



VILLAGE SERVICES PROGRAM

Award No. 294-A-00-00-00069-00

FINAL REPORT SEPTEMBER 2000 – JUNE 2004



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1. EXECUTIVE SUMMARY

This final report for the Village Services Program (VSP) covers the entire program period of 3.75 years period from September 30th 2000 through June 30th 2004.

VSP was the second program implemented by CHF International under USAID West Bank and Gaza's Community Services Program. Designed in 1999 (prior to the second Intifadah) the program aimed at improving basic community services in 18 of the poorest communities of the Southern Gaza Strip (Rafah and Khan Younis governorates) utilizing a highly participatory community-based approach. Projects included the construction or rehabilitation of roads, water networks, schools, sports fields, playgrounds, and other infrastructure in addition to capacity building and public awareness activities. Most importantly, the program was demand-driven and placed major emphasis on enabling the target community to establish its own priorities, serviceable by the program. For the implementation of VSP, CHF partnered with the target communities local councils, community development committees and non-governmental organizations active in the area. Each partner had a role in the projects' identification, prioritization, design and implementation. Special emphasis was also placed on the capacity building of local neighborhood committees and councils through formal and on-the-job training.

The original award was signed in September 2000 followed by several modifications that a) expanded the program service area and b) increased the program value. In total, USAID granted \$10,367,932 to VSP; Approximately 34.8% of the USAID investments covered management costs – nearly 15% of the total program value. The approximately \$3.6 million in administration costs were instrumental in leveraging over \$10.7 million matching contributions –mostly- as a result of the intensive community participation component in CHF's methodology.

The program implementation period was 45 months, from September 30, 2000 to June 30, 2004. The total number of projects implemented was 318.

1.1 Contract and Modifications

The VSP¹ originally began as a 3-year program with a contract for \$3,437,092, signed on September 30th, 2000. At that time, the VSP program operated in nine small communities in the southern Gaza Strip with a population of 41,000. VSP target villages included Sureij, Fukhari, Qessan Najjar, Manara², Ma'en, Qaal Kurein (Khan Younis Governorate), Nasser³, Kherbet Adas and Shokat Sufi (Rafah Governorate).

On March 1, 2002, Modification 1 of the VSP award was signed, increasing the value of the original VSP award by \$6,630,823 to a total of \$10,067,915. The implementation period was also extended by three months (92 days) to December 31, 2003. The five Khan Younis communities serviced under a previous USAID award to CHF, the Community Rural Services Program⁴ (implemented in Qarara, Abessan Jedida, Abessan Kabira, Khuza'a and Bani Suheila) were added to the VSP program area, along with four new Rafah communities (Tel Sultan, Brazil, Salam and Hi Adjnayna). The program's target population thereby increased from 41,000 to 174,000.

The second amendment was on April 18, 2002 to fully obligate the entire award amount.

The third amendment made on May 14, 2002 reflected another cost increase of US\$ 300,017 for additional activities. The additional funding was provided to replace approximately 1,525 water tanks which had been damaged during the incursions of the Israeli Army in March and April 2002, targeting the Governorates of Jenin (including the Tubas District), Tulkarm, Qalqiliya, Nablus (including the Salfit District), Ramallah, Bethlehem, and Hebron. In addition a survey was to be conducted of all

¹ Award # 294-A-00-00-00069-00.

² Manara is a new village formed out of the communities of Qaal Kharaba, Um Kamel and parts of Um Kelab.

³ Nasser was formed out of the Al Bayuk and main parts of Um Kelab.

⁴ Award # 294-C-00-99-00157-00.

domestic water tank damage in the West Bank. The activity completion report and published water tank damage survey for this additional portion of the VSP contract was submitted by CHF to USAID on August 25, 2002.

The fourth modification on December 19, 2003 extended the period of performance from December 31, 2003 until February 2, 2004 to allow for the completion of seven projects which was delayed due to the prevailing situation in Gaza.

The fifth and final modification signed on January 30, 2004 added new program activities and extended the performance period until June 30, 2004.

1.2 VSP Data Summary

Start up date:	September 30, 2000
Completion date:	June 30, 2004
Total USAID contribution:	US\$ 10,367,932 (US\$ 6,766,507)
Total community contribution:	US\$ 10,789,119
Total program value:	US\$ 17,555,626
Targeted number of population:	181,000
Targeted communities: 18	Khan Younis: Abessan Kabira, Abessan Jadida, Qarara, Sureij, Bani Suheila, Ma'en, Sattar, Qessan Najjar, Qarara, Qaal Kurein, Fukhari Rafah: Shokat Sufi, Salam, Hi Adjnayna, Nasser, Kherbet Adas, Brasil, Tel Sultan

2. PROGRAM OVERVIEW

2.1. Program Environment and Problem Presentation

The Community Services Programs of USAID responded to the increasing gap between demand and available services in many Palestinian Communities. The southern Gaza Strip is considered amongst the poorest and most needy areas in the Palestinian Territories. Municipalities and Village Councils assume the main responsibility for the provision of most crucial community services i.e. solid waste collection and disposal, water supply and sewerage, municipal roads and certain social services. Elevated community needs and demands, limited financial resources and unstable security and political environments continue to pose great challenges to fulfilling these responsibilities.

2.1.1 Under-developed Municipal Services and Inadequate Infrastructure

Following the signing of the Oslo Accords and the establishment of the Palestinian Authority, most municipalities focused on the development of basic services to their communities seeking donor support to achieve their plans. At the onset, attention was primarily on re-establishing solid waste collection, repairing water networks and improving the existing sewerage systems in urban areas. As focus on the development of rural communities was still minimal, the VSP was designed to target the most neglected and deprived rural communities in southern Gaza. The 18 villages that the VSP targeted had almost no paved roads (e.g. Fukhari, Qessan Najjar and Shokat Sufi, Kherbet El Adas), household connection to the local water networks was limited or inadequate (e.g. 53% of the population of Shokat Sufi got their water from public tabs; in Kherbat Adas the water network was old and badly maintained resulting in contamination of the drinking water due to leaking pipes), educational and health infrastructure were often inappropriate and inadequately maintained, classrooms in the local schools were in very bad condition, overcrowded and unhealthy, and available kindergartens did not meet the local demand and were servicing only 30% of children in this age group. The situation was compounded with a continuously increasing demand due to a constant rise in birth rate in the villages and migration from overcrowded urban centers.

The needs of South Gaza Rural Communities were:

- To improve physical infrastructure including access roads, inner roads, water networks, health and educational facilities
- To develop the capacity of local councils and municipalities in the area by assisting municipalities in establishing a sound local governance system and by encouraging community involvement in the governance process through the establishment of neighborhood and village development committees
- To improve the quality of community services provided to the rural population through enhancing the of municipal and village councils members and staff in planning, management and operation of local government service entities

April 2003: Mr. Saed Zo'orub, the Mayor of Rafah expressing the views of all community leaders in a meeting between program area mayors and CHF management staff:

"Via CHF, USAID has played an initiating and ongoing role in solving a number of problems in the southern Gaza Strip. In the past, these poor communities were neglected, since CHF started, other donors have followed USAID into our areas. We are grateful to CHF for that"

2.1.2 High Unemployment and Poverty

The Gaza Strip is marked by a high population density, high population growth, low economic activity and high unemployment rates. Labor participation rate in 1999 was 37.2% for the Gaza Strip and 41.3% in the West Bank. The unemployment rate confirms this geographical difference - the West Banks rate was 13.25% in 1999; and 19% in the Gaza Strip⁵. The average family size in Gaza (7.8) is larger than the West Bank, with lower wage rates, higher unemployment and consequently lower standards of living and higher poverty rates. The poverty report of 1998 shows Rafah with 55% and Khan Younis 39% of people living below the poverty line, the highest rates in the West Bank and Gaza.

2.1.3 In-sufficient Community Services provided by the Non-Governmental and Private Sectors

Palestinian NGOs, during the occupation period, played an essential role in the delivery of services in a variety of sectors including health, education, social welfare, agriculture and general community development. They served as the prime service provider in the pre-school education sector providing more than 90% of the services and more than 60% of the services. These services were mainly financed through donors who worked extensively with non-governmental structures in the absence of a national government. Hence the financial sustainability of most NGOs remained an issue particularly following the establishment of the PA leading to changes in NGOs roles and working environment reflected in the following:

- a) Funding became more difficult to acquire and its availability depended on the type and quality of the service provided and the capacity of the NGO providing it.
- b) A new registration system was established accompanied by licensing requirements aimed at ensuring transparency in the NGO sector
- c) The establishment of a PA led service provision systems particularly in the health social welfare sectors, and the expansion of the private sector service providers thereby creating more competition amongst different parties.

Most affected of this newly created situation were small NGOs in rural areas that did not have the capability to a) develop their capacity, b) start a strategic planning process, c) secure funding to serve the needy communities they work for that required a robust and transparent finance and administration system in line with donors and PA requirements.

⁵ All data from Labor Force Survey of MoL; Round 12 and 13; 1999

At the end of the nineties, most NGOs that existed in the rural areas of Khan Younis and Rafah were suffering from financial difficulties and capacity issues that affected their ability to provide effective services to a large sector of the population. They urgently needed training for their staff, rehabilitation or extension of their facilities and basic equipment for their services.

2.1.4 Deterioration of political, economic and social circumstances after the outbreak of the Intifadah

As described in the previous sections Southern Gaza already needed significant development at all levels. The outbreak of the Intifadah in September 2000 further deteriorated this situation. The rural communities in particular were seriously affected by the political events and its economic consequences in a number of aspects:

As areas located close to settlements and to the borders with Israel, the target localities were most affected by ongoing clashes and incursions. In addition to human losses, vast destruction of municipal and social infrastructure, private properties, and agricultural land, crops and greenhouses took place. Hundreds of families lost their properties and livelihood particularly farmers who lost their agricultural land and crops e.g. in Qarara, Fukhari, Khuza'a, Abessan Kabira and Abessan Jadida. In areas like Rafah, Brazil, Salam, Tel El Sultan and Qarara, more than 3000 homes were destroyed since 2000.

Frequent closures of the borders and within the Gaza Strip resulted in the loss of jobs for thousands of workers in Israel and the local market. Movement restrictions within the Gaza Strip severely affected the economic situation in the entire Gaza Strip but most particularly Southern Gaza Access to the external markets for Palestinian agricultural products was most of the time denied; leading to devastating loss of income for many farmers and their families.

In general the economic situation in the VSP program area continued to deteriorate throughout the program implementation period. Poverty now affects two thirds of the population which is highly linked to the high unemployment rates. During the first three months of 2004 the PCBS reported unemployment rates at 32.4% in Khan Younis - the highest in the Gaza Strip - and 31.2 in Rafah.⁶ However, whereas in most of the Gaza governorates the household members and communities in general consider food their number one need the population of Rafah and Khan Younis⁷ ranks employment generation their first priority.

2.2. Purpose of Intervention

In March 2000 USAID issued a second RFA under the Community Services Program, called the Village Services Program (VSP). Similar to the previously implemented pilot, the Community and Rural Services Program (CRSP; 1999), VSP aimed at improving basic services in rural and underserved urban areas. Special focus was given to communities clustering approach at the micro-regional level to ensure optimal benefit.

Building on its experience in implementing the CRSP program in south Gaza, CHF defined the VSP's main goal to be:

Contribute to improving the quality of life for Palestinians residing in numerous communities in Rafah and Khan Younis governorates, through increasing their access to a range of quality basic services.

⁶ Data provided by PCBS, June 2004

⁷ West Bank and Gaza Update; Palestinian Perceptions of their Quality of Life and of the Current Economic Environment; World Bank March 2004;

2.3 Targeted program area

Through VSP CHF extended the number of localities it targeted under CRSP. On the starting date in September 2000 VSP operated in 9 villages in the southern Gaza Strip; Khan Younis and Rafah governorates. In the process of selecting new target areas, priority was given to very poor, rural, remote and underserved localities. For many of selected communities the local authorities were weak with very limited capacity. Lack of financial resources hindered their ability to develop urgently needed infrastructure (roads, water networks) and services (health facilities, schools, community centers). For several communities, CHF was the first international organization to provide support for vital infrastructure and services improvement.

The modification of the contract signed in March 2002 added nine additional communities to the program target area, increasing the overall number of localities to 18 and the beneficiary population to 181,000 Palestinians. The nine additional communities incorporated four new impoverished villages in Rafah governorate as well as the five communities from the eastern part of Khan Younis that were previously serviced under CRSP.

Since September 2000:
Surreij (KY), Fuhari (KY), Qessan Najjar (KY), Manara (KY), Maen (KY), Qaal Kurein (KY), Nasser (R), Kherbet Adas (R), Shokat Sufi (R)

Since March 2002:
New: Tel Sultan (R), Brazil (R), Salam (R), Hi Adjnayna (R)

From CRSP taken over were:
Abessan Jadida (KY), Abessan Kabira (KY), Khuza'a (KY), Bani Suheila (KY), Qarara (KY)

2.4. Program Objectives

In line with the VSP goal nine objectives were identified:

VSP intended to:

- Implement nearly 300 small-scale basic infrastructure and community service projects.
- Improve the living conditions of over 175,000 Palestinians in the program area.
- Leverage significant additional financial and material resources for investment in the program area or cluster to complement USAID funding.
- Develop and submit to USAID annual implementation plans for approval and undertake and complete approved work plans.
- Provide formal and on-the-job training to employees of the partner NGOs and other service providers.
- Work directly with more than twenty Palestinian NGOs and CHF-formed development committees consisting of community representatives, local authorities, and other stakeholders in project identification, planning and implementation in order to build local capacity.
- Ensure that all infrastructure investments are constructed in a way that will allow the local population to maintain the completed projects and services.
- Create a sense of ownership regarding community services within target communities using proven community participation methodologies and the introduction of cost-recovery schemes, thus further enhancing sustainability.

2.5. Program Implementation

2.5.1. Implementation adjustments resulting from changed program environment

Immediately after the signing of the contract and the set up of the program, the "Al Aqsa Intifadah" started. The Palestinian areas experienced severe economic crisis, which continues to date. Consequently, the program environment as well as the needs of targeted communities changed significantly.

The start of the second Intifadah created numerous challenges in the program set up phase, which required amendments in the administration of the program, a high flexibility on the side of the employees and a partial change of focus in the selection of projects in the targeted communities.

2.5.1.1. Adjusting logistics

Logistics had to be adapted, to secure a smooth implementation process in spite of

- a) Temporary closures of the major checkpoint between Gaza and Khan Younis (Abu Kholy)
- b) The possibility of unexpected war actions at any time of the day in the entire program area including – clashes between Palestinians and the IDF; helicopter air strikes of the IDF; incursions of the IDF into villages

CHF in close coordination with USAID decided within the program set up phase to take a number of measures that a) enabled the continued execution of the program b) secured the safety of staff at the highest possible level. Those included:

- The partial relocation of CHF VSP management staff from Khan Younis to CHF's HILP offices in Gaza City allowing for continuous consultations with the Country Director based at the Country Representative Office (CRO), administrative supervision, the design of work plans and preparation of reports and close coordination with USAID.
- The relocation of CHF's main country office from Ramallah to Jerusalem in late 2000 and later to Al-Dahiyah in 2003 to secure continued program supervision from a safe location.
- Allowing the closure of any of CHF field offices in the case of severe danger and relocation of work to private homes in order to minimize danger to the field and management staff due to unnecessary movement.
- The set up of 'safety net logistics' which included a number of measurements, such as:
 - Providing mobile phones or MIRZ radios to all employees allowing communication with supervisors and management under any circumstances;
 - Providing laptops to all key staff members;
 - Setting up a security reporting tree and an early warning system which ensured that all employees would be informed of any dangers or general deterioration of the situation within a few minutes.
 - Establishing close contacts and coordination structures with numerous organizations to obtain first hand information on security issues; those included a) UN security contacts; b) AIDA network c) the regional security officer of the US embassy; d) Israeli VIP liaison office; e) local security officials and f) local radio and TV- stations.
 - Renting two apartments, one in the program area (Khan Younis) and one in Gaza City in late 2000 to allow staff to stay overnight in case of checkpoint closures; as well as providing lodging options in other program related work locations (Gaza City and Jerusalem) for program staff to enhance the safety of employees.
 - the possibility for temporary evacuation of international staff to Jerusalem or even abroad in periods of a possible deterioration of the situation; this was applied in 2002 various times for the Program Director (PD) and the Deputy Program Director for community Participation to Jerusalem; from February to May 2003 for the Program Director abroad and in 2004 again various times to Jerusalem. During all periods the PD remained in close contact with the program offices and staff and provided the needed oversight and supervision over the program.

2.5.1.2. Adjusted program execution

VSP was designed during a period of peace and economic recovery which marked the beginnings of year 2000 – but was implemented during a period of conflict and an economic crisis marked by increasing unemployment and poverty rates.

The situation deteriorated to the level of needing humanitarian assistance for all target areas of the program. Employment and in many cases food and cash support were in great need. Municipalities suffered from serious financial crisis and revenues in many cases dropped by 70% which drastically affected their ability to provide even basic community services. Additionally, destruction to physical infrastructure became almost a daily routine. In such a crisis situation the VSP represented a critical source of support for the southern villages of Gaza.

VSP helped to ease the impact of the crisis on the south Gaza population through:

1. *Creating short term employment opportunities:*

- a. The use of labor intensive construction methods and utilizing small contractors from the target areas for the implementation of the 239 projects that were completed in infrastructure, water and sanitation. The majority of small contractors working under VSP were from the two southern governorates creating short term employment for the local population.



LT-584 Tiling of Abu Aweida road in Ma'en created jobs and improved the entire neighborhood

- b. Through an innovative partnership VSP implemented a program that created short term work, provided training and food aid to newly impoverished families. The program was developed in cooperation with WFP (provision of food donations), the municipalities (provision of short term jobs in the local community) and CHF / VSP (provision of health and environmental awareness and technical assistance in project management). The projects (LT-803, LT-804, LT-954, LT-955) provided help to 9600 people (50% from Rafah and 50% from Khan Younis) over a period of four to five months (please see success story number one)

2. *Creating permanent job opportunities:*

- a. Through the construction and expansion service facilities i.e. community centers, kindergartens, schools etc new permanent job opportunities were generated in the target areas (LT-518; LT-676; LT-731; LT-745; LT-779)
- b. Through CHF/VSP community based project identification methodology training activities were selected and implemented to enhance the skills of the unemployed and increase their future chances in the labor market: 9 projects (LT-610, LT-627, LT-695, LT-732, LT-817, LT-836, LT-852, LT-856, LT-871) were completed that trained a total of 975 unemployed people in the use of basic computer programs.

2.5.2 Staffing

The Program Proposal suggested the following program management staff:

- Country Director: Mr. Matthew Lovick
- Program Director: Mr. Henri Disselkoen
- Deputy Community Participation: Ms. Rana Turk
- Deputy Infrastructure: Mr. Saad Rizkallah

All proposed staff worked in the program except for Ms. Rana Turk, who declined her assignment. She was replaced by Ms. Amal Azzah, a Senior NGO / Community Participation Specialist from Jordan.

During program implementation part of the staff had to be changed. However, CHF ensured that the changes did not affect the program execution, through selection of highly qualified replacements and a thorough system handing over responsibilities. The table below provides staffing details:

Position	Name of employee	Period of assignment in VSP
VSP Program Management		
Country Director	Matthew Lovick	09/2000 – 06/2003
	Lana Abu Hijleh	11/2003 – 06/2004
Program Director	Henri Disselkoen	09/2000 – 06/2004
Deputy Community Participation	Amal Azzah	08/2001 – 10/2002
	Christina Abdel Shafi	02/2003 – 01/2004
Deputy Infrastructure	Saad Rizkallah	10/2000 – 05/2004
Community Participation Team		
Senior Community Specialist	Suheir Haroun	03/2001 – 04/2003
	Salwa Faqawi	10/2000 – 06/2004
Training Coordinator	Nahla Jouma	06/2002 – 02/2004
Community Specialist	Naela Khudeir	03/2002 – 02/2004
Infrastructure Team		
Deputy Head of Operations	Abdel Halim Kurd	11/2001 – 06/2004
Principal Engineer	Nawaf Abu Sitta	10/2000 – 04/2001*
Environmental Engineer	Jamil El Nabaheen	03/2002 – 01/2004
Quantity Surveyor	Azza Smeiri	03/2002 – 02/2004
Quantity Surveyor	Ghada Abu Rezik	03/2002 – 02/2004
Other Project Staff		
Senior Monitoring Expert	Adel Najjar	10/2000 – 06/2004
Monitoring Specialist	Hani Ghayada	07/2001 – 06/2004
Cost Sharing Administrator	Mohammed El Haj	10/2002 – 11/2003
CSA and Accounting	Jawdat Abu Ramadan	09/2001 – 01/2004
Administrative Staff		
MIS & Office Manager	Hala Ghayada	10/2000 – 12/2003
	Hala Nasser	01/2001 – 05/2001
	Justina Gray	09/2001 – 10/2003
Accountant	Ziyad El Nabaheen	10/2000 – 09/2002
	Kamel Abu Seda	10/2000 – 04/2002
	Khalil Kurd	06/2002 – 09/2003
	Adli El Helou	01/2003 – 06/2004
Secretary	Asma El Qeek	10/2002 – 02/2004
	Salwa Nasser	10/2000 – 04/2002

Mohammed El Rabai	Photographer / Driver	10/2000 – 04/2004
Khaled El Kazimi	Clerk	10/2000 – 06/2004

*excluding the period November 2001 to February 2002

Assisting as consultants were:

- Nancy McDonald 06/2001 – 11/2001 (consultant)
- Theresa Lynn Truax 06/2002 – 07/2003 (consultant)

2.5.3 Financial Management and Data reporting

- Financial Management

Quick Books, the CHF International standard project accounting package, was used for the financial management of the program. This financial accounting package has a pre-defined chart of accounts. In 2003 CHF appointed a Chief Financial Officer, Mr. Alaa Sisalem, to be responsible for supervising and consolidating all CHF WBG financial management and accounting systems in full coordination with CHF Head Quarters. On quarterly basis CHF submitted form S-269 was submitted during the entire implementation period on a quarterly basis to USAID. A consolidated financial report is submitted together with this report. The final financial report will be submitted upon conclusion of CHF's A-133 audit of the 2004 fiscal year, which is routinely issued 4 to 5 months after the fiscal year end.

- Reporting on status of project implementation

Status report: During the entire implementation period CHF submit on the 1st and 16th of every month status reports that documented a) the status of work for all projects under implementation for a given period (and specified for each activity indicator and locality); the exact implementation period, the financial data for the project b) the status of expenditures of USAID funds. Those excel sheets provided information on all planned projects, projects under implementation and completed projects listed according to a) the physical year b) the location and c) the Intermediate Results (IRs).

The Geographical Information Systems: CHF complied with all USAID requirements in terms of filling out all needed information and data on the GIS system on regular basis up to the project completion date.

Quarterly reports: A total of 15 narrative reports as well as 15 financial quarterly reports were submitted to USAID describing in detail project implementation status, issues, results, beneficiaries, employment and community contributions etc. Attached to the quarterly reports were CHF's Project Reporting System (PRS) data sheets⁸.

2.5.4. Implementation Partners

Over the entire implementation period VSP CHF focused on developing close working relationships and partnerships with various institutions. All were involved in the program identification and implementation process working with CHF and the 18 communities' on identifying and prioritizing needs, projects design and implementation as well as follow up maintenance and operation. Each partner organization fulfilled a specific role as follows:

Municipalities and Village Councils (Annex 2): CHF/VSP worked with 10 municipalities and village councils. Cooperation included joint selection of public infrastructure projects by the municipality, CHF/VSP staff and community development committees, providing projects' designs and the jointly

⁸ The Project Reporting System (PRS) pioneered by the CHF REDI program in Lebanon had been selected as the most suitable information and reporting system for VSP. VSP staff members were trained in the operation and maintenance of this system during a regional workshop in Amman, Jordan. The PRS had been installed and was in use during the implementation. The PRS was attached to each quarterly report.

supervising the implementation with CHF/VSP project staff. Additionally, municipalities contributed land and/or equipment to community infrastructure projects. Municipal council members and employees received training in strategic planning, resource management, financial management and community participation (LT 508, LT-519, LT 521, LT-522, and LT 949).

Community and Neighborhood Development Committees (Annex 3): CHF/VSP focused on the development of strong community committees and setting up cooperation mechanisms with municipalities. In localities where such committees existed, CHF provided all needed support and encouragement through various training projects (LT-523, LT-693, LT-877; LT-959) and on the job training. Where committees did not exist, CHF encouraged their establishment and provided needed support and guidance. By the end of the project 45 community and neighborhood development committees existed in the VSP program areas.

Palestinian partner NGOs (Annex 4): As mentioned under item 2.1.3. the capacity of NGOs in most of the 18 communities is greatly limited. However, CHF/VSP established successful partnerships with than 24 NGOs. One main partner NGO that played an essential role during the implementation of most projects is the *Development Civic Forum (DCF)*. The DCF acted as the main CHF/VSP partner throughout the project implementation period. Established in Abessan Jadida in 1999, DCF helped CHF/VSP in: the identification of projects (mainly in Khan Younis governorate); evaluation of designs for infrastructure projects; the tendering and supervision of projects and in ensuring future sustainability.

Co-operation with other international development organizations: During the project implementation period CHF worked with a variety of other organizations, which included:

- The United Nations Development Program (UNDP)/ Local Rural Development Program: CHF made available its network, contacts and experience; UNDP made available its expertise; CHF and UNDP intensively coordinated their projects, especially in capacity building;
- Other US based PVOs: coordination meetings were held;
- World Food Program: Four projects were implemented jointly with WFP and the municipalities (please see item 2.5.1.2.)

Line Ministries and Governmental Authorities: coordination with the Ministry of Health and Education was carried out on regular basis especially in relation to sector specific projects: health and educational infrastructure, supply of equipment to schools, summer camps and awareness activities for children and youth.

For example, all water related projects were closely coordinated with the Palestinian Water Authority (PWA) who contributed by constructing the main supply lines, projects fittings and minor materials as well as helped to follow up on the implementation. CHF/VSP complemented the works through the construction of distribution lines and house connections in full compliance with the PWA requirements, priorities and plans.

3. PROGRAM END STATUS

By June 30th, 2004 which marks the end of the program implementation period, **a total of 318 projects were completed with a total value of \$17,555,626**, of which the USAID component was worth \$6,766,507, excluding management costs. The remaining \$10,789,119 was leveraged from other sources by CHF and its local partners, amounting to a matching contribution⁹ of 159%.

⁹ Regulation 22-CFR-226.23 is used for the calculation of matching contributions.

3.1. Program Results vis-à-vis Set Objectives

According to CHF's cooperative agreement with USAID at the end of the VSP program a number of objectives have to be achieved. What follows is a summary of the contractually stated objectives and actual program results:

Objective: Implement nearly 300 small-scale basic infrastructure and community service projects.

Result: 318 projects were completed successfully.

Objective: Improve the living conditions of over 175,000 Palestinians in the program area.

Result: Due to population growth, there are currently 183,480 inhabitants in the program area. The total number of beneficiaries of all projects reached 546,825. The average inhabitant within the program area has benefited almost three times from the improved services initiated by USAID/CHF's program.

Objective: Leverage significant additional financial and material resources for investment in the program area or cluster to complement USAID funding.

Result: The final results show that investments reached 155% of USAID funding leveraged from local communities and international donors: \$10,736,715. The budget included in the VSP cooperative agreement specified a total matching contribution target of 30.7% of the budgeted \$6,165,000 USAID investments, or \$1,923,697. Final results of leveraged matching contributions are more than five times the percentage contractually agreed upon. A breakdown of the matching contributions is provided later in this report.

Objective: Develop and submit to USAID annual implementation plans for approval and undertake and complete approved work plans.

Result: Comprehensive annual implementation plans submitted to USAID were approved on December 8, 2001, June 19, 2002, and June 26, 2003. In December 2003 and January 2004, a No-Cost-Extension with at least \$525,000 in projects was approved in February 2004. Plans were fully implemented as agreed upon with USAID.

Objective: Provide formal and on-the-job training to employees of the partner NGOs and other service providers.

Result: In total CHF has implemented 66 capacity building and public awareness projects for which the community participation and matching contribution components amounted to over 200% of USAID investments, providing approximately 58,000 employment days. The number of trainees was significantly higher than planned for.

Objective: Work directly with more than twenty Palestinian NGOs and CHF-formed development committees consisting of community representatives, local authorities, and other stakeholders¹⁰ in project identification, planning and implementation in order to build local capacity.

Result: CHF has exceeded expectations, acting as an initiator and catalyst for what has developed into exceptionally active community participation in the program area during the entire implementation period CHF has worked with 24 local NGOs and 45 community committees.

Objective: Ensure that all infrastructure investments are constructed to support future maintenance by the local population.

Result: Community and neighborhood committees, municipalities, line ministries and national entities were responsible for the designs of all projects. As such, the ability of the local community and responsible entity to maintain and operate the provided structures and facilities was taken into consideration. All structures are low maintenance cost and easy to operate. Additionally, when needed, training was provided to responsible entities.

Objective: Create a sense of ownership regarding community services within target communities using proven community participation methodologies and the introduction of cost-recovery schemes, thus further enhancing sustainability.

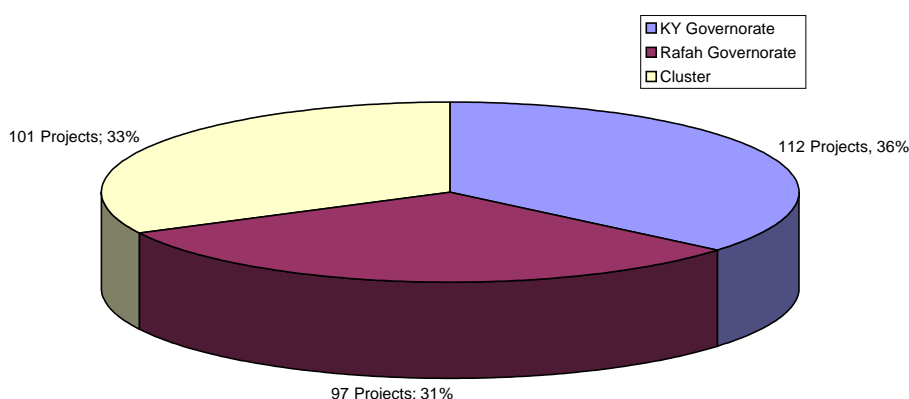
¹⁰ Stakeholders include Palestinian Authority ministries, the Palestinian Water Authority, other donors, and security officials.

Result: CHF has cultivated within the community a deep sense of responsibility for and ownership of all the projects provided through VSP. The communities' involvement in all the program's aspects from the project selection to implementation is one of the most significant factors that ensured the communities' substantial present role in the operation and maintenance of provided infrastructure.

3.2 Program results by geographic area

Annex 5 lists all completed projects in each of the 18 localities. About one third of the projects are cluster projects, meaning they serve more than one community or even the entire cluster. Almost two thirds of the projects exclusively serve one community. While selecting projects CHF ensured a nearly equal distribution of projects between both governorates.

Completed Projects According to Region



Of the 318 projects:

- 109 projects, or 35%, serve an entire cluster or parts of a cluster;
- 209 projects, or 65%, target one community.

The following table provides information on the inputs and outputs per community for the 318 completed projects:

Community	Total No. of Projects	USAID Contribution	Local Match	Land Value	Total Program Value	Beneficiaries	Matching Contribution
Abessan Jedida	8	\$118,899	\$169,571	\$26,470	\$314,940	9,315	165%
Abessan Kabira	11	\$279,330	\$718,367	\$36,500	\$1,034,197	24,690	270%
Bani Suheila	13	\$218,843	\$526,391	\$45,000	\$790,234	24,800	261%
Brasil	12	\$429,749	\$277,876	\$61,700	\$769,325	15,615	79%
Fukhari	14	\$363,607	\$343,146	\$88,250	\$795,003	16,365	119%
Hi Adjnayna	7	\$201,273	\$289,798	\$875	\$491,946	9,460	144%

Kherbet al Adas	15	\$431,913	\$502,360	\$93,080	\$1,027,353	37,830	138%
Khuza'a	11	\$203,055	\$331,075	\$17,500	\$551,630	12,675	172%
Ma'en	10	\$220,639	\$241,893	\$73,000	\$535,532	10,375	143%
Manara	12	\$173,179	\$136,858	\$57,200	\$367,237	11,190	112%
Nasser	18	\$372,342	\$427,063	\$158,000	\$957,405	24,628	157%
Qaal Kurein	7	\$169,042	\$113,830	\$41,350	\$324,222	6,485	92%
Qarara	14	\$359,918	\$471,260	\$178,000	\$1,009,178	27,020	180%
Qessan Najjar	8	\$106,664	\$152,277	\$99,250	\$358,191	7,590	236%
Salam	14	\$364,596	\$236,412	\$54,875	\$655,883	19,645	80%
Shokat Sufi	19	\$446,034	\$585,254	\$398,740	\$1,430,028	25,965	221%
Sureij	4	\$79,156	\$38,785	\$16,800	\$134,741	3,650	70%
Tel Sultan	15	\$372,397	\$348,651	\$64,000	\$785,048	29,397	111%
PITA Clusters	8	\$94,789	\$11,894	\$15,000	\$121,683	5,755	28%
Cluster	101	\$1,761,081	\$2,791,843	\$548,925	\$5,101,849	224,375	190%
TOTAL	318	\$6,766,507	\$8,714,604	\$2,074,515	\$17,555,626	546,825	159%

3.3 Program results by indicator

Of the 318 completed and initiated projects, four projects come under two activity codes (for example the construction of a water supply network and paving the road above it) therefore the total number of activities is 324. CHF/VSP implemented projects in a wide range of activity types in infrastructure, water, agriculture, youth and children, women as well as training, capacity building and awareness projects. 31 of the 45 'activity type codes' as set by USAID were used during the implementation.

The following are the number of implemented projects under each activity code:

- 80 were in education infrastructure
- 75 were in road paving,
- 47 were in youth/women facilities,
- 44 were in training and public awareness,
- 28 were in water supply,
- 24 were in capacity building,
- 15 were in agriculture, and
- 11 were in health/sanitation.

The following table provides information on the inputs and outputs per type of activity:

Strategic Objective Indicator	Total No. of Projects	USAID Contribution in US\$	Total Program Value in US\$	Employment Days	Beneficiaries
A 051 Road Paving	75	2,463,355	6,487,534	112,509	176,325
A 017-21-22-24-25 Youth/Women infrastructure	47	970,959	2,628,232	38,446	88,460

A 011-12-13-16-83 Education infrastructure	80	1,303,592	3,293,501	54,473	98,143
A 041 Water Supply Networks	28	907,509	2,130,374	42,697	71,725
A 014-15- 63 Public Awareness & Training	44	322,670	1,230,187	51,739	49,633
A 032-33-34-42 Agricultural projects	15	371,477	932,737	15,425	22,477
A 043-61-62-101 Health, Sanitation	11	201,362	335,187	6,079	23,755
A 023-44-71-82-91-92-93 Capacity building	24	214,202	454,089	4,607	15,057
TOTAL	324	6,755,126	17,491,841	325,975	545,575

Number of projects and investment in the different sectors: When comparing the number of projects and the money value invested in the different sectors the two sectors with the highest input under VSP as well as from the communities side are road paving and educational infrastructure which the vast communities' need paved roads, appropriate kindergartens and school facilities as well as public education facilities. VSP made a significant contribution with a total value of over US \$ 9.7 million to these two sectors.

Road Paving: 75 of the 318 completed projects (23.5%) were road rehabilitation projects, paving or tiling a total of 53,200 lm of either inner roads in villages, which improved the environmental situation for the entire neighborhood; or access roads which provided better access to health and educational facilities or the main roads in the area. The improvement of roads in the villages helped to a) reduce travel time; b) facilitate local trade; c) provide access to main roads and service facilities. Road projects also made the formerly existing sandy roads safer for cars, motorists and pedestrians. In the internal evaluation conducted at the end of VSP the evaluators found most paved roads in good condition. In case of needed repairs the municipalities had maintained the roads

Youth / Women Infrastructure: 48 of the implemented infrastructure projects served women and/or children and youth. The projects in this sector included the construction or upgrading of playgrounds (19 projects); the creation/rehabilitation or upgrading of sport facilities (16 projects); the rehabilitation or construction of youth facilities or women centers (13 projects). The need for those projects was extremely high.

With the movement restrictions and the general un-secure situation, children, youth as well as women were not able to access facilities in distant areas, which created an urgent need for play grounds, sport fields and activity centers within the communities. Dynamic neighborhood committees, municipalities or NGOs had in many communities established such facilities, but were lacking funds for equipping the places or conducting necessary repairs, expansions and renovations. 26 of the 48 projects were newly constructed facilities where the community had already provided the land and had often started the construction works. CHF/VSP helped to complete or equip these facilities, enabling them to start operations.



LT 779: CHF / VSP helped to construct this Women Centre in Brazil, which offers now various training opportunities for women

Education Infrastructure: A total of 80 projects (25%) with a total value of US\$ 3,305,519 were completed in the education sector. Within the program's implementation period VSP constructed 12 new classrooms, rehabilitated 10 classrooms, constructed / completed 13 kindergartens, rehabilitated/renovated 10 kindergartens¹¹, supplied equipment and materials to 16 schools, rehabilitated / created 8 libraries and helped to improve 22 training centers. 14 of the 79 projects served clusters of villages and 27 were implemented in individual localities in Rafah governorate and 38 in Khan Younis.

1. Schools: 25 projects¹² were implemented in cooperation with and for schools. CHF tried through those projects to meet the most urgent needs in the area. Schools were provided with playgrounds and additional classrooms, and renovation works were undertaken. It should be noted that the demand for supporting the education sector was higher than the VSP ability to meet, and will hopefully be addressed by USAID through PINE. Schools that are administered by the ministry's governorate offices continue to be in shortage of educational materials (LT-709-725; LT-853). In this respect CHF/VSP provided music education tools and materials for laboratories. CHF would like to recommend the continuation of such activities under future USAID programs. It is recommended to a) create in cooperation with the schools special rooms for arts, music and extra-curricular activities b) to combine the supply of materials with training activities for interested teachers.

2. Kindergartens: More than 1000 places for children at the kindergarten age were created through CHF/VSP projects in the program area and more than 60 new jobs were created for kindergarten teachers and support staff. Kindergartens constructed/completed/rehabilitated by CHF are managed by NGOs or the Municipalities. All projects completed were found to be active and in most cases with an increased number of children, which shows that CHF/VSP and its partners selected the right projects.

Water Supply Networks: In 10 of the 18 communities VSP completed a total of 25 water network projects. The impact of these projects is extremely positive. Some of the target villages (Kherbet Adas; Shokat Sufi) did not have any house water connections prior to VSP intervention. People had to take their water from public taps. VSP provided a total of 112,500 meter length of water distribution pipes and connected most houses in the program area to the municipal network. The output has improved the life of 71,725 people in the target communities.



LT-988 Training in First Aid for 240 women from 12 Communities – interactive and practical oriented

Awareness and Training: A total of 44 training and awareness projects were carried out during the implementation period, 31 of them in cluster areas serving more than one community and 13 in selected communities. The total program value of these activities was US\$1,230,187, of which the community has contributed 74% a remarkably high contribution, which demonstrates the public interest in awareness and training activities. Amongst the trained were kindergarten and school teachers, trainers, students, farmers, unemployed workers, community representatives and neighborhood leaders including women. Training topics varied; covering issues like methodology of teaching and animation, surveying, computer training, environmental topics, civic education and first

aid training. Awareness sessions were held for more than 30,000 people and included topics related to health, nutrition, environment and water. The number of beneficiaries per project ranged from 30 to 250 people per project and in awareness activities from 250 to 2,500 people were reached per project¹³.

¹¹ Please note, the number of kindergartens mentioned in this summary does not correspond with the number of projects, due to the fact that in three of the kindergartens two projects were implemented.

¹² This number excludes any projects in the field of public awareness and training. Those will be discussed under a different indicator.

¹³ Please note that projects that were not representative were not taken into consideration.

Agriculture Projects: 15 projects for a total of US\$ 932,737 were implemented in this sector including the construction of agricultural roads (8 projects), which improved the access to agricultural land, the construction of a water reservoir (1 project), safety fences for water holes (1 project), the rehabilitation of irrigation systems (1 project) and the construction of 100 grey water reuse stations (2 projects).

The evaluators visited all agriculture projects and gave special attention to the evaluation of the grey water reuse stations (LT-703; LT-704). For agricultural roads the same findings apply as under IR 51 (road paving).

The grey water re-use stations were implemented in coordination with PARC, which took the responsibility for the maintenance after completion. 100 stations were installed throughout the entire VSP program area. Each station benefits one or more families and recycles about 1 to 2 m³ grey water per day. Because of the social issues related to using grey water the project was combined with public awareness activities under which the farmers were informed of the stations' functions and its environmental impact. All stations visited were found operational. Farmers are using them regularly to water their citrus and olive trees. Given the water shortage in Gaza and the limited financial resources of farmers, the project will help farmers to save water and money.

Health and Sanitation: 11 projects were implemented in the sector of health and sanitation for a total of US\$ 335,187. Those included the replacement of damaged water tanks in eight cities in the West Bank¹⁴, the supply of solid waste containers in Tel Sultan (LT-744), the completion of a clinic in Sattar and a recreational center in Mubarak child hospital.

Capacity Building Projects: 24 projects were implemented that built capacity of partner municipalities, NGOs and the community for a total value of US\$ 454,080, of which the community contribution reached about 54% of the USAID investment. The target groups included municipal managers, engineers, accountants, community representatives, teachers, animators and entrepreneurs. Interactive methods of teaching were used to ensure maximum benefit to the trainees and to give them the opportunity to share their own practical experience. Considered to be a valuable input into the training itself.

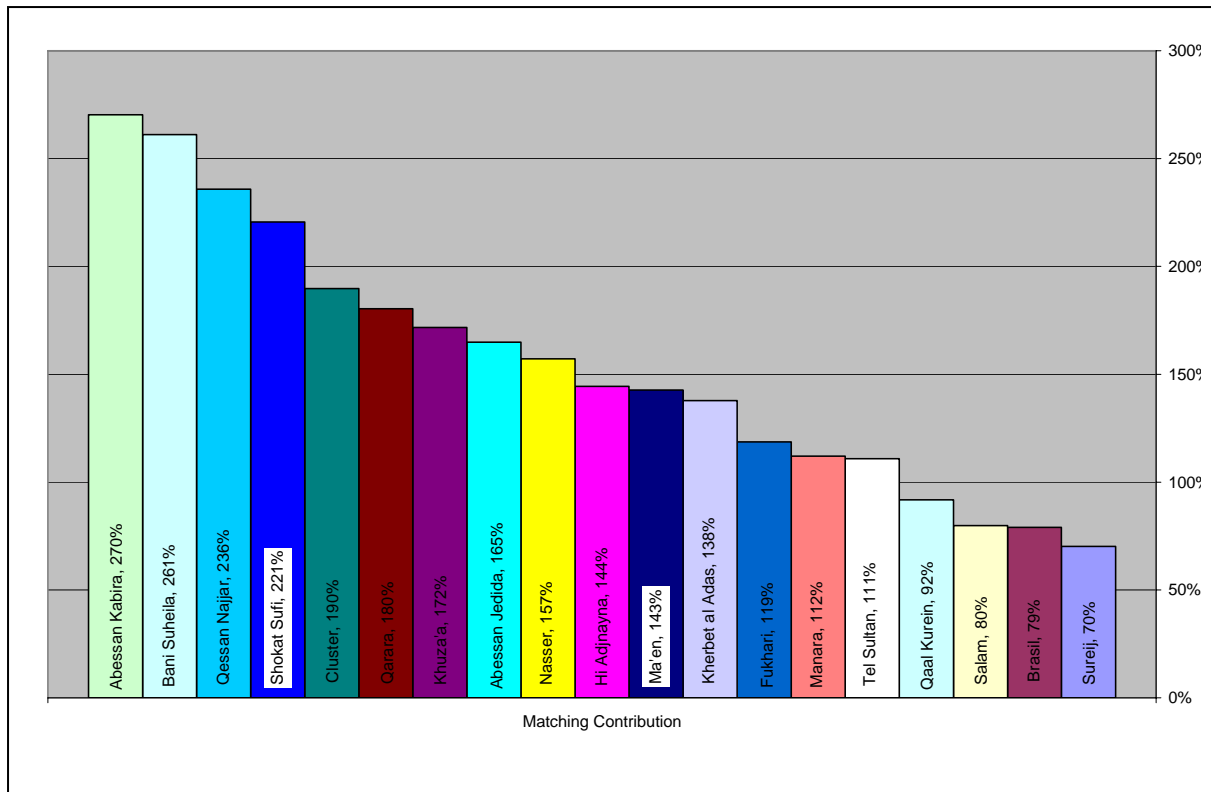
3.4 Community Contribution

The community contribution cash, in kind and land resulted in all localities far beyond the contractually requested amount of 25%; CHF had committed itself in the contract to 30.7%. The final results go far beyond those requirements: The matching resources mobilized for VSP represent with \$10,736,715, more than 5.5 times the \$1,923,697 suggested in the award for the entire program period.

3.4.1 Matching contribution according to locality (including land value)

Four of the eighteen communities matched the USAID contribution through cost sharing percentages between 70%-100%.¹⁵ Ten communities contributed between 100%-200%, and four communities contributed between 200%-270%. In the 109 cluster projects the total match was approximately 190%. As shown in the chart below the communities of Abessan Kabira and Bani Suheila were able to provide the highest contribution, which were often donations from other international donors. In the case of the villages of Qessan Najjar and Shokat Sufi the highest part of the contribution is the land value. Both communities were able to provide the land for various projects. The lowest contributions were provided by Salam, Brazil and Sureij. Those three communities are known as poor neighborhoods with a high population density and relatively low resources.

¹⁵ That is, taking into account only the eighteen communities located in the main VSP program area and excluding the PITA clusters of the emergency damage response project in the West Bank.



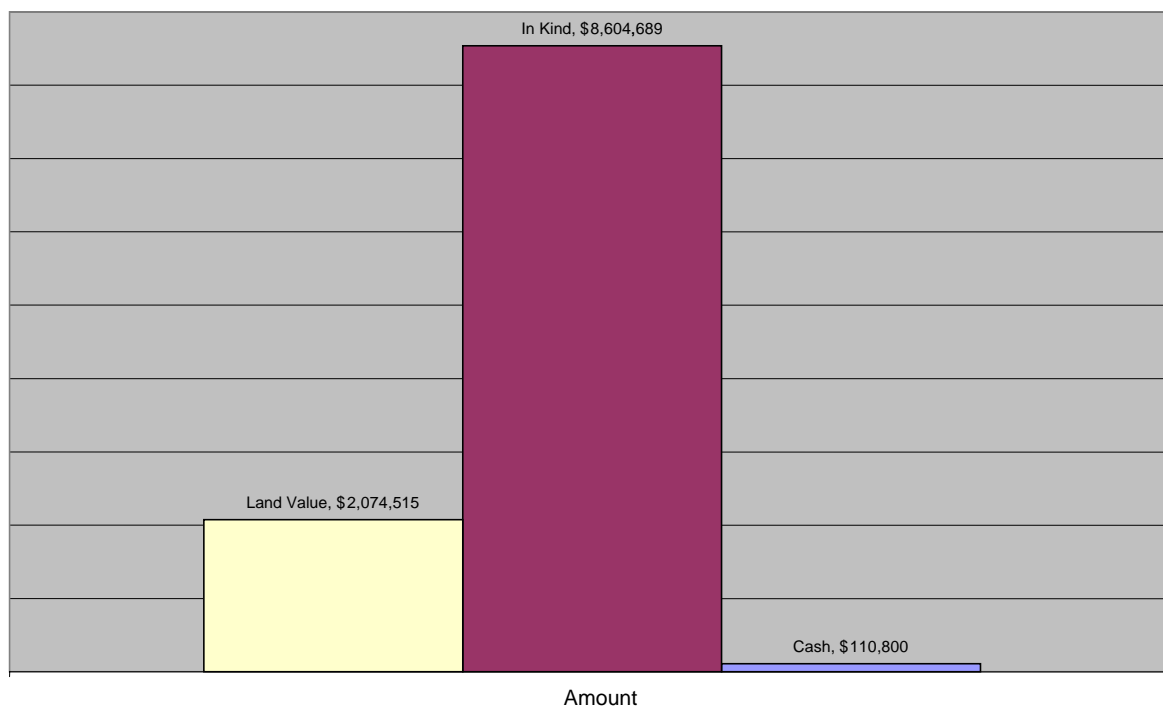
Through community and other donor contributions, CHF has been able to leverage for its initiated and completed projects an average of over \$1.55 for each \$1 invested by CHF/USAID, resulting in over \$2.55 overall investment for each dollar invested by USAID in community services. An average VSP project costs approximately \$21,200 in USAID funds, with a match contribution of \$33,800, totaling \$55,000. These amounts differ from projections at the time of award, meaning that an average project costs less USAID dollars than foreseen, but that the matching contribution is systematically higher. The total average project value is 5% higher than the anticipated \$52,400 average, but the match is much higher than anticipated. Including the two programmatic modifications to the award (the VSP expansion and PITA), the terms of the award specified a total of all project values at \$8,190,000:

- \$6,265,000 from USAID; and
- \$1,925,000 to be raised by the community and CHF.

At the end of the program the total value of the 318 completed and initiated projects is \$17,555,626:

- \$6,765,630 invested by USAID; and
- \$10,790,000 leveraged by the community and CHF (159%).

The 159% of matching contribution is broken down as follows:



3.4.2. Matching contribution according to type of organization

For the 318 implemented projects CHF and the communities raised for VSP 159% in matching contributions. The breakdown according to different partners in relative terms (i.e. percentages of the total matching contributions) is as follows:

- participating communities (including municipalities, NGOs, other local stakeholders) contributed 52% of total matching contributions;
- Palestinian Authority institutions (line ministries, PWA, PECDAR, PAJCP,¹⁶ etc.) contributed 38% of total matching contributions; and
- Other mostly international donor organizations contributed 11% of total matching contributions.

Breakdown according to contributing entity:

Type of Organization	Value of Match	Percentage of Matching Contributions
Communities/Municipalities/NGOs (excluding land) ¹⁷	\$2,696,492	25%
PWA, PECDAR, PAJCP ⁸	\$2,474,884	23%
Communities/Municipalities/NGOs: (land value) ⁸	\$2,074,515	19%

¹⁶ Palestinian Water Authority (PWA), Palestinian Economic Council for Development and Reconstruction (PECDAR), and Palestinian Authority Job Creation Program (PAJCP).

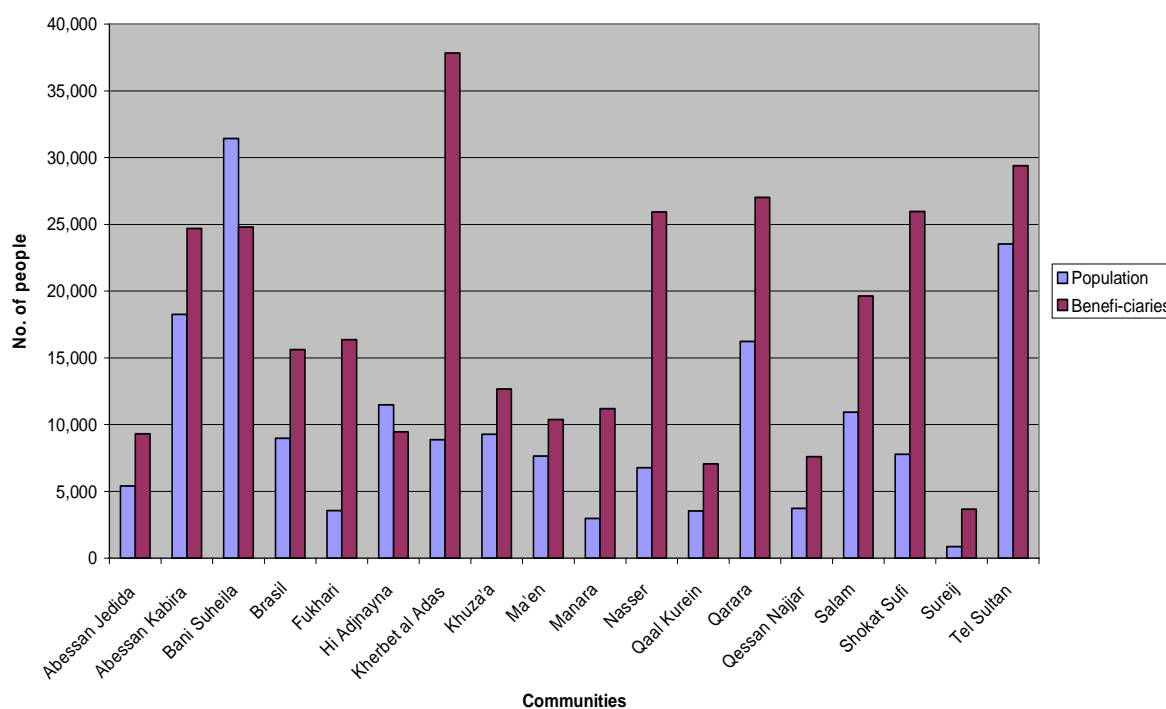
¹⁷ In some cases, these parties have received the matching contributions from other sources (either, private, or from national, or from international sources). Because these contributions have been transferred from parties' accounts and budgets, they are counted as a cost sharing from this party.

Palestinian Authority and Line Ministries ⁸	\$2,300,230	21%
International Donors (other than USAID) ⁸	\$1,243,883	12%
Total	\$10,790,004.00	100.00%

3.5. Beneficiaries reached

The number of beneficiaries was tracked during implementation for each project. For the 318 VSP projects completed, a total of 546,825 people directly benefited from the program. Considering the total population of the program area is 183,480 inhabitants, each inhabitant benefited an average of nearly three times from improvements in community services initiated and implemented by CHF's VSP program. Additionally considering indirect beneficiaries, the total number of beneficiaries increases to over 1.1 million people i.e. 546,825 direct and over 580,000 indirect beneficiaries.

Population Beneficiary Ratio in the VSP Program Area



The highest population/beneficiary ratio was reached in Kherbet Adas, Nasser, Shokat Sufi and Salam. The first four communities were the most deprived in the program area with a high level of infrastructure needs (roads, water etc.)

Women comprised of 48% of the beneficiaries and 52% were men. These numbers generally reflect the cultural reality of the program area. More men head households than do women and are thus those actively involved in their communities. The percentage of male beneficiaries was high in projects that trained unemployed or professionals (accountants, municipal representatives) etc. also in sport centers and sport fields for youth. Therefore special efforts were made to attract women to VSP projects. This succeeded in a number of projects (training of farmer women farmers; training in first aid, rehabilitation of women centers) activities that should be further future programs to reach and benefit an even higher number of women.

3.6. Employment generated

VSP has been successful in creating noticeable employment opportunities in two aspects. CHF has focused on labor-intensive projects and labor-intensive construction methods without jeopardizing competitive pricing. A very important reason for the high employment rate per invested amount is the high matching contribution of which almost 33%¹⁸ goes into construction works carried out by contractors. CHF's VSP program also created new permanent jobs throughout the program area.

3.6.1 Short term employment created during implementation

For its employment generation programs, USAID set a minimum target of 150,000 employment days generated for a \$10,000,000 project value, an all-in cost of \$66.67 per work day. As of March 31, 2003, CHF's VSP program generated 325,975 person days of employment in completed and initiated projects¹⁹ for a total sum of \$10,367,932 exceeding the target by more than 100%. This means that an average person day of employment in CHF's VSP program costs USAID \$31.80, in comparison with the USAID maximum target of \$66.67 per work day.

This relatively high ratio is a result of two factors:

1. the high matching contributions leveraged by CHF and the beneficiary communities as a consequence of CHF's community participation methodology and the promotion of community ownership of the development process which decreases the labor cost per day by about \$27; and
2. CHF's localized labor-intensive infrastructure construction, survey and public awareness methodologies, which decrease the labor cost of \$67 by approximately \$8.

It is estimated that the total employment generated due to VSP projects has over 1% effect on the employment rate in the program area (rural).²⁰

3.6.2 Long term employment created

Long term employment²¹ was created whenever VSP assisted in construction works, rehabilitation works and in the creation or expansion of youth, community, women centers, libraries and kindergartens. It is estimated that VSP helped to create approximately 266 long term jobs of which 97 were for women.

Examples for projects with a high number of jobs created:

LT 541 – Construction of kindergarten in Qaal Kurein: The village lacked an appropriate kindergarten. The facility that was created through the project has now space for 100 children created permanent jobs for 4 teachers and one cleaner. Similar results were reached with **LT-561** a Pre-school in Nasser and **LT 676** a Kindergarten in Shokat Sufi)

LT 779 – Construction of a Women Care Centre in Brasil. Women in the village lacked a place for training and a meeting point. The center provides training programs for the women of the neighborhood (900 possible beneficiaries) and created employment for 6 people. Similar results were reached through **LT-861** the Construction of a library and Computer Training Center in Qarara and **LT -699** the Completion of a Clinic in Satter/Maen.

¹⁸ 24% of investments are paid to direct labor. The match without the 31% land value is 137%: $1.37 \times 0.24 = 32.9\%$. (See section 2.4 for a breakdown of the match).

¹⁹ These 316,461 employment days generated do not include management labor days, although the project value stated does include management costs. Over and above the employment generation figures presented in the charts and text of this report, project and program management provided over 11,000 labor days for CHF and over 2,500 for the municipalities.

²⁰ PCBS and ILO relaxed definition for 174,000 inhabitants in the program area presents a 33,000 labor force; the generated person days of employment in the period under review represents about 1% (provided all laborers come from the project area).

²¹ Long term employment within this context means employment for a period of more than six months after the completion of the project.

The figures above do not take into consideration the increase of employment opportunities for people that benefited from the VSP skills enhancement training courses. This relates to the various training opportunities that VSP offered to the unemployed (975 beneficiaries in total, who were trained in basic computer skills), the training of students in survey methodology (150 students received training), the training of trainers courses (120 beneficiaries were trained in training methodology) and the training of entrepreneurs (120 beneficiaries from both governorates) etc.

3.7. Economic and employment impact of CHF's job-creation projects in Gaza based on the multiplier model

CHF analyzed the impact VSP on the local Palestinian economy. The measurement tool used for is based on the multiplier model presented in the PA strategy on Job Creation²². The analysis provided in Annex 6 shows that the economic benefits of the VSP program on the Palestinian economy are significant.

The multiplier model used is based on:

- Wage rate in the initial and subsequent economic cycles
- Material rate of domestic origin in the initial and subsequent economic cycles
- Material rate of foreign origin in the initial and subsequent cycles
- Saving rate for wage earners and providers of domestic materials at the end of an economic cycle

The application of the multiplier model on VSP reflects the following results:

Item	Requested by PA strategy on Job Creation	Results for VSP
Wage rate:	40 – 50%	44.26%
Domestic Material	20 – 30%	26.63%
Accumulated wage rate:	Either: accumulated wages are greater than or equal to 100% of any project amount	135.54%
Accumulated value to Palestinian Economy	Or: accumulated wages are less than 100% of any project amount but greater than or equal to 75% of any project amount, and accumulated value to the Palestinian economy is greater than or equal to 200% of any project amount.	217.09%

The results indicate that although the VSP was not designed as a job creation initiative its impact on the local Palestinian economy is better than many job creation projects implemented in the area.

3.8. Lessons learnt

In this section a number of lessons learnt relating to specific sectors are listed. The lessons are the outcome of an internal evaluation conducted by CHF/VSP employees in cooperation with its various partners:

Municipal infrastructure / road paving:

²² MOPIC Sector Working Group on Job Creation, Strategy on Job Creation, January 2003.

During follow up visits to roads paved under the VSP program several were found to be covered by sand and garbage. For future interventions a number of low cost but effective follow up actions would be recommended such as:

- Public awareness campaigns on environmental issues organized by CHF and under participation of the 45 neighborhood committees should accompany project implementation and continue even after project completion to help in enhancing the sense of ownership on the beneficiaries' side. In some areas the neighborhoods are already very actively involved in keeping the roads clean and developing the neighborhoods further (LT- 576; LT - 584).
- Adding of sidewalks, street lighting and trash bins to selected streets is recommended to further improve the neighborhoods and the living conditions for people in the villages.
- Focusing on small scale projects (up to US\$ 50,000 in financial input) has partially limited VSP's ability to pave the entire road (LT-870; LT-637, LT-677). This resulted in a) lowered impact because a half done road is less likely to be used by more cars and pedestrians and b) coverage of the paved part by the sand in the unpaved part. It is important to note that most of these projects were selected despite insufficient funds to cover the entire cost of work was to encourage other donors to invest in and complete the works that CHF had started, which actually succeeded in a number of cases (e.g. LT-876)
- The improvement of some roads resulted in more frequent use by cars, trucks, busses and pedestrians (LT-775). New traffic signs should have been installed immediately after the traffic increase and changes became apparent. CHF needs to follow up with the municipality to ensure new signs that reflect traffic changes are installed

Community services / youth and children infrastructure:

▪ *Youth /sport facilities and activity centers:* The evaluation outcome reflected that most provided facilities were well operated and maintained. However, it also revealed that some projects were not active or well operated. In general the active and operated centers were the ones that have:

- A sound institution responsible from within the community e.g. Rafah municipality in coordination with the neighborhood committees of Brasil, Salam is running a successful youth centre (LT-789). Also in places where NGOs cooperate with neighborhood committees for the operation of the centers, success stories were found;
- An effective cost recovery system based on internal revenues from users' / costumers' / and members' fees. Institutions that set and followed a cost recovery system were not only able to operate and maintain the facilities but to further develop their services and attract other donors: (LT-687; LT-751; LT-811; LT-957)



LT 640 This library in Nasser is sustainable thanks to its sufficient management

Playgrounds: Evaluations for all playgrounds were conducted twice in May 2003 and April 2004. Both evaluations came to similar conclusions. The playgrounds were found in good conditions, particularly in cases where the municipality assigned a guard to the playground to maintain it and secure it from vandalism (e.g. in Qarara and in Qessan Najjar). It is thus recommended that as a precondition to all playground projects the beneficiary is asked to employ a guard and that the neighborhood committees share the responsibility for the maintenance and protection of the playgrounds with the municipalities.

Educational infrastructure:

▪ During the evaluation process a number of kindergartens were found to have unacceptable health conditions i.e. lack of hygiene conditions and cleanness despite the appropriate health facilities provided under the VSP project. It is therefore recommended for any similar future interventions to combine infrastructure project with longer term training for staff of kindergartens in the management

and operation issues. It is also recommended that upper supervision is provided by responsible entities to monitor personnel conduct.

- **Operational Sustainability:** All kindergartens are functioning based on a cost recovery system, collecting fees that ensure covering basic salaries for staff and thereby the guaranteeing operational sustainability.
- **Public Training Centers and Educational Facilities:** The centers visited during the evaluation process were found in good physical condition. In terms of operational sustainability the situation was found to be similar to youth center (please refer to the section on youth / sports and activity centers). Full utilization of the centers continued to be an issue. However, in many cases they were found to be utilized by the general public for conducting symposiums, awareness sessions or short term trainings provided by third parties and in some cases for general community meetings. Although VSP provided training activities for centers operators and managers, training alone was not sufficient to ensure full activation and creative programming. Encouraging these new centers to join regional or international networks in their field of specialization (e.g. like the CCDN network) and providing focused and specific training to members and managers would enhance their performance in the future.

Training and Capacity Building Projects:

- Evaluations of VSP activities in this field were conducted during and up until the completion of each project to ensure the participation of the trainers and participants. It was found that for training projects the cluster approach was more efficient than individual community training programs for the following reasons:
 - Most training programs targeted special interest groups (unemployed, students, farmers) across the entire program area rather than residents of a specific locality. By arranging training courses or awareness sessions for several communities, specialized and capable training organizations/companies could be utilized. Positive examples in this respect was the training provided by the Red Crescent Society on first aid (LT-988) from which 240 women from 12 different neighborhoods benefited.
 - Training aiming at capacity building for various municipalities and village councils is most effective when participants can share experiences. The participants in the evaluations as well as CHF employees observed that capacity building activities were most effective when participants were from various communities / municipalities: the training sessions promoted the cooperation between the participating villages/communities that the trainees represented.

Cross-sectoral issues:

Despite efforts to improve infrastructure for women and to develop jointly with local NGOs and municipalities special training programs for female beneficiaries women in the program area were still curtailed from effective participation in the community life and from the decision making process in the neighborhoods (please compare annex 3, more than 90% of the members of neighborhood committees were men). The empowerment of women through focusing on women specific projects and establishment of women committees is therefore highly important for future interventions.

3.9. Recommendations for program replication

The VSP has proven to be an effective tool for developing community services and combating poverty for deprived and underdeveloped rural communities, even under the most severe political and economic crisis.

- Although the program was not designed as a job creation initiative its impact in terms of creating short and long term employment was substantial. In general the program impact on the local Palestinian economy was very positive for it fulfilled all requirements for a successful job creation projects i.e. high labor input and local material usage, wage rate, accumulated wages hence accumulated positive value to national economy.

- The CHF/VSP methodology of selecting small scale infrastructure and training projects and utilizing mainly small contracting and supply companies that employ local workers from within the target community is very successful.
- The strategic approach of CHF/VSP which focuses on local partnerships guarantees a high level of knowledge transfer and capacity building for municipalities, village councils, NGO's and other partners. Both CHF/CRSP and VSP helped to enhance the capacity of local councils and staff in: conducting needs assessments (surveys were conducted by local staff), strategic planning (training was provided for senior municipal staff), designing of infrastructure projects (the designs were part of the communities contribution) and financial management (accountants were trained in special accounting programs).

Osama El Farra, the Mayor of Khan Younis in May 2003:

“Good cooperation exists between the municipalities and CHF staff. We (the mayors) have gotten a better understanding through this program of what community participation means at municipal level”, and on a different occasion in July 2003, “the joint implementation of projects has strengthened the relationship between the neighborhood committees and the municipalities”.
- CHF/VSP approach that focuses on ensuring high community contributions (cash or in kind) increases the sense of ownership by the community, encourages other donors' support and optimizes the outputs and impact of every dollar invested by the donor.
- Finally: the strategic approach of working with neighborhood committees, municipalities and village councils guarantees a high degree of ownership on the beneficiaries' side and a high degree of visibility for CHF as well as for USAID.

SOUTH AREA IN GAZA STRIP



ANNEX 2: List of Partner Municipalities, Municipal Councils and Village Councils

Town / Locality	VSP Localities under jurisdiction	Mayor	Contact (Tel, Fax, Address)	Council Members
ABESSAN JADIDA	Abessan Jadida	Mahmoud Arafat	059 - 408049 / 2071099	Mahmoud Arafat
				Mahmoud Abu Anza
				Dr. Ahmed Al Jurop
				Ibrahim Shaheen
				Suleiman Asfour
				Tawfiq Abu Taema
				Hamad Radwan
ABESSAN KABIRA	Abessan Kabira	Mustafa Al Shawaf	059 - 408113 / 2073672 / 2073066	Eng : Mustafa Al Shawaf
				Adel Abu Tair
				Hamdan Abu Teamah
				Hassan Abu Draz
				Ibraheem Mutlaq
				Jabr Abu Dagga
				Salman Qudaeh
				Sami Abu Zarefa
				Sulaiman Qudaeh
				Talal Abu Tair
BANI SUHEILA	Bani Suheila	Mussa Abu Sa'ada	059 - 408051/ 2071088 / 2071077	Mussa Abu Sa'adah
				Ahmed Abu Jamea
				Ahmed Al Reqeb
				Ismaeel Abu Lehya
				Mussa AL Najjar
				Raji Al Shibi
				Sabri Abu Sabt

ANNEX 2: List of Partner Municipalities, Municipal Councils and Village Councils

				Salah Salout
KHAN YOUNIS	Ma'en	Dr : Osama Al Farra	059-408 401 / 2066277	Dr : Osama Al Farra
	Fukhari			Fayez Abu Shamalah
	Qaal Khurein			Ragheb Attallah
	Qessan Najjar			Mohammed Zakarya Al Agha
	Manara			Naji Shurab
				Kamal Al Astal
				Khalil Hamdan
				Osama Barbakh
				Abdel Hameed Sha'at
				Abdel Hafez Abu Khair
				Nasrallah Al Masri
				Mansour Abu Jazr
				Yehya Al Ghalban
				Mohammed Al Najjar
KHUZA'A	Khuza'a	Suleiman Qudeih	059-408354 / 2074077	no council members
QARARA	Qarara	Eid Al Abadllah	059-408687 / 2070388 / 2070050	Eid Al Abadllah
	Sureij			Abdel Raheem Al soumari
				Adnan Emhanh
				Akram Al Mashni
				Awni Al Farra
				Ibrahim Khashan
				Mohammed Abu Lehya

ANNEX 2: List of Partner Municipalities, Municipal Councils and Village Councils

				Mohammed Al Saqa
				Mohammed Fayad
				Moneer Al Agha
				Said Al Abadllah
				Subhi Abdel Ghafour
FUKHARI	Fukhari	Ali Al Amour	059-409901/ 2130225 / 2068193	Ali Al Amour
				Ahmed Al Farra
				Ayman Al Amour
				Mohammed Al Amour
				Salim Al Amour
RAFAH	Kherbet Al Adas	Eng : Said Zoarob	059-408391 / 2145170 / 2145921	Eng : Said Zoarob
	Tel Sultan			Abdel Hameed AL Nahal
	Brasil			Awaad Abu Esheban
	Salam			Dr : Adnan Al Khaldi
	Hi Adjnayna			Dr : Emad Sha'ath
				Dr : Salih Jaber
				Ezaat Abu Al Khair
				Foa'ad Madi
				Khalid Al Farra
				Salah Al Qadi

ANNEX 2: List of Partner Municipalities, Municipal Councils and Village Councils

NASSER	Nasser	Ejbara Abu Thabet	059-331250 / 2138880 / 2138692	Ejbara Abu Thabet
				Abed Al Jalil Sha'ath
				Ibrahim Ataya
				Juma'a Abu Sonaima
				Mohammed Al Attar
				Naef Moamar
SHOKAT SUFI	Shokat Sufi	Solaiman Al Audasi	059-709 821/ 2130666	Solaiman Al Audasi
				Ahmed Al Hissi
				Hassan Abu Jarad
				Ismaeel Al Dabari
				Mohammed Abu Loli
				Yousif Abu Sonaima

Annex3: Neighborhood Committees in VSP Program Area - Rafah Governorate

Area	Neighborhood committee	Contact (Tel/Fax/Address)	Registered Y / N	Projects with CHF
Brazil	Yaqoub Al Hour	213 5141	Y	779
	Nabeel Al Tahrawi			780
	Sami Abu Taha			781
	Ali Al Hems			782
	Mahmoud Al Arja			784
	Khaled Abu Jazar			785
	Mustafa Juma'a			791
	Suheil Musa			
	Salah Al Auwasi			
Hi Adjnayna	Ishaq Mekhaimar	059 - 347 605	Y	
	Hesham Al Ja'ab			
	Munzer Al Bardaweel			
	Ahmed Fujo			
	Jehad Younis			
	Mohammed Abu Jazr			
	Ibraheem Moamar			
	Khaled Judah			
	Ibraheem Issa			
	Jamal Al Arjah			
	Yousif Abu Jazr			
	Fu'ad Abu Lebdah			
	Musleh Al Arjah			
Kherbat Adas	Abdel Ham. Al Nahal	059 - 751 161	Y	502
	Mohammed Awwad			531
	Abdallah Al Nahal			549
	Khaled Qishta			558
	Mansour Zanon			572
	Mohammed Al Sha'aer			563
	Ahmed Al Nahal			646
	Mahmoud Al Sha'aer			692
	Mohammed Edhair			794
	Hamdan Shalof			800
	Jameel Madi			
Nasser	Hussen Al Attar		Y	
	Hassan Al Masri			
	Mahmoud Al Qudairi			
	Sahar Abu Armanah	059 - 402 482		
	Fadwah Abu Jazar			
	Salim nadyat			
	Asa'ad Al Asi			
Salam	Jalal Shikh Al Eid	059 - 715 061	Y	758
	Abdel Aziz Abu Arafat			759
	Ayesh Abdel A'al			760
	Aref Abu Sultan			763
	Basheer Shaheen			770
	Hassan Qishta			771
	Jammal Al Akhras			772
	Ahmed Awadallah			

Annex3: Neighborhood Committees in VSP Program Area - Rafah Governorate

Shokat Sufi				
Al Shamalyah	Dr: Fares Moamar	059 - 733 911	Y	
	Mussa Moamar			
	Ameen Moamar			
	Mussa Al Farra			
	Mansour Moamar			
	Khader Abu Sonaimah			
Al Wosta Area	Hussen Al Hissi	059 - 702 719	Y	
	Taiseer Al Kurdi			
	Hussen Mohammed Al Hissi			
	Issa Al Hissi			
	Ibraheem Ayash			
	Yasser Al Audaisi			
	Yousif Abu Sonaimah			
Tal El Sultan	Hamadah Mukhaimar	059 - 733 767	Y	
	Khairi Al Jamal			
	Sameer Al Bashiti	059 - 476 743		
	Radwan Al Afifi			
	Sami Ashikh Ali			
	Yehya Khafajah			
	Fayeq A'abed			
	Ziyad Al Nairab			
	Zazeer Al Louga			
Canada Area	Fathi Zaqoot	059 - 476 052	Y	
	Sara Zaqoot	059 - 856 144		
	Subheyah Al Madhoun			

Annex 4: List of Partner NGOs in Khan Younis and Rafah

Up on program completion August 2004

NGO (Abrev.)	Name of NGO and Contact Person	Area / Locality	Current Activities	Role in VSP	Contact Address Phone Number
DCF (Main partner)	Developmental Civic Forum Dr. Awad Hijazy, Mr. Mohamad Dawoud	Cluster	<ul style="list-style-type: none"> Waste water Environmental pilot schemes Training Democracy NGO capacity building 	<ul style="list-style-type: none"> Cluster sustainable development Village Committees Fund raising Sports Women's & youth's rights NGOs Local authorities 	Telephone / Fax 207-2088
AJAVD	A-J Association for Village Development Mr. Wadah Dagmah	Abessan Jedida	<ul style="list-style-type: none"> Sports Education/Training 	<ul style="list-style-type: none"> Sports Learning support Mobilization of resources 	059 505070
Al Aqsa	Al Aqsa Association Mr. Musleh El-Raqeb	Bani Suheila Cluster	<ul style="list-style-type: none"> Clinic Kindergarten Aid to poor families Assistance with school fees 	<ul style="list-style-type: none"> Youth, resource mobilization 	Email aqsa_association@ hotmail.com, Telephone / Fax 2071525 052 909046
Al Quds	Al Quds Open University Dr. Salah El-Awour	Qarara	<ul style="list-style-type: none"> Academic training 	<ul style="list-style-type: none"> Training 	Telephone 2070545
APLA	Association of Palestinian Local Authorities Mr. Moueen Rabani	Cluster Gaza	<ul style="list-style-type: none"> Upgrading organizational behavior in local authorities 	<ul style="list-style-type: none"> Capacity Building / organizational behavior in local authorities 	282-9047
CFTA	Culture and Free Thought Association Mrs. Miriam Zaqout	Cluster Khan Yunis	<ul style="list-style-type: none"> Education Capacity building Women Culture Training of NGOs Extracurricular Activities 	<ul style="list-style-type: none"> Community committees, Women's networks NGO capacity building 	Email cfta@palnet.com Telephone 205-1299, Fax 206-7299
CSDA was KSDC	Center of Socio-Development Association Mr. Hamdan Abu Rok	Khuza'a	<ul style="list-style-type: none"> Education/Training Medical herbs awareness Food manufacture 	<ul style="list-style-type: none"> Computer training Educational support Food preservation Library 	Telephone 2074455; 059770272 Fax 2074473

NGO (Abrev.)	Name of NGO and Contact Person	Area / Locality	Current Activities	Role in VSP	Contact Address Phone Number
EYC	Eastern Youth Center Mr. Mohamed Radwan Mr. Mohamed Abu Nseira	Bani Suheila, Cluster	<ul style="list-style-type: none"> • Sports • Education/Training • Workshops and cultural meetings 	<ul style="list-style-type: none"> ▪ Sport ▪ Education/Training ▪ Workshops ▪ Cultural meetings 	Tel:2071960 or 059 842 784
GS	University Graduate Society Eastern Villages Mr. Yasir Saqer Mr. Abdesalam Breigne	Bani Suheila, Cluster	<ul style="list-style-type: none"> • Job Creation • Computer Training • Professional skills/performance development 	<ul style="list-style-type: none"> ▪ Job Creation ▪ Computer Training ▪ Professional skills/performance development 	Tel: 059 862 424
Huda, WDS	Al-Huda Women's Development Society Mrs. Mahdia el Breim	Bani Suheila, Cluster	<ul style="list-style-type: none"> • Computer training • Educational meetings • Food manufacture 	<ul style="list-style-type: none"> ▪ Computer training, ▪ Vocational training ▪ Food preservation 	Telephone 2071-950 Fax 207-1388
MAAHP	Medical Aid Assistance to the Handicapped Mr. Jamal el Sarraj	Bani Suheila	<ul style="list-style-type: none"> • Rehabilitation programs for the handicapped 	<ul style="list-style-type: none"> ▪ Disabled youth activities 	283-8834/24/44
PARC	Union of Palestinian Agricultural Relief Committees Dr. Ashour	Cluster Rafah	<ul style="list-style-type: none"> • Agriculture • Waste water • Roads • Environment, • Training 	<ul style="list-style-type: none"> ▪ Agricultural roads ▪ Water ▪ Workshops 	Email admig@palnet.com; Telephone / Fax 286-7178,
Parma-Culture	Khuza'a Agricultural Parma-culture Center Mr. Abdel Halim Kdee	Khuza'a	<ul style="list-style-type: none"> • Farmer Education • Water use • Environment • Training 	<ul style="list-style-type: none"> ▪ Urban and rural sustainable development 	Email Khuzperm@palnet.com ; Telephone 206-9630 Fax 205-1647
QDA	Qarara Development Assos. Mr. Jalal Abadlah	Qarara	<ul style="list-style-type: none"> • Kindergarten • Education • Training • Cultural Meetings 	<ul style="list-style-type: none"> ▪ Vocational training ▪ Community mobilization 	
SPH	Society for the Physically Handicapped Dr. Samir Abu Jayyab	Cluster Gaza	<ul style="list-style-type: none"> • Rehabilitation programs for the handicapped 	<ul style="list-style-type: none"> ▪ Education and rehabilitation ▪ Youth activities 	Email sphp@rannet.com Telephone 286-1249 Fax

NGO (Abrev.)	Name of NGO and Contact Person	Area / Locality	Current Activities	Role in VSP	Contact Address Phone Number
					282-4851
WCC	Women's Cultural Center Mrs. Habiba Dagmah	Abessan Jedida	<ul style="list-style-type: none"> • Cultural meetings • Children's activities • Health education 	<ul style="list-style-type: none"> ▪ Youth activities ▪ Health Education 	207-2569
WE-DO	Water & Environment Development Organization Mr. Nader Al Khateeb	Cluster Bethlehem	<ul style="list-style-type: none"> • Waste water • Solid waste • Public awareness • Training • Recycling and Environmental Assessments • Educational materials 	<ul style="list-style-type: none"> ▪ Training ▪ Public Awareness ▪ Environmental health promotion ▪ Water 	02-2745968 052-875022

Annex: 6 Economic Multiplier effect of VSP

In table1, for VSP, for each \$100, the multiplier effects on wages, purchase of domestic and foreign materials and savings are shown for each economic cycle, together with the accumulated values.

Table 1: Multiplier effects on wages, purchase of domestic and foreign material and savings CHF International VSP Program (USAID)

Initial financial outlay: US \$ 100		Cycle 1	Cycle 2	Cycle 3	Cycle 4	Cycle 5	Cycle 6	Cycle 27
		32.65%	54.65%	69.46%	79.43%	86.15%	90.67%	100.00%
1	Wages Dom.	44.26%	29.81%	20.07%	13.52%	9.10%	6.13%	0.00%
2	Accumulated	44.26%	74.07%	94.14%	107.66%	116.77%	122.90%	135.54%
3	Material Dom.	26.63%	17.93%	12.08%	8.13%	5.48%	3.69%	0.00%
4	Accumulated	26.63%	44.56%	56.64%	64.78%	70.25%	73.94%	81.55%
5=1+3	Palest. Eco.	70.89%	47.74%	32.15%	21.65%	14.58%	9.82%	0.00%
6	Accumulated	70.89%	118.63%	150.78%	172.44%	187.02%	196.84%	217.09%
7	For. Material + Wages+OH.	29.11%	19.60%	13.20%	8.89%	5.99%	4.03%	0.00%
8	Accumulated	29.11%	48.71%	61.92%	70.81%	76.80%	80.83%	89.14%
9=5+7	Total	100.00%	67.35%	45.35%	30.54%	20.57%	13.85%	0.00%
10	Accumulated	100.00%	167.35%	212.70%	243.25%	263.82%	277.67%	306.23%
11	Savings	3.54%	2.39%	1.61%	1.08%	0.73%	0.49%	0.00%
12	Accumulated	3.54%	5.93%	7.54%	8.62%	9.35%	9.84%	10.85%

During the first cycle, which is the length of the project, US \$ 44.26 is paid for wages, US \$ 26.63 for domestic materials and US \$ 29.11 for foreign materials. The total is US \$ 100. These are the direct economic consequences of the project and are normally the ones that are considered, together with the physical outcome of the project. In the following all the indirect economic benefits are analyzed and calculated.

The saving rate is 5%, so the wage earners and the providers of domestic materials save US \$ 3.54 at the end of the project. It is seen that US \$ 70.89 stay in the Palestinian economy, whereas the US \$ 29.11 for materials of foreign origin are lost forever to the Palestinian economy. All this information is presented in the column 'Cycle 1'. So at the end of the project US \$ 67.35 is available for continued consumption in the Palestinian economy, namely the US \$ 70.89 less the savings of US \$ 3.54.

Cycle 2 starts when the wage earners and the providers of domestic materials begin to use their proceeds from the project and ends when they have used it all – except their savings. This implies that economic cycles may overlap. During Cycle 2 another 44.26 %, or US \$ 29.81 are spent on wages and US \$ 17.93 on domestic materials, and yet another US \$ 19.60 on foreign materials. At the end of the second economic cycle another US \$ 2.39 have been saved.

In column 'Cycle 2' it can be seen that the accumulated wages amount to US \$ 74.07; accumulated purchases of domestic materials amount to US \$ 44.56; accumulated purchases of foreign materials amount to US \$ 48.71, and accumulated savings are US \$ 5.93. At the end of the second economic cycle the project has generated US \$ 167.35, of which US \$ 118.63 have stayed in the Palestinian economy, while US \$ 48.71 have been absorbed by the foreign economy.

At the end of the 27th cycle, when the wage earners and the providers of domestic materials have used all their proceeds from the previous cycles except their savings, the accumulated multiplier effects for the VSP USAID and Local Community contribution of \$20,182,829.78 show that the accumulated wages will be \$27,356,060 (or 135.54%) and the accumulated value to the Palestinian economy will be \$43,815,150 (or 217.09%) of the USAID and Local Community contribution.

In table 2 below, the accumulated multiplier effects are shown for the entire VSP Project's expenditures.

Table 2: Multiplier effects on wages, purchase of domestic and foreign material and savings.
CHF International VSP disbursements October 2000 - June, 2004 (USAID)

Disbursed in thousands of dollars		Cycle 1	Cycle 2	Cycle 3	Cycle 4	Cycle 5	Cycle 6	Cycle 27
		6,590.50	11,028.93	14,018.04	16,031.09	17,386.80	18,299.81	20,182.36
1	Wages Dom.	8,933.05	6,016.05	4,051.57	2,728.57	1,837.59	1,237.54	0.31
2	Accumulated	8,933.05	14,949.10	19,000.68	21,729.25	23,566.83	24,804.37	27,356.06
3	Material Dom.	5,374.67	3,619.63	2,437.67	1,641.68	1,105.60	744.58	0.18
4	Accumulated	5,374.67	8,994.30	11,431.97	13,073.65	14,179.25	14,923.83	16,459.09
5=1+3	Palest. Eco.	14,307.72	9,635.68	6,489.25	4,370.25	2,943.19	1,982.12	0.49
6	Accumulated	14,307.72	23,943.40	30,432.65	34,802.90	37,746.09	39,728.21	43,815.15
7	For. Material + Wages+OH.	5,875.11	3,956.65	2,664.65	1,794.53	1,208.55	813.91	0.20
8	Accumulated	5,875.11	9,831.76	12,496.41	14,290.95	15,499.50	16,313.40	17,991.61
9=5+7	Total	20,182.83	13,592.33	9,153.90	6,164.79	4,151.74	2,796.03	0.69
10	Accumulated	20,182.83	33,775.16	42,929.06	49,093.84	53,245.58	56,041.61	61,806.75
11	Savings	715.39	481.78	324.46	218.51	147.16	99.11	0.02
12	Accumulated	715.39	1,197.17	1,521.63	1,740.14	1,887.30	1,986.41	2,190.76

In table 3, the accumulated multiplier effects are presented with wage rates and domestic material rates selected at 10% intervals. The saving rate is 3%. In the table it is shown when a job-creation project should be accepted. This is indicated in the shaded areas in the table. **For VSP, the wage rate is 44.26%. The domestic material rate is 26.63%. VSP is located within the 40% to 50% wage rate interval and the 20% to 30% domestic material rate interval.**

The acceptance criteria according to the Review Mission recommendations¹ are the following:

Either:

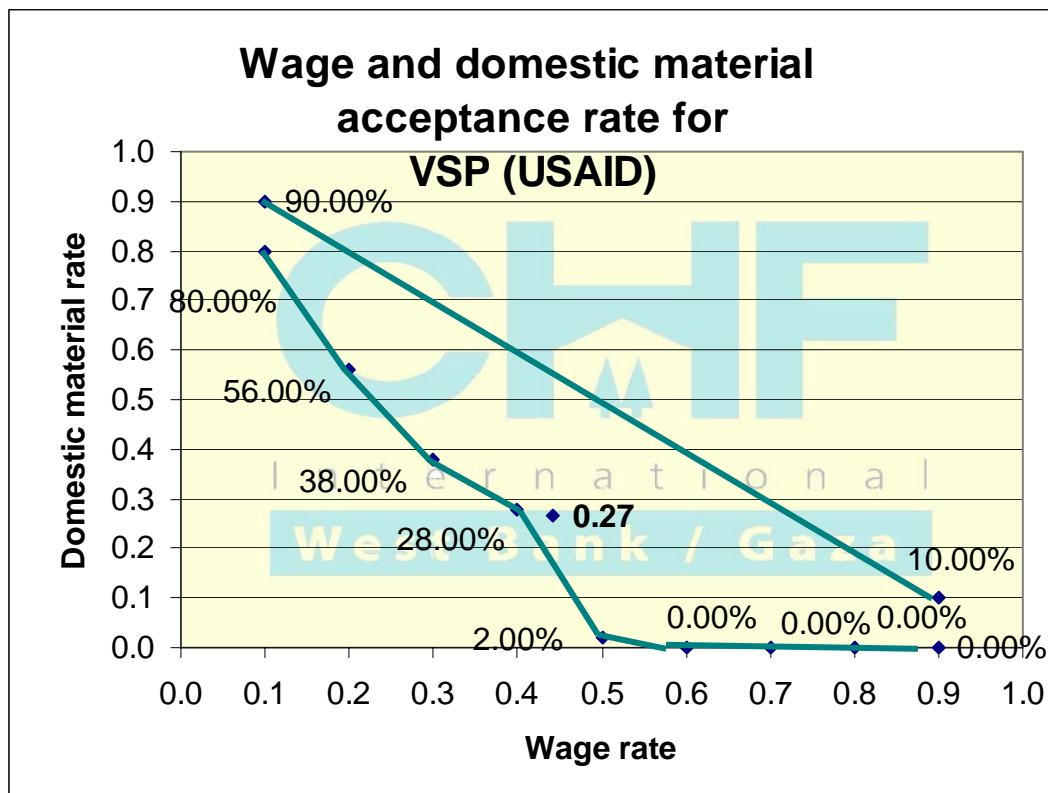
- The accumulated wages are greater than or equal to 100% of any project amount,

Or:

- The accumulated wages are less than 100% of any project amount but greater than or equal to 75% of any project amount, and the accumulated value to the Palestinian economy is greater than or equal to 200% of any project amount.

For VSP the accumulated wage rate is 135.54% and the accumulated value to the Palestinian economy is 217.09%. Meaning that both criteria have been satisfied and VSP performed correctly even according to the criteria of a job-creation project.

The following diagram shows that VSP is located within the acceptance area between the two curves.



¹ MOPIC Sector Working Group on Job Creation, Strategy on Job Creation, January 2003.