), 2012, 2013, 2014, 2015, 2016 (Joint reporting. Water, wastewater, solid waste (TC and FC), 2012, 2013, 2014, 2015, 2016)	Combines reporting on German technical and financial cooperation with Palestinian organisations for BMZ. Amongst other things, the reports contained progress reports and contributed to the evaluation of effectiveness . The general situation analyses in the reports contributed to the evaluation of relevance, impact, sustainability and coherence .
<u>Evaluation reports</u>	
- 2009 Result Report on Programme Progress Review PN 2005.2007.2	Provided information for evaluating impact, effectiveness and sustainability of the preceding projects
<u>Country strategy BMZ</u>	
- 2016_BMZ Länderstrategie Palästina (2016 BMZ Country Strategy Palestine)	Provided a baseline for evaluating relevance and coherence
- 2017_BMZ Wasserstrategie (2017 BMZ Water Strategy)	
<u>Results model(s), possibly with comments if no longer up-to-date</u>	
- PN 2005.2007.2, result chains for different communities	The results chains for the predecessor projects corresponded to GIZ standards at the time of writing. This format differs from the format under the 'Capacity Works' approach.
- PN 2009.2084.3, result chains for project components	The results model of the current project phase corresponds to the standard 'Capacity Works' approach, but was not correct in its initial form and required rectification (see Section 2.2)
- PN 2013.2257.7, results model	
<i>(continued)</i>	

Table 2: Basic documents (*continued*)

<u>Data from the results-based monitoring system (WoM) (Qsil)</u>	
- WebMo	WebMo project documentation provides the latest information on the project's progress in terms of achievement. This information is only rudimentary however and relates to activities and developments or changes at the target group levels. The project did not employ any other monitoring tools, such as the GIZ monitoring tool WOM or KOMPASS.
<u>Map of actors (Qsil)</u>	
- Actors' map, PN 2013.2257.7	The initial actors' map overstated the outreach and number of actors involved in the project. The evaluation visited the relevant actors during the mission.
<u>Capacity development strategy/overall strategy (Qsil)</u>	
- HCD project overall training plan 2017 2018	The plan comprises HCD activities for WSPs and UPWSP only and helped evaluated relevance, impact and sustainability
- CD strategy in support of design and steering, PN 2013.2257.7	The SWOT analysis of the outline of a CD strategy identified the strengths and weaknesses of the organisations involved, but lacks coherent conclusions.
<u>Steering structure (Qsil)</u>	
- Steering structure, 2016	
- Organisational structure	
<u>Cost data</u>	
- Final 'Kostenträger Obligo Berichte' PN 2005.2007.2 and PN 2009.2084.3 (Final cost unit commitments report PN 2005.2007.2 and PN 2009.2084.3)	Final reports only
- Kostenträger Obligo Berichte PN 2013.2257.7 (Cost unit commitments report PN 2013.2257.7)	Year-on-year reports from Dec. 2013 until April 2018
Excel sheet assigning working months of staff to outputs PN 2013.2257.7	until Dec. 2017

The project did not engage in any other results monitoring besides its concentrated results descriptions on the web-based monitoring tool 'WebMo'. Information on this platform comprised the project's self-assessment with regard to the outcome and output indicators in the current project's results matrix. Monitoring impacts and developments at the level of project partners or clients was restricted to collecting participants' opinions at events. The project's self-assessment documented in WebMo served as the starting point for evaluating efficiency.

Additional information was gleaned from the following:

- PWA reports on WSP performance monitoring up to 2013 after which WSRC. This information gave some indications about developments at the level of water end users and water providers. Information on the total population of both groups was not available.

- A water and sanitation survey by the Palestinian Hydrological Group (PHG) in 2016 provided information on the development of water services in selected remote regions of the West Bank.
- Online statistics of the Palestinian Statistics Central Bureau (PCBS) up to 2016 and the FAO Aquastat database, which provided more details of the Palestinian water sector's development in the period of both preceding Water Sector Programme projects.
- A random sample survey via email of 20 of the 67 members of the Union of Palestinian Water Service Providers (UPWSP), which provided representative and qualitative information on the clients' assessment and perception of the project's outputs and activities.
- Two stakeholder workshops during the evaluation mission with participants from the project's partner (PWA) and clients. This allowed for the review and rectification of the project's Theory of Change as well as for the stakeholder assessment as part of the contribution analyses for the development hypotheses.
- Project records on HR, finance and activities, which enabled the evaluation of efficiency.
- 22 interviews (18 structured, 4 open) during the 10-day evaluation mission in Palestine with current and former project partner organisations, Palestinian ministries, Palestinian NGOs, Birzeit University and international donors. The information gathered included experiences, impressions and opinions with regard to all OECD/DAC criteria as well as assessments of the preceding projects. All interview partners were sent the minutes of their interview and asked to review them critically and to rectify any potential misunderstandings. Documentation relating these minutes remain with the evaluation team for reasons of data protection.
- Interviews with project staff, which clarified the set-up, conditions and circumstances of the project's activities.

3.2 Evaluation Process

The evaluation was commissioned and steered centrally by GIZ's Corporate Evaluation Unit. The independent evaluation team consisted of Heinz-Peter Wolff, freelance consultant with the Office for Quantitative Analyses of Socio-Economic Systems and Resource Use (QUASIR, Germany) and Abdelrahman Alamarah (Tamimi), Director-General of the non-governmental Palestinian Hydrology Group (PHG, Palestine).

The inception phase lasted from 01 March 2018 to 07 April 2018.

The evaluation mission took place from 09 April 2018 through to 20 April 2018. It included two one-day stakeholder workshops with participants from the project's partner organisation, its clients, project staff and the evaluation team. The aim of the first workshop at the beginning of the mission was (1) to review the project's results model and the related Theory of Change and (2) to undertake preliminary data collection and assess three selected development hypotheses for this theory. The second workshop served to compare (1) the rectified Theory of Change and the initial assessments with the findings made during the mission and (2) to discuss discrepancies and their joint adjustment.

Evaluation stakeholders came from four groups:

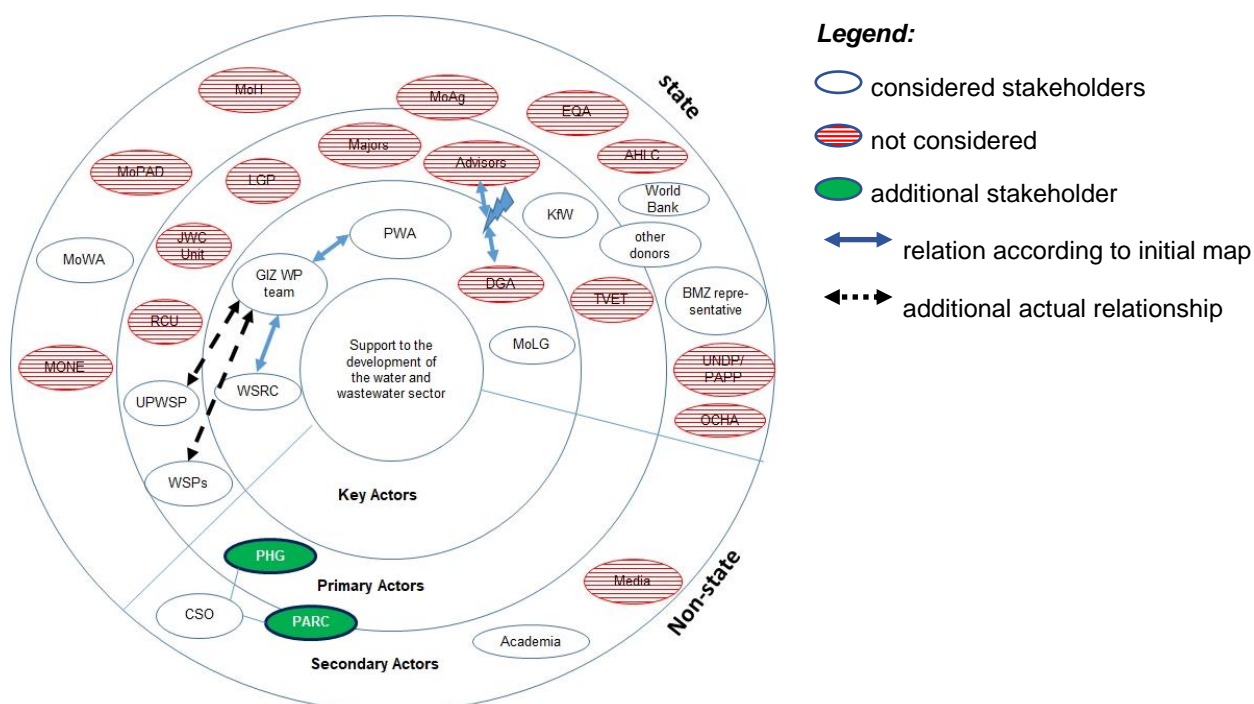
- Palestinian organisations, which were directly supported by the project, i.e. the Palestinian Water Authority (PWA), the Water Sector Regulation Council (WSRC), the Union of Palestinian Water Service Providers (UPWSP), and selected individual Water Service Providers (WSPs).
- Other national actors that contributed to the running and development of the Palestinian water sector, but did not benefit directly – or at least only marginally - from the project's interventions, i.e. the Ministries of Woman Affairs (MoWA) and of Local Government (MoLG) respectively, the non-governmental organisations Palestinian Hydrologist Group (PHG) and the Palestinian Agricultural Relief Committee (PARC) as well as academic think tanks represented by the Institute of Environmental & Water Studies

(IEWS) at the University of Birzeit.

- Local offices of international donors with substantial stakes in cooperation with Palestinian water sector organisations: the European Union (EU), the French Development Agency (AFD), the German Kreditanstalt für Wiederaufbau (KfW) and the World Bank (WB).
- GIZ organisational units, i.e. project staff, the Sectoral Department at GIZ Head Office (FMB) and – responsible for assuring the quality of the evaluation approach and results – GIZ's Central Evaluation Unit.

The selection of relevant stakeholders in the evaluation differed from the initial stakeholder map of the project, since some of the potential stakeholders that had initially been identified changed their role, lost influence or were too far removed from any probable and measurable consequences of the project's interventions. Figure 3 displays the stakeholders considered in the evaluation in comparison to the initial stakeholder map.

Figure 3: Initial stakeholder map and stakeholders in the evaluation



The evaluation team conducted interviews with all selected stakeholders during the two-week evaluation mission in April 2018. Experts from PWA, WSRC, UPWSP and some individual WSPs participated in both mission workshops dedicated to reviewing the results model and assessing three development hypotheses from the project's Theory of Change.

The Director-General of the non-governmental 'Palestinian Hydrologist Group', Dr. Abdelrahman Alamarah (Tamimi), was the local evaluator for the evaluation team. This meant he took part in most interviews and at both workshops and also conducted his own interviews with WSPs which could not be accessed during the mission due to travel restrictions for security reasons. Dr. Alamarah had access to all stated documents, provided translations and interpretations of additional documents in Arabic and reviewed all resulting reports. His long-standing experience and knowledge about the Palestinian water sector, its actors and developments as well as related German cooperation substantially enriched the evaluation team's understanding, assessment and classification of the mission's findings.

Data triangulation, i.e. the validation of information through cross-verification from two or more sources, took place on three levels

- Assessment of the project's compliance with OECD criteria. This was done using a number of identical questions in structured interviews with different project partners.

- Assessment of the Theory of Change and of development hypotheses. This was done by comparing stakeholder assessments from the first workshop with mission findings during the second workshop.
- Data on water sector developments: This was done by comparing data from the governmental organisations Palestinian Water Authority (PWA), Water Sector Regulatory Council (WSRC) and the Palestinian Statistics Central Bureau (PCBS) with results of recent studies by the non-governmental Palestinian Hydrologist Group (PHG). The section concerning the evaluation of the OECD/DAC criteria contains more information on data triangulation.

Available project data included data on planning, activities, finance and staff development as well as a WebMo-based summary of documentation pertaining to the project's assessment of the indicator measuring progress towards objectives achievement. Information provided by the WebMO files was crosschecked during the evaluation mission and deemed to be reliable. The achievements stated in WebMo provided a benchmark for evaluating the first dimension of effectiveness (see Section 4.2). Monitoring data on activities and developments or changes at the target group level is only rudimentary. Information on the WSPs' performance indicators and their development was available from GIZ-backed annual publications by the Water Sector Regulatory Council (WSRC).

Additional secondary information came from a 2016 report by the Palestinian Hydrologist Group (PHG) concerning the generation and growth of response capacity to the water scarcity crisis affecting the Palestinian communities in West Bank. This examined the efficacy of civil society participation in the coordination and monitoring of water resources and sanitation. Further data came from online statistics compiled by the Palestinian Statistics Central Bureau (PCBS) up to 2016.

Primary data and information came from interviews held with stakeholders during the mission. The selection of interviewees was made using the rectified actors map (see Figure 3). The evaluation team chose those institutions, organisations and international donors that could provide the information needed. The interviews were based on project documents and the local evaluator's professional knowledge. The project chose and organised the meeting with the relevant function owners. All decisions were agreed mutually by the project and the evaluation team. With one exception: interviews with NGOs and at the University of Birzeit, where the choice of relevant interview partners relied on the local evaluator's knowledge.

Interviewees included high-level representatives (i.e. not below the level of head of department) from governmental and non-governmental organisations and academia. International donor organisations provided meetings with programme or project officers. The local BMZ representative and relevant officers from the World Bank had to cancel their interviews due to other obligations at the time of the mission in Palestine. The interview with the BMZ representative took place after the mission by phone. The interviews covered all important stakeholders, except for the World Bank (see **Fehler! Verweisquelle konnte nicht gefunden werden.4**).

Yet more information came from a random sample survey conducted with 20 randomly selected members of the Union of Palestinian Water Service Providers (UPWSP). The survey questionnaire asked the interviewees how they perceived the project and how relevant they thought it was. The evaluation team developed the questionnaire together with project staff and commissioned a local consultant to conduct it. **Fehler! Verweisquelle konnte nicht gefunden werden.5** contains the conditions, questions and results of this survey.

The evaluation team presented and discussed a general overview of its preliminary findings with local stakeholders during the wrap-up workshop at the end of the mission. It did the same with GIZ project staff during mission debriefing. The local partners were informed about GIZ's intention to publish the final report and were told that the evaluation team will let them know once it is availability. Knowledge transfer to project staff, the GIZ Sectoral Department and GIZ's Central Evaluation Unit took place during the process of reviewing the final report.

4 Assessment of the Project according to OECD/DAC Criteria

4.1 Relevance

Basis of evaluation and approach to assessing relevance

In its binding evaluation matrix, the GIZ Central Evaluation Unit stipulates four dimensions for evaluating relevance (see **Fehler! Verweisquelle konnte nicht gefunden werden.**1). The first dimension is: 'The project fits into the relevant strategic reference frameworks'. The Palestinian Water Sector Reform Process and the related pledges by international donors peg out the project's framework. The elements, timelines and hypotheses of the Palestinian national actors involved in the framework are interpreted differently by decision-makers in the water sector who thus instigate different courses of action. Thus, the team had to take account of the New Palestinian Water Law and also of statements and strategies from the various actors in the water sector (DOC: Presidential Office 2014, PWA 2012, 2016a, WSRC 2015). From the donor's perspective, the assessment was about comparing BMZs country strategy goals from 2016 and its 2017 publication on its water strategy with the results of the project (DOC BMZ 2016, 2017).

The project's cross-sectoral component supports the implementation of the Palestinian Water Authority's (PWA) gender strategy. However, PWA did not manage to set up the Gender Unit as initially intended. Instead, the project focused its interventions on the less formal Gender Focal Point in the Palestinian Water Authority. This deviation from the mutually signed implementation agreement, which was outside GIZ's decision-making scope, did not affect the related outcome indicator as it does not explicitly refer to the Gender Unit. Information regarding the consequences of this unexpected change in the PWA's organisation structure was obtained from interviewees at PWA and at the Ministry of Women Affairs (MoWA).

The central evaluation aspect with regard to the international Sustainable Development Goals (SDGs) was SDG 16 'Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels'. Palestinian policy-makers and the United Nations Development Assistance Framework (UNDAF) identified this SDG as the preferential national support requirement with regard to the Agenda 2030. Mission findings also allowed for statements on project contributions to SDG 5 'Achieve gender equality and empower all women and girls'. (DOC: United Nations 2016, 2017, INT: MoWA, PWA, EU, AFD).

The project's Theory of Change does not specify interactions with other sectors. Synergies with most social, economic and ecological sectors are an inherent feature of projects in the water sector, but the cause-effect-chains between project activities and these sectors were believed to be subject to a number of other uncontrollable effects and too far stretched for a meaningful evaluation of the project's relevance.

The strategy for evaluating the question cluster about how the project fits into the relevant national and international frameworks relied on comparative descriptive analyses. These analyses were based on a combination of document analyses and information from stakeholder interviews (method and data triangulation). The strength of this approach was the topicality of the information, which allowed for crosschecks with information gleaned from structured interviews with various stakeholders. Interview selection depended on the degree of relevance with regard to the objectives of (i) improved water supply and wastewater services for the Palestinian population, (ii) financial viability of service providers and (iii) secured water supply even during emergencies. This corresponds to the expected impacts outside of the projects' sphere of responsibility (see Table 1). The weakness of this approach was its dependence on the subjective expectations of the political and technical stakeholders about future developments.

The second evaluation dimension is: 'Suitability of the project concept to match core problems/needs of the target groups'. The term 'target group' required some interpretation in this case. The initial project offer and the modification offers for the current project state the target group as being 'the entire Palestinian population'. However, the project did not pursue any activities at the level of water end users. Likewise, they were not mentioned in the project's actors' map (see Figure 3) nor considered in project monitoring (DOC: GIZ 2013b, 2015, 2016).

The assumption that the project is indirectly relevant to the improvement of water services for the general population does hold to a certain degree, but there are also downsides. Increased water fee collection rates thanks to technical support may, for example, become problematic in a country that lacks any socio-political mechanisms for assisting the economically most disadvantaged. The evaluation team responded to this discrepancy by focusing on the water sector administrators as the de-facto target group when assessing relevance. The potential consequences for the general population were considered as part of the impact assessment (see Section 4.3).

The evaluation of the project's relevance to the core problems/needs of the target groups focused on the outcome of discussions with interviewees from the water sector administration, since this is the de-facto target group. These interviews provided an insight into the core problems/needs of the general population. Supporting evidence came from reports compiled by PWA and the non-governmental Palestinian Hydrologist Group (PHG).

Needs within the de-facto target group were identified through discussions with project staff during the mission. In agreement with GIZ's Corporate Evaluation Unit, it was decided not to compare relevant project design elements with the 'Leave No One Behind' principle for particularly disadvantaged groups due to problems experienced with its application on project designs before 2016.

The evaluation approach to safeguards and gender dimensions was congruent with the evaluation approach for the cross-sectoral component, i.e. information on consequences and obstacles for evaluation purposes was obtained from interview partners at PWA and at the Ministry of Women Affairs (MoWA).

The evaluation strategy targeting the problems and needs of the target groups was based on comparative descriptive analyses. Analyses at the de-facto target group level built on information gleaned from stakeholder interviews and on the results of a sample survey conducted amongst randomly selected members of the Union of Water Service Providers (UPWSP). Analyses for the Palestinian population at large, which was stated as the target group in the project offers, were based on secondary data.

The evaluation approach for the project's design considered the project offer, both of its modifications in 2015 and 2016 respectively, as well as the results model provided by the project as the baseline, whose relevance it also compared with the results from stakeholder interviews and workshops at the start and end of the evaluation mission. The two stakeholder workshops during the mission allowed for a simplified contribution analysis. The results of this analysis were used to rectify the project's results model, the related results logic and Theory of Change (see Figure 1). The suitability of initial risk assumptions was examined by comparing the annotations in the project offers and the obstacles encountered during project implementation as stated in the joint progress reports (DOC GIZ 2013b, 2015, 2016; GIZ/KfW, 2015, 2016).

The project's anchoring in the strategic framework and the extent to which changes were addressed were assessed by comparing the findings on the project's correlation with the framework, the results of the stakeholder interviews and the statements in the joint progress reports (INT WSA, WSP, DOC GIZ/KfW 2015, 2016).

Any conclusions drawn from the project's handling of the complex conditions as well as any corresponding guidelines are based on the interviews with stakeholders and project staff. Statements on the projects approach to overloading and the strategic focus applied in such events were compared with intended and achieved outputs and with related information gleaned from interviews with project staff and donors during the mission (INT project, donors).

The evaluation of adaptations to the conceptual design in line with requirements involved a comparison of the project's modification offers with the results of the modified elements as recorded in project documents and gleaned from interviews with stakeholders. The findings were compared with the results obtained on evaluating the project's design (INT WSA, WSP).

The evaluation strategy targeting the project's design uses the results of the results model and project design reviews conducted during the two stakeholder workshops. The evaluation of the subsequent elements in this question cluster was conducted by means of document analysis and by interpreting information from interviews with national stakeholders and international donors.

Additional questions concerning the OECD/DAC criterion of relevance focused on:

1. The compliance of project design with the strategies of the Palestinian administration and BMZ
2. The plausibility of the project's approach with regard to supporting the highly complex political reform process.

Question one is answered by the evaluation seeking to determine how the project fits into the relevant national and international frameworks; question two by the evaluation of the project's design.



The installation of water meters is a precondition for cost-covering water tariffs and raising water fee collection rates

Analysis and assessment of relevance

• Adequacy in terms of strategic framework

The project's parameters changed over the course of the implementation period as the Palestinian water sector reform process evolved and progressed. The process officially got off the ground with the endorsement of an Action Plan for Water Sector Reform by the Cabinet of Ministers of the Palestinian National Authority (PA) in 2009. In 2012, the PA and donors signed a Memorandum of Understanding on the long and short-term objectives of the reform process, which underlined the obligations of both parties and set essential milestones. The reform's objectives include the establishment and implementation of an effective water governance system and the improvement of water management mechanisms. The resulting new Palestinian Water Law of 2014 sets the framework for project implementation (DOC: Presidential Office, 2014, PWA 2016a, GIZ/KfW 2012).

This law defines the components of the new water sector structure and transfers – inter alia – some of the Palestinian Water Authority's (PWA) responsibilities to the newly created Water Sector Regulatory Council (WSRC) and to the – as yet not established – National Water Company (NWC). However, the law is not unambiguous with respect to its implementation. One major factor is the finalisation and adoption of 27 bylaws. To date, 5 have been submitted and 2 adopted by the Palestinian Cabinet. Another major factor is Article 64 of the new law which concerns transitional provisions, and thus creates scope for interpreting the actual point in time scheduled for transferring responsibilities and authority. As a result, the different political actors interpret the current application of the law's components and the related competences differently (INT: WSA, DOC: PWA 2016a, 2016b).

These divergent interpretations are fuelled by the fact that currently only PWA receives government funding while the newly created WSRC relies fully on process funding and donor contributions. An effort by PWA to solve the disputes surrounding the implementation of water sector reform by means of a legal opinion issued by Palestine's Bureau of Legal Counsel and Legislation (*Diwan al-Fatwa*) was not successful owing to diverging opinions on the validity of the judgement itself. This had consequences for the project as PWA is its national contract partner; WSRC received substantial support in keeping with the plan of operations (INT: WSA, DOC: GIZ Water Programme 2015a, 2017).

Benchmarks for relevance thus not only had to consider the formal text of the law but the various interpretations applied, i.e. published policies, strategies and sector reform plans by PWA as well as declarations of intent by WSRC. Moreover, these documents show that PWA's stated interpretations for example have changed over time. This indicates an ongoing development process with an uncertain final outcome (DOC PWA 2013, 2014, 2016a, 2016b, WSRC 2015). Another relevant national guideline is PWA's gender strategy.

The Union of Water Service Providers (UPWSP) – another central beneficiary of the project's interventions – does not figure in the Water Law, but acts under the syndicate law of the Ministry of Labour. PWA and WSRC do not fully acknowledge UPWSP's role and importance for the water sector and water sector reform. However, UPWSP and the supported individual Water Service Providers (WSPs) operate according to decisions issued by the authorities and not on the basis of own political agendas (INT: WSA, WSP).

From the donor perspective, the country strategy on bilateral cooperation with Palestine and the strategy for cooperation in the water sector constitute BMZ's framework for project implementation (DOC: BMZ 2016, 2017).

Two out of three project components have helped to implement core elements of the Palestinian Water Law of 2014. These two areas of intervention involved: (1) support to the national institutions in the implementation of reform processes and (2) improvement of management capacities of water and sanitation providers, and correspond to respective formulations in PWA's strategies. (DOC: GTZ 2013, 2015, 2016, PWA 2013, 2016a). This same applies to the related project outputs and the activities specified in the project's results matrix (see

Table 1).

The third component on gender complied with the cross-sectoral National Gender Strategy of the Ministry of Women's Affairs and with the formulations in the PWA's gender strategy (DOC: PWA 2012, MoWA 2011).

The only area of intervention that was not borne out in governmental documents was the support to the Union of Palestinian Water Service Providers (UPWSP). This was corroborated by the increase in support for capacity development for a significantly larger number of individual Water Service Providers (WSPs) compared to the direct cooperation approach with individual WSPs in the projects that went before. However, some interview partners from governmental institutions expressed concerns about the sustainability of services and the future role of the UPWSP. Information gleaned from the UPWSP's management gave no reasons for the team to share these concerns (INT WSA, WSP).

The project is also fully compliant with the guidelines of the relevant BMZ strategies. The BMZs country strategy defines support for water sector reform and the creation of sustainable provision structures as two of its four approaches. BMZ's Water Strategy calls for the realisation of the human right to water and sanitation and for the sustainable and efficient use of water resources in two out of its six intended contributions (DOC: BMZ 2016, 2017).

Palestine's implementation and accountability for the Agenda 2030 is being fostered under the auspices of the United Nations Development Assistance Framework (UNDAF). The current assistance framework mentions the Sustainable Development Goals (SDGs) on effective and accountable institutions (SDG 16) as well as on gender equality (SDG 5) in its strategic priority (item 2). Both SDGs are generally reflected in the project's components. Contributions to SDG 6 on clean water and sanitation, which is mentioned in UNDAF's strategic priority 4, may be assumed owing to improvements in the management capacities of water and sanitation providers, i.e. the second area of intervention (DOC: UNDAF, 2017).

With regard to or SDG 16, the joint Palestinian-UNDAF results matrix for support to Palestine in the period 2018-2022 mentions no verifiable indicators for governance or employment in the water sector. The same holds for SDG 5. SDG 6 on the other hand provides indicators on the percentage of the population with access to affordable and safely managed water and to a private and improved sanitation facility. However, baseline values for these indicators will only be available after the next round of consultations. The target values are stated only in percentages of the as yet missing baseline (DOC: UNDAF, 2017).

Thus, we can say the project addressed contributions to the SDGs according to the Theory of Change in its rectified results model (see Figure 2), however nothing can be said about potential size of these contributions.

Support for the implementation of the Palestinian Water Authority's (PWA) 2012 gender strategy via the cross-sectoral gender component succeeded in achieving all of its intended outputs with regard to activities, but was less successful in implementing formal structures. The major reason for this was the partner's decision to postpone the formal institutionalisation of the scheduled PWA Gender Unit (see also Section 4.4). This means PWA is one of the 16 out of 27 governmental institutions without such a unit (INT: WSA, DOC: JICA 2016).

Besides UN organisations and civil society organisations, the project was one of the very few supporters of gender perspectives in Palestine, and the sole supporter in the water sector. This runs contrary to the Palestinian Authority's pledge to include gender mainstreaming as a principle in all of its policies (DOC: JICA 2016, PA 2013).

However, the unique role of the project and its predecessors as a supporter of gender issues in the water sector had knock-on effects in other sectors, too. The Ministry of Women's Affairs (MoWA), for example, initially became aware of the gender dimensions in the water sector through the activities of GIZ's predecessor projects. The coordinator of the EU Water Programme has indicated gender components will be adopted in the upcoming phase and acknowledged that this decision was triggered by GIZ's interventions (INT: WSA, Donors).

The ongoing slow progress of gender mainstreaming after 6 years of project interventions corresponds to the

findings of gender experts with other donors. It highlights their conclusions about the need for sector-specific approaches, cross-sectoral exchanges on experiences and continuous long-term engagement in order to achieve tangible changes in existing behavioural patterns of the partner institutions (DOC: JICA 2016).

The project's design and Theory of Change barely give any consideration to way in which the intervention interacts with other sectors. Synergies with the health sector and living standards figure as secondary impacts in the results model. Considerations concerning economic interactions only look at effects on WSP income as a result of water tariff structures and the reduction of non-revenue water. Despite its DAC marker for environmental and resource protection, the project concept made no reference to other potential synergies, e.g. integrated water resource management with environmental issues. The same holds for expectable trade-offs, e.g. between the supported rise in water fee collection rates and the living standard of disadvantaged families (DOC: GIZ 2013b, 2015, 2016, GIZ water programme 2015a, 2017).

• **Suitability for addressing core problems/needs of the target groups**

The assessment of the project's suitability for addressing the core problems and needs varied depending on the various organisations in the de-facto target group. Stakeholders from organisations and departments where project contributions comprised a significant share of the portfolio, tended to approve more strongly of the project's concept than those where project contributions were less significant. The standing of the organisation or department in the water sector community yielded a comparable result. Stakeholders from organisations and departments with a stronger standing in the water sector tended to rate the project's concept lower than stakeholders from organisations and departments with a weaker standing. However, one constantly recurring statement was the positive appraisal of the technical expertise of individual project staff members in the agreed fields of cooperation (INT: WSA, WSP).

The project concept considered women's and men's different perspectives, needs and concerns from the start of the first modification offer in 2015 before ultimately introducing a separate gender component as an additional output. Two success indicators in the project's results matrix defined its objectives. Interviews with partners from the Ministry of Women's Affairs (MoWA) and PWA confirmed the relevance of corresponding activities (DOC: GIZ 2015, INT: WSA).

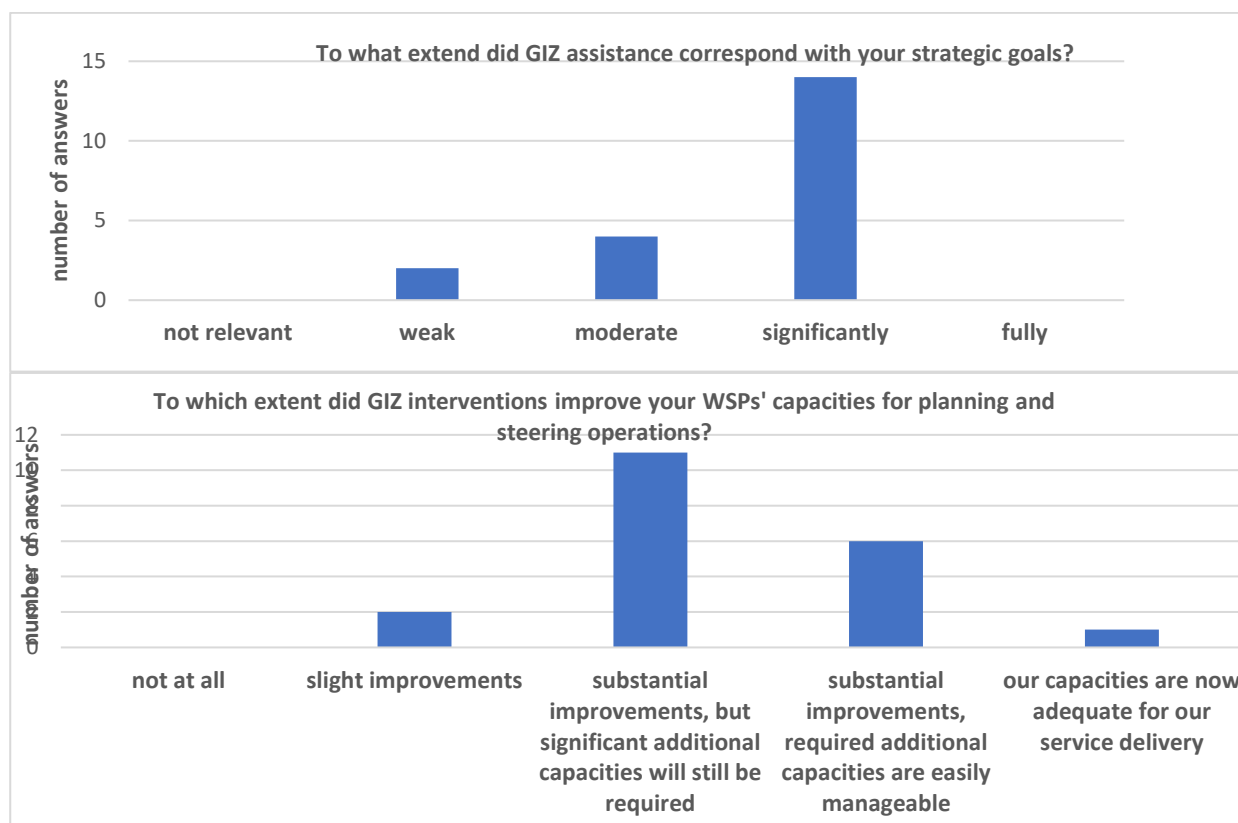
Determining the extent to which the project's outcome objective was aligned with the core problems and needs of the de-facto target group called for a separate examination of partners at the three levels of project interventions given their many different problems and needs.

- Macro level: In separate interviews at the Palestinian Water Authority (PWA), department heads agreed there was a basic alignment owing to the joint planning of operations. However, the extent of this alignment was interpreted differently, ranging from moderate to significant.
- Senior officers of the Water Sector Regulation Council (WRSC) stated the extent of alignment was significant.
- Meso level: Senior officers at the Union of Palestinian Water Service Providers (UPWSP) confirmed alignment with their core needs for human capacity building, but said there was a lack of alignment with their needs for materials and equipment.
- Micro level: Water Service Providers (WSPs) who received services and/or training from project experts or in project-backed courses at the Union of Palestinian Water Service Providers (UPWSP) were asked about 'the extent of correlation between GIZ assistance and their own strategic goals'. 70% of the 20 WSPs surveyed said it was 'significant' (see Figure 4 and **Fehler! Verweisquelle konnte nicht gefunden werden.5**).

An additional question about the 'extent of the WSPs' capacity improvement with regard to planning and steering of the operations through GIZ interventions' yielded the answer 'substantial improvements, but significant additional capacities will still be required' in 55% of cases and 'substantial improvements, required additional capacities are easily manageable' in 30% of cases.

The information gained on the alignment of the project's outcome objective with the core problems is only a reflection of opinions, as no hard evidence was requested for the statement. However, all partner groups tended to agree there was a substantial degree of alignment. Likewise – albeit to varying degrees – they all stated the existence of additional problems and needs, which exceeded the scope of project interventions.

Figure 4: Responses of 20 randomly selected Water Service Providers



• Adapting the project design to the chosen goal

The review of the project's initial results model (see Figure 1) by participants from all project partners during the start-up workshop revealed some misjudgements and omissions in the results logic and its underlying hypotheses (step 2 of the applied contribution analysis). Information gleaned from interviews during the mission supported the workshop participants' arguments (step 3) and allowed the evaluators to prepare an outline of the improved contribution story (step 4) which they then presented to the participants in the wrap-up workshop for review (step 5), where it was adapted in line with the participants' comments. A comparison with the documented results relating to project implementation corroborated the validity of the revised model (see Figure 2).

Misjudgements identified in the project's results model included:

- The assumption that Palestinian ministries, authorities and WSPs have potential to develop strategies for Area C
- The commitment of PWA's leadership to create a gender unit
- The potential for conflict arising from a mandate transfer in a situation of structural change

Missing components were identified as:

- The intermediary result pertaining to the adoption and implementation of the necessary bylaws
- Additional national actors essential for achieving impacts
- The involvement of a number of other important donors
- Other areas of capacity building required and

- The importance of customer satisfaction in the formulation of bylaws

(DOC: mission workshop reports, GIZ/KfW, 2015, 2016, project results model, results matrix with current status of achievements).

The deficiencies identified in the project's results matrix impacted the plausibility of the Theory of Change and compromised the initial results model as a basis for the evaluation. The rectified model revealed enlarged gaps between project interventions and the stated module outcome (see Figure 2). This reduced the initially expected scope of contributions by project outputs to the defined module outcome, but the outputs were mostly achieved.

Deficiencies in the assumption of risks corresponded to the deficiencies in the Theory of Change, leading to comparable consequences with regard to their plausibility. The assumed risks in the project's result matrix did not consider the processes required for adoption of the necessary bylaws, which was also one of the most influential omissions in the results model. The risk of Israeli interference in activities in Area C is mentioned in the modification offers from 2015 and 2016, but not in the relevant place. The risk from delays in the adoption of required bylaws was absent from all offers. (DOC: GIZ 2013b, 2015, 2016).

At the same time, the need to rectify the Theory of Change also highlighted discrepancies in the project's anchoring in its national reference framework. The choice of central starting points for project interventions remained valid, even under the rectified ToC, but the omitted or misjudged elements of the Palestinian Water Law impacted the cause-and-effect chain.

An instructive example are the effects of activities supported at the Gender Focal Point, which did not produce the expected level of institutionalisation with regard to gender-sensitive bylaw formulations. Instead, other donors confirmed impacts on gender awareness in the water sector (INT: Donors, WSA, see also Figure 2). The missing anchors in the cause-and-effect chains for the omitted National Water Company is an example of a rather adverse consequence, as the NWC may have the potential to play a central role in achieving the module outcome and strengthening the resilience of the Palestinian water sector in future (INT: WSA).

The project supported the West Bank Water Department – the precursor organisation of the intended National Water Company – and the preparation of the Regional Water Utilities in 2017. However, these activities resulted from decisions taken by the Palestinian Water Authority that were based on an additional indicator given in the latest modification offer from 2016 and not on the project design. This underscores the flexibility of project management, a fact that the Palestinian Water Authority also acknowledged.

The absence of any critical interfaces between the various frameworks meant that these constraints arising from the national water sector reference framework did not affect the project's anchoring in the national gender reference framework nor in the BMZ reference framework.

The project's strategic orientation was able to withstand a fair share of adverse effects caused by problems in the assumed Theory of Change. The multi-level approach applied included interventions at the macro level, i.e. in PWA's and WSRC's spheres of activity, as well as at the meso level, namely interventions at the UPWSP and at the micro level, i.e. support to individual WSPs (DOC: GIZ/KfW 2015, 2016).

This allowed for two options in case of conflict: The preferred option was to use of the project's intermediary position to moderate any conflicts between PWA and WSRC. This approach was applied in 2015 with the support of 5 joint technical working groups in order to foster dialogue between experts from both organisations (DOC: GIZ/KfW 2015).

The second option was to flexibly shift support activities for elements of water sector reform between the various levels. This actually became the more common option from 2016 onwards. Contacts with former long-term partners of GIZ water sector interventions, such as the large WSP Jerusalem Water Undertaking, were expedient at the outset when taking decisions of this kind. Support for the re-organisation of the Union of Palestinian Water Service Providers as of 2014 broadened the platform for handling the complex conditions in the periods covered by the modification offers (DOC: GIZ/KfW 2015, 2016, GIZ 2015, 2016).

A downside of this strategic orientation in the local context is the way in which it is perceived by other partners. Some interviewees expressed their discontent with GIZ's insistence on keeping to the stipulations in the initial implementation agreement and thus the lack of adaptation to changes in national partner strategies. Such sentiments may impact negatively on national ownership of project achievements and, once the project has finished, might also undermine the negotiation position of the organisations that received support (INT: WSA, WSP).

- **Adaptation and re-adaptation of the project design**

Changes started with the appointment of a new head to the national executing agency, i.e. the Palestinian Water Authority. Differences in the approach to the water sector reform process led to a number of disagreements between members of the executing agency and project representatives (DOC: GTZ/KfW 2015, 2016, Operation Plan 2017 with annotations by PWA). Tangible changes include the ongoing delay in the establishment of a Gender Unit by the Palestinian Water Authority and the failure to adopt a tariff bylaw.

The project dealt with these changes by directing its support for gender mainstreaming to the less formal Gender Focal Point at the Palestinian Water Authority and shifting its support for tariffing and performance monitoring to the Water Sector Regulatory Council (DOC: GTZ/KfW 2015, 2016, Operation Plan 2017 with annotations by PWA).

- **Scoring**

- **Assessment dimension: 'The project fitted into the relevant strategic reference frameworks'**

The project was in line with the initial national partner strategies as well as with the relevant BMZ strategies and contributed to the progress of Palestinian water sector reform. However, the project ignored changes in the contractual partner's, i.e. the Palestinian Water Authority's, strategies which were published in 2016 at the latest. It contributed to at least one Sustainable Development Goal (6), which figures in the partner country's catalogue of priorities. Contributions to two additional SDGs are likely (SDG 5 and 16). The gender component substantially raised awareness of gender dimensions, even if sustainable success in implementing sectoral gender mainstreaming and cross-sectoral impacts in the partner country will need more time than allowed for in this project period. The project concept did not consider interactions with other sectors. The overall assessment score was 35 points. The full score of 40 points was not achieved owing to the failure to take account of developments in the contractual partner's strategies in the modification offers.

- **Assessment dimension: 'Suitability of the concept to address core problems/needs of the target group(s)'**

The project design focused on the de-facto target group of water sector actors. Links to the target group stated in the project offers are only indirect and not included in the concept. The project was gender-sensitive. The ambiguity regarding the correct declaration of the target group, which was not even clarified in the modification offers, resulted in a score of 25 out of 30 points.

- **Assessment dimension: 'The project's design was adequately adapted to the chosen project objective'**

The results model, which is the basis of the project's design, exhibited some major shortcomings. Some, but not all, of these shortcomings were incalculable in the planning phase and were not rectified later in the modification offers. This resulted in the misallocation or omission of risks in the results matrix. The project's potentials for contributing to a functioning water sector could have been better exploited. The strategic orientation was robust, but sustainability is not granted in all components owing to government decisions that are still pending in the partner country. One exception is the gender component, which was robust enough to succeed despite the fact that PWA has yet to set up a Gender Unit. These shortcomings in design result in a score of 10 out of 20 points.

- **Assessment dimension: 'Project design was adapted to changes in line with requirements and re-**

adapted where applicable'

Changes affected the achievement of one of the outcome indicators (Area C) and limited the potential of success of a second (gender). While the first change left no scope for possible alternatives, adaptations to the second enabled the tasks to be completed in full. Hence the score of 10 out of 10 points.

Criterion	Assessment dimension	Score
Relevance	The project fitted into the relevant strategic reference frameworks.	35 (out of 40)
	Suitability of the concept to address core problems/needs of the target group(s).	25 (out of 30)
	Project design was adequately adapted to the chosen project objective.	10 (out of 20)
	Project design was adapted to changes in line with requirements and re-adapted where applicable.	10 (out of 10)
Overall rating for relevance		80 (out of 100)

4.2 Effectiveness

Evaluation basis and design for assessing effectiveness

The project objective at outcome level was: 'The capacities of the water sector institutions for planning, steering and regulating water supply and wastewater management are improved'.

The corresponding five outcome indicators provided the basis for evaluating the first dimension of effectiveness: 'The project achieves the objective on time in accordance with the indicators for the TC measures agreed upon in the contract'. The changes that occurred, but also the lack of anticipated changes in the general conditions during the implementation period, meant that first of all, it was necessary to compare these indicators with the anticipated central risks and assumptions given in the results matrix. Assessing the extent to which the success indicators had been achieved was done as stated in the results matrix, whereby changes were taken into account and their impacts were commented on.

The project's results matrix provided quantified target values for all indicators, but two of the indicators combined two values, rendering them multi-dimensional instead of specific. This is not in keeping with the use of SMART features (specific, measurable, achievable, relevant and time-bound) stipulated when formulating indicators. Furthermore, it prevents unambiguous assessment of the target values achieved. The two indicators concerned were subdivided in two SMART indicators respectively, whereby success was determined as the average success in both cases. The SMART-aligned indicators contained all contractually agreed target values and thus complied with the initial level of ambition.

All indicators agreed on did not specifically state a timeline. The evaluation team assumed that this equated with the end of the project. Assessments of the probability of hitherto only partially fulfilled indicators being met in full were based on discussions with project staff and on available evidence and statements.

The evaluation strategy for the question cluster concerning the project's achievements of its contractually agreed indicator values was based on descriptive comparative analyses of the project offers and on documented evidence of achievements.

The second evaluation dimension of effectiveness focuses on the question of whether 'the services implemented by the project successfully contribute to the achievement of the objective agreed upon in the contract'. The assessment involved the analysis of the following three hypotheses selected from the project's design:

1. GIZ advisory services to the Palestinian Water Authority (PWA) and to the Water Sector Regulatory Council (WSRC) on the institutional set-up and the introduction of standardised instruments and processes for regulation (activities A) led to the development of core elements of water sector reform by PWA and the Regulatory Council (Output A), which in turn improved the capacities of the water sector institutions for planning, steering and regulating water supply and wastewater management (outcome).
2. GIZ supported the Union of Palestinian Water Service Providers (USWSP) in providing technical training and capacity development measures for Water Supply and Wastewater Service Providers (WSPs) in the West Bank and Gaza in line with the PWA Capacity Development Strategy (activities B). This led to the application of core components of the sector reform by the WSPs (Output B), which in turn improved water sector capacity for planning, steering and regulating water supply and wastewater management (outcome) and
3. GIZ supported implementation activities under the Gender Action Plan and advised the Gender Focal Point of PWA and other sector institutions on the formulation and implementation of measures designed to foster gender equality in the sector (activities C). This provided the basis for gender-sensitive strategies and policies, which in turn improved the capacities of water sector institutions for planning, steering and regulating water supply and wastewater management (outcome).

Stakeholders gave their initial assessment during the start-up workshop. The evaluation mission searched for

evidence for these assessments in individual interviews, by conducting a random survey amongst Water Service Providers and by reviewing available documentation. The wrap-up workshop allowed for the comparison between initial assessments and the evidence found.

At the same time, this process allowed for the identification of factors that had contributed successfully to the achievement of the project objectives during implementation while also exploring possible alternative reasons for the achievement of outcomes. The stakeholder interviews also provided information on the adequacy of core support and management processes and shed light on the way the project dealt with risks.

The evaluation strategy for the question cluster about how project services are contributing to the achievement of the contractually agreed project objective was based on the results of a contribution analysis (cf. Mayne, 2008) of three selected hypotheses.

This contribution analysis helped to confirm or revise the Theory of Change, and also reveal and present a hitherto implicit or inexplicit Theory of Change. However, the analysis is not definitive proof, but rather provides evidence and a line of reasoning from which to draw plausible conclusions about the important contributions the project has made to the documented results.

The methodological steps of the analysis was as follows:

- *Step 1: Setting out the attribution problem. The attribution problem and its details (cause-effect question, level of confidence, type of contribution, plausibility of expected contribution etc.) come from the project's Theory of Change (ToC).*
- *Step 2: Developing a ToC. The ToC is predetermined by the assumptions of the project's results matrix. Other details were added based on the results of the start-up workshop.*
- *Step 3: Gathering the existing evidence on the ToC. Evidence was gathered through stakeholder interviews, a random survey amongst WSPs and from supporting documents.*
- *Step 4: Assembling and assessing the contribution story and challenges to it. An outline of the story and its challenges was prepared by the evaluators during the mission and discussed during the wrap-up workshop.*
- *Step 5: Seeking additional evidence. The review of the outline of the improved story during the wrap-up workshop generated additional evidence and rectifications.*
- *Step 6: Revision and strengthening of the contribution story. The contribution story was again revised following the review comments from step 5 and checked against the documented project results.*

The evaluation of the subsequent elements for this question cluster was based on document analysis and the interpretation of information from interviews and their comparison with the contribution story.

Unintended positive and negative changes were assessed using information gained during individual stakeholder interviews. The focal point of this part of the evaluation was the relationship between the official partner of the project, i.e. the Palestinian Water Authority, and other direct beneficiaries of project support. This reflected the current state of dynamics in the Palestinian water sector reform process and provided an indication of the direction in which the changes are heading.

The evaluation strategy for the question cluster about additional, not formally agreed or intended results of the project's interventions followed the outcome harvesting approach (DOC: Wilson et al, 2012). The time available for the evaluation determined the extent of the methodological steps and also the feed-back loops. The methodological steps comprised:

- *Design: Definition of useable questions on type and target of information collection by evaluation team.*
- *Draft outcome description: The team gathered initial information on the status of the Palestinian water sector reform process and identified areas, where project interventions might have contributed to changes.*
- *Engagement of change agents in formulating outcome description: Structured interviews allowed for the collection of viewpoints of actors at the administrative level, i.e. at the Palestinian Water Authority (PWA), the Water Sector Regulatory Council (WSRC) and the Union of Palestinian Water Sector Providers (UPWSP) and selected Water Service Providers (WSPs).*
- *Substantiate: Interviews with the non-governmental organisations (PARC, PHG), international donors (EU, AFD, KfW) and with researchers at Birzeit University allowed for cross-checks of the actors' statements*
- *Analyse and interpret: Description of findings in this evaluation report*
- *Support use of findings: Will depend on a potential follow-up to this report by GIZ*

Additional questions relating to the OECD/DAC criterion of effectiveness focused on:

1. Compliance of various forms of cooperation with the specific needs and opportunities of the different cooperation partners, e.g. the appointment of two development advisers
3. Results confirming an improvement in the relationships between the organisations involved
4. The question as to whether the steering structure provided the project with the political backing it needed to achieve the intended results in the partner system
5. The adequacy of specific implementation elements (international consortium, local subsidy contracts) with respect to generating results
6. Results from regional and international events (e.g. the Gaza War in 2014) and how they affected the design and achievements of the project
7. The effects of the different donors' strategies and measures on the project and its outcomes and vice versa

These questions went beyond the evaluation matrix and were therefore answered by short, evidence-based statements by the evaluation team.

Analysis and assessment of effectiveness

• Achievements of contractually agreed indicator values

The latest results matrix, i.e. from the project's second modification offer 2016, defined 5 outcome indicators for measuring the achievement of the module objective 'The capacities of the water sector institutions for planning, steering and regulating water supply and wastewater management are improved'. The description of the 5 indicators provides baseline and target values. The matrix contains no statements on central risks or assumptions about the level of outcomes.

Major challenges to the fulfilment of the outcome indicators were:

- Problems that derived from the inappropriate Theory of Change (see Figure 1, Figure 2 and Section 4.1) and
- The discrepancy in the way the new Water Law of 2014 was interpreted by the Palestinian Water Authority (PWA) and the Water Sector Regulatory Council (WSRC).

The project faced the dilemma of being forced to choose between PWA's and WSRC's different interpretations of the new Water Law (see Section 4.1). Interventions on the political level did not succeed in securing unambiguous directives by higher authorities, i.e. the President's Office (INT Donors). The project acted in accordance with the implementation agreement, which was challenged by developments in the policy of the contract partner Palestinian Water Authority (DOC: GIZ 2015, 2016, PWA 2016a, 2016b). The conflicting interests between PWA and WSRC affected the fulfilment of 2 out of 5 indicators (DOC: PWA 2016a, Presidential Office 2014, INT: WSA, donors).

In its WebMo-based monitoring system, the project claims 1 out of 5 project indicators are met, 3 are partially met and 1 was not met, with about 3 months to go until the end of the project term. A comparison with the verification sources revealed that the project's self-assessment was conservative and tended to the downside in case of doubt. The following Tables list the contractually agreed indicators, their target values, the assessment of success and – if required – a re-formulation of the indicator according to rectifications made to the Theory of Change.

Result 1 on the approval of water tariffs by Water Sector Regulatory Council (WSRC) and application of tariffs by Water Service Providers (WSPs).

WSRC approved more tariffs than required by the indicator's target value. The targeted percentile of the population will also be achieved in 2018 according to the WSRC. However, although expected, the new bylaw on tariffs is still not in force, thus affecting the approval of tariffs. PWA does not recognise WSRC's tariffing procedure and has developed its own unified regulation for water and wastewater tariff and connection fees (DOC: PWA 2016a, 2017 INT: PWA). The current version of the bylaw under the old pre-2014 Water Law only relates to some of the WSPs. In addition, several municipalities – as operators of the local WSPs - hesitate to apply tariffs out of socio-economic considerations (INT: Project).

All obstacles mentioned were outside the project's sphere of influence or intervention. Their non-consideration in the project design corresponds to the respective omissions in the project's Theory of Change (see Figure 1 and chapter 4.1). Consequently, the contractually agreed indicator was only partly fulfilled. The same applied, but to a lesser degree, for the assessment by the set of SMART-adapted indicators (see

Table 3).

Table 3: Assessment of success indicator 1

Formulation in contract	Re-formulation according to SMART criteria
18 WSPs (supplying a total of 55% of the population in the West Bank) apply water tariffs which have been approved by the regulator (WSRC) in accordance with valid tariff regulation.	1a) 18 WSPs apply water tariffs which have been approved by the regulator (WSRC) in accordance with valid tariff regulations 1b) 55% of the population in the West Bank receive water supply at tariffs approved by the regulator
Baseline: 0 (so far five approved tariff applications in accordance with the tariff bylaw of January 2014) Target: Application of approved tariffs by 18 WSPs (for 55% of the population).	Baseline 1a): 0 Target 1a): Application of approved tariffs by 18 WSPs Baseline 1b): 0 Target 1b): 55% of the population.
<i>Verification sources:</i> Evaluation of documentation the regulator has compiled about approved tariffs for WSPs in its monitoring report.	
<i>Result:</i> 9 WSPs apply water tariffs (supplying a total of 11 % of the population in West Bank) which have been approved by WSRC in accordance with valid tariff regulations (old water law), 22 WSPs representing around 25% of the Palestinian population in the West Bank have applied tariffs.	
Assessment: <i>Partially met (50%)</i>	1a) 9 WSOs apply water tariffs which have been approved by the regulator 1b) 11% of the population in the West Bank receive water supply at tariffs approved by the regulator Assessment: 1a) <i>Partially met (50%)</i> Assessment: 1b) <i>Partially met (20%)</i> <i>Equal weighting: Partially met 35%</i>
Probability for of indicator being met by the end of the project: 0%	

Result 2 on the application of core processes by the Water Sector Regulatory Council (WSRC).

Meeting the indicator's target value depended strongly on the adoption of bylaws by the Palestinian Cabinet of Ministers and on the Palestinian Water Authority (PWA) committing to the transfer of responsibilities for performance monitoring, tariffing and licensing to WSRC. Both assumptions did not hold. Performance monitoring was transferred from PWA to WSRC and WSRC did acquire the capacities required for the task, but PWA has yet to accept this transfer (see Table 4) (DOC: WSRC 2014-2018, INT: PWA, WSRC).

The contractually agreed indicator was only partially met. Its re-formulation according to SMART criteria led to its assessment of 'overfulfilment' (see Table 4)

Table 4: Assessment of success indicator 2

Formulation in contract	Re-formulation according to SMART criteria
3 core processes of the WSRC (e.g. water tariffs, benchmarking, licensing of WSPs) in line with PWA policies are applied in 20 WSPs	2a) 3 core processes of the WSRC (e.g. water tariffs, benchmarking, licensing of WSP) are ready for implementation 2b) 20 WSPs apply core process in line with PWA policies
Baseline: 1 (one procedure and instruments) Target: 3 procedures in 20 WSPs	Baseline 2a): 1 (one procedure and instruments) Target 2a): 3 Baseline 2b): 0 Target 2b): 20 WSPs
<i>Verification sources:</i> Application can be verified in the regulatory body's reports.	
<p><i>Result:</i></p> <ul style="list-style-type: none"> • 1 procedure (monitoring) applied in 64 WSPs (DOC: WSRC 2016, 2017, 2018) • 1 procedure (tariffs) applied in 9 WSPs in line with PWA policies (DOC WSRC 2018, INT: PWA, WSRC) • 1 procedure (licensing) concept developed, but not applied yet (DOC: Werchota, 2017) • 1 procedure (customer complaints management) in assessment phase (INT: WSP) <p>The licensing process is still blocked. PWA did not succeed in getting licensing bylaw approved by Cabinet as scheduled in second quarter of 2017 (DOC: PWA 2016a) and is keeping all responsibilities until then at PWA (INT: WSA)</p>	
Assessment by project: <i>Partially met</i> (35%) Probability of indicator being met in full by the end of the project: 0%	Assessment 2a) 2 core processes (66%) Assessment 2b) 71 (355%) <i>Equal weighting: overfulfilled (231%)</i>

Result 3 on Master Plans in Area C.

Indicator 3 corresponded to one of the overall goals in BMZ's country strategy that stipulates the need to include the Palestinian population in development interventions in Area C. The strategy outlines the long-term objective of 'leaving no one behind' over practical considerations regarding the short-term feasibility of interventions. Specific reference is made to Area C and its importance for building a Palestinian state (BMZ 2016, pp.11). In this particular case, the project could not achieve the indicator's target value owing to external restrictions (see Table 5) (DOC: Times of Israel 2018, INT: project staff).

Table 5: Assessment of success indicator 3 (no re-formulation according to SMART criteria required)

Master Plans in Area C include a chapter on the sustainable operation of water supply and wastewater disposal systems agreed on by PWA and the Ministry of Local Government (MoLG).
Baseline: 0 Target: 5 Master Plans consider water supply and wastewater systems.
<i>Verification sources:</i> Verification of Master Plans in alignment with the comments made by PWA and MoLG
The entire Master Plans process in Area C was blocked by the Israeli Government (DOC: Times of Israel 2018, INT: WSA, donors, project). The chapter on water supply and wastewater disposal developed by MoLG has not yet been handed over to PWA. Moreover, the two actors have still not reached a consensus about the chapter on water supply and wastewater disposal (INT: Project, WSA). Assessment: <u>Not met</u> (0%) Probability of the indicator being met in full by the end of the project: 0%

Result 4 on WSP implementation of household and premises wastewater connection law

The amendments made to the Theory of Change did not affect indicator 4. The indicator focused on the WSP only and relied on a bylaw that had already been approved. Therefore, it was not subject to limitations arising from conflicting interests at the political and administrative levels.

Table 6: Assessment of success indicator 4 (no re-formulation required due to rectified Theory of Change)

3 WSPs have started implementation based on a National Implementation Plan agreed for the household and premises wastewater connection bylaw by the relevant actors (MoLG, PWA, WSP).
Baseline: 0 (no implementation) Target: 3 WSPs have started implementation
<i>Verification sources:</i> Documentation of the agreement and plan of implementation
<ul style="list-style-type: none">• 2 WSPs have started implementation (Jericho and Nablus) (INT: WSP, project)• Al-Bireh Municipality is willing but needs further technical assistance (INT: project) Assessment: <u>Partially met</u> (67%) ¹ Probability of indicator being met in full by the end of the project: 0%

¹. The degree of achievement stated reflects the status at the time of the evaluation mission. The full indicator value was achieved and even surpassed after the end of the project

Result 5 on implementation of gender-related measures

The project achieved the target values given for indicator 5 despite the reluctance of the Palestinian Water Authority (PWA) to create a Gender Unit. However, this meant there was a change in the assumed verification sources: Project documentation on the events replaced the expected monitoring report on the PWA Gender Unit.

Table 7: Assessment of success indicator 5 (no re-formulation required due to rectified Theory of Change)

4 relevant sector institutions (e.g. PWA, WSRC, WSPs) each implemented a gender-related measure (e.g. gender audit in PWA and/or at WSP, gender indicator in WSRC annual reporting, gender awareness training) to promote the implementation of gender equality in the water and wastewater sector
Baseline: 2 (implementation of 2 gender-specific measures) Target: Implementation in 4 institutions
Verification sources: Protocols on gender audit, workshop reports and Performance Monitoring Report for the 2016 (DOC: WSRC 2018)
<ul style="list-style-type: none">• 3 sector institutions (PWA, WSSA Bethlehem, Jericho Municipality) participated in the gender audit (DOC: HRD 2018)• Gender performance indicator 'Labour participation by gender in water service (total female staff as a percentage of the total staff ' has been included in the Performance Monitoring Report since 2014, participation of 39 Water Service Providers in 2016 (DOC: WSRC 2016, 2017, 2018)• 2 awareness-raising workshops were held for 8 Palestinian water sector institutions (DOC: GIZ Water Programme workshop reports 2017) Assessment: <u>Met</u> (100%)

• Contributions from project services

Hypotheses for testing the validity of cause-and-effect assumptions were pre-selected using the initial results model and its underlying Theory of Change (ToC). A cross-check with the rectified results model during the first workshop showed that the selected hypotheses also held under the new assumptions given in the ToC. Pre-selection was required due to the fact that the results model had been rectified and the first step of the contribution analyses conducted within the limited timeframe of a one-day workshop.

The start-up workshop allowed for a discussion of the hypotheses with stakeholders from all three levels of project intervention. The participating stakeholders contributed information and provided initial assessments, which were then cross-checked during the interviews and using documents obtained during the mission. The wrap-up workshop allowed for a comparison of initial assessments and findings. The final contribution story was presented to the workshop participants for their approval and corroborated by the documented project achievements (DOC: EM 2018a, 2018b).

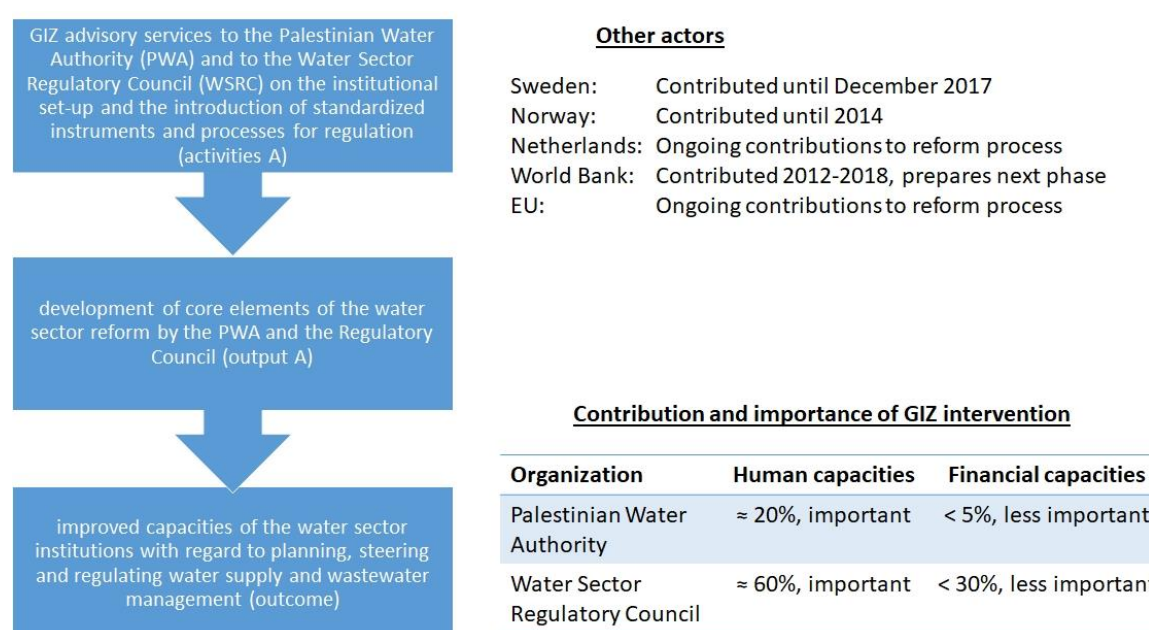
Hypothesis 1: The selected cause-and-effect assumption focused on project Output A, 'The Palestinian Water Authority and the Water Sector Regulatory Council have developed core elements of the sector reform' (DOC: GIZ 2016). Deliberations about the causes examined the project's activities and the effects on the module objective. See Figure 5 for the formulation of the hypothesis and the final assessment of the project's contribution.

Contribution story: The project's technical advice and support for the elaboration, coordination and implementation of instruments played a substantial role in terms of developing core elements of water sector reform. This applied in particular to support for human capacity development (HCD) at the Water Sector Regulatory Council (WSRC). HCD support at the Palestinian Water Authority (PWA) was important because it

complemented interventions by other donors, even if the project's support played a minor role in comparison to support from other donors. Support for the budget and equipment of both organisations was of less importance due to the major engagement of other donors.

Weighting effects in terms of improved capacities for planning, steering and regulating water supply and sanitation differed at the Palestinian Water Authority and the Water Sector Regulatory Council respectively. This had to do with the relative importance of the project's contributions to human capacity development at each organisation overall. The project helped both organisations build the capacity they will require, at the latest, after the relevant bylaws have been adopted and the internal disputes about timelines and responsibilities for implementation have been settled. Both organisations considered the support and management processes behind the technical interventions as adequate, but PWA in particular criticised the poor harmonisation of strategical processes with its own planning.

Figure 5: Evaluation of hypothesis 1 on project contributions through advisory services to PWA and WSRC



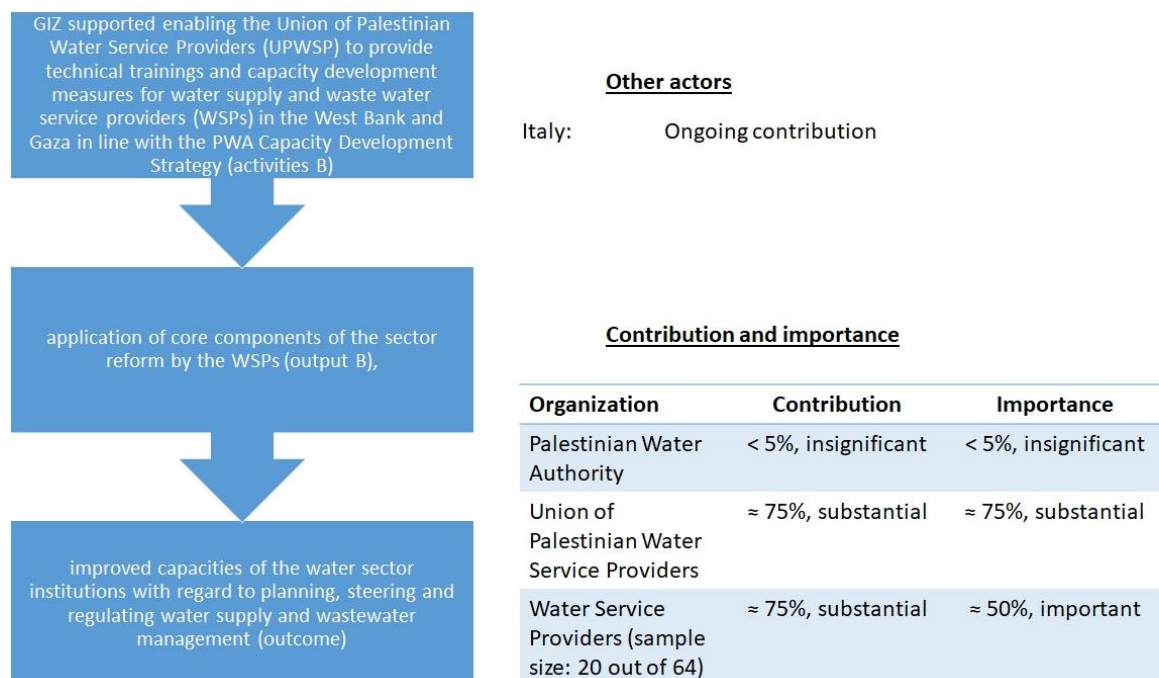
Hypothesis 2: The selected cause-and-effect assumption focused on project Output B, 'The water supply and wastewater service providers apply core components of the sector reform ' (DOC: GIZ 2016). Deliberations about the causes looked at the project's activities and at the effects on the module objective. WSP assessments were based on participation by members of three WSP at the workshops and the responses of 20 WSPs from a sample survey amongst members of the Union of Water Service Providers (UPWSP). See Figure 6 for the formulation of the hypothesis and the final assessment of the project's contribution.

Contribution story: The project's support for the technical, financial and managerial capacities of WSPs, either directly or through training organised by the UPWSP, substantially helped build WSP capacity to deal with the various components of water sector reform. This applied in particular to UPWSP, where the project was the major international contributor to its constitution and set-up. The Palestinian Water Authority (PWA) as well as the Water Sector Regulatory Council (WSRC) acknowledge the WSPs' increased professional capacity as a result of project support, but are cautious in their assessment of how relevant this was to achieving the project's objective. The Water Law makes no legal specifications about the role, mandates or funding of the organised WSPs and their umbrella organisation, but does intend to create regional water utilities by merging WSPs. The future development of the water sector reform process will reveal the potentials as well as the financial and organisational resilience of the UPWSP.

The UPWSP and its members considered the support and management processes behind the technical interventions to be adequate, but bemoaned the virtually exclusive focus on training and management.

Generating the capacity needed to cope with the core components of the water sector reform process also involves complementary support in the form of technical equipment. Other international donors provide intermittent support for individual WSPs (e.g. Paris municipality to WSSA Bethlehem), but there is no holistic, combined concept for capacity development of WSPs in all areas.

Figure 6: Evaluation of hypothesis 2 on project contributions through support of UPWSP and WSPs



Hypothesis 3: The selected cause-and-effect assumption focused on project Output C, 'The PWA Gender Unit is operational' (DOC: GIZ 2016). This output had to be re-formulated due to PWA's decision to opt for a less formal Gender Focal Point instead of the originally stipulated Gender Unit. The alternative formulation reads: 'The gender dimension is anchored in PWA'. Deliberations about the causes looked at the project's activities and at effects on the module objective. Stakeholder assessments relied predominantly on information gleaned from the gender officer at PWA and the Ministry of Women's Affairs' (MoWA) Director-General of Media & Advocacy. An additional statement came from the WSP survey. See Figure 7 for the formulation of the hypothesis and the final assessment of the project's contribution.

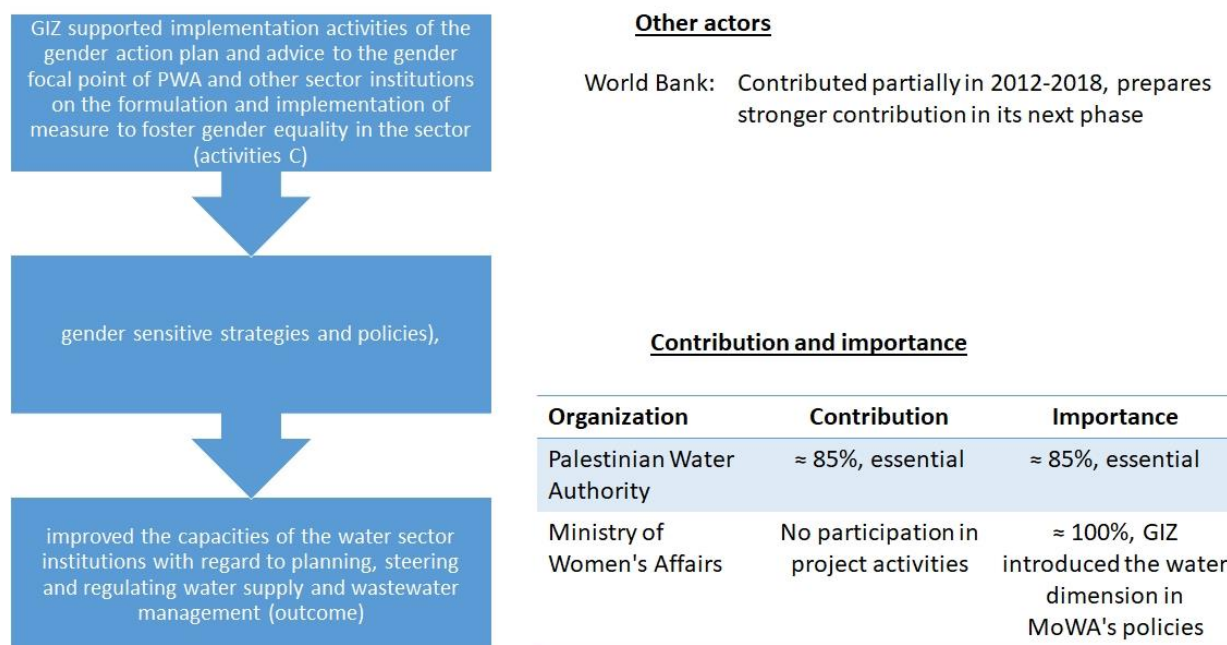
Contribution story: Project support for the formulation and implementation of PWA's gender strategy was the initial trigger and the major driver for gender mainstreaming in the Palestinian water sector. Gender dimensions are now a permanent aspect in discussions and PWA always takes them in account when formulating strategies and policies. However, PWA is still one of the 60% of the governmental institutions that has not officially committed to adding a Gender Unit to its organisational structure. According to PWA, its reluctance to do so has more to do with concerns about promotion and available staff positions rather than with any disregard for the gender dimension itself (DOC: PWA 2015, INT: PWA).

Trickle-down effects from the administrative level to the WSPs are detectable, but still leave substantial room for improvement. An estimated 40% of WSPs in the Union of Palestinian Water Service Providers (UPWSP) do not give any consideration at all to the gender dimension or only at an informal level. Another 40% have initiated formal action in this regard, and half of them have participated in gender activities supported by GIZ. The remaining 20% already apply formal gender standards in their organisation (DOC: survey results). However, the UPWSP does not offer training on gender mainstreaming. Upscaling effects at the administrative level consist in introducing an initial gender indicator in the performance assessments conducted by the Water Sector Regulatory Council (WSRC). On the donor level, the EU is considering introducing a gender component in the next phase of its support programme to PWA. Both, WSRC and EU,

confirmed that the project's interventions had triggered their action in this respect.

Both PWA and MoWA considered the support and management processes for interventions on gender mainstreaming as ground-breaking and fully in line with their policies. However, mainstreaming gender sensitivity in the formulation and implementation of policies and strategies will only be ensured by creating a formal Gender Unit at PWA, including the allocation of respective formal mandates.

Figure 7: Evaluation of hypothesis 3 on project contributions through support for gender mainstreaming



• Unintended results

The project did not monitor additional results or risks. The outcome harvesting approach applied by the evaluation mission proceeded as follows:

- Draft outcome description: Based on the experience of the local evaluator, the team identified three areas in which unintended results or risks from project activities were deemed most likely:
 - (1) The project partners' standing within the community of water sector institutions
 - (2) The progress of the water-sector reform process and
 - (3) The spread of gender mainstreaming beyond the Palestinian Water Authority
- Design: When defining useable questions and their format, the team considered the role and type of the interviewees. The questions can generally belong to one of the following three categories:
 - (1) Questions to unique organisations in the water sector, i.e. the Palestinian Water Authority, the Water Sector Regulatory Council and the Union of Palestinian Water Service Providers, were included in the structured interviews and related to their self-assessment. The question concerning 'gender mainstreaming beyond the Palestinian Water Authority' was omitted in the interviews with the Palestinian Water Authority.
 - (2) Questions to Water Service Providers formed part of structured interviews with 5 interviewees. With regard to the aspect of gender mainstreaming, they formed part of the survey conducted amongst 20 randomly selected providers (see also **Fehler! Verweisquelle konnte nicht gefunden werden.5**, question h).

- The engagement of change agents in formulating outcome descriptions was in keeping with the given channels of communication.
- Substantiation took place during informal interviews with donors, i.e. the EU and AfD and water sector experts on the university level, and focused on their assessment of the local situation.
- The analysis and interpretation of information on unintended results, i.e. results that were not formally agreed, yielded the following results:

1. With respect to the standing of project partners in the water sector community as a result of project interventions:

- *Palestinian Water Authority (PWA)*: Project interventions complemented the interventions of larger international donors, namely the European Union (EU) in conjunction with the French Development Agency (AfD) and the World Bank. Accordingly, there were no indications for changes in PWA's standing.
- *Water Sector Regulatory Council (WSRC)*: WSRC is a new actor in the water sector. Project support increased its professional standing in line with project planning. Unintended results came about due to the different interpretations of the Water Law by PWA and WSRC. WSRC's strengthened capacity increased its professional standing in the water sector community (positive) but simultaneously intensified disaccord with PWA regarding these two institutions' mandates (negative) (INT: WSA).

Project approaches to risk management consisted in support for joint working groups comprised of experts from both organisations: However, it failed to establish constructive cooperation between these national partners. The alternative option of concentrating project activities on the actor that will ultimately be responsible for mandates according to the 2014 Water Law generated a certain level of discontent at PWA. This restricted the project's influence on proceedings in the Water Sector Reform Process (DOC: PQWA 2017, INT: WSA).

- *Union of Palestinian Water Service Providers (UPWSP)*: Project support for the creation and consolidation of the UPWSP facilitated the union's revival. Other attempts prior to 2013 had been less successful. Its current professional standing was not challenged by any of the other water sector institutions. However, the project's role as practically the only supporter led people to believe the UPWSP had been set up by GIZ. This might affect its standing in ongoing developments in the water sector (negative) (INT: WSA).

On the upside, WSPs in Gaza acknowledge the support for UPWSP as one of the few signs of international assistance keeping water services operational in the wake of the Gaza War in 2014. This substantially boosted UPWSP's influence on decision-making and also the operational capacity of WSPs in Gaza (positive) (INT: WSP).

Both unintended effects indicate UPWSP's potential for exerting political influence in the future. The UPWSP currently does not strive to embrace such a role and restricts its own mandate to improving its members' entrepreneurial capacity (INT: WSP). The project did not consider or work on the political aspect.

- *Water Service Providers (WSP)*: Direct project support for individual WSPs improved their professional standing in keeping with project planning. Disagreements between the project and its long-term partner WSP Jerusalem Water Undertaking (JWU) with respect to the way it delivers individual support and the organisation of the UPWSP resulted in the project being alienated from one of the largest WSPs (negative). The project did not undertake any steps towards reconciliation and the evaluation mission could not identify potential alternatives for handling the disagreement (DOC: GIZ/KfW 2016, INT: WSP, project).

2. Development of the water sector reform process

- The evaluation mission did not identify any unintended positive or negative impacts on the water sector reform process as a whole in the wake of project interventions. Despite the financial scale of its inputs, German cooperation only plays a subordinate role in decisions on the political and administrative level. The major international player in this regard is the World Bank (DOC: PWA 2016b, World Bank 2011, INT: WSA).

3. Gender mainstreaming beyond the Palestinian Water Authority

- Unintended positive effects included the adaptation of concepts by donors and individual WSPs (INT: Donors, DOC: results from mission's sample survey).

An additional result, and one that was not formally agreed, is the positive way in which GIZ-sponsored technical support is seen by Water Service Providers in Gaza. These WSPs had been internationally isolated due to the political situation in the aftermath of the Gaza War in 2014. The phasing out of the project meant no follow-up measures were initiated. This information was obtained as an individual add-on during one of the interviews (INT: WSP).

• Additional questions

Q: Were the forms of cooperation compliant with the specific needs and opportunities of the different cooperation partners, e.g. the appointment of two development advisers?

A: The cooperation partners rated the selected forms of cooperation as suitable and adapted to their needs. An exception here was PWA, which complained that activities in the technical steering committee had slowed down after 2013 and been put fully on hold after 2016. WRSC and UPWSP stated that permanent contact through development advisers was valuable (INT: WSA, WSP).

Q: Did the project contribute to an improvement in the relationships between the organisations involved?

A: The project worked to improve relationships between PWA and WSRC by supporting joint technical working groups in 2016. There was no significant follow-up however after these groups' efforts failed. Process dynamics would suggest that the relationship may improve in the long run given mutual professional respect. The project did build up professional capacity at WSRC however. Nonetheless, the short timeline between 2016 and 2018 and ongoing discrepancies in the interpretation of mandates do not allow for an acceptably reliable prognosis. Much also depends on the way the current gap in capacities between the 'large' PWA and the 'small' WSRC evolves. This will heavily impact future donor commitment (INT: WSA).

Q: Does the steering structure provide the project with the political backing it needs to achieve the intended results in the partner system?

A: No, as shown by the gaps in the target values of the outcome indicators. However, the lack of political backing resulted from competing interests within the steering structure rather than from the steering structure itself. The project's insistence on adhering to the stipulations given in the implementation agreement conflicted with the demands of the local contracting partner PWA. Difficulties arose as soon as support for disputed mandates at WSRC came under consideration. To a certain degree, the same applies to support for UPWSP. The chosen steering structure did not have many alternatives under a single contract for all project activities (DOC: PWA 2017, GIZ/KfW 2015, 2016, INT: WSA).

Q: In view of local subsidy contracts and project implementation by an international consortium, were the best possible results achieved?

A: The afore-mentioned elements of implementation did not appear problematic during the interviews with stakeholders and did not affect their appreciation of the technical expertise seconded or authorised by the project. What's more, there was no detectable impact on indicator achievement. A scale of comparison for 'best results' is not available (INT: WSA, WSP).

Q: To what extent did the Gaza War in 2014 affect the project design and achievement of the project objectives?

A: There were no changes to project design between the project offer and its modification offers. Any failure to achieve the project objectives, measured against the indicators, could not be traced back to the Gaza War.

Q: How was the project and its outcome affected by the strategies and measures of other donors? How did the project affect the donor community?

A: Relations between the project and other donors were regulated by conceptual agreements. Interventions by other donors and those by the project were in general complimentary, with the exception of the approaches developed for tariffing, where the project supported WSRC while TPAT (World Bank) supported the PWA (DOC: PWA 2016, 2016b, INT: PWA, WSRC).

• Scoring

Assessment dimension: 'The project achieves the objective on time in accordance with the project objective indicators agreed on in the contract'

One of the target values for the contractually agreed indicators was achieved while the others were only partially achieved. Average achievement was up to 50%. The assessment on the basis of SMART-adapted indicators yielded the following slightly better results: 1 target value met and 1 exceeded. The latter notwithstanding, the average rate of fulfilment was 60%. The probability of hitherto unfulfilled target values being met is low due to the upcoming termination of the project. In keeping with the SMART-adapted success rate, the final score was 24 out of 40 points.

Assessment dimension: 'The services implemented by the project successfully contribute to the achievement of the project objective'

The stakeholder-driven contribution analyses of three selected development hypotheses from the rectified results model indicated an average project contribution of 72% to the achievement of the stipulated outcomes. This translated into a score of 22 out of 30.

Assessment dimension: 'The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized'

The results of the outcome harvesting approach for stakeholder assessments of positive results in three central opportunity areas yielded 6 points on a scale from -12 to 12. No results were monitored on the project's peripherals. The score thus amounts to 15 out of 30.

Criterion	Assessment dimension	Score
Effectiveness	The project achieves the objective on time in accordance with the project objective indicators agreed on in the contract.	24 (out of 40)
	The services implemented by the project successfully contribute to the achievement of the project objective.	22 (out of 30)
	<p>The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized.</p> <p>No project-related negative results have occurred – and if any negative results occurred the project responded adequately.</p>	15 (out of 30)
Overall rating for effectiveness		64 (out of 100)

4.3 Impact

Evaluation basis and design for assessing impact

The evaluation mission regarded the superordinate long-term objective of the BMZ country strategy, i.e. maintaining the framework for peaceful and inclusive development, as a precondition for the future State of Palestine (BMZ 2016, p. 11) as too abstract for a plausible assessment of the project's impacts. Instead, the mission opted for the first objective outside of the project's system boundaries in the results model (see Figure 1) as a substitute for the missing project objective.

The superordinate result for the evaluation thus reads: *'Improved water supply and wastewater services for the Palestinian population'*. This represents a measurable contribution to BMZs overall goal. The DAC and BMZ markers in the project offers provided accompanying criteria for the evaluation of impacts. The markers were GG (gender equality), PD/GG (participatory development/ good governance) and UR (protection of environment and resources) (DOC: GIZ 2013b, 2015, 2016).

The comparison with the current strategic programming framework of the United Nations Development Assistance Framework (UNDAF) for the State of Palestine enabled the assessment of project contributions to relevant Sustainable Development Goals (SDG) from the Agenda 2030.

Deliberations on the dimension of sustainability focused on the economic and social impacts brought about by the improved administration of water sector institutions. The 'Leave no one behind' principle was not considered as a factor when assessing impact, since this was not stipulated until halfway through the implementation period.

The evaluation strategy for the question cluster about the superordinate long-term goals relied on descriptive analyses.

The evaluation of project contributions to the assumed superordinate goals had to rely on assessments by stakeholders. The project contributed to a new administrative environment which started in 2014 and is still in its initial stages of development. Evidence-based results are not available, given the transition period of just 4 years. The same reliance on assumptions and prognoses applied to the assessment of alternative explanations of impacts.

Impacts on superordinate long-term results due to changes in the framework were assessed on the basis of scenarios from BMZ's 2012 Peace and Conflict Assessment. Analyses of impacts by other policy areas, strategies and interests on the project's effectiveness were based on the same document.

The lack of evidence-based results due to the short transition period also affected the assessment of project contributions to wide-scale impacts and restricted the sourcing of information from stakeholder statements. Potential synergies between economic, ecological and social dimensions could not be assessed for the same reason.

The evaluation strategy for the question cluster about the project's contributions to the superordinate long-term goals was based on descriptive analyses.

Given the lack of evidence-based results already stated above, the evaluation of unintended positive or negative impacts, as well as of the plausibility of project contributions to such impacts and alternative explanations, was based on stakeholder assessments.

The project monitoring system does not contain information or data collection mechanisms that can be used to observe or assess (negative) interactions or trade-offs in the ecological, economic and social dimensions. The initial project offer, and the following modification offers, only refer to potential negative effects in a situation without the project. Empirical evidence for such impacts was not found during the mission.

The evaluation strategy for the question cluster about the occurrence of additional, not formally agreed, positive or negative impacts was based on descriptive analyses. An additional contribution analysis would have required workshops with different resource persons to those in the workshops conducted on the results model and development hypotheses. This was not possible in the given the mission's timeframe.

Aspects used to assess impacts

Assessment dimension	Aspect	Likelihood of a project contribution
The intended overarching development results have occurred or are foreseen	<ul style="list-style-type: none"> • Palestinian villages with water supply equal to or above the WHO threshold of 100 litres/person/day or more (DOC: WHO, 2005, max. 20 points) • Contribution to SDGs (max. 5 points) • Impacts and synergies with dimensions of sustainability (max. 5 points) • LNOB principle not of primary relevance in the project's area of intervention (max. 10 points) 	low
The project contributed to the intended overarching development results	<ul style="list-style-type: none"> • Plausibility of contribution to superordinate result (max. 10 points) • Impact in conjunction with activities by other stakeholders (max 10 points) • Active and systematic contribution to widespread impact (max 10 points) 	high
The occurrence of additional (not formally agreed) positive results at impact level has been monitored and additional opportunities for further positive results have been seized. No project-related negative results have occurred at impact level – and if any negative results did occur the project responded adequately	<ul style="list-style-type: none"> • Monitoring of positive results from project interventions on impact level (10) • Positive contributions of project to livelihood of Palestinian families (max. 10 points) • Negative contributions of project to livelihood of Palestinian families (min. -10 points) • Project measures against identified negative results (max. 10 points) 	low

Analysis and assessment of impact

• Superordinate long-term results

The World Health Organization (WHO) assumes an absolute minimum requirement of 100 litres per capita and day. Only five communities out of 64 have as yet achieved this indicator value for the superordinate long-term result (DOC: WSRC 2018). Other indicators, such as water quality and seasonal variation of supply vary widely. In its latest online report, the Palestinian Central Bureau of Statistics (PCBS) states an average water

consumption in the West Bank of about 82 litres per capita and day, ranging from 44 up to more than 150 litres per capita and day. A study by the Palestinian Hydrologist Group on rural villages in the West Bank lowers this range to 20 to 70 litres per capita and day. Figures for Gaza range from 74 to 104 with an average of 84 litres per capita and day according to PCBS and from 51 to 86 litres per capita and day according to the United Nations Office for the Coordination of Humanitarian Affairs. (DOC: PCBS 2016, PHG 2016, OCHA 2017).

With regard to the Agenda 2030, the project contributed to the achievement of Sustainable Development Goal (SDG) 16, i.e. effective, accountable and inclusive institutions and also to gender equality (SDG 5). Contributions to SDG 6 on clean water and sanitation will come about in the short term from the project's support for the Water Service Providers (WSPs). Better WSP management capacities and improved performance by administrative water sector institutions may also boost the contribution to SDG6 in the long run. The 2018-2022 strategic programming framework of the Development Assistance Framework of the United Nations (UNDAF) mentions all three SDGs in its priorities for Palestine (DOC: UNDAF, 2017).

No data are available for assessing the contributions to these SDGs in quantitative terms. The joint Palestinian-UNDAF results matrix for support to Palestine in the period 2018-2022 does not mention any verifiable indicators for governance or employment in the water sector for SDG 16. The same applies to SDG 5. SDG 6 on the other hand provides indicators on the percentage of the population with access to affordable and safely managed water and to a private and improved sanitation facility. However, baseline values for these indicators will only be available after the next round of consultations. The target values are stated only in percentages of the as yet missing baseline (DOC: UNDAF, 2017).

The project's economic impacts occur on the level of Water Service Providers (WSPs) and on the level of water consumers. One third of the 20 WSPs that participated in a sample survey during the mission stated that project support had enabled them to improve their financial situation significantly (see **Fehler! Verweisquelle konnte nicht gefunden werden.**5, question e). However, only one of these WSPs stated that this improvement might potentially enable full cost recovery in the future. Only 10% of the WSPs interviewed could not detect any financial improvements. The other participants experienced slight to moderate improvements. However, no data were on hand that could be used to quantify these improvements. Reasons for the financial improvements were, in the first place, more efficient fee collection and a reduction in water losses (non-revenue water) (DOC: survey results, INT: WSP).

Economic impacts on the level of water consumers include the nearly proportional increases in household expenses. Interviews with 6 WSPs during the mission indicated that water losses consist mainly of administrative losses (according to UNESCO classification, 'apparent water losses' in the terminology of the International Water Association), i.e. unpaid-for water consumption. Potential long-term compensation for water consumers in the form of reduced water tariffs thanks to increased WSP efficiency remain the exception. The majority of WSPs are currently suffering from a high and increasing burden of debt (DOC: GIZ 2014, 2015, 2016, INT: WSP).

These two opposing economic impacts render the overall economic impact about neutral on balance. Effects at the social dimension may be even negative, since Palestine possesses no social policy which would – like in Germany for example – cover the essential needs of the most vulnerable parts of the population (DOC: Safadi et al. 2014).

The anticipated ecological impacts are based on the assumption that resources will be protected through improved wastewater collection and treatment. Quantified empirical evidence of any such impacts and their consequences is not available. However, improved wastewater collection does have an economic impact on the Palestinian Authority, which is financially penalised by the Israeli authorities for any untreated wastewater that leaves the occupied territories.

• Project contributions to the superordinate long-term goals

Limited impacts of water sector reform translate into limited project contributions to the superordinate long-term goal. Independent Palestinian water sector experts summarised these limitations in the interviews under the

term 'dilemma of the water reform' which postulates two central statements:

- The reform focuses more on the political-administrative set-up than on the integrated management of water resources. New administrative elements, such as WSRC, are currently only halfway there in terms of assuming their roles and contributions. There are still issues with PWA's structure and these look very likely to remain an obstacle to the decentralisation and distribution of political-technical decision-making responsibilities in the water sector.
- The political-administrative set-up is just one of the problems in the water sector. Another and probably more pressing issue is the countrywide management of water resources. Areas with surplus water prefer to use water (sometimes excessively) for agriculture than share it with other water-scarce areas. A nationwide water budgeting and water allocation plan is not even under discussion (INT: CSO).

An even more significant limitation to the project's contribution to the superordinate long-term goal arises from the fact that water supply for the Palestinian population is only partially in the hands of the Palestinian water sector administration. The other, probably decisive component restricting Palestinian society's access to fresh-water cannot be addressed by technical cooperation. Improved water sector management by Palestinian institutions is not able to bridge the growing gap between the Palestinian population's demand for water and the volume that can be supplied from the country's own sources. No estimations were available on the potential increase in water supply from own sources as a result of ongoing administrative reform.

Accordingly, plausible assessments on the project's contribution to the superordinate long-term goal leave substantial leeway for interpretation. However, all components of the project contributed to the intended overarching development results.

The National Water Company (NWC) is intended as an interface between administrative reform and access to the additional water required. The NWC is to do this by resuming bulk water purchases from the current West Bank Water Department of the Palestinian Water Authority (PWA). The NWC was not mentioned in the project's initial results model and is not linked to project interventions.

BMZ's peace and conflict assessment outlines two potential scenarios for the development of a framework. The superordinate result is essential and would not change under any circumstances, but its enforceability is fragile and depends on actual developments.

The basic scenario 'erosion of the status quo' assumes the current situation will prevail, thus undermining the feasibility of the two-states solution and the legitimization of the Palestinian Authority and its institutions. This could well jeopardise the achievements in water-sector regulation and administration. Effects on the technical and managerial achievements at WSP level would more likely be negligible (DOC: BMZ 2012).

The second scenario 'violence' would paralyse the achievements in water sector regulation and administration. Experience from the Gaza War 2014 suggests that technical and managerial achievements at WSP level might be heavily affected.

Positive influences by other policy areas, strategies and interests on the project's effectiveness concerned the rising significance of gender awareness and gender mainstreaming in the objectives structure of multilateral organisations, i.e. the World Bank and the European Union. No consequences were directly measurable for project effectiveness, but gender activities were promoted in general. Negative influences on effectiveness stemmed from BMZ's strategical guidelines which stipulated the obligation to include outputs in Area C in order to achieve the long-term visions of the Federal German Government (DOC: BMZ 2016). Consequences for the effectiveness of the project included the failure to achieve one out of the five contractually agreed outcomes.

One project contribution to inclusive impacts concerned the multiplication effects from channelling capacity building for Water Service Providers (WSPs) through the umbrella organisation UPWSP. This led to a horizontal scaling-up of effects from sponsored training and improved cooperation between WSPs (INT: WSP, Project). Another contribution was the inclusion of different levels of water sector actors in gender events. This generated a vertical and horizontal scaling-up effect on gender awareness (INT: WSA).

- **Occurrence of additional, not formally agreed, positive or negative impacts**

Unintended positive results comprise the already described impacts on gender awareness in the Palestinian water sector. National and international actors in the water sector confirmed the plausibility of the contribution (INT: MoWA, EU). Unintended negative results may be generated by interaction between public finance and consumer budgets. This applies in particular to the most vulnerable families. The plausibility results are based on accounting logic. However, no data were available for quantitative assessment.

The project did not monitor the development of additional results. Potentially negative results for vulnerable families were not mentioned in the project documents (DOC: GIZ 2013b, 2015, 2016, GIZ/KfW 2014, 2015, 2016).

The stakeholder interviews indicated no unintended results on the environment (INT: CSO).



Gender mainstreaming as a cross-sectoral aspect of the Water Programme introduced the gender dimension to the Palestinian water sector.

- **Scoring**

Assessment dimension: 'The announced superordinate long-term results have occurred or are foreseen'

At present, it is not foreseeable that the selected superordinate long-term result of '*improved water supply and wastewater services for the Palestinian population*' in terms of WHO's minimum requirements will be achieved. Currently only 5 out of 64 villages are getting the water services they requested. This amounts to about 8% of the total population, resulting in a score 3 out of 20 points for this aspect. Contributions to the identified SDGs currently only remain at the level of descriptions and assumptions. There is no proof of impacts and synergies regarding sustainability. The assessment did not consider shortcomings with regard to the 'Leave no one behind' principle. This dimension thus scored 3 out of 40 points.

Assessment dimension: "The project contributed to the intended overarching development results"

The assumption of contributions to the overarching development result is much more likely. The assessment of the plausibility of such contributions, of the project's impact in conjunction with other stakeholders and the active and systematic contribution to widespread impact all justified the full score of 30 out of 30 points.

Assessment dimension: 'Occurrence of additional (not formally agreed) positive results at impact level has been monitored and additional opportunities for further positive results have been seized. No project-related negative results at impact level have occurred – and if any negative results did occur the project responded adequately'

The project did not monitor its results on the impact level. Potential positive contributions to the livelihoods of Palestinian families are counteracted by potential negative impacts on this level, resulting in no more than 8

points for both these aspects. The project also lacked any measures to counteract the expected negative results. The overall assessment of this dimension was thus 8 out of 30 points.

Criterion	Assessment dimension	Score
Impact	The intended overarching development results have occurred or are foreseen (should be plausibly explained).	3 (out of 40)
	The project contributed to the intended overarching development results.	30 (out of 30)
	The occurrence of additional (not formally agreed) positive results at impact level has been monitored and additional opportunities for further positive results have been seized.	8 (out of 30)
	No project-related negative results at impact level have occurred – and if any negative results did occur the project responded adequately.	
Overall rating for impact		41 (out of 100)

4.4 Efficiency

Evaluation basis and design for assessing efficiency

GIZ's Central Evaluation Unit stipulates the mandatory use of its 'efficiency assessment tool' for analysing the project's accounting records and the 'follow-the-money' approach as a minimum standard for the evaluation of efficiency. The 'efficiency assessment tool' supports the retrospective assignment of costs to project outputs during the evaluation.

BMZ's working paper on evaluating the efficiency of development interventions categorises the 'follow-the-money' approach as a pragmatic way of identifying efficiency improvement potential (BMZ, 2011, p. 46). Improving financial potential is of circumstantial importance in a final evaluation. The evaluation focused on the actual use of funds and on stakeholders' impressions of financial aspects during their past cooperation with the project.

The project provided the data required for the 'efficiency assessment tool' in its annual 'cost commitment' reports (cost-obligo report) from 2013 until 2018. Project staff provided detailed information on the allocation of the stated costs to the individual outputs and on annual budgeting over the project period during the mission.

The tool identified deviations between actual and projected costs. Analyses of potentials for maximising outputs with the same financial capacities (maximum principle) or by reallocating resources between outputs were based on the achievement of indicator target values.

The evaluation strategy for the question cluster about the appropriateness of the project's resource use with regard to the outputs achieved was based on the 'follow-the-money' approach.

The 'follow-the-money approach' connects all project expenditures with the resulting outputs. Next, these outputs are assessed to determine their scale and quality, as well as their likelihood of triggering intended or unintended outcomes. Tracing the path of money through the project (ideally) allows the evaluator to look for cost minimisation potential (could the same result be achieved in a less costly way?) and yield maximisation potential (could more results be achieved with the same level of expenditure?). While the first step is a straightforward and systematic tracking and mapping exercise, the second step may involve third-party inputs and is based on the evaluator's own judgement. No specific methodology is prescribed for addressing the second question (DOC: BMZ, 2011).

The tool provided by the GIZ Corporate Unit Evaluation focuses on the first step and allows for the comprehensive compilation and comparison of financial data and the achieved outputs, as assessed in the first dimension of effectiveness (see Section 4.2). For the second step, the current analysis did not have enough data or information on potential alternative courses of action. The analyses thus relied on the search for outliers, i.e. extreme observations compared to the local evaluators' experience in local water sector projects.

Unused potentials for maximising the outcome were evaluated via stakeholder assessments, whereby options from the rectified results model (Theory of Change) were taken into account. This included the question about whether it would be possible to maximise outputs with the same amount of resources under the same conditions, resulting in the same or better quality (maximum principle) and also whether outputs could be maximised by reallocating resources between the outputs.

The evaluation strategy on the appropriateness of resource use with regard to achieving the defined outcome leveraged descriptive analyses of resource allocation in relation to the achievement of the outcome objectives.

The evaluation mission did not find any conclusive information or evidence that could provide substantial answers to unanswered questions from the first and second evaluation dimension; i.e.:

- Were the output/resource ratio and alternatives carefully considered during the design and implementation process – and if so, how?

- Were the outcome-resources ratio and alternatives carefully considered during the design and implementation process – and if so, how? Were any scaling-up options considered?
- To what extent was more impact achieved through synergies and/or by leveraging more resources, with the help of other bilateral and multilateral donors and organisations (e.g. Kofi, MSPs)? If so, was the relationship between costs and results appropriate?

The strategy for evaluating output/resource and outcome/resource ratios and the deliberations on scaling-up options and cooperation with other donors were based on a descriptive assessment of available information.

Analysis and assessment of efficiency

• Appropriateness of project's resource

The comparison of the offer price with the stated net cost price in the project's cost commitment report about 3 months before the end of the projects showed that 5.6% of the total amount was remaining. The expected costs for the remaining project period were estimated at about 1%. The project had thus stayed within its financial schedule (DOC: cost commitment report up to April 2018, GIZ 2016).

The most noticeable characteristic of the project's success was that the high level of outputs did not translate into an equally high level of achievements at the outcome level. The reasons for this discrepancy is rooted in local developments in the water sector, which affected the validity of the project's Theory of Change (see Section 2.2). This included e.g. the longer than expected timeline for the adoption of bylaws by the Palestinian Government, the ongoing discussion about the distribution of responsibilities between Palestinian water sector institutions and the delay in adopting Master Plans for Area C by the Israeli Government.

The project achieved all the target values for its output indicators, except for the number of core processes for water sector regulation (see

Table 8). There were no indications of any potential for improving the achievements at outcome level by allocating resources differently.

The reason for underachievement with regard to the indicator on applied core processes is that the relevant authorities did not adopt the bylaws. Appropriating funds from one of the other outputs was not an option for improvement.

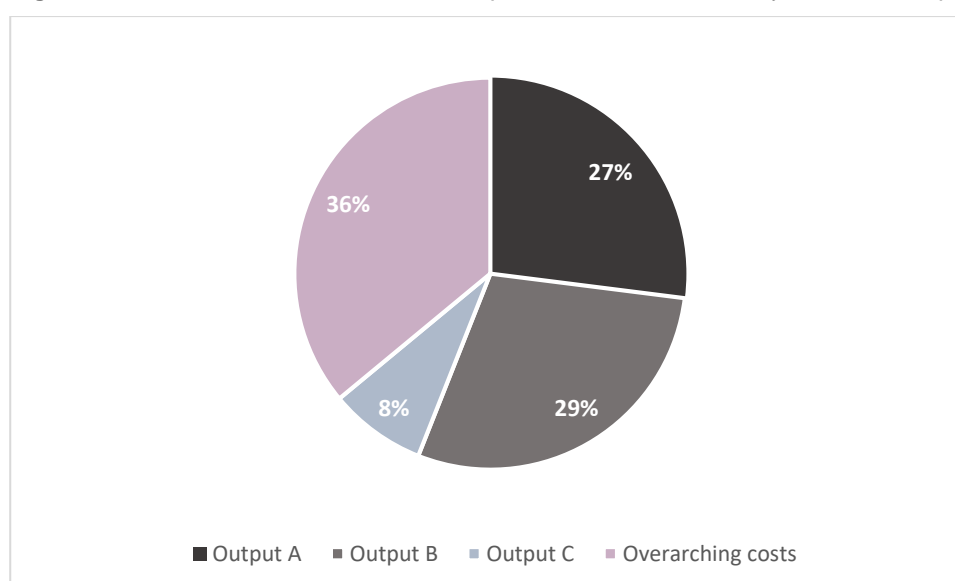
Figure 8 shows the distribution of the project's net costs between outputs and costs not directly related to outputs. The analysis of cost details and discussions with project staff and the GIZ country office director led to the following interpretations:

- The comparatively high costs not directly related to outputs were mostly costs for international staff seconded for management tasks. This had to do with the unforeseen and unavoidable change in the project's international leadership at the beginning of the project and the subsequent adoption of management tasks by interim project managers and international project members. (DOC: project cost commitment report 2018, INT: project staff, GIZ country director). The high rate of achievement of project outputs (see

- Table 8) indicates that the additional expenditure for overarching costs did not have any consequences for the project's technical achievements.
- The comparatively low costs for the gender component, i.e. Output C, were due to its cost structure, unlike the two other components. In contrast to the project's technical components, gender-related interventions did not require construction and technical equipment above office level (DOC: project cost commitment report 2018).

Table 8: Achievement of output indicators

	Achievement of target
Output A: The Palestinian Water Authority and the Water Sector Regulatory Council have developed core elements of sector reform	
Indicator A1: 20 WSPs (which together serve 50% of the population in the West Bank and Gaza) submit their performance indicators to WSRC in line with standardised requirements.	320%
Indicator A2: 4 core processes are applied for sector regulation (e.g. tariff calculation, performance monitoring, reuse of wastewater, licencing of WSP)	50%
Indicator A3: Based on a Capacity Development (CD) strategy developed by PWA, an implementation plan for strengthening institutional and individual capacities for wastewater management and reuse is agreed on by PWA and key stakeholders (WSPs, UPWSP).	100%
Output B: The water supply and wastewater service providers apply core components of the sector reform.	
Indicator B1: 18 WSPs, which together serve 55% of the population of the West Bank, have applied to the regulatory body for the approval of water and wastewater tariffs in accordance with the tariff bylaw	172%
Indicator B2: 75% of the members of the Union of Palestinian Water Service Providers (UPWSP) evaluate the UPWSP's training and capacity development measures on a scale of 1 (highly useful) to 4 (not useful) with 1 or 2.	100%
Indicator B3: 5 WSPs agreed on individual minimum targets for the Non-Revenue Water (NRW) indicator based on unified procedures for calculation in accordance with PWA's NRW Reduction Strategy with WSRC.	120%
Output C: PWA's Gender Unit of PWA is operational	
Indicator C1: A plan of operations for the proposed PWA Gender Unit for gender mainstreaming in the water sector is agreed on by relevant water sector institutions (WSPs, WSRC).	100%
Indicator C21: 2/3 of the measures (estimated value of 6) defined in the annual plans of the proposed PWA Gender Unit are implemented.	100%

Figure 8: Distribution of costs between outputs and costs not directly related to outputs

These ratios translated into the following total amounts of: EUR 1.80 million for Output A; EUR 1.98 million for Output B; EUR 0.53 million for Output C; and EUR 2.44 million for costs not directly related to outputs.

At about EUR 5.2 million, staff costs amounted to about 67% of total project costs. They consisted of about: EUR 1.22 million for international long-term experts; EUR 1.34 million for national experts; and EUR 0.23 million for development workers. Management tasks, i.e. overarching costs, accounted for about 41% of the costs for the instrument 'international long-term experts'. About the half of the remaining costs for international long-term experts were for Output B, i.e. 'the water supply and wastewater service providers apply core components of the sector reform', while Outputs A and C accounted for about 15% each.

About one-third of costs for national experts was for overarching tasks. Output A, i.e. 'the Palestinian Water Authority and the Water Sector Regulatory Council have developed core elements of the sector reform' accounted for another third while Output B accounted for 25%. Output C, i.e. 'The PWA Gender Unit is operational' made up about 8% of this cost position.

Costs for development workers totalled 64% for Output A and to 26% for Output B.

At about EUR 1.24 million, costs for other instruments, i.e. financing, procurements and costs of participating in Human Capacity Development measures came to about 15% of total costs in all. With around EUR 1 million, procurements accounted for the major share here.

- **Appropriateness of resource use for achieving the defined outcome**

Full achievement of outcome indicator values (see Section 4.2) was prevented by discrepancies in the project's assumed Theory of Change and the way the situation in the partner country evolved over the implementation period. Some interview partners of supported partner organisations talked of neglected potentials that might have allowed for a better achievement of objectives. However, these opinions depended on the reallocation of interventions between the supported organisations and had nothing to do with the actual efficiency of project interventions in their own organisation. The opinions expressed related to a) the ongoing differences in the way the 2014 Water Law is interpreted by the Palestinian Water Authority (PWA) and the Water Sector Regulatory Council (WSRC) or b) the role played in the development of the Union of Palestinian Water Service Providers (UPWSP). Unable to identify additional evidence for these assumptions, the evaluation mission could not maximise potentials with regard to the quantity or quality of outputs under the same conditions (INT: PWA, WSRC, WSP).

- **Output/resource and outcome/resource ratios and alternatives during the design and implementation process**

The offer for the water component of the preceding project PN 2009.2084.3 provides reference values for assumptions on the ratios between outputs and outcomes on the one hand and expected results on the other. Project PN 2013.2257.7 continued its predecessor's interventions, with the exception of the additional gender component, while redirecting elements of support from the Palestinian Water Authority to the newly created Water Sector Regulatory Council. Additional redirections occurred at the level of Water Service Providers (see Table in Section 2.1). However, neither the offer for PN 2009.2084.3 nor its Project Progress Review report of 2013 state any information on the use of resources for the specific outcomes and outputs (DOC: GTZ 2009b, 2013a).

The initial contract value of project PN 2009.2084.3 amounted to EUR 3 million and went up to the final total of EUR 3,375,916 million due to a modification offer. The initial contract value of PN 2013.2257.7 was for EUR 3.9 million, which equates with a difference of about 10%. The predecessor project only partially succeeded in fulfilling all of its three outcome indicators. Project PN 2013.2257.7 however met 2 out of its 5 outcome indicators in full, whereby one of these concerned the new gender component (see Section 4.2).

The approximate comparability of the two projects with regard to their contract values and success in achieving

the specified outcomes supports the hypothesis that the allocation of resources during the design phase of project PN 2013.2257.7 was based on the experience of preceding measures and not on careful consideration of the new project's framework. No information was available on the distribution of resources to outputs in the preceding project.

The evaluation mission did not find any further detailed or conclusive evidence for this deduction. However, it did not find any indications to the contrary with regard to the design phase. The implementation phase allocated resources in keeping with the stated results. Finding alternatives would first require an alternative project planning process and was thus beyond the scope of the evaluation mission. The findings on output/resources and outcome/resources ratios did not affect the project's efficiency score.

- **Impact achieved through synergies and/or by leveraging resources from other donors**

Other donors voiced their appreciation of project PN 2013.2257.7 and its predecessors and the use of achievements, such as the HCD programme at the Palestinian Water Authority and PWA's improved managerial skills (INT: donors). Reciprocal use of achievements could not be quantified, even if such synergies are likely to exist due to donor coordination in the Sector Working Group on water and sanitation under the umbrella of the Local Aid Coordination Secretariat. No formal agreements existed with other donors on the level of activities.

- **Scoring**

Assessment dimension: 'The project's use of resources is appropriate with regard to the outputs achieved'

The project's use of resources was fully appropriate with regard to its achievements at output level, which justifies the full score of 70 points.

Assessment dimension: The project's use of resources is appropriate with regard to achieving the TC-measures' goal (outcome)

Achievements at outcome level were less satisfactory (see Table 9). The average for all 5 outcome indicators was 50%, resulting in 15 out of 30 possible points for this criterion.

Table 9: Achievement of outcome indicators

Outcome Indicator	Achievement
1. 18 WSPs (supplying a total of 55% of the population in the West Bank) apply water tariffs which have been approved by the regulator (WSRC) in accordance with valid tariff regulations. Baseline: 0 (so far, five approved tariff applications in accordance with the tariff by-law of January 2014) Target: Application of approved tariffs by 18 WSPs (for 55% of the population).	50%
2. 3 core processes of the WSRC (e.g. water tariffs, benchmarking, licensing of WSP) in line with PWA policies are applied in 20 WSPs. Baseline: 1 (one procedures and instruments) Target: 3 procedures in 20 WSPs.	35%
3. 5 Master Plans in Area C include a chapter on the sustainable operation of water supply and wastewater disposal systems agreed on by PWA and the Ministry of Local Government (MoLG). Baseline: 0 Target: 5 Master Plans consider water supply and wastewater systems	0%
<i>(continued)</i>	

Table 9: <i>Achievement of outcome indicators (continued)</i>	
<p>4. 3 WSPs have started implementation based on a National Implementation Plan agreed for the household and premises wastewater connection bylaw by the relevant actors (MoLG, PWA, WSP).</p> <p>Baseline: 0 (no implementation)</p> <p>Target: 3 WSPs have started implementation</p>	67%
<p>5. 4 relevant sector institutions (e.g. PWA, WSRC, WSPs) implemented one gender related measure (e.g. Gender audit in PWA and/or at WSP, gender indicator in WSRC annual reporting, gender awareness training) to promote the implementation of gender equality in the water and wastewater sector.</p> <p>Baseline: 2 (implementation of 2 gender-specific measures)</p> <p>Target: Implementation in 4 institutions</p>	100%

Criterion	Assessment dimension	Score
Efficiency	The project's use of resources is appropriate with regard to the outputs achieved. [Production efficiency]	70 (out of 70)
	The project's use of resources is appropriate for achieving its objective (outcome). [Allocation efficiency]	15 (out of 30)
Overall rating for efficiency		85 (out of 100)

4.5 Sustainability

Evaluation basis and design for assessing sustainability

The evaluation dimensions for the criterion of sustainability include:

- The prerequisite for ensuring the long-term success of the project: results are anchored in (partner) structures.
- Durability forecast: Project results are permanent, stable and long-term resilient.
- The question as to whether project results are ecologically, socially and economically balanced.

Any assessment of the sustainability of project achievements in the Palestinian Territories must always allow substantial leeway due to the volatile political situation. This applies in particular to locations in Area C and Gaza, but may also affect activities in Areas A and B at short notice. Neither the Palestinian Authorities and institutions nor international cooperation actors have any means of safeguarding their achievements against this threat. Having said this, the design for assessing sustainability predominantly focuses on aspects that may be controlled by the Palestinian partners and/or the project.

Evidence confirming that the project's approach was geared to enabling the partners to sustainably maintain the intended effects was gleaned from project documents, such as manuals, reports and the tools that were developed and applied. The evaluation mission addressed the availability, use and impact of a sample of the resulting documents and software in its interviews with relevant project partners. This concomitantly enabled the team to obtain information about the anchoring of knowledge transferred to the partner organisations.

The sample survey conducted amongst 20 Water Service Providers (WSPs) gave an indication of the capacities of micro-level partners to pursue innovations with their own means. Information on the meso and macro levels respectively was gathered during interviews. Statements on the availability of national structures and accounting mechanisms that supported results achievement were gleaned by reviewing publications.

The strategy for evaluating the question cluster about prerequisites for ensuring the long-term success was based on descriptive analyses of documents and survey results.

To determine the long-term resilience of results, the team had to analyse scenarios about the future development of the water sector reform process. This also meant the team had to map emerging risks and potentials for the long-term safeguarding of results and say how likely they were to occur. These scenarios explored potential developments in the external situation based on BMZ's Peace and Conflict Assessment (PCA) and made assumptions regarding potential internal developments in the Palestinian water sector administration.

The strategy for evaluating the question cluster about the durability of results was based on descriptive analyses of scenarios.

Assessments of negative trade-offs or positive synergies at the economic, social and ecological level were based on findings from the evaluation of effectiveness. However, no evidence-based assessments of the potential long-term ecological, social and economic consequences of the project's results were available, given that the transition to a markedly different water sector regime had only been ongoing for 4 years.

The strategy for evaluating the question cluster about the sustainable balance of effects from results was based on descriptive analyses of probable developments.

Analysis and assessment regarding sustainability

• Prerequisites for ensuring long-term success

Project documentation included reports on workshops, training and advisory missions. The majority of these documents concerned contributions to macro-level partners, i.e. the Palestinian Water Authority (PWA) and the Water Sector Regulatory Council (WSRC). Interviewees from these organisations confirmed the availability of copies in their offices. A second category of documents comprised reports that were generated by the partners with project support. (DOC: GIZ-supported partner studies, see **Fehler! Verweisquelle konnte nicht gefunden werden.**2, WSRC 2016 - 2018).

Software tools for tariffing and performance monitoring developed with project support are bilingual – i.e. English and Arabic – and were available at the Water Sector Regulatory Council (WSRC) and at the Water Service Providers (WSPs) visited. The annual publication of the WSP performance report and the tariffs application to WSRC by more than 30 WSP confirm anchoring in the organisations (DOC: software tools, EXCEL format). The project delegated one development adviser to WSRC and one to the Union of Palestinian Water Service Providers (UPWSP). Both organisations rated their contributions as beneficial and emphasised the value of having constant on-the-job training.

The macro-level organisations stated limited capacities for pursuing achievements in the future. PWA stated that the human resource capacities achieved can be maintained, but that the continuation of the training programme would rely on donor support. WSRC stated that it may not be possible to maintain results after the end 2018/start 2019, if the stipulated licensing mechanism is not operational by then. Potential additional funding from AFD is under discussion.

The meso-level organisation Union of Palestinian Water Service Providers (UPWSP) stated it was already able to cover core costs from own sources, but deemed a final assessment at the current time as premature (INT: WSA, WSP)

At micro level, 40% of the participating WSPs stated that they are very likely to continue GIZ-supported innovations using their own financial and other capacities. 55% will be able to maintain some of the innovations and 5% will not be able to (DOC: survey results).

The 2014 Water Law stipulates the national structures and accounting mechanisms responsible for supporting the results at macro level. However, these are the same organisations that benefitted from project support. The Development Assistance Framework of the United Nations supports the Palestinian Central Bureau in monitoring indicators related to SDG achievement, but the current strategic plan does not contain any adequate indicators for project results. The meso and micro levels have no comparable structures (DOC: Presidential Office 2014).

The evaluation mission assessed these findings as uncritical and in line with the best achievable result given the local situation. However, the project has neither a specific exit strategy nor specific instructions for the documentation of lessons learnt. The last plan of operations does not include corresponding information (DOC: GIZ 2017)

• Sustainability of results

The assessment of the long-term sustainability, stability and resilience of project results under the given conditions is not meaningful due to the dynamics in the internal and external situation. Reliable predictions on the timing and directions of developments are not really possible. The sustainability of results will depend on developments in the

- external situation, i.e. if the scenario 'degradation of the status quo' holds or if the situation escalates into a 'violent' scenario and (DOC: BMZ 2012, see also Section 4.3).
- internal situation, i.e. if all elements of the stipulated water sector reform process are implemented or if changes in mandates occur.

The complexity of this situation is compounded by other factors too, such as developments in donor commitments or regional developments beyond the borders of Israel. The compilation of a basic scenario analysis under consideration of the two afore-mentioned major drivers only yielded the following results:

- The scenario 'violence' would endanger all results in an uncontrollable manner and was thus not further analysed.
- Most likely, internal scenarios under the assumed external scenario 'degradation of the status quo' will involve the continuation of water sector reform with the immediate transfer of mandates to the new actors (WSRC-GIZ scenario).
- Alternatively, reform will be implemented in keeping with PWA guidelines, which stipulate a transition period with mandates remaining at PWA until the National Water Company is established for bulk water purchases (DOC: PWA 2016a, 2016b).

The Palestinian Authorities are at liberty to choose the scenario. There is no clear indication as to which scenario is most probable. Table 10 shows the mission's assumptions regarding the likely effects of the scenarios on the sustainability of project achievements.

Table 10: Assumed durability of project results under different scenarios

Scenario	PWA	WSRC-GIZ
Mandates (tariffing, licensing etc.)	Stay with PWA until creation of National Water Company (est.: min 1 year)	WSRC continues to fulfil its mandates according to stipulations in 2014 Water Law
Regulation component	Achievements in tariffing reduced or replaced by PWA approach, performance monitoring sustainable, but under auspices of PWA	Sustainable continuation of project achievements by WSRC, provided own financial and other capacities are sufficient
Wastewater	Sustainable continuation	Sustainable continuation
Institutional support	Sustainable continuation of achievements at PWA, reduced achievements at WSRC	Sustainable continuation of achievements at PWA and WSRC
Human capacity development	Sustainable continuation of achievements at WSP and UPWSP	Sustainable continuation of achievements at WSP and UPWSP

• Sustainable balance of effects

The projects results occur at the administrative and technical levels as part of an ongoing restructuring process. The effects of the results will only start to materialise over the coming years. This may alter the balance between the economic, social and ecological dimensions in different ways, but is merely a matter of conjecture given the information currently available.

In its in-depth environmental and climate assessment, the modification offer from 2016 specifically rated the effects of project results on improved water resource and wastewater management as environmentally advantageous. However, no information is available for quantifying these effects and for assessing the ramifications for economic and social aspects (DOC: GIZ 2016).

The confirmed, unintended effect of the results on gender mainstreaming has the potential to improve the economic and social balance. It assumes there will be changes in the prevalent perception of women's role in Palestinian society. This is however a long-term process (DOC: GIZ 2011, 2015b).

Potential tensions between the sustainability dimensions of ecology, economy and society concern the exchange relationship between the WSPs' return on investment and water consumers' household expenses. Block tariffs with increasing fees for higher consumption only go so far towards eliminating this potential. Estimates concerning the number of people that are subsisting below the poverty line currently add up to more

than a quarter of the total population (DOC: PCBS 2017). The project did not conduct monitoring or analyses and only acted on assumptions in this regard.

Successfully relieving the WSPs of their debt burden may be a more complex endeavour than tariffing and rising fees. If no adequate solutions are found to this problem, this might endanger the success of the corresponding project achievements.

• Scoring

Assessment dimension: 'Prerequisite for ensuring the project's long-term success': Knowledge transfer by the project was well documented and accessible to partners. All advisory contents were anchored in partner organisations and adoption rates were high. Continuation is, with the exception of some WSPs, ensured for the most part. This makes the absence of a structured exit strategy at the time of the evaluation and the lack of a specific documentation of lessons learnt less important. The overall assessment of this dimension resulted in a score of 40 out of 40 points.

Assessment dimension: 'Forecast of durability: Project results are permanent, stable and resilient in the long term'

The project's results fit the current situation, but the dynamics of change in the project region and the Palestinian water sector are unpredictable. Multiple governance frameworks mean that potentially there can be substantial variations in sustainability. Preventive countermeasures by the project are not possible. The overall assessment of this dimension resulted in a score of 20 out of 30 points.

Assessment dimension; 'Are the results of the project ecologically, socially and economically balanced?'

Negative trade-offs as well as positive synergies between the results of the project and ecological, social and economic parameters are likely. Since the effects of the project results on the livelihoods of the stated target population, i.e. the Palestinian population, have not been monitored or analysed, some points were deducted from the achievable score. However, substantial assessments will have to wait until results on the administrative level show trickle-down effects. This dimension scores 21 out of 30 points.

Criterion	Assessment dimension	Score
Sustainability	Prerequisite for ensuring the long-term success of the project: Results are anchored in (partner) structures.	40 (out of 40)
	Forecast of sustainability : Results of the project are permanent, stable and resilient over the long term.	20 (out of 30)
	Are the results of the project ecologically, socially and economically balanced?	21 (out of 30)
Overall rating for sustainability		81 (out of 100)

4.6 Long-term Results of Predecessors

Evaluation basis and design for assessing long-term results of previous measures

The basis for assessing relevance and impact are (1) Palestinian legislation and strategy in the water sector before 2014, (2) empirical data from publications of Palestinian organisations, (3) databases published by international organisations and (4) information from project progress reports. The sustainability of the two preceding periods, PN 2005.2007.2 and PN 2009.2084.3, is assessed on the basis of those elements of the water sector reform process stipulated at the start of the current GIZ Water Programme. The assessment leveraged comparative analyses and considered counterfactual assumptions, if the database provided sufficient evidence.

Evaluation questions focused on:

- The relevance of the projects that went before (comparison of project results with the local conditions in the period 2005 - 2013)
- The potential impact of their results (comparison of project results with figures for sectoral development) and
- The sustainability of their results (comparison of project results with elements of the new 2014 Water Law and existing procedures)

Available information on the two predecessor projects comprised their project offers, modification offers and progress reports from 2007 through to 2013. Information on the evaluation context came from the Palestinian 2014 Water Law and the joint 2015 report of GIZ/KfW. Text analysis focused on the congruence in the de-

scription of processes. The strength of this approach was its reliance on documented formulations. Its weakness: no way of cross-checking for undocumented details.

The impressions and opinions of current stakeholders in the Palestinian water sector were included in the stakeholder interviews. The choice of interview partners during the mission was driven by the needs of the evaluation in this current and final period of the GIZ Water Sector Programme. All interviews followed a structured design. The evaluation team sent their interview notes to the interviewees with a request for rectification. The strength of this approach: standardised questions allowed for comparison of statements. Its weakness: not flexible enough to discuss details.

The two sources of information allowed for some triangulation overlaps. Evidence from documents is more reliable than potentially contradictory statements made during the interviews, i.e. people may forget things in an interview context or their statements get distorted.

Analysis and assessment regarding long-term results of previous measures

Understanding the relevance and impact of the predecessor projects requires a brief explanation of their role in the development and dynamics of the Palestinian water sector and its administration. A thorough analytical description of the process exceeds the scope of this evaluation however. The following statements therefore only comprise the most significant milestones and conditions required for contextualising the projects in the local setting.

Milestones

- Prior to the Palestinian Authority (PA), water supply and sanitation in the Palestinian Territories relied on municipal water management with several hundred Water Service Providers (WSPs). The Palestinian water sector started establishing the Palestinian Water Authority (PWA) in the wake of the Oslo Accords in 1995. Most communities, as well as PWA later on, had to purchase at least some of their water from Israel in order to meet local water demands (DOC: Hiba 2007). German technical cooperation during this period focused predominantly on support for individual WSPs.
- The PA adopted its first Water Law in 2002. Policy-making became the responsibility of the National Water Council while PWA was made responsible for water resources management and regulation. PN 2005.2007.2 supported PWA with improving its managerial and regulatory capacities. It also maintained a component for the support of individual WSPs and supported the establishment of the Water Union of Service Providers, the predecessor of the Union of Palestinian Water Service Providers (UPWSP), in 2007.
- The set-up provided by this Water Law did not work as intended. In practice, PWA performed the tasks of the NWC on top of its own. PN 2009.2084.3 continued the components of its predecessor PN 2005.2007.2. The international donor community under the guidance of the World Bank urged the PA to reform PWA or to amend the Water Law (DOC: World Bank 2009). The resulting process resulted in a new Water Law in 2014, which provides for the outsourcing of regulatory tasks to the newly created Water Sector Resource Council (WSRC) and implementing tasks to the National Water Company (NWC), which has yet to be established. The law restricts PWA's mandate to a predominantly policy-making and supervisory role. The manner in which PWA's interfaces with its former responsibilities are defined and its position in the transition process leaves scope for interpretations.

Conditions:

- Control and administration of the Palestinian water sector is fragmented for historical reasons and also because the areas under Palestinian self-governance are separated. The World Bank-inspired Water Law of 2002 was a tool not only for regulating water supply but also for centralising it, i.e. extending PA governance in institutionally remote areas, too. This law's components were supposed to create the basis for development in line with the World Bank's commitment to privatise the water sector. The law was only partially successful and challenged by centuries-old traditional water-sharing

practices as well as by the political role of PWA's leadership (DOC: Allan 2002, pp. 285).

- Also inspired by the World Bank, the new 2014 Water Law attempts to redress the shortcomings by disaggregating the political, regulatory and implementing mandates of the water sector by creating separate institutional entities. This calls for a transfer of mandates to newly created institutional entities, a process German technical cooperation has been supporting since 2005. The international donor community supports change, but a comprehensive change in the management model is not apparent (DOC: Presidential Office 2014, World Bank 2011, INT: PWA, WSRC).
- BMZ did not, and does not, stipulate own priorities in the economic set-up of water governance, but actively participates in the shaping by multilateral institutions to which Germany is a member (BMZ 2006, 2017). German technical cooperation has worked and continues to work under the given political and administrative provisions of the law in force at the time.

• **Relevance of previous measures**

Both predecessors operated under the Palestinian Water Law of 2002. Their contribution to the partner country's strategy focused on building the capacity of the Palestinian Water Authority as a water sector regulator. Their micro-level component, namely support for local WSPs, was not directly reflected in national strategies, but was in line with the policies pursued by Palestinian non-governmental organisations.

Both predecessors were geared to the target dimension of 'ecological sustainability' in line with BMZ's 2016 water sector concept and thus supported wastewater collection and treatment. PN 2005.2007.2 also targeted the dimension of social justice with respect to access to water. Contributions to the target dimension 'economic efficiency' consisted of support for PWA tariffing, which continued to gain importance in PN 2009.2084.3 (DOC: GTZ 2006a, 2009, GIZ Water Programme 2009, 2013, BMZ 2006).

The consideration of international objectives in the predecessors' approaches was in keeping with the goals of the Development Agenda 2015 and its action programme. Neither the project proposals nor the progress reports say anything about a national accounting mechanism at that time.

The ecological dimension was met through support for wastewater treatment and greywater reuse. The success of these interventions was limited and there are no monitoring results confirming any environmental improvements. The predecessors interacted with the economic sector by focusing on WSP cost recovery. This is particularly true of the latest predecessor project PN 2009.2084.3. However, neither the Theory of Change nor the design dealt with water use in agriculture, the sector with the highest water consumption levels, or with the basic link to food security in the region (DOC: GTZ 2006a, 2009, GIZ Water Programme 2009, 2013, Allan 2002).

The project's deviation from the initial target group, i.e. 'the whole Palestinian population', started in PN 2009.2084.3, meant it kept the nominal designation of target group, but did not continue the component for the marginalised groups of its predecessor. This effectively removed direct support from the project agenda for those members of the Palestinian population not served by municipal services. An exception was the installation of two greywater-reuse stations in poor villages in support of local Water Service Providers. The definition of the target group in project documents remained unchanged right through to the end of the programme in 2018, but direct activities at water consumer levels were abandoned at the end of PN 2005.2007.2 in 2009 (DOC: GTZ 2006a, 2009).

Gender equality in administrative services started to become increasingly important during the implementation of these previous measures. Initially a side aspect in PN 2005.2007.2, it culminated in a gender strategy for the Palestinian Water Authority (PWA) in 2012 under PN 2009.2084.3. Gender aspects in the nominal target group outside the administration were considered to a certain extent as part of advisory support in component 4 'Improvement in cooperation between water utilities and the communities' during PN 2005.2007.2. PN 2009.2084.3 however did not take this aspect further (DOC: GTZ 2006a, 2009, GIZ Water Programme 2009, 2013).

A detailed analysis of the theories of change underlying the previous measures was not possible due to the lack of results models or specific statements. The core problem changed from

- 'An absolutely unsatisfactory supply of water and sanitation by the Palestinian water sector institutions' in PN 2005.2007.2 to
- 'The lack of effectiveness and capacities of sector institutions for steering and regulation' for PN 2009.2084.3 (DOC: GTZ 2006a, 2009)

Both statements and their underlying hypotheses covered a part of the problem complex, but not all of it (see e.g. Figure 2). Various reasons can be assumed, but an ex-post identification or assessment is neither possible nor would it be adequate.

Changes in the regulatory framework came about as a result of the 2002 Palestinian Water Law and the evolving interpretations and strategies of the water sector institutions. Both projects tried to exploit the opportunities that arose, e.g. backing the Water Union of Service Providers as a tool for better dissemination of technical support. They also had to deal with PWA's stronger orientation to the political dimension at the cost of its regulatory duty. Various adaptations of these developments occurred at operational level within the given components of the project, but did not lead to any consequences in terms of design (DOC: GTZ 2006a, 2009, GIZ Water Programme 2009, 2013).

• **Impact of previous measures**

Both predecessor projects already had an ambiguous programme objective. The general objective of BMZ's country strategy before 2016 was not available. Assuming that no significant changes were made to the objective in the current strategy, the overarching goal reads: *'German-Palestinian development cooperation has [...] the task of maintaining the framework needed for peaceful and inclusive development as a precondition for the future State of Palestine'* (BMZ 2016, p. 11, translated by the author).

The predecessor projects did not have much success in promoting the goals of Agenda 2015. Average daily water consumption in the West Bank dropped, according to data from service providers, from about 93 litres/capita/day in 2011 to 77 litres/capita/day in 2014 (DOC: PWA 2011, WSRC 2016). These figures are only an approximation, as they rely on the statements of a small number of WSPs that reported their figures in the given year. However, figures from FAO's Aquastat databases back the assumption of a deterioration in the water supply situation. The percentage of Palestinians with access to safe drinking water dropped from 76% in the period 2003-2007 to 65% in 2008-2012 (DOC: FAO Aquastat).

The sparse availability of data in general in the Palestinian Territories would indicate no significant effects on the three dimensions of sustainability. At the social level, the number of Palestinians living in poverty increased from 22.6% in 2009 to 25.8% in 2011 (DOC: PCBS-databases). Lower access to safe water has already been mentioned in the previous paragraph.

On the economic level, the four Water Service Providers (WSP) supported by the project raised their fee collection rates by 2% on average between 2009 and 2012, but the debts of all WSPs for water imported from Israel alone rose between 2011 and 2014 from about US\$ 225 million to US\$ 281 million (DOC: WSRC 2016, stated in NIS, applied exchange rate: 1 NIS = US\$ 0.281). In addition, raising fee collection rates reduces household incomes amongst water users by the same amount. The socio-economic situation of the households concerned was not examined.

On the ecological level, wastewater disposal through sewer networks was up to about 40% in 2011 (DOC: PCBS 2011), but wastewater treatment was only up to about 17.5% in 2017 according to the Israeli authorities (DOC: Jerusalem Post 2017). However, data on water is politically highly sensitive in the region and its correctness is not always undisputed. A reliable indicator is the project's own data. The final report on PN 2005.2007.2 states there were 157 new wastewater connections in 2009 instead of the targeted 12,700 connections. PN 2009.2084.3 had no comparable indicator (DOC: GIZ Water Programme 2009).

Counterfactual assumption: The situation regarding the socio-economic and ecological dimensions would

have been worse instead of unchanged if it had not been for the predecessor projects. Even retaining the status quo constitutes a success given the country's specific situation and the high probability of worsening conditions (DOC: BMZ 2012).

Activities at the postulated target group level were abandoned at the end of PN 2005.2007.2 in 2009 (DOC: GTZ 2006a, 2009, see also section on relevance). However, the predecessor projects did make an attempt to improve the inclusion and participation of smaller WSPs by supporting the Water Union of Service Providers, which was founded in 2007. Internal problems within the Union prevented the expected results (DOC: GIZ Water Programme 2013).

The superordinate goal according to the BMZ country strategy allows for a number of interpretations. The evaluation examined two of them:

- The interpretation as used for the evaluation of the last project period from 2014 – 2018: *'Improved water supply and wastewater services for the Palestinian population'*:

The four Water Service Providers (WSPs) that received direct support from the predecessor projects have more than 8,000 connections each, making them some of the largest providers in the West Bank. Their per-capita water supply was among the highest in 2014 of all WSPs in the West Bank. However, this corresponds to the situation in 2011. No pre-2011 data was available. This lack of changes in overall figures is the same for wastewater coverage and the rate of non-revenue water. The small change in the number of customer complaints says nothing about assumed improvements in service quality. Water prices for customers were higher in 2014 than in 2011 (DOC: PWA 2011, WSRC 2016, GIZ Water Programme 2009).

Other parameters from PWA and WSRC's performance monitoring reports and from the project evaluation reports do not relate directly to the chosen interpretation. However, about 42,000 people benefited from small participatory low-cost projects in 9 disadvantaged communities (DOC: GIZ Water Programme 2009).

- The interpretation according to SDG 16 about maintaining *'... the framework for peaceful and inclusive development as a precondition for the future State of Palestine'* presupposes the building of effective, accountable and inclusive institutions on all levels:

The predecessor projects succeeded in institutionalising a Human Capacity Development Unit at the Palestinian Water Authority (PWA), which effectively coordinated training offers by donors for the WSPs. They anchored the gender dimension at PWA and improved PWA's regulatory capacity for monitoring WSP performance and water tariffing. (DOC: GIZ Water Programme 2009, 2013). They also improved PWA's capacity for conducting negotiations (INT: donors).

The latest progress report on PN 2009.2084.3 refers to a draft for the new Water Law. This draft was not published at the time and was not available for the evaluation (DOC: GIZ 2013a).

A potential alternative reason for the achievements under the first interpretation is the long-term involvement of Palestinian non-governmental organisations (NGOs) in the promotion of small participatory low-cost projects. Two of the largest NGOs in this sector confirmed the impact of the predecessor projects' interventions in the stated cases (INT: CSO). A possible alternative reason for the achievements under the second interpretation include the activities of the World Bank-sponsored Technical Planning and Advisory Team (TPAT) from 2011 onwards. Interview partners at the Palestinian Water Authority (PWA confirmed the impact of the predecessor projects' interventions in all areas) (INT: WSA).

• **Sustainability of the previous measures**

The new Palestinian Water Law of 2014 called for the creation of new institutions and redistributed a number of mandates that had formerly been the domain of PWA. The follow-up project PN 2013.2257.7 acted in accordance with the provisions of this law for the next scheduled stage of water sector reform. PWA opted for a different interpretation, namely a transition phase in which all mandates and the steering of the transition process remain with PWA (DOC: PWA 2016a, 2016b, GIZ 2013b, INT: WSA, Project).

Staff continuity from the predecessor projects together with the formalised routines and documentation allowed for the swift transfer of activities to the new holders of the respective mandates. Regulatory achievements of predecessor projects that were institutionalised during the water sector reform process after 2014 included:

- WSP monitoring: Transferred by PN 2013.2257.7 to the new Water Sector Regulatory Council (WSRC). PWA and WSRC published their last joint monitoring report for the year 2013 in 2014. Later reports were published under WSRC only. However, PWA still claimed responsibility for authorising these annual reports in 2017 and has not transferred all functions, which were included in former reports, to WSRC. (DOC: PWA/WSRC 2013, WSRC 2016, 2017, 2018, PWA 2017)

Counterfactual assumption: If the predecessor projects had not achieved anything with respect to WSP performance monitoring, this would have meant that WSRC would not have been assigned regulatory tasks. This would have substantially delayed the scheduled separation of political and regulatory mandates for the water-sector reform process.

- Support in tariffing and tariff approval: Transferred by the GIZ project to WSRC. PWA does not recognise this transfer and the tools used by WSRC, because the corresponding bylaw has not yet been approved. According to statements made during the mission, PWA is continuing to implement these approaches to tariffing until further notice (INT: WSA)
- Support in licensing: Transferred by the GIZ project to WSRC. PWA will not recognise this transfer to WSRC until the corresponding bylaw has been approved. According to statements made during the mission, PWA is continuing to implement these approaches for licensing until further notice (INT: WSA)

Counterfactual assumption: Without the predecessor projects' achievements at the level of tariffing and licensing, initial approaches and tools would have to be developed under the current situation of tense relationships between administrative actors in the water sector.

- Support for Human Capacity Development (HCD): PN 2013.2257.7 continued support but simultaneously increased HCD through the newly constituted Union of Palestinian Water Service Providers (UPWSP). PWA intends to promote the GIZ-supported HCD Unit from a directorate level. Although PN 2013.2257.7 regards support for UPWSP as a continuation of its support at meso level, PWA expressed concerns about potential effects on its mandate for organising capacity building pursuant to the new Water Law (INT: WSA).

The 2014 Water Law sustains the achievements of previous measures, irrespective of where they were implemented (DOC: Presidential office 2014).

Interviews with four WSPs that benefitted from support of these predecessor projects were used to assess the sustainability of achievements at micro level. All WSPs visited stated that the interventions fostered their enterprises. Three of them said they still attend GIZ-supported training courses under the auspices of the UPWSP (INT: WSP).

4.7 Key Results and Overall Rating

4.7.1 Basic information on the evaluation

The report presents the findings of the final evaluation of the third consecutive German technical support project for Palestinian water institutions and organisations (PN 2013.2257.7). This third project under the Water Programme for the Palestinian Territory started in 2014 and will phase out in mid-2018. It builds on the achievements of prior projects under the same programme (PN 2005.2007.2 and PN 2009.2084.3) which started in 2006, and continues their support to the Palestinian water sector reform process. The evaluation also included a separate assessment of the long-term results of both preceding projects. Earlier interventions by Palestinian-German technical cooperation, which started at the end of the 1980s already, did not form part of this evaluation.

PN 2013.2257.7 started just before the new Palestinian Water Law came into force in 2014, with the aim of 'improving the institutional, technical and operational capacities of water sector institutions in the Palestinian Territories'. Two modification offers in 2015 and 2016 respectively extended the project area by including Gaza. They also added an additional success indicator on gender and raised the target values for the success indicators. The project budget rose from an initial EUR 6.2 million to a final sum of EUR 8.7 million.

Instruments for achieving this objective focused on two areas of intervention: Assisting national institutions to implement reform processes and improving WSP management capacities. In addition, the project advocated gender as a cross-sectoral result.

The five outcome indicators in the last modification offer comprised three indicators on the application of new regulations by water sector institutions, one on gender advocacy and another one on planning for Area C. The last indicator, which focused on the area under full Israeli control, was in compliance with BMZ's country strategy, which calls for the inclusion of all occupied Palestinian areas in order to prepare the ground for the two-state solution supported by the German Federal Government. This strategy explicitly states that long-term political development goals are to take precedence over interventions geared to mid-term success, even if the latter are more likely to succeed.

The identification and definition of the project's interventions relied on a Theory of Change that held only partially under the changing conditions in the water sector reform process. The amount of knowledge at the time of project planning restricted the chances of anticipating deviations between the theory and actual developments. However, neither the ToC nor the resulting interventions and indicators of success were adapted to developments in the modification offers. The evaluation had to resort to a rectified ToC in order to appropriately assess the project's achievements. The rectifications relied on contributions from local stakeholders in two workshops during the evaluation mission.

GLZ's Corporate Unit Evaluation set the questions for the evaluation in its evaluation matrix. The matrix comprised the five OED/DAC criteria of relevance, effectiveness, impact, efficiency and sustainability and assigned two to four dimensions to each of the criteria. The Corporate Evaluation Unit also provided standard formats for reporting and requested contribution analyses for selected questions as well as the use of a predetermined tool for analysing efficiency. The evaluation mission chose its analytical approaches for answering these questions based on a review of documentation relating to the project and its context. The project provided the main selection of documents and the evaluation team added additional references on the project's context.

The 11-day evaluation mission in the project region allowed for interviews with stakeholders from all of the project's partners, with project staff, the local BMZ representative, other international donors and key persons from non-governmental organisations and scientific institutes. Two stakeholder workshops with participants from all project partners and a sample survey conducted amongst WSPs during the mission provided additional information and allowed for the triangulation of findings. Published data from databases of national and international organisations were also included in the assessments when finalising the evaluation report.

4.7.2 Assessment of key hypotheses

The results hypothesis, as given in the project offer, identified the core problem underlying a secure water supply for Palestinian households as the deficient performance of the Palestinian Water Service Providers (WSPs). It mentions the additional effect of the regional transboundary water policy but rightly focuses on that part of the problem that can be addressed by technical support to the partner country. Stipulated support includes:

- Human capacity development through training workshops at all levels
- Expert inputs to project design and the implementation of regulation processes at the macro and micro level
- Ongoing improvements of WSP managerial capacity, including support for the Union of Palestinian Water Service Providers as a scheduled training multiplier and
- The promotion of gender mainstreaming in the Palestinian water sector.

(DOC: GIZ 2013b, 2015a, 2016a, GIZ/KFW 2016).

The project's impact model came with no additional documents explaining the connections. The connection arrows imply the following hypotheses:

1. **The development and adoption of a gender strategy by the Palestinian Water authority (result 1) is an important precondition for:**
 - a. PWA to assume all of its policy-making tasks
 - b. Offers of relevant services by the Union of Palestinian Water Service Providers to individual Water Service Providers (result 2),
 - c. Strengthening regulations in the water and wastewater sector (result 8) and
 - d. Developing strategies for water and wastewater services in Area C

Assessment of hypothesis 1a): The new PWA leadership, which came into office in 2014, did not install the anticipated gender component. Instead, gender mainstreaming was restricted to a hierarchically inferior Gender Focal Point. However, the project's support for this Focal Point met with appreciation throughout the Palestinian Water Authority and at the level of the Water Sector Regulatory Council (WSRC), the Palestinian Ministry of Women's Affairs and the international donor community (INT: WSA; Donors).

During the second workshop of the evaluation mission, representatives from the Palestinian Water Authority's Gender Focal Point and from the Ministry of Women's Affairs refuted any inference that their inputs to ongoing planning processes were insignificant as a result of the delayed creation of the Gender Unit. On the other hand, the evaluation mission could not detect any quantifiable evidence for an increase in specifically gender-sensitive formulations of prepared rules, laws and legislations (DOC: EM 2018b).

However, since gender mainstreaming and gender equality have not been supported for very long, no substantial conclusions can be drawn with respect to this hypothesis. The slow progress of gender mainstreaming after 6 years of support by project interventions corresponds to the findings of gender experts from other donors. It highlights their conclusions about the need for sector-specific approaches, cross-sectoral exchange on experiences and continuous long-term engagement in order to achieve tangible changes in the existing behavioural patterns of the partner institutions (DOC: JICA 2016).

Assessment of hypothesis 1b): Representatives of the Union of Palestinian Water Service Providers in the West Bank and Gaza stated that as yet their training services for Water Service Providers have not included coaching on gender-related topics. A random sample based on standardised questionnaires amongst 20 of the 67 members of the Union indicated that about 40% of the WSPs interviewed either participated in the project's gender activities or already considered the gender dimension by way of a standard

policy in their company. However, tangible evidence of gender mainstreaming was not available. Women were still only found to occupy subordinate positions in the 6 additional WSPs visited in the West Bank. However, substantial conclusions about the hypothesis are not possible for the same reasons given in hypothesis 1a. (INT: WSP, DOC: annex 5, question h).

Assessment of hypothesis 1c): The results matrix considers this hypothesis as a result of hypothesis 1a) and 1b). Statements on this hypothesis are therefore not possible, before the preceding theories become facts.

Assessment of hypothesis 1d): Master planning for communities in Area C did not take place for reasons beyond the project's sphere of influence.

2. **The offer of relevant services by the Union of Palestinian Water Service Providers (result 2) improves the management and service performance of the individual Water Service Providers (result 7) while simultaneously providing a plan for the implementation of the house connection bylaw (result 4)**

Assessment: The majority of participants (75%) in the afore-mentioned survey stated their capacities had improved thanks to the activities of the GIZ Water Programme. Support and advice either came directly from the PWA-GIZ project, the Union of Palestinian Water Service Providers or the Water Sector Regulatory Council. A comparatively high percentage stated that the assistance provided matched their strategic goals. However, all Water Service Providers interviewed were members of the Union and thus closer to GIZ-sponsored offers and training than the vast majority of as yet unorganised Water Service Providers. However, the results from the sample support the hypothesis and emphasise the efficiency of the chosen approach (DOC: annex 5, questions a and b).

3. **The full assumption of key tasks by the Water Sector Regulatory Council (result 3) in conjunction with gender mainstreaming (result 1) leads to the strengthening of regulations in the water and wastewater sector (result 8)**

Assessment: The Water Sector Regulatory Council already performs at least some of its assigned tasks. Apart from when it is monitoring performance indicators, it works in a volatile environment because the adoption of relevant bylaws by the Palestinian Authority is still pending. The WSRC has adopted elements of the gender strategy developed by the Ministry of Women's Affairs. A verifiable result of this policy is the inclusion of a gender indicator in the list of 11 performance indicators which were monitored for 65 WSPs serving 62% and 72% of the population in the West Bank and Gaza respectively. In addition, 9 WSPs have submitted tariffing applications based on the current tariffing bylaw. This is an intermediary solution until the scheduled new bylaw is adopted.

However, statistically quantifiable evidence confirming the strengthening of water sector regulations and, in particular, visible impacts of this strengthening in Palestinian households will depend on the adoption – and in some cases the ongoing development – of additional bylaws. A final assessment of this hypothesis is thus not possible at present, even if the initial achievements support the assumptions about its validity (DOC: WSRC 2016, 2017, 2018, INT: WSA)

4. **The Palestinian Water Authority's full assumption of its policy-making tasks allows for the development of a baseline to regulate private water suppliers in Gaza (result 5) and thus adds to its – and the Water Sector Regulatory Council's - emergency response capacity to secure an affordable water supply in Gaza.**

Assessment: The Palestinian Water Authority executes its political tasks but is affected by the political circumstances, in particular with regard to the water sector in Gaza. A baseline for regulating private suppliers

of desalinated water in Gaza is not imminent. Although still appreciated, GIZ's role in proceedings and developments at the Palestinian Water Authority is declining. Other donors, in particular the Technical Planning and Advisory Team funded by the World Bank and the French Development Agency, play a significantly more decisive role in PWA policy and decision-making (INT: WBA, DOC: EM 2018a, 2018b). The basic assumptions of this hypothesis were not realistic given the current environment of the project and the Palestinian Water Authority.

The project's impact matrix allowed for an additional set of 3 central hypotheses, which covered a substantial part of the project's Theory of Change. A panel of representatives from all major stakeholders discussed these hypotheses in two workshops, one each at the beginning and end of the evaluation mission in Palestine. The results allowed for contribution analyses and served simultaneously to triangulate results with the findings on the hypotheses from the project's result model.

- Hypothesis 1: Advisory services to the Palestinian Water Authority (PWA) and to the Water Sector Regulatory Council (WSRC) on the institutional set-up and the introduction of standardised instruments and processes for regulation (activities A) led to the development of core elements of water sector reform by PWA and the Water Sector Regulatory Council (Output A), which in turn improved the capacities of the water sector institutions for planning, steering and regulating water supply and wastewater management (outcome).

Workshop participants confirmed the logic of this sequence for their organisations, but discussions ensued between participants from the Palestinian Water Authority and the Water Sector Regulatory Council on the development of core elements of the water-sector reform – specifically, on the as yet still unadopted bylaw on tariffing – that reflected the multiple dimensions of the decision-making process. According to the new 2014 Water Law, the Palestinian Water Authority is to steer water sector policy-making and delegate regulatory responsibilities to the Water Sector Regulatory Council.

This transfer of mandates will lessen PWA's influence. At the same time, it is also a source of funding for the Water Sector Regulatory Council. The Palestinian Water Authority receives its core funding from the governmental budget, while the Water Sector Regulatory Council depends on WSP fees for its revenue. At the same time, both institutions compete for donor funding.

These financial interests may affect the respective actors' motivation and willingness to cooperate on improved organisation of the Palestinian water reform process. It also indicates that the specifications of the new Water Law alone may not be sufficient for the water sector's timely transformation, despite the law's technical and managerial improvements in comparison to the previous set-up in this sector.

The participants also raised their concerns about the fact that developing such bylaws and having them adopted by the Palestinian Government may still only be an intermediary step towards the desired outcome. Improving water sector institutions' capacity for planning, steering and regulating water supply and wastewater management will require additional guidelines for the implementation process. This thus added an additional element to the rectified results model (see Figure 2). It was not possible to agree on an estimation of the amount of time required for the individual steps involved in this process.

The evaluation team's experience of the bylaw on water user associations covered a period of 5 years from the submission of the bylaw to the Palestinian Government in 2013 and its adoption in 2018. This at least allows for the hypothesis that the current phase of the water project started too early and therefore was not able to achieve what it had set out to do at outcome level owing to the lack of pertinent bylaws. On the other hand, the project may have ended too early to provide fully effective support to the water sector reform process under the conditions of the bylaws that were finally approved.

- Hypothesis 2: Enabling the Union of Palestinian Water Service Providers (USWSP) to provide technical training and capacity development measures for water supply and wastewater service providers (WSPs) in the West Bank and Gaza in line with the Palestinian Water Authority's capacity development strategy (activities B) led to the application of core components of sector reform by the WSPs (Output B) which, in turn,

improved water sector capacity for planning, steering and regulating water supply and wastewater management (outcome).

Workshop participants did not agree on the logic of this sequence. The participant from the Palestinian Water Authority expressed his doubts on the suitability of the Union of Palestinian Water Service Providers as a responsible body for WSP capacity development. He argued that, according to the Water Law, the Palestinian Water Authority was responsible for WSP capacity development. However, representatives from the Union of Palestinian Water Service Providers stressed the fact that the Union is a membership organisation whose mandate is to build their members capacity.

Participants from two WSPs acknowledged the training received by the Union and emphasised its importance. Following this debate, the PWA representative rated this development hypothesis as insignificant while the members of the Union of Palestinian Water Service Providers rated it as very significant (75%).

The dynamics of the assessment process shed light on the multidimensionality of competition between the actors in the Palestinian water sector. It also allowed for a vague and rudimentary hypothesis on the current phase of the water sector reform process in terms of change management. Models refer to this as phase 2 'refusal and denial', which precedes phase 3 'rational acceptance'. This supports the assumption about the project starting and ending too early and its role as a mediator between the Palestinian Water Authority, the Water Sector Regulatory Council and organisations from the non-governmental sector.

- Hypothesis 3: Implementing activities from the Gender Action Plan and advising the PWA's Gender Focal Point as well as other sector institutions on the formulation and implementation of measures designed to foster gender equality in the sector (activities C) provided a basis for gender-sensitive strategies and policies which, in turn, improved water sector institutions' capacity for planning, steering and regulating water supply and wastewater management (outcome).

PWA participants all agreed on the validity of this hypothesis and rated it as very significant (88%). GIZ was the only donor that supported the inclusion of gender aspects and a pertinent strategy within the Palestinian Water Authority. Other actors, such as World Bank, stepped in later and contributed to the process. This somewhat contrasted with the fact that PWA is still one of the 60% of governmental institutions that have not formally committed to introducing a Gender Unit in its organisational structure.

Participants from other organisations agreed with the logic, but information gained in the mission interviews and the WSP survey showed that, when it comes to actually implementing their own gender activities, participants said there were very few or none at all (see chapter 4.2). Increasing donor support for activities in the area of gender mainstreaming may lead to more commitments, but changing attitudes towards gender is a long-term process. The roughly eight years of gender-related activities of the last two projects under the Water Programme created a starting point, but this period of time is still too short for anchoring gender equality in the water sector.

4.7.3 OECD/DAC criteria

- **Relevance**

The first dimension of the evaluation was relevance. This focused on how well the project 'fitted into the relevant national and international frameworks'. Results from comparative descriptive analyses showed that the project corresponded fully to all relevant national strategies of the partner countries and also to BMZ'S current sectoral and country strategies. The national strategies considered included the new Water Law, the strategies on the water sector reform process of the Palestinian Water Authority and the Water Sector Regulatory Council as well as the National Gender Strategy.

Anticipated contributions to the Sustainable Development Goals (SDG) of the Agenda 2030 included, in particular, contributions to SDG 16 on effective and accountable institutions and SDG5 on gender equality. Indirect contributions to SDG 6 on ensuring access to water and sanitation may be assumed, but were not corroborated

by evidence. No information was available that would allow the quantification of such effects. The conclusions relied on a comparative and descriptive analysis which combined document analyses with information from stakeholder interviews (method and data triangulation).

The second evaluation dimension assessed 'the suitability of the project concept to match core problems and needs of the target groups'. This assessment had to deal with the discrepancy between the target group stated in the project documents and the de-facto target group. The concept focused on water sector organisations, while all planning documents gave the Palestinian population as the target group. The concept suited the core problems of the water sector organisations. Analyses at the de-facto target group level were based on information from stakeholder interviews and the results of a sample survey among randomly selected members of the Union of Water Service Providers.

The third evaluation dimension, which looked at 'the adequacy of project design for the chosen project objective', revealed shortcomings in the project's Theory of Change. Nevertheless, the chosen design was robust enough to achieve substantial success for most of its results. However, consequences included overly high expectations on the level of outcomes and impacts. The findings in this dimension came from a participatory review of the results model during two stakeholder workshops.

The fourth evaluation dimension, which examined how the project adapted 'to changes in line with requirements' and how it was 're-adapted where applicable', confirmed the design's robustness. A significant limitation during project implementation only came about following the suspension of master planning processes in parts of Area C by the Israeli administration. The assessment was based on document analyses and the interpretation of information from interviews with national stakeholders and international donors.

• Effectiveness

The first dimension of the evaluation concerning the project's effectiveness focused on 'the project's achievements with regard to the contractually agreed outcome indicator values'. The target values were only achieved in full in one out of five indicators. The political developments already mentioned above prevented achievement of the second value. The rate of achievement for the remaining target values varied by around 50%. Use of indicators adapted to SMART criteria yielded slightly but not significantly better results. The strategy for evaluating this dimension consisted of descriptive comparative analyses of the project offers and documented evidence of achievements in line with the specified verification sources.

The second dimension of the evaluation of the project's effectiveness, which looked at how well the services implemented contributed to 'the achievement of the project objective', revealed the strong commitment of the international donor community to the project region. A stakeholder-driven contribution analysis of three selected development hypotheses from the rectified results model indicated an average project contribution of 72% to the achievement of the stipulated outcomes. The project undisputedly contributed the most to the implementation of the Water Sector Regulatory Council, the Union of Palestinian Water Service Providers and in particular to gender mainstreaming in water sector organisations. Its contribution to the development of core elements of water-sector reform came last due to the large number of donors active in this area.

The third dimension focused on 'additional (not formally agreed) positive results at impact level, their monitoring and the seizure of additional opportunities for further positive results'. A noticeable (not formally agreed) positive result at impact level was the multiplier effect that the project's gender-mainstreaming activities had on the way water sector actors and other donors perceived and engaged in these activities. However, the project did not monitor this effect and so was not able to capitalise on its success. The assessment entailed descriptive analyses of information gained during interviews with national stakeholders, international donors and members of civil society.

• Impact

The first dimension of the evaluation of the project's impact dealt with 'the occurrence or predictability of super-ordinate long-term goals'. First, this meant identifying a suitable substitute long-term goal owing to the lack of a

programme objective. The chosen substitute – *'improved water supply and wastewater services for the Palestinian population'* – was the central impact stated in the results model. At the same time, it enabled the team to measure the contribution to BMZs strategic goals. However, the actual cause-and-effect chain as identified in the rectified results model proved too multifaceted for the attribution of significant project-generated impacts to the superordinate goal. The evaluation methodology involved descriptive analyses of statistical data from the Water Sector Regulatory Council and from databases maintained by international organisations.

The second dimension focused on 'the project's contribution to the potential occurrence of superordinate long-term goals' and yielded much higher probabilities. The project conducted interventions in a keystone area in terms of improving water services for the Palestinian population. Descriptive analyses were used to determine the plausibility of such contributions, the project's impact in conjunction with other stakeholders and the project's active and systematic contribution to broad-scale impacts.

• Efficiency

A 'follow-the-money' approach was used to evaluate efficiency. This was done with the support of GIZ's efficiency tool. The first dimension, namely project efficiency with regard to project resources and services, was fully in line with the project's financial plans. The second dimension, which involved an analysis of allocation efficiency, was less satisfactory given the modest degree of success in most outcome indicators.

• Sustainability

The first dimension of the evaluation of the project's sustainability focused on the 'prerequisites for ensuring long-term success'. Knowledge transfer by the project was well documented and accessible to partners. All advisory contents were anchored in partner organisations and adoption rates were high. With the exception of some WSPs, results are mostly set to continue and could potentially compensate for the lack of a structured exit strategy at the time of the evaluation as well as the lack of any specific documentation of lessons learnt. The methodology involved descriptive analyses of documents and results of a random sample survey conducted amongst Water Service Providers.

The second dimension addressed the 'sustainability of results' and relied on descriptive scenario analyses. The project's results match the current situation, but the dynamics of change in the project region and the Palestinian water sector is unpredictable. Multiple governance conditions mean there could be substantial variations in durability. The project cannot undertake any preventive countermeasures.

The third dimension, which examined the 'sustainable balance of effects from results', was based on descriptive analyses of probable developments. Negative trade-offs as well as positive synergies between the results of the project and ecological, social and economic parameters are all possible. These effects could not be quantified because the effects of project results on the livelihoods of the stated target population, i.e. the Palestinian population, had not been analysed or monitored.

4.7.5 Recommendations

- The Theory of Change of interventions in the dynamic process of the water sector reform requires a thorough review at shorter intervals. This applies in particular to the politically volatile situation in the Palestinian Territories (see Section 4.1).
- The increasing availability of information on the time required to implement essential steps (e.g. for the adoption and implementation of bylaws) in the water reform process needs to be taken into consideration when planning and modifying projects.
- The precise and agreed definition of the target group should be treated in accordance with its function as the central element of the project design (see Section 4.1).
- Sustainable support for the water sector requires the analysis and consideration of the financial interde-

dependencies between WSPs and end users. Such information, as well as interdependencies with the ecological dimension, are politically sensitive given the situation of the partner country. However, to all intents and purposes, quantitative assessments and informed decision-making are not plausible without them.

- Monitoring tasks at project level should go further than monitoring project activities and indicator achievement. Impact monitoring requires a specific design and resources. Potential payback includes the timely identification of opportunities and bottlenecks in the water sector.

4.7.7 Overall rating

Criterion	Score	Rating
Relevance	<i>80 out of 100 points</i>	<i>2 = successful</i>
Effectiveness	<i>64 out of 100 points</i>	<i>4 = rather unsatisfactory</i>
Impact	<i>41 out of 100 points</i>	<i>5 = unsatisfactory</i>
Efficiency	<i>85 out of 100 points</i>	<i>2 = successful</i>
Sustainability	<i>81 out of 100 points</i>	<i>2 = successful</i>
Overall Score and Rating for all criteria	<i>70 out of 100 points</i>	<i>3 = rather successful</i>

100-point scale (Score)	6-level scale (Rating)
92-100	Level 1 = very successful
81-91	Level 2 = successful
67-80	Level 3 = rather successful
50-66	Level 4 = rather unsatisfactory
30-49	Level 5 = unsatisfactory
0-29	Level 6 = very unsatisfactory

Maximum 30 pages for whole section.

5 Conclusions and Recommendations

The strength of the project was its contribution to the planning, steering and regulating potentials of institutions and organisations in the water sector. This deviates from the module objective which talks of 'capacities' instead of 'potentials'. Reasons include:

- The pending bylaws and the as yet still unclear final outcome of internal decision-making processes between the Palestinian Authority (PA), the Palestinian Water Authority (PWA) and the Water Sector Regulatory Council (WSRC).
- Questions about the financial resilience of the Union of Palestinian Water Service Providers (UPWSP). This organisation has a promising future but its status is not yet secured and is dependent on the scheduled constitution of the future Regional Water Utilities (RWU).

The assumed contribution to capacity building applies most at the individual WSP level, which will have to operate in the future regardless of whether there are any overarching structures (i.e. RWU).

Project documentation included annual Project Progress Reviews ('*PV Berichte*') from 2014 to 2016, but no Project Evaluation Reports ('*PEV Berichte*'). Conclusions concerning the impact of the project's context are thus based exclusively on the progress reports and on interviews during the evaluation mission.

The most prominent contextual factor was the volatile situation underlying development of the Palestinian water sector. The project took place in an environment in which the clearly defined objectives of the water sector reform process coincided with a lack of joint agreement on operative guidelines for implementing change. National institutions (see above), but also the Palestinian Government and the international donor community, were unable to agree on the timelines or an agenda in the change process.

Under these circumstances, project management followed its own interpretation of the implementation agreement, which reduced its expected effectiveness. Lessons learned from this situation include:

- 1) There is a need for a change management plan that stipulates the intended timelines for transfer processes. This has to draw up in the project's planning phase.
- 2) There is a need to define breakoff points to promote flexibility. The project can undertake modifications up to these points. However, beyond these points the initial implementation agreement requires major adjustments or even has to be re-negotiated with a new set of contractual partners.

A second major contextual factor was the overestimated impact the project was supposed to have on the livelihoods of the official target group. Limitations to water supply and sanitation for Palestinian households are only partially due to the effectiveness of Palestinian water sector actors. Another major component in this regard is the development of relations and agreements with Israel, which is beyond the scope of technical cooperation. The project's planning documents ignored this second component and consequently overstated the expected impact of the intervention. However, when assessing the criterion of impact, the evaluation team had to take the statements given in the planning documents into account. The upshot: an unsatisfactory rating.

The lessons learned here: The planning team needs to undertake a detailed ex-ante problem analysis and take this into consideration when formulating overarching goals.

5.1 Factors of Success or Failure

External factors for success were the 2012 joint donor strategy and the close match of the project's design with the World Bank's Water Global Practice (see World Bank, 2016). This secured support by other major international donors for the project's interpretation of the 2014 Water Law, despite the ongoing disagreement

between PWA and WSRC.

Internal success factors comprised:

- The high level of technical expertise – this applies to the international and local project experts – which enabled virtually all of the stipulated indicator target values to be met in full at the output level (see Section 4.4).
- German technical cooperation's long-standing engagement and uninterrupted presence in the Palestinian water sector. This meant the infrastructure, professional networks and mutual trust required for engaging with the partners was already in place and enabled the project to successfully make short-term adaptations to changing conditions.
- The permanent assignment of development advisors to recently created or re-created organisations requiring not just technical support for selected tasks but assistance with organisational development.
- The ongoing implementation of the structured and continuously updated human capacity development (HCD) strategy used in the preceding projects. This secured the organisational basis for sustainable HCD at PWA and became an anchor point for HCD support by other donors.
- The long-term, sustainable and systematic mainstreaming and promotion of the cross-sectoral gender dimension in the water sector. This led to verifiable changes in policy-making and the role of women in the partner country's administration.

External factors that led to failure included the unexpectedly long period of time the Palestinian Cabinet of Ministers needed to adopt the bylaws, internal discord between partner organisations about the timelines and responsibilities for transferred mandates and developments in the transboundary governance of Area C.

Internal failure-determining factors comprised

- The deficient initial results model and Theory of Change, which led to an overestimation of potential project results. This was also the main reason why the indicator target values at outcome level were only met to a moderate extent (see Section 4.2).
- The failure to review and rectify assumptions e.g. when making modification offers. This led to the overestimations being carried over the whole project period.
- The target population stated in the project offers and project report only matched in an indirect, hypothetical way and did not correspond to the project design (see Section 4.3). This is corroborated by the lack of evidence of project impacts at the level of 'the entire Palestinian population' and the failure to consider the interdependencies between WSPs' financial and social consequences.

5.2 Conclusions and Recommendations

The Palestinian water sector is still quite far from being self-reliant. Since BMZ's country strategy and the Federal German Government's commitment to the Agenda 2030 indicate there is a possibility of cooperation being continued, the recommendations of this final evaluation focus not only on the handling of achievements but also on elements that could be incorporated into potential future plans.

All three projects, i.e. the current project PN 2013.2257.7, and its predecessors PN 2005.2007.2 and PN 2009.2084.3 respectively, provided significant support for capacity development to the water sector reform process in the Palestinian Territories, which is still ongoing to this day. This applies in particular to the current project, despite its modest ratings for effectiveness and impact. The effectiveness score is due to the way the outcomes are formulated, making them difficult to achieve given the current situational development.

The equally unsatisfactory impact score is due to the underestimated complexity of the results chains from the technical level up to effects on the situation on the population of Palestine as a whole. Given the discrepancy between the modest success at the outcomes level and the high level of success for outputs (efficiency), the

evaluation team recommends subjecting the planning process to a root-cause analysis. The evaluation found no reasons whatsoever for disputing the project staff's inputs and abilities.

The projects implemented as part of the Water Programme also initiated and institutionalised the gender dimension in the partner country's water sector administration. Triangulation of information from partners and other donors confirm this capacity gain at the administrative and also technical levels.

This strengthened those parameters that can be influenced by Palestinian decision-makers in the water sector. Other aspects relating to transboundary Palestinian-Israeli negotiations on access to water resources and are thus beyond the scope of technical cooperation. The most recent statistical data available indicate no significant improvements in water supply and sanitation for the Palestinian people (see Section 4.6).

However, simply maintaining the status quo or at least slowing down the rate of deterioration constitutes a success. Partners in Gaza and at the Water Service Providers (WSPs) visited stated such effects during the interviews. Monitoring of quantitative evidence on the level of water end users is scarce however. Most of the developments monitored focused on the technical and financial efficiency of the WSPs. Impacts on people's living standards were not explicitly considered in either project planning or in implementation and monitoring activities. Assuming such impacts as a result of cooperation interventions in the water reform process remains hypothetical.

Shortcomings in monitoring activities on a smaller scale also affected project scoring. The Central Evaluation Unit's evaluation matrix includes monitoring as a rateable element of the evaluation criteria effectiveness, impact and sustainability (see explanation of scoring in Sections 4.2, 4.3 and 4.4 and respective evaluation questions in the evaluation matrix, **Fehler! Verweisquelle konnte nicht gefunden werden.**1). All evaluation questions about monitoring focus on project peripherals, i.e. on the ecological, social and economic balance of results with regard to sustainability and on not formally agreed results for the criteria of impact and effectiveness.

These observations led to the following recommendations:

1. The Theory of Change for interventions in the dynamic water sector reform process needs to be reviewed thoroughly at shorter intervals. This applies in particular to the politically volatile situation in the Palestinian Territories. The project's latest results model dates back to the project's design phase and showed significant discrepancies to the results model as identified by stakeholders during the evaluation mission (see Section 4.1). This led to adherence to initially stated assumptions, such as e.g. the timely adoption of by-laws, which proved unattainable in the project's implementation period, thus negatively affecting the assessment of the project's effectiveness.
2. Information on the time required for essential steps (e.g. for adopting and implementing bylaws) in the water reform process has to be taken into consideration when planning and modifying projects. The delay in the adoption of bylaws by the Palestinian Authority was already stated as an obstacle in the final evaluation of project PN 2005.2007.2 (see Section 2.1) in 2009. By way of an estimate, experience from the adoption of the first bylaw on tariffs and the bylaw on performance monitoring indicates that a period of five to six years elapses between the submission and the adoption of bylaws (INT: Project, local evaluator).
3. The precise definition of the target group agreed on should be treated in line with its function as the central element of the project design. Project offers and progress reports for all three evaluated projects stated 'the whole Palestinian population' as their target group, but we know that at least the last two projects focused exclusively on support for national structures and local Water Service Providers. This not only restricted the assessment of impacts at target group level but engendered more severe consequences, such as the omission of social aspects pertaining to individual families when defining indicators and activities and the failure to monitor how these families fared with water tariffs (see Sections 4.1 and 4.3).

4. Sustainable support for the water sector requires the analysis and consideration of the financial interdependencies between WSPs and water end users. Such information, including interdependencies with the ecological dimension, is politically sensitive in the partner country. However, quantitative assessments and informed decision-making are not really plausible without them. The evaluated projects did not comprise any such activities (see Section 4.3).
5. Monitoring at project level should go beyond monitoring of project activities and indicator achievement. Impact monitoring does require a specific design and resources, but it would generate payback by allowing the timely identification of opportunities and bottlenecks in the water sector. The project design neither included the required activities nor provided specific resources for such activities. This impacted the evaluation ratings for the criteria of relevance, effectiveness and impact (see Sections 4.1, 4.2 and 4.3).

Annex

Annex 1: Evaluation Matrix

	Evaluation Dimension	Analysis question	Evaluation indicator	Available data source	Other planned data collection projects	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
Relevance	RELEVANCE						
	The project fits into the relevant strategic reference frameworks	Which framework conditions or guidelines exist for the project?	1 current formal laws and policies on water sector 2 current interpretation of law and by-law implementation by decision makers (PWA, WSRC) 3. BMZ strategies	1. Palestinian Water Law from 2014 2. PWA water sector reform plan 2014-2016, 2016-2018 3. WSRC Bridge to Sustainability (2015) 4. Palestinian gender strategy (2012) 5. BMZ Länderstrategie 2016 6. BMZ Wasserstrategie 2017	interview question on interpretation of laws and strategies in interviews with heads of PWA, WSRC, UPWSP and MoWA	comparative analysis	moderate, since informal framework conditions were and are volatile (process ongoing)
		To what extent does the project contribute to the implementation of the underlying strategies (if available, especially the strategies of the partner countries)?	Degree of conformity of key elements between actual country strategies, BMZ country strategies and Palestinian National Agenda 2017-22 with project offers 2014-2016	1. National strategies: see above 2. BMZ strategies: see above 3. Palestinian-UNDAF prioritization of SDGs	none	comparative, descriptive analysis	moderate, since formal framework conditions were and are volatile (process ongoing)
		To what extent does the TC-measure fit into the programme and the BMZ country strategy (if adequate)?					
		How was the country's implementation and accountability for Agenda 2030 set up and what support needs were defined?					
		Sectors etc. Is there a prioritisation of the objectives of Agenda 2030 within a country context? To which SDGs does the project contribute? To what extent is the contribution of the intervention to the national/global SDGs reflected in the ToC?					
		Cross-sectoral change strategies, etc. Where has work been carried out on a supra-sectoral basis and where have such approaches been used to reinforce results/avoid negative results?					
		To what extent are the interactions (synergies/trade-offs) of the intervention with other sectors reflected in conception and ToC – also regarding the sustainability dimensions (ecological, economic and social)?					
	Suitability of the the project concept to match core problems/needs of the target groups	To what extent was the concept designed to reach particularly disadvantaged groups (LNOB principle)? Which prerequisites were addressed for the concept and used as a basis?	Location of de-facto target group members in disadvantaged areas and financial situation	project offers project offers, results model project offers, joint annual progress reports GIZ/KIW, opinion poll	Interviews with concerned stakeholders and project staff Interview with interview partners from MoWA and PWA Gender component opinion poll survey and interviews on the level of project partners	Descriptive analysis, Descriptive analysis Opinion poll	strong due to reliance on documents strong due to reliance on documents moderate
		How are the different perspectives, needs and concerns of women and men represented in the change process and how are the objectives represented (Safeguard & Gender)?	Number of output indicators on Gender				
		To what extent is the chosen TC-measures' goal geared to the core problems/needs of the target group?	Degree of satisfaction expressed by interview partners from the de-facto target group (= partners in project activities)* on a scale from 1 (no)-5 (full)				

	The design of the project is adequately adapted to the chosen goal	Results logic as a basis for monitoring and evaluability (Theory of Change) o Are the hypotheses plausible? o Are the risks pre-sented plausibly?	number of adjustments during stakeholder workshops number of risks added/deleted from result matrices of project offers and modification offers number of key elements from actual country strategies, BMZ country strategies and Palestinian National Agenda 2017-22 in project offers 2014-2016	current results model of project project offer 2014, modification offers 2015, 2016	stakeholder workshops on contribution analysis, step 2	contribution analysis based on 2 workshops and evidence collection in period in-between	strong due to possibility of check by reality
		Is the strategic reference framework well anchored in the concept?		BMZ strategies, partner laws, policies and strategies on water, wastewater and gender	rectified ToC (results model)	comparative document analysis	moderate due to volatile framework during project period
		To what extent does the strategic orientation of the project address changes in its framework conditions.	Levels of intervention Number of not achieved objectives due to objections from local partners	Project progress reports status report on indicator achievement by project, joint reports KfW +GIZ	information from interviews with project partners	document analysis	strong
		How is/was the complexity of the framework conditions and guidelines handled?			explanations and clarifications by project staff during interviews	document analysis	strong due to reliance on documents
		How is/was any possible overloading dealt with and strategically focused?	Number of work-arounds (adaptation of terms in output indicators)				
	The conceptual design of the project was adapted to changes in line with requirements and re-adapted where applicable.	What changes have occurred?	number of deviation from plans of operation	plans of operation 2015, 2017, project progress reports 2015, 2016	interviews with project staff	comparative analysis	strong due to reliance on documents
		How were the changes dealt with?	number of work-arounds and number of cancelled items in planned operations	joint progress reports 2013 - 2016	interviews with project staff on changes 2017/2018	descriptive analysis	strong due to reliance on documents

	Evaluation Dimension	Analysis question	Evaluation indicator	Indikatoren	Available data source	Other planned data collection projects	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
Effectiveness	EFFECTIVENESS							
	The project achieves the goal on time in accordance with the TC-measures' goal indicators agreed upon in the contract.	To what extent has the agreed TC-measures' goal already been achieved at the time of evaluation, measured against the goal indicators?	outcome indicators 1-5		WebMo-sheets of project internal monitoring, own assessment by project	cross-check with stated verification sources in result matrix	document analysis, discussion with project staff in case of leeway for interpretation	strong
		To what extent is it foreseeable that unachieved goals will be achieved during the current project term?			telephone information by project in inception phase	interviews with project staff and local partners	opinion poll, cross-check with documented timelines of achieved parts of the goals	moderate due to dependency on volatile external factors
	The services implemented by the project successfully contribute to the achievement of the goal agreed upon in the contract	What concrete contribution does the project make to the achievement of the agreed TC-measures' goal, measured against the goal indicators?	strength of contribution importance of contribution (both subjectively estimated by stakeholders in workshops and interviews)		none	2 stakeholder workshops, crosscheck with evidence from interviews	contribution analysis of direct influences	moderate due to constraints in the availability of workshop participants, documented evidence and usual time requirements for the application of the method
		Which factors in the implementation contribute successfully to the achievement of the project objectives?	% distribution of answers between response categories		annual joint status reports by KfW and GIZ	interviews with local project partners	opinion poll, cross-check with experience of project staff	strong due to information from directly concerned stakeholders

	What other/alternative reasons contributed to the fact that the objective was achieved or not achieved?	% distribution of answers between response categories		annual joint status reports by KfW and GIZ	crosscheck with information from interviews with stakeholders	part of contribution analysis (adjustment of result model), cross-check with potential evidence from interviews with stakeholders	moderate due to unverifiable information from directly concerned stakeholders
	Are core, support and management processes designed in such a way that they contribute to the achievement of the objective?	number of not achieved indicator values due to problems with processes		annual joint status reports by KfW and GIZ, status report by project	interviews with local project partners	comparative document analysis	strong due to the consideration of information from directly concerned stakeholders
	To what extent have risks (see also Safeguards & Gender) and assumptions of the Theory of Change been addressed in the implementation and steering of the project?	number of activities which responded to occurred risks		result matrices of offers, annual joint status reports by KfW and GIZ	for output indicators see above, for adaptations interviews with local project partners and communications of project	comparative analysis	moderate due to potential of contradictory subjective statements from local stakeholders
<p>The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized.</p> <p>No project-related negative results have occurred – and if any negative results occurred the project responded adequately.</p>	Refers to Option A, Sustainability (determination of interactions in effectiveness and impact):	number of monitoring activities by project		WebMo	interviews with project staff	descriptive analysis	weak, since WebMo focused on indicator monitoring only
	To what extent were risks of unintended results assessed as observation fields by the monitoring system (e.g. compass)?	number monitoring activities by project		WebMo	interviews with project staff	descriptive analysis	strong, since use of monitoring tools was communicated by project during inception phase
	To what extent have the project's benefits produced results that were unintended?	effects from improved capacities of the water sector institutions with regard to planning, steering and regulating		none	interviews with local project partners	simplified outcome harvesting	moderate, based on statements from individuals only, follow up for evidence not possible in time frame of the mission
	Which positive or negative unintended results (economic, social, ecological) does the project produce? Is there any identifiable tension between the ecological, economic and social dimensions?	number and subjective assessment (1-5) by interview partners of effects from improved capacities of the water sector institutions vs. availability of water and sanitation		none	interviews with local project partner, NGOs and academia	outcome harvesting	moderate, based on statements from individuals only, follow up for evidence not possible in time frame of the mission
	How were negative unintended results and interactions counteracted and synergies exploited?	number of respective deviations from planning of activities		annual joint status reports by KfW and GIZ	interviews with project staff	descriptive analysis	strong, since only documented measures will be considered
	What measures were taken?	number of project activities and partnerships outside of project offers			interviews with local project partners	descriptive analysis	strong, since only documented measures will be considered

	Evaluation Dimension	Analysis question	Evaluation indicator	Indikatoren	Available data source	Other planned data collection projects	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
	IMPACT							
Impact	The announced superordinate long-term results have occurred or are foreseen (should be plausibly explained).	To which superordinate long-term results should the project contribute (cf. module and programme proposal, if no individual measure; indicators, identifiers, narrative)?	substitute for missing programme objective		project offers, BMZ country strategy	interview with local BMZ representative	Description	weak, since no programme objective was agreed-upon
		To what extent will the project contribute to the implementation (of the partner country's national strategy) for implement-ing Agenda 2030/to the SDGs?	indicators strategic programming UN-DAF		strategic programming UN-DAF 2018 - 2022		comparative analysis	strong due to reliance of documents
		Which dimensions of sustainability (economic, ecological, social) does the project affect at impact level? Were there positive synergies on the three levels?	financial effects for WSP and water consumers, evidence on environmental impacts		none	stakeholder interviews, data on development of water supply and sanitation from PWA, UPWSP and NGOs (PARC, PHG)	descriptive analysis	weak due to short intervention period in comparison with required time for development of impacts and high reliance on data availability (no monitoring by GIZ)
		'Leave No One Behind': To what extent have targeted marginalised groups (such as women, children, young people, the elderly, people with disabilities, indigenous peoples, refugees, IDPs and migrants, people living with HIV/AIDS and the poorest of the poor) been reached and is there evidence of the results achieved at target group level?	does not apply, project design before 2016, evaluation question skipped in accord with GIZ evaluation management unit					
	The project contributed to the intended superordinate long-term results.	To what extent is it plausible that the results of the project on the output and outcome levels (project goal) contribute to the superordinate results? (contribution-analysis approach)	distance between project interventions and superordinate results, other major determinants		none	stakeholder interviews with NGOs and academia	descriptive analysis	moderate
		What are the alternative explanations/reasons for the results observed? (e.g. the activities of other stakeholders)	interventions of other donors in same area		none	stakeholder interviews	descriptive analysis	moderate due to only 1 loop of information collection from concerned stakeholders
		To what extent do changes in the framework conditions influence superordinate long-term results?	scenario conclusions of BMZ		PCA report		descriptive analysis	moderate
		To what extent is the effectiveness of the development measures positively or negatively influenced by other policy areas, strategies or interests (German ministries, bilateral and multilateral development partners)? What are the consequences of the project?	compliance with policies/strategies		BMZ country strategy	strategies of other donors	comparative analysis	strong
		To what extent has the project made an active and systematic contribution to widespread impact? (4 dimensions: relevance, quality, quantity, sustainability; scaling-up approaches: vertical, horizontal, functional or combined)? If not, could there have been potential? Why was the potential not exploited?	number of processes with potential of widespread impact		project documentation	stakeholder interviews	descriptive analysis	weak
		Referring to the three dimensions of sustainability (economic, ecological, social): How was it ensured that synergies were exploited in the three dimensions? What measures were taken? (-> discussion of interactions in the sense of trade-offs below for unintended results)	see 1st dimension					

<p>The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized.</p> <p>No project-related negative results have occurred – and if any negative results occurred the project responded adequately.</p>	Which unintended positive and/or negative results/changes at the level of superordinate results can be observed in the wider sectoral and regional environment of the development measure (e.g. cross-cutting issues, interactions between the three sustainability dimensions)?	assessment by stakeholders		none	stakeholder interviews	descriptive analysis	moderate
	To what extent is the (positive or negative) contribution of the project plausible?	assessment by stakeholders, socio-economic rules		none	interview with local water sector institutions and other donors	descriptive analysis	moderate due to reliance on interpretation
	What are the alternative explanations/reasons for the results observed? (e.g. the activities of other stakeholders)	assessment by stakeholders		none	interview with local water sector institutions and other donors	descriptive analysis	moderate due to reliance on statements by individuals
	Have negative results occurred?	assessment by stakeholders		none	interview with local water sector institutions and other donors	descriptive analysis	moderate due to reliance on statements by individuals
	To what extent were the risks of negative, unintended, superordinate results identified and assessed in the monitoring system? To what extent were these negative results in the sense of (negative) interactions or trade-offs in the ecological, economic and social dimensions already known during the conception of the project and reflected (e.g. in the module or programme proposal)?	documented risk indicators		project documentation		descriptive analysis	strong
	Was there a corresponding risk assessment in the 'TC-measures' proposal? How was the ability to influence these risks originally assessed?	available assessments		project documentation		descriptive analysis	strong
	To what extent have the project's services caused negative (unintended) results (economic, social, ecological)? Is there any identifiable tension between the ecological, economic and social dimensions?	stakeholder assessment		none	stakeholder interviews	descriptive analysis	moderate
	-Economically: Impairment of competitiveness, employability, etc. -Socially: How should the impact be assessed in terms of distributive results, non-discrimination and universal access to social services and social security systems? To what extent can particularly disadvantaged population groups benefit from the results or have negative results for particularly disadvantaged population groups been created? -Ecologically: What are the positive or negative environmental impacts of the project?						
	What measures have been taken by the project to counteract the risks/negative interactions?	number of countermeasures		project documentation		descriptive analysis	strong
	To what extent have the framework conditions for the negative results played a role? How did the project react to this?	cause-effect logic		none	stakeholder interviews	descriptive analysis	moderate

	Evaluation Dimension	Analysis question	Evaluation indicator	Available data source	Other planned data collection projects	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)
EFFICIENCY							
Efficiency	<p>The project's use of resources is appropriate with regard to the outputs achieved.</p> <p>[Production efficiency: Resources/Services in accordance with the BMZ]</p>	To what extent are there deviations between the identified costs and the projected costs? What are the reasons for the identified deviation(s)?	difference between stated amounts in project offer and modification offers with oblige report	project offer, modification offers, oblige report	none	follow the money as provided by	strong due to reliance on documentation
		To what extent could the outputs have been maximised with the same amount of resources and under the same framework conditions and with the same or better quality (maximum principle)?	number of coinciding respective statements by more than 1 water sector actor	none	interviews with project partners	descriptive analysis	weak, due to lack of standards for comparison
		To what extent could outputs have been maximised by reallocating resources between the outputs?	number of coinciding respective statements by more than 1 water sector actor	none	interviews with project partners	descriptive analysis	weak, due to lack of standards for comparison

	Were the output/resource ratio and alternatives carefully considered during the design and implementation process – and if so, how?	comparison with resources of preceding project	project documents from preceding project	none	descriptive analysis	weak due to lack of detailed figures on preceding project
	For interim evaluations based on the analysis to date: To what extent are further planned expenditures meaningfully distributed among the targeted outputs?	not applicable, final evaluation				
The project's use of resources is appropriate with regard to achieving the TC-measures' goal (outcome).	To what extent could the outcome have been maximised with the same amount of resources and the same or better quality (maximum principle)?	number of coinciding respective statements by more than 1 water sector actor	none	interviews with project partners	descriptive analysis	weak due to lack of detailed figures on preceding project
[Allocation efficiency: Resources/Services in accordance with the BMZ]	Were the outcome-resources ratio and alternatives carefully considered during the conception and implementation process – and if so, how? Were any scaling-up options considered?	comparison with resources of preceding project	project documents from preceding project	none	descriptive analysis	weak due to lack of detailed figures on preceding project
	To what extent was more impact achieved through synergies and/or leverage of more resources, with the help of other bilateral and multilateral donors and organisations (e.g. Kofi, MSPs)? If so, was the relationship between costs and results appropriate?	number of joint implementations and/or co-financing	project offers, project progress reports	interviews with major donors in project region	descriptive analysis	moderate due to interpretation of statements on interventions in their planning phase

	Evaluation Dimension	Analysis question	Evaluation indicator	Indikatoren	Available data source	Evaluation strategy (evaluation design, method, procedure)	Other planned data collection projects	Expected evidence strength (narrative)
	SUSTAINABILITY							
Sustainability	Prerequisite for ensuring the long-term success of the project: results are anchored in (partner) structures	What has the project done to ensure that the intended effect can be achieved in the medium to long term by the partners themselves (working aid re-view)?	number of initiated, ongoing approval processes of project contributions		manuals, reports, tools	descriptive analysis	stakeholder interviews	strong
		Which advisory contents, approaches, methods and concepts of the project are anchored/institutionalised in the (partner) system?	number of approved contents, methods etc. by local partners			descriptive analysis	stakeholder interviews	strong
		To what extent are they continuously used and/or further developed by the target group and/or implementing partners?	number of applied project contributions by local partners		joint progress reports KfW & GIZ, current status result matrix	descriptive analysis	stakeholder interviews	strong
		To what extent are (organisational, personnel, financial, economic) resources and capacities in the partner country (longer-term) available to ensure the continuation of the results achieved (e.g. multi-stakeholder partnerships (MSPs)?	qualitative assessment by local project partners		none	descriptive analysis	stakeholders interviews, sample survey on WSP level	moderate due to lack of quantitative information on capacities
		To what extent are national structures and accountability mechanisms in place to support the results achieved (e.g. for the implementation and review of Agenda 2030)? o What is the project's exit strategy? o How are lessons learnt prepared and document-ed?	1 national accounting institutions 2 national Agenda2030 strategy 3 documented exit strategies by project 4 planning of lessons learnt		UNDAF strategic plan (Agenda 2030)	descriptive analysis	collection of locally available documents	strong due to reliance on documentation

	Forecast of durability: Results of the project are permanent, stable and long-term resilient	To what extent are the results of the project durable, stable and resilient in the longer-term under the given conditions?	qualitative assessment by local partners on economic, political, cultural and ecological sustainability	.2.1.1 Wahrnehmung der GIZ als Arbeitgeber, der das Thema Gender in seiner Organisation berücksichtigt a) Nur Männer in Führungspositionen/ Nur Frauen in Führungspositionen b) Fördert Gleichberechtigung/ Benachteiligt die Geschlechter c) Vorreiter im Thema innerbetriebliche Gleichstellung/ Nachzügler im Thema innerbetriebliche Gleichstellung d) Familienfreundlich/ Familienunfreundlich Die Auswertung der Wahrnehmungsabfrage erfolgt differenziert nach Außenstruktur und HQ.	PCA-assessment	descriptive analysis	stakeholder interviews	moderate due to volatile situation
		What risks and potential are emerging for the long-term protection of the results and how likely are these factors to occur? o (Example: Adaptability of target groups and institutions regarding economic dynamism & climate change; particularly disadvantaged groups are able to represent themselves in the long term and their individual countries have the capacity for their participation; changes in behaviour, attitudes and awareness among target groups and institutions that support the sustainability of the project's results, etc.? o What has the project done to reduce these risks and exploit potential?	Opinion of interviewed stakeholders		PCA assessment Water Law 2014 PWA strategy papers	descriptive analysis	none	moderate due to subjective forecasts in a volatile political and administrative environment
	Are the results of the project ecologically, socially and economically balanced?	Evaluation of the outcome results with regard to interactions between the environmental, social and economic dimensions of sustainability	potential interdependencies between dimensions	Indikator 6: Gendersensibilität der Rekrutierung von Personal 1.2.2.1 Anteil von Frauen bzw. Männern, die sich auf Stellen in der GIZ beworben haben, differenziert nach a) Bändern b) OE c) Personalkörper mit deutschem Arbeitsvertrag; nationales Personal (im Rahmen der Fallstudien) d) CIMler; EHler e) Jahren 1.2.2.2 Anteil von Frauen bzw. Männern, die zu Vorstellungsgesprächen eingeladen wurden, differenziert nach a) Bändern b) OE c) Personalkörper mit deutschem Arbeitsvertrag; nationales Personal d) CIMler; EHler e) Jahren 1.2.2.3 Anteil von Frauen bzw. Männern, die eingestellt wurden, differenziert nach a) Bändern b) OE c) Personalkörper mit deutschem Arbeitsvertrag; nationales Personal d) CIMler; EHler e) Jahren	none	descriptive analysis	literature review	weak due to lack of empirical evidence
		Which positive or negative intended and unintended results (economic, social, ecological) does the project produce? (Assign intended and unintended results from the effectiveness evaluation to the three sustainability dimensions)	potential interdependencies between dimensions		none	descriptive analysis	literature review	weak due to lack of empirical evidence
		Is there any identifiable tension between the ecological, economic and social dimensions? o Economically: Impairment of competitiveness, employability, etc o Socially: How should the impact be assessed in terms of distributive results, non-discrimination and universal access to social services and social security systems? To what extent can particularly disadvantaged population groups benefit from the results or have negative results for particularly disadvantaged population groups been created? o Ecologically: What are the positive or negative environmental impacts of the project?	potential interdependencies between dimensions		none	descriptive analysis	literature review	weak due to lack of empirical evidence
		If negative interactions have been avoided and synergies exploited, how was this ensured? What measures were taken?	not applicable, project tasks are on administrative level					

Annex 2: List of resources

Interview codes:

- WSA: Interviews with members of political or administrative bodies in the water sector, i.e. the Palestinian Water Authority (PWA), Water Sector Regulatory Council (WSRC), Ministry of Local Government (MoLG) and Ministry of Women's Affairs (MoWA)
- WSP: Interviews with members of Water Service Providers (WSP) or the Union of Palestinian Water Service Providers (UPWSP)
- Donors: Interviews with representatives from international donor organisations in the Palestinian Territories, i.e. German Federal Ministry for Economic Cooperation and Development (BMZ), Kreditanstalt für Wiederaufbau (KfW), Agence Française de Développement (AFD) or European Union (EU)
- CSO: Interviews with members from scientific institutions and non-governmental organisations, i.e. Institute for Environmental Studies/Birzeit University, Palestinian Agricultural Relief Committee (PARC) and Palestinian Hydrologist Group (PHG)
- Project: Interviews with project staff and GIZ Country Director

The aggregation of the interview partners into coded groups ensures the anonymity of the individual interviewees. The evaluators have a detailed list of the individual interviewees and protocols of all interviews

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5. BMZ (2017) *Wasserstrategie. Schlüssel zur Umsetzung der Agenda 2030 und des Klimaabkommens*
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20. GIZ (2015b) *Understanding Gender*. Presentation by J. Hornisch, GIZ Gender Focal Point
21. GIZ (2016) *Änderungsangebot Aufstockung und Matrix PN 2013.2257.7*

22. GIZ Water Programme (2015a) Plan of Operation 2015 Component 1_PN 2013.2257.7
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28. GIZ/KfW (2015) Gemeinsame Berichterstattung Wasser Abwasser Abfall (TZ and FZ)
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