



## EVALUATION OF THE DANISH ENGAGEMENT IN PALESTINE

# EVALUATION

2015.02





# **Evaluation of the Danish Engagement in Palestine**



**May 2015**

---

© Ministry of Foreign Affairs of Denmark  
May 2015

Production: Evaluation Department, Ministry of Foreign Affairs of Denmark  
Cover photo: Anneke Slob  
Graphic Production: BGRAPHIC  
ISBN html: 978-87-90656-70-6  
ISBN pdf: 978-87-90656-29-4

This report can be downloaded through the homepage of the Ministry of Foreign Affairs [www.um.dk](http://www.um.dk)  
or directly from the homepage of the Evaluation Department <http://evaluation.um.dk>.

Contact: [eval@um.dk](mailto:eval@um.dk)

Responsibility for content and presentations of findings and recommendations rests with the authors.

---

# Contents

<b>Executive Summary</b>	<b>9</b>
<b>1 Introduction</b>	<b>18</b>
<b>2 The Political Context of Danish Engagement in Palestine</b>	<b>24</b>
2.1 Main findings	24
2.2 Two binding constraints	25
2.3 Danish engagement in Palestine	32
<b>3 Overall Assessment of the Danish Engagement in Palestine</b>	<b>36</b>
3.1 Main findings	36
3.2 Towards a Theory of Change	38
3.3 Relevance of Danish engagement in Palestine	45
3.4 Coherence of Danish engagement	50
3.5 Efficiency	54
3.6 Sustainability	56
<b>4 Assessment of Local Government and Human Rights Support</b>	<b>59</b>
4.1 Main findings	59
4.2 Assessment of the support to local government	60
4.3 Assessment of the support to civil society/human rights	66
<b>5 Conclusions, Lessons and Recommendations</b>	<b>74</b>
5.1 Conclusions	74
5.2 Lessons and recommendations	79

**The following separate annexes to the evaluation report can be downloaded from <http://evaluation.um.dk>**

Annex A: Terms of Reference

Annex B: Methodological Approach

Annex C: List of Documents

Annex D: List of People Interviewed, Focus Group Participants, Members of the Evaluation Reference Group

Annex E: Peace Process and International Support

Annex F: Denmark-Palestine: Time Line, Debates and Strategies

Annex G: Portfolio Analysis

Annex H: Local Government Support

Annex I: Human Rights Support

---

## Acknowledgments

The Evaluation Team particularly appreciated the time afforded to the evaluators by the various stakeholders interviewed or consulted over the course of the evaluation. We would like to extend our gratitude to all government officials, as well as to the representatives of international organisations, civil society organisations, the private sector, and other development partners, who graciously made themselves available for interviews in Palestine and Denmark or through Skype or telephone. In particular, we would like to acknowledge the valuable contribution of the Evaluation Reference Group in providing useful comments to the inception report and the draft final report. Special thanks go to the staff of the Danish Representative Office in Palestine who made themselves available and assisted the Evaluation Team in addition to their often high-pressure work. Furthermore, the contribution of many stakeholders in focus groups and workshops provided the Evaluation Team with valuable additional insights.

---

## Acronyms and abbreviations

<i>ACC</i>	Anti-Corruption Commission
<i>AHLC</i>	Ad Hoc Liaison Committee
<i>DCCD</i>	Centre for Culture and Development in Denmark
<i>CS</i>	Civil Society
<i>CSO</i>	Civil Society Organisation
<i>DCCD</i>	Danish Centre for Culture and Development (in Danish CKU)
<i>DKK</i>	Danish Krone
<i>DRO</i>	Danish Representative Office in Ramallah
<i>ECFR</i>	European Council on Foreign Relations
<i>EEAS</i>	European External Action Service
<i>EMSRP</i>	Emergency Municipal Services and Rehabilitation Project
<i>EU</i>	European Union
<i>EUPOLCOPPS</i>	European Coordinating Office for Palestinian Police Support
<i>EVAL</i>	Evaluation Department
<i>GG</i>	Good Governance
<i>GoI</i>	Government of Israel
<i>HoC</i>	Head of Cooperation
<i>HoM</i>	Head of Mission
<i>HR</i>	Human Rights
<i>HRBA</i>	Human Rights Based Approach
<i>ICHR</i>	Independent Commission for Human Rights
<i>IHL</i>	International Humanitarian Law
<i>IMF</i>	International Monetary Fund
<i>INCAF</i>	International Network on Conflict and Fragility (OECD/DAC)
<i>JSC</i>	Joint Service Council
<i>LACS</i>	Local Aid Coordination Secretariat
<i>LDP</i>	Local Development Programme
<i>LDF</i>	Local Development Forum
<i>LGA</i>	Local Grant Authority
<i>LGDK</i>	Local Government Denmark (also referred to as KL)
<i>LGPDP</i>	Local Government Policy Development in Palestine
<i>LGU</i>	Local Government Unit
<i>MDLF</i>	Municipal Development and Lending Fund
<i>MDLG</i>	Municipal Development and Local Governance
<i>MDP</i>	Municipal Development Programme
<i>MENA</i>	Middle East and North Africa Department
<i>MERAP</i>	Middle East Regional Agricultural Programme
<i>MFA</i>	Ministry of Foreign Affairs
<i>MoLG</i>	Ministry of Local Government
<i>MoPAD</i>	Ministry of Planning and Development
<i>MoWA</i>	Ministry of Women Affairs
<i>MS</i>	Member State
<i>NAD</i>	Negotiations Affairs Department
<i>NDC</i>	NGO Development Centre in Palestine
<i>NDP</i>	National Development Plan
<i>NGO</i>	Non-Governmental Organisation
<i>NIRAS</i>	Danish international consulting company

## ACRONYMS AND ABBREVIATIONS

---

<i>OECD/DAC</i>	Organisation for Economic Cooperation and Development/Development Assistance Committee
<i>oPt</i>	occupied Palestinian territory
<i>PEGASE</i>	European Mechanism for the Direct Financial Support of the Palestinian Population – Mécanisme Palestino-Européen de Gestion et de l'Aide Socio-Economique
<i>P(N)A</i>	Palestinian (National) Authority
<i>PLC</i>	Palestinian Legislative Council
<i>PLO</i>	Palestinian Liberation Organisation
<i>PRDP</i>	Palestinian Reform and Development Plan
<i>PSU</i>	Policy and Strategy Unit
<i>RoL</i>	Rule of Law
<i>SDIP</i>	Strategic Development and Investment Plans
<i>SG</i>	Strategy Group
<i>SMDM</i>	Support to Municipal Development and Management in the Middle Gaza
<i>SWG</i>	Sector Working Group
<i>TA</i>	Technical Assistance
<i>TIM</i>	(EU) Temporary International Mechanism
<i>ToR</i>	Terms of Reference
<i>UN</i>	United Nations
<i>UNDP</i>	United Nations Development Programme
<i>UNRWA</i>	United Nations Relief and Works Agency for Palestine Refugees in the Near East
<i>UNSCO</i>	United Nations Special Coordinator for the Middle East Peace Process
<i>US</i>	United States (of America)



---

# Executive Summary

## **The context defining the space for Danish engagement**

Denmark has been providing humanitarian and development aid to Palestinians for a long time. Since the Oslo Accords in 1993, the overall political objective of the Danish engagement in Palestine is to support the realisation of a two-state solution to the Israeli-Palestinian conflict, encompassing the State of Israel and an independent, democratic, sovereign and contiguous State of Palestine living side by side in peace and security.

Consistently, the purpose of this evaluation was “to assess the contribution of Denmark to the establishment of a viable Palestinian State as part of a negotiated two-state solution.” The evaluation also provides input for the next strategy period and programme phase of the Danish engagement in Palestine from 2016 onwards.<sup>1</sup>

Before presenting the main results of the evaluation, it is important to stress that the space for Denmark to engage in Palestine was limited by two binding constraints related to the Israeli occupation, on the one hand, and limitations on the Palestinian side, on the other.

After the Oslo Accords in 1993, no progress has been made on the final status issues despite a series of peace negotiations. The peace process stagnated during the evaluation period, and came to a standstill in 2014. In fact, the socio-economic, fiscal and governance situation of Palestine deteriorated considerably over the years and was further aggravated by the 2014 Gaza war. The continued Israeli occupation, expanding settlements and the blockade of Gaza since 2007 have severely diminished the feasibility of a two state solution and have also seriously affected the Palestinian economy and the lives of Palestinians. The blockade and permit regime have halted economic development and have led to structural economic distortions.

The limitations on the Palestinian side were essentially two-pronged. First was the political and territorial division since 2007 between the Palestinian Liberation Organisation (PLO) government – the Palestinian Authority (PA) – in the West Bank and the de facto Hamas government in Gaza. Second and related were growing accountability and legitimacy issues affecting the rule of the PA and Hamas inter alia due to the absence of elections, corruption and overall weak governance.

---

1 The evaluation focused on the period 2009 to 2013 and encompassed the strategic level (policy and strategy), the intervention level (programmes and projects) as well as the linkages between these levels. While the evaluation covered all areas of Danish engagement in Palestine, an in-depth analysis was carried out of Danish support to local government and human rights, including funding activities (six projects were analysed in detail) and non-funding activities such as the role of Denmark in the policy dialogue and donor coordination. However, the evaluation does not cover Danish political initiatives at the international level or Danish political initiatives vis-à-vis Israel. In addition, Danish contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the European Mechanism for the Direct Financial Support of the Palestinian Population (PEGASE) are only covered in terms of their strategic importance for the overall engagement.

### **The aid conundrum in Palestine**

The character and nature of Denmark's engagement in Palestine is largely if not entirely defined by the geopolitical context. This context confronts all external actors wishing to contribute to a solution to the conflict between Palestine and Israel and internal Palestinian issues. The space for Denmark to engage in Palestine is defined by its membership of the European Union (EU) and the fact that it is a small donor with a need to specify its own comparative advantage in a crowded donor field supporting an economy and service delivery that has become heavily dependent on donor funding.

The binding constraints limit the scope and possibility for success of Denmark's engagement with Palestine – as it limits the scope and possibilities for all other donors. In the absence of a political solution, aid serves to alleviate Palestinian distress and support the building and preservation of Palestinian institutions and thus contributing to upholding stability at the same time unintentionally providing Israel with very limited incentives to change its policy vis-à-vis Palestine. In other words, the international community continues to pay for the effects of the Israeli occupation.

### **Broad political consensus behind Danish policies towards Palestine**

As elsewhere in Europe, there is a divisive debate about the Israeli/Palestinian conflict. Nevertheless, Denmark's engagement in Palestine was based on a series of motions passed by broad consensus in the Danish Parliament. These motions among other things supported the peace process and its end goal of a two-state solution as well as continued development assistance in support of the Palestinian people and for building a Palestinian state. An important rationale for assistance to Palestine has also been to ensure Denmark's participation in international efforts to bring about a lasting solution in Palestine.

Denmark has always closely followed the EU line and accepted the lead position of the US in the peace process. For Denmark and the EU, the basic parameters for a comprehensive, just and lasting solution are based on UN resolutions, including relevant Security Council resolutions. These parameters were also set out in EU policy, most notably in various Foreign Affairs Council conclusions and include, among other things, the need for a solution based on the 1967 borders, Jerusalem as the capital for two states, Israel's right to peace and security and a normalisation between Israel and the Arab countries. The same parameters were also reflected in the motions passed in the Danish Parliament.

Also during the evaluation period, Danish policies towards Palestine and the conflict with Israel were characterised by broad support in Parliament for the measures taken:

- The Danish yes-vote for the “non-member observer state” status of Palestine in the United Nations in November 2012 was given as part of a majority of EU member states voting yes;
- Denmark published guidelines regarding companies' voluntary labelling of products from Israeli settlements in October 2012, following an UK initiative, with a view to introducing EU-wide guidelines to the same effect in the near future;

- An increase of the Danish aid budget to Palestine from yearly average disbursements amounting to DKK 200 million to yearly average disbursements of DKK 250 million has taken effect since 2014; and
- An upgrade of formal relations between Denmark and Palestine to a status equivalent to that of diplomatic relations took place in 2014, thus placing Denmark with the majority of EU countries in that regard.

### **Continuity and change in the Danish engagement in Palestine**

Denmark's aid policy towards Palestine over the past 20 years have been characterised by continuity in the involvement on the one hand, and changes in strategy and modalities of involvement on the other. One element of continuity is the strong focus throughout the engagement on promoting core Danish normative values of democracy and human rights. From this follows the strong engagement with local development, rule of law and building human rights institutions and civil society. Another element of continuity has been the continued support for Palestinian livelihood primarily through support for UNRWA:

From 2009 to 2013 total Danish disbursements to Palestinian development and humanitarian assistance were DKK 1.2 billion (approximately Euros 160 million). Denmark was the 18<sup>th</sup> largest donor to Palestine over the period 2009-2012. In terms of volume of bilateral support provided, Palestine is in the 16<sup>th</sup> place of country recipients of Danish aid. Annual average disbursements were in line with the political commitments of DKK 200 million, but actual disbursements showed fluctuations during the evaluation period from DKK 176 million in 2011 to DKK 331 million in 2013. This money was spent on the following areas of support:

**State-building** (41% of total disbursements and increasing over the years), for support to local government, human rights, rule of law, and PEGASE;

**Peacebuilding** (7% of total disbursements and decreasing over the years) with a large number of relatively small-scale projects;

**Economic development** (2 % of total disbursements and stable over the years);

**Humanitarian support** to Palestine via UNRWA, other international agencies and Danish NGOs (46% of total disbursements and stable over the years); and

**Support via Danish Civil Society Organisations** through framework agreements (4% of total disbursements), outside the scope of this evaluation.

During the period 2009-2013, there was continuity in the areas of Danish support, with some changes over time. The strategic frameworks for Danish engagement in Palestine contain analyses of the binding constraints – the political framework conditions as they are termed – and the limitations this put on Danish aid. Therefore, Danish support to state-building initially focused on local government and human rights support to NGOs, which were considered to be areas where Denmark could contribute irrespective of the outcome of the peace process. Denmark provided initially very limited direct support to national level PA ministries. The state-building support to local government and NGOs went together with strong support for peacebuilding activities at the local level with the aim to prevent radicalisation and preserve the conditions for continuation

of negotiations, while Denmark also provided considerable humanitarian support to improve or maintain living conditions for Palestinians. Gradually over the evaluation period, Denmark also included direct support to the PA, for example through its contribution to PEGASE. Denmark became less active at the local level and support to peacebuilding and small-scale local activities decreased. This is reflected in a change in aid modalities from a relatively large number of bilateral projects in 2009 to bigger, more multilateral and co-funded projects in 2013. Despite the reduction in the total number of projects, Denmark remained active in a large number of areas of support, which complicated its possibilities to address the binding constraints in relation to the support provided.

The geographical allocation of funding covered the various territorial components of Palestine, with the important exception of Area C. The majority of Danish support was focused on Area A, covering 18% of the West Bank, which is formally under PA civil and partial security control, while considerable support was also provided to Gaza (it is estimated that at least one third of total Danish assistance went to Gaza) and East-Jerusalem.

### **Strengthened local government and human rights organisations**

Denmark distinguished several secondary objectives related to state-building. Local government support focused on strengthened provision of services to the citizens and stronger local democracy. Denmark also aimed to support more stable PA organisations and wanted to contribute to an improved financial situation of the PA. Human rights support aimed to strengthen human rights organisations and to improve the human rights situation.

The support to local government led to significant achievements, especially in terms of improved performance of municipalities and the realisation of hundreds of infrastructure and community development projects for the population. The performance-based funding of municipalities created incentives for further improvement of the investment processes, while still more attention needs to be paid to the operation and maintenance of these investments. Clear progress was made in strengthening local government with a focus on improved provision of services to citizens. To date, the focus has been on increasing transparency, especially regarding budgets, and on some services such as the issuing of construction permits.

Danish support to human rights and civil society contributed to stronger human rights actors by providing flexible core funding to the Independent Commission for Human Rights (ICHR) and NGOs, which gave them greater stability. The ICHR has established itself as a reference institution for human rights-related complaints in the country. There have been many examples of successfully resolved cases by the funded human rights NGOs to the benefit of the Palestinian population. Legal advice and representation before Israeli and Palestinian courts and administrative bodies was provided to more than 27,000 direct beneficiaries with approximately 20,216 legal consultations and 5,994 legal cases. Partner NGOs achieved positive outcomes in 9,995 cases.

Moreover:

- Denmark contributed to PEGASE, which provided financial support to the PA that allowed the payment of salaries and pensions of (retired) civil servants; contributed to maintaining the PA administration and essential public services; and helped the PA to manage its budget deficit through reduced net lending and arrears. Denmark also funded UNRWA and NGOs providing humanitarian assistance – notably education and health services and livelihood support – to millions of Palestinian refugees and Palestinians living in deprived conditions;
- Vulnerable groups, including women, in Gaza and in the West Bank were involved in small-scale local economic development projects allowing them to generate an income; and
- Peacebuilding projects, also in remote areas and East Jerusalem, provided cultural and social activities (e.g. Programme for Culture and Development) and contributed to dialogue between different population groups (e.g. the Dialogue and Outreach project).

**Local democracy and human rights compliance: difficulties to realise progress**

Nevertheless, some specific desired outcomes were not achieved. Denmark aimed to contribute to the strengthening of local democracy through effective participation of citizens in decision making processes. Apart from consulting population in connection with prioritization of local council investments there is limited evidence of significant progress in this area. Denmark also aimed to contribute to policy reforms regarding local government, in particular the amalgamation of smaller local government units into bigger municipalities. This process encountered considerable obstacles. The local population and leaders often saw the amalgamation as a top-down initiative. Over time changes in the PA leadership led to lower commitment to the reform process. In this context, the Danish bilateral projects continued to focus on amalgamation with a technocratic and administrative approach, which was insufficient to achieve the desired outcomes given the lack of political support.

Despite the support provided by Denmark and other donors for institution building, including civil society, and success in many individual cases there continues to be a human rights deficit in Palestine. This is linked primarily to the binding constraints, in particular the occupation and the fact that the PA is only partly responsible for security in the West Bank, while the continued rivalry between Palestinian fractions does not facilitate political oversight on PA security agencies. Furthermore, statistical evidence is missing that can adequately provide evidence for increased awareness of human rights by Palestinian citizens.

Peacebuilding and economic development activities had positive outcomes at local level but remained very dispersed. Support to peacebuilding was reduced and Denmark's intentions to make economic development an important area of its development support were not realised.

### **Denmark's overall contribution to a viable Palestinian state: the aid conundrum in practice**

The central evaluation question is: "To what extent did Denmark contribute to the establishment of a viable Palestinian state as part of the two-state solution?" An important conclusion is that Denmark contributed to better functioning Palestinian organisations and institutions providing services to the population. This is an important aspect of stability and points at achievement at the level of the secondary goals. Strengthened organisations are an important pre-condition for a viable Palestinian state, and this was the main logic underpinning Denmark's state-building engagement in Palestine. However, given the Israeli occupation and the limitations on the Palestinian side, strengthened organisations alone cannot bring about a viable state. Financial sustainability remains a very important issue of concern and Palestinian organisations, both government and non-governmental, remain heavily dependent on donor support. Moreover, there is no evidence of overall progress towards improved accountability, transparency or progress towards the two-state solution. Donor support may contribute to stability but also stasis and facilitation of continued Israeli occupation/expansion and donor complaisance towards the PA.

### **Explanatory factors**

Denmark was very much aware of the binding constraints and tried to work around them, but did not succeed in addressing or mitigating them in order to attain its higher-level goals. The two binding constraints related to the Israeli occupation and the limitations on the Palestinian side are indeed the main explanatory factors regarding the lack of progress towards the realisation of the overall objective. Although Denmark's space to engage in Palestine was limited as explained above, the binding constraints were not completely beyond influencing by the international community including Denmark. International actors tried to address these through political dialogue with Israel and the Palestinian authorities. However, a recent evaluation of EU support to Palestine indicates that "there has been little strategic, systematic and sustained results-oriented dialogue at the high level with Israel linking cooperation effectiveness directly to Israeli actions. While Member States have reached consensus on the Council Conclusions' declaratory policies, they refrained from taking practical steps further, avoiding confrontational or adversarial measures with Israel and to a lesser extent with the PA."<sup>2</sup> Evidence of the same limitations on the Danish side was found in this evaluation. The binding constraints negatively affected efficiency in terms of high transaction costs.

However, the analysis also indicates that not all opportunities were grasped to address at least some of the policy issues within the space left by the binding constraints. Findings from projects and programmes were not used sufficiently to influence the policy and political levels. Given its role as 'lead donor' in the local government sector, Denmark could have done more in terms of the policy dialogue with the PA, such as addressing issues of accountability and transparency also in relation to corruption and nepotism. Regarding the policy dialogue with Israel and the PA to follow-up on human rights issues raised by the funded organisations, there was some uncertainty and some hesitation among the donors involved. This was related to the difficulty of donors to speak with one voice or adopt joint initiatives on issues involving their countries' foreign affairs

---

2 European Commission, Evaluation of the European Union's Cooperation with the occupied Palestinian territory and support to the Palestinian people, Final Report, Volume 1, European Commission, May 2014, Executive Summary, p. ix.

policy towards Israel and the PA. There is considerable room for improvement on donor coordination vis-a-vis an enhanced policy dialogue with Israel and PA on enhancing the effectiveness of development cooperation with the Palestine.

On a positive note, Denmark selected relevant organisations for its support and contributed to improve their performance. Furthermore, Denmark chose to reduce its number of projects and to fund larger multilateral or co-funded projects, which positively affected effectiveness and efficiency. In local government support, the multilateral programme proved to be more effective than bilateral projects, because of a solid technical project design, improved results orientation, clear procedures and better harmonised donor support. The approach tended to be rather technocratic, although it improved over time, especially for multilateral and co-funded projects but also some projects providing support to NGOs. There was a focus on organisational strengthening and infrastructure, but more difficult issues such as the quality and transparency of governance and the binding constraints were left aside to a large extent as this would have required donor agreement to raise these issues.

Denmark also faced limitations in implementation, including the lack of an overall comprehensive, coherent strategy linking the development interventions to the policy and political dialogue and a developed results framework. Moreover, Denmark does not have specific guidelines for strategies for engagement in fragile settings. Despite a clear reduction in the number of projects, Denmark is still involved in a significant number of areas of support, which further complicates the establishment of necessary linkages between the intervention and strategic levels.

### **Lessons and recommendations**

Progress in the resolution of the conflict and the resumption of negotiations remain the key preconditions for any step further towards the realisation of the overall political goal. In the current setting, it is important that, while supporting the two-state solution, Denmark also recognises the risks and underlying assumptions regarding the viability of the two-state solution based on a sound understanding of the binding constraints and how to address and mitigate them.

The evaluation makes the following recommendations:

1. **Prepare a comprehensive Country Policy Paper in line with the new guidelines, including a clear results framework** against which to measure success. Such a paper should cover the integration of the political, development cooperation and economic relations and provide a realistic risk assessment, with particular attention to the binding constraints. This should be followed by a test of whether and how to address them, with implications for the terms of engagement, especially at the programme and project level. The new Country Policy Paper and Country Programme for the period from 2016 onwards should be based on a context and conflict analysis, include a detailed Theory of Change linking the overall political objective to specific objectives and paying due attention to coherence between all areas of Danish engagement. The consideration of different scenarios for the future development of Palestine would help Denmark to better mitigate risks.

2. Given the context in Palestine and the overarching binding constraints, funding only development and humanitarian assistance will not lead to relevant, effective and lasting change. Therefore, **funding and non-funding activities (i.e. policy and political dialogue and donor coordination) should be combined** and the skill sets and working methods of the staff responsible of both types of activities should be adapted to this purpose. In practice, this means that in relation to the Danish support to state-building – local government and human rights support as well as PEGASE – there is a need to get more leverage in the dialogue with the PA on accountability issues, policy reforms, human rights violations, attitudes of duty-bearers and local democracy. Regarding the political dialogue with Israel the obstacles of the occupation to the development of Palestine, demolitions of infrastructure, human rights violations should be brought forward.
3. **Focus on Area C, East Jerusalem and Gaza.** Denmark, together with the EU, should further develop a strategy to provide support to Area C, which should also include political dialogue with Israel in order to try and forge an opening in the standstill situation. Support to Gaza should also be continued given the crisis situation, with strengthened linkages to the dialogue regarding the limitations on the Palestinian side. Finally, strengthening the focus on East Jerusalem is needed given its key role in the peace negotiations and the future of a viable Palestinian state.
4. **Denmark could further promote its best practice in Palestine to reduce the number of bilateral projects and to opt for multilateral and co-funding** within the EU and also in the local aid coordination structure. In principle, a reduction in the number of projects and more joint or pooled funding would allow more attention to be paid to the political and policy dialogue, but this should be planned for and implemented.
5. **Develop clear and transparent criteria for the choice of specific objectives and areas of support**, in line with the overall political goal. Possible criteria to be considered are: a) Comparative advantage of Denmark in specific sectors based on past experience; b) Alignment with PA priorities; c) Analysis of needs of Palestinian people in relation to donor mapping and past performance; and d) Potential synergies between the areas of support.
6. **Continue Danish support to local government and to human rights** on the basis of the satisfactory results achieved so far, while paying more attention to addressing the binding constraints. This would include giving a new dimension to Denmark's leadership role in the local government sector by developing a more pro-active approach to donor coordination and policy dialogue. For human rights, experiences at the project level should be related to the policy and political dialogue where duty bearers are addressed.



7. **Consider a further reduction of the areas of support for the years to come.**

As Denmark is still active in a large number of areas of support, reducing this number would free up resources. This in turn would allow more attention to be paid to the political and policy dialogue with both Israel and the PA, in particular in sectors where Denmark is in the lead. In addition to the recommended continuation of support to local government and human rights, continuation of humanitarian assistance is also inevitable for the next programming period. In this area, linkages with the application of international humanitarian law, which are addressed by the supported human rights organisations, can be further established. Choices should be made on the level of priority to be given to economic development and peacebuilding.

---

# 1 Introduction

## Purpose

The Terms of Reference (ToR – Annex A) indicated that the purpose of the evaluation was “to assess the contribution of Denmark to the establishment of a viable Palestinian State as part of a negotiated two-state solution and to provide input for the next strategy period and programme phase of the Danish engagement in Palestine. Hence, the evaluation serves accountability and learning purposes”.

## Scope and evaluation questions

The ToR outlined the scope of the evaluation: the evaluation should look at the “full Danish engagement with Palestine and how it supports the overall goal of a negotiated two-state solution to the conflict between Palestine and Israel. The evaluation must encompass the strategic level including the policy level, the intervention level (programme and project) as well as the linkages between these levels.” However, an important limitation was that the evaluation should not “cover the Danish political initiatives at the international level or Danish political initiatives vis-à-vis Israel” (see Annex A).

The evaluation focused on the period 2009-2013 while taking into account the broader recent historical perspective regarding the peace process and policy changes in Denmark, wherever relevant. The Strategic Framework for the Danish-Palestinian Development Cooperation 2010-2012 was the basis for this evaluation together with the Denmark-Palestine Country Strategy Paper 2014-2015.<sup>3</sup> Furthermore, as this evaluation was designed with a view to providing input into the new strategy formulation process for the period from 2016 onwards, the direction set out in the draft country policy paper for the new Danish-Palestinian Partnership 2016-2020 was taken into account.<sup>4</sup>

In addition, the ToR indicated that assistance to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) should only be covered in terms of its strategic importance for the overall engagement, but that the evaluation should not cover UNRWA as such (38% of total Danish disbursements). The same limitation applied to the Danish support through the European Mechanism for Direct Financial Support of the Palestinian population PEGASE (7% of total Danish disbursements).<sup>5</sup>

---

3 Although the Denmark-Palestine Country Strategy Paper 2014-2015 formally falls outside the scope of this evaluation, due attention is given to the formulation of this strategy as it took place during the evaluation period.

4 The Strategic Framework for Development Cooperation with Palestine 2010-2012 was meant to be replaced by a new strategic framework for the period 2013-2016, but as the formulation took quite some time it was decided to agree upon a transition strategy for the period 2014 to 2015. The policy document was originally called the ‘Danish Palestinian-Partnership 2014-2015’, which was renamed ‘Denmark-Palestine Country Strategy 2014-2015’ when it was formally published in early 2014. A Synopsis of the Policy Paper for Danish-Palestinian Partnership 2016-2018, Draft version 07-10-2014, was used for this evaluation.

5 Humanitarian assistance is the most important area of assistance in terms of volume of support, while the support to PEGASE (Mécanisme Palestino-Européen de Gestion et de l’Aide Socio-Economique) has also grown substantially since 2012. Therefore, the evaluation made use of evaluation and other reports on UNRWA and PEGASE to report on results to the extent possible.

The following central evaluation question is linked to the overall goal of the Danish engagement in Palestine:

**To what extent did Denmark contribute to the establishment of a viable Palestinian state as part of the two-state solution?**

The ToR specified four main evaluation questions that were slightly reformulated in view of the evaluation design elaborated in the inception report:

1. How relevant have the strategy and the activities carried out under the strategy been in the overall context of Palestine?
2. How effective and efficient has the engagement been as a whole and at the intervention level? What can be said of the relation between the effectiveness and the unresolved Israel/Palestine conflict?
3. To what extent is the engagement sustainable also in the event of a continued unresolved situation between Israel and Palestine?
4. Has there been coherence between the various instruments – political initiatives vis-à-vis Palestine, policy dialogue with Palestinian stakeholders, development cooperation, humanitarian assistance – in the Danish engagement?

The main evaluation questions were detailed in sub-questions presented in an evaluation matrix which also contains indicators, data sources and methods of data collection (see Annex B).

**Sampling**

During the inception phase the scope of the evaluation was defined in more detail based on the portfolio analysis of Danish disbursements in Palestine (see Annex G). After humanitarian assistance, state-building was the main area of support with two important sub-sectors: 1) Support to local government; and 2) Support to civil society/human rights (accounting for approximately one third of total disbursements). Therefore, an in-depth analysis of these two sub-sectors – in terms of both funding and non-funding activities<sup>6</sup> – was carried out, focusing in particular on the assessment of effectiveness and efficiency. Using volume of disbursements and variation in aid modalities, the following interventions (projects) were selected for in-depth analysis:

---

6 Funding activities cover project and programme support as well as technical assistance. Non-funding activities include Denmark's participation in political dialogue, policy dialogue and donor coordination.

**Table 1.1 Selected project for in-depth analysis**

<b>Project</b>	<b>Description</b>	<b>Disbursements 2009-2013 (DKK) and Danish contribution as % of overall budget</b>
<b>Local government</b>		
Local Development Programme – Jenin Governorate – Phase 1 and 2	Bilateral project. Assistance to the Local Government Units of two areas of Jenin Governorate to amalgamate into two municipalities through institutional development of the local administrations and implementation of joint infrastructure, social and cultural projects.	65 million 100%
Municipal Development Programme (MDP)	Multilateral project with Danish contributions via a World Bank Trust Fund. It aimed at strengthening local governments by enhancing their efficiency and effectiveness and by moving them towards fiscal stability. It provided municipalities with a combination of technical assistance and annual performance based grants for sub-projects that improved service delivery to the population.	216 million 27%
Local Government Policy Development in Palestine (LGPDP)	Bilateral project implemented by Local Government Denmark, the interest and member authority of Danish municipalities. It consisted of three components: 1) Support to a Policy and Strategy Unit at the Ministry of Local Government; 2) Support to the Municipal Development and Lending Fund; and 3) Support to the Association of Palestinian Local Authorities.	5 million 100%
<b>Human Rights</b>		
Multi-Donor Secretariat for support to NGOs in Human Rights and Good Governance (HR/GG NGO Secretariat)	Project funded by a donor consortium (Denmark, the Netherlands, Sweden and Switzerland). It channelled pooled donor funding to HR/GG NGOs operating in Palestine in the form of core funding and project grants. It also aimed to facilitate and support coordinated policy and capacity building initiatives by the HR/GG sector, including networks, coalitions and other joint activities, and to strengthen the policy dialogue between HR/GG sector in the Palestinian territories and the donors.	29 million 28%

<b>Project</b>	<b>Description</b>	<b>Disbursements 2009-2013 (DKK) and Danish contribution as % of overall budget</b>
Support for the Independent Commission for Human Rights	Support provided by a donor consortium (Switzerland, Sweden, Norway, the Netherlands and Denmark) via a Joint Financing Arrangement to cover the operation cost and activities implemented by the national human rights institution for Palestine. Established by Presidential Decree, ICHR seeks to protect and promote human rights in accordance with Palestinian Basic Law and the international principles of human rights.	8 million 8 to 19% yearly
Building a Family Law Court Judgements Database Project	Bilateral project implemented by Birzeit University. The project established a database of family law court judgements with the purpose to provide legal professionals and citizens with access to up to date legal information and to enhance the capacity of the family courts' staff and judges to handle the court cases.	6 million 100%

Project assessment forms were developed for these six selected projects, which are representative of Danish support to local government and human rights, covering 89% of the disbursements to these two-sub-sectors (and 25% of total disbursements). The analysis of these six interventions was not restricted to the activities funded, but their (possible) linkages to political and policy dialogue were also explicitly taken into consideration.

In addition to the in-depth analysis of the two sub-sectors, the overall assessment of the Danish engagement in Palestine was based on a broad selection of funding and non-funding activities in line with the strategic focus of the evaluation (see Annex B). This broad selection covering all main areas of support – peacebuilding, state-building, economic development/livelihoods and humanitarian support – represents approximately 75% of all Danish funding. The evaluation's main objective was to present strategic findings concerning the results of the overall Danish engagement in Palestine. This implies that the results at the level of individual development interventions needed to be used for the analysis at the strategic level.

### **Methodological challenges**

The Evaluation Team encountered several methodological challenges. This limited the degree to which the evaluation was able to answer all of the evaluation questions. The following main challenges were identified and addressed to the extent possible:<sup>7</sup>

- Limiting the scope of the evaluation to political and policy initiatives vis-à-vis Palestine and Palestinian stakeholders (excluding both Danish political initiatives at the international level and Danish political initiatives vis-à-vis Israel) has important consequences. Therefore, the Israeli occupation was considered as a contextual factor and this also applies to the Danish position in the international debate, including within the European Union (EU). In order to address these limitations due attention was paid to an appropriate context analysis.
- Given the focus on the entire Danish engagement in Palestine, which goes beyond just that of development cooperation, the Evaluation Team needed to collect sufficient information on the policy dialogue with the PA. In the inception phase the “unavailability of key information regarding political and policy initiatives” was identified in combination with limited information on the selected projects. While sufficient documentation could be collected afterwards on the projects, the written information regarding the policy dialogue with the Palestinian Authority (PA) remained limited. No formal minutes were available on the policy dialogue. The numerous documents from the Danish Parliament on the Palestine-Israel conflict and the relations of Denmark and Palestine covered some aspects of the political dialogue, but did not contain detailed information on the policy dialogue especially not with respect to the specific areas and sub-sectors of Danish support, which are essential to explore the linkages between the political and policy levels, and at the project level. Interviews with present and former staff involved in the Danish engagement allowed filling part of this information gap.
- The assessment of efficiency was mainly based on qualitative indicators such as delays in implementation, adequate risk analysis and risk mitigation, and ability to learn as only limited information on detailed cost categories was available.
- In the inception phase it became clear that there were no traditional yardsticks to assess engagement in such a highly politicised context as found in Palestine. Therefore, a combination of methods was used to assess the Danish engagement. At the intervention level, the assessment was based on output and outcome indicators defined in the project documents, while for the assessment at the strategic level international guidelines on evaluations in fragile settings were applied and are reflected in the indicators and evaluation approach (see Annex B for the main principles).<sup>8</sup>

---

7 During the inception phase, several challenges and risks were identified. Among those were the limited time availability of stakeholders based in Palestine and Jerusalem, due to their intensive meeting schedules related to the recent violence in Gaza; safety and security issues preventing access to Gaza or other areas; lack of key information on political and policy initiatives. Such challenges are common to evaluations covering conflict or fragile situations (see e.g. OECD/DAC Network on Development Evaluation and OECD/DAC International Network on Conflict and Fragility (INCAF)).

8 See e.g. OECD/DAC Network on Development Evaluation and OECD/DAC International Network on Conflict and Fragility (INCAF).

### **Organisation**

The Evaluation Team was responsible for the evaluation design presented in the inception report, data collection and analysis and the drafting of the final report. The Evaluation Team consisted of Anneke Slob (team leader), Alessandra Cancedda (portfolio analysis and human rights), Lisbeth Pilegaard (policy analysis), Hanna Theodorie (expert on Palestine) and Andrea Dijkstra who assisted with the desk research, in particular project assessments. The Evaluation Team benefitted from the advice of two quality assurance experts, Sune Haugbølle and Ted Kliest. The deliverables were commented upon by an Evaluation Reference Group, chaired by the Head of Evaluation in the Ministry of Foreign Affairs in Denmark (see Annex D for all names).

In Annex B more details on the organisation of the evaluation are presented, including the evaluation methods. Annex C presents the list of consulted documents. Annex D lists the people interviewed and the participants in the focus groups and workshops as well as the members of the Evaluation Reference Group. The other annexes contain more background information related to the analysis presented in the main report.

---

## 2 The Political Context of Danish Engagement in Palestine

This chapter presents the key elements of the evolving context that will serve later in the report as explanatory factors for the assessment of the Danish engagement in Palestine. The main focus of this chapter is on the two major binding constraints affecting the Danish engagement in Palestine, i.e. the restrictions related to the Israeli occupation and the limitations on the Palestinian side.<sup>9</sup> These constraints are derived from the context analysis, which describes the peace process and the international support for this process (Annex E), and the major political and social economic developments in Palestine. The binding constraints related to the context analysis are similar to more general challenges that donor countries are facing when engaging in fragile settings. The main characteristics of the Danish engagement in Palestine are presented at the end of this chapter. In Annex F a time line of the developments in Palestine in relation to key events and decisions of Denmark regarding Palestine is included.

### 2.1 Main findings

- **The peace process has stagnated during the evaluation period, and came to a standstill in 2014.** After the Oslo Accords in 1993, no progress has been made on the final status issues despite a series of peace negotiations.
- **The continued Israeli occupation and the blockade of Gaza have seriously affected the Palestinian economy and the lives of Palestinians. Gaza is facing another humanitarian crisis in 2014 and 2015 after the recent conflict.** The Israeli occupation limits Palestinian movement and access to resources and markets to a very important extent. The blockade and the permit regime halt economic development and lead to structural economic distortions.
- International assistance has helped Palestinians and the Palestinian Authority, but has also led to heavy donor-dependence. In fact, **the international community is assumed to a large extent to be paying for the cost of occupation by Israel.**
- **The Palestinian Authority has made progress regarding international recognition** as reflected in the “non-member observer state” status in the United Nations (UN) obtained in 2012, the increasing number of countries that have formally recognised the State of Palestine and the non-binding motions to recognise Palestine passed in several European parliaments in 2014.

---

9 These binding constraints were defined in a recent evaluation of the EU support to Palestine: European Commission, Evaluation of the EU cooperation with the occupied Palestinian territory and support to the Palestinian people, Final Report, Volume 1, May 2014.



- While the Israeli occupation is considered as the first major binding constraint to the two-state solution, the second binding constraint consists of **limitations on the Palestinian side mainly related to the political division between the Palestinian Liberation Organisation (PLO) government in the West Bank and the de facto Hamas government in Gaza, but also the problematic democratic processes, legitimacy and good governance.**
- During the evaluation period, after the 2008-2009 Gaza war, **the EU and Denmark have shown growing concerns with the stagnating peace process.** For Denmark and the EU, the basic parameters for a comprehensive, just and lasting solution are based on UN resolutions.<sup>10</sup> The parameters have been set out in EU policy, most notably the Foreign Affairs Council conclusions of December 2009, December 2010 and July 2014 and include, among other things, the need for a solution based on the 1967 borders, Jerusalem as the capital for two states, Israel's right to peace and security and a normalisation between Israel and the Arab countries. The same parameters are reflected in motions passed by broad consensus in the Danish Parliament.
- Formal relations between Denmark and Palestine were intensified during the period under review, despite the fact that Denmark does not formally recognise Palestine as a state. According to many interviewees, **Denmark has taken a position in the middle of the EU spectrum.** This is reflected in the Danish vote for the “non-member observer state” status of Palestine (the vote of EU Member States was divided with a majority voting yes) and the decision in 2012 to increase the budget for development and humanitarian support to Palestine. **Denmark was the 18th largest donor to Palestine over the period 2009-2012.**
- The space for Denmark to engage in Palestine is affected by, on the one hand, the existing binding constraints related to the Israeli occupation and the limitations on the Palestinian side, and on the other hand, its membership of the EU, and the fact that it is a small donor that needs to define its own role in this complex environment.

### 2.2 Two binding constraints

The 1993 Oslo Accords marked the beginning of a potential two-state solution. Key ‘final status’ issues remained unsolved, among which: 1) the nature and borders of a Palestinian state; 2) the status of Jerusalem; 3) Palestinian refugees; and 4) Israeli settlements in the occupied territories. Together they represent fundamental issues of Israeli control and Palestinian national aspirations.

Following the 1993 Oslo Accords and the 1995 Interim Agreements between Israel and the Palestinian Liberation Organisation, the West Bank was divided into three zones, A, B and C. While some control was given to the PA in Areas A and B, Israel maintained full control of Area C, including over the planning and development of infrastructure. Area C constitutes over 60% of the West Bank and is the only contiguous Palestinian territory and contains the most significant land reserves available for Palestinian develop-

---

10 Including relevant Security Council resolutions such as 242 (1967), 338 (1973) and 1515 (2003).

ment, as well as the bulk of Palestinian agricultural and grazing land. Area A consists of approximately 18% of the West Bank and is under partial Palestinian security and civil control, while Area B consists of approximately 21% of the West Bank and is under Palestinian civil control and joint Palestinian-Israeli security control (see map below). However, in Areas A and B Israeli also handles all civil issues if an Israeli is involved and Palestinians have only subsidiary authority over water allocation, power and broadband. The bifurcated system therefore affects all areas of Palestinian life, including local government, human rights and responsibilities of duty-bearers.



Map by Evan Centanni based on: Natural Earth, B'Tselem, U.N. OCHA oPt.  
<http://www.polgeonow.com/2012/12/is-palestine-really-country.html>.

The conflicts in Gaza, partly related to the election victory of Hamas in 2006, including the battle of Gaza in 2007 (Hamas-Fatah), the Gaza war of December 2008-January 2009 (Hamas-Israel), the Operation Pillar of Defence in 2012 and the Gaza war in the summer of 2014 (Hamas-Israel) affected the political and economic context considerably.

The basic parameters for a comprehensive, just and lasting solution are based on UN resolutions including relevant Security Council resolutions such as 242 (1967), 338 (1973) and 1515 (2003). There have been various attempts to revitalise the peace process, including the 2002 Road Map for Peace proposed by the then newly established Quartet, consisting of the United Nations (UN), the European Union (EU), United States (US) and Russia. The US has played a dominant role in the peace process throughout. It is widely acknowledged that the peace process in 2014 has come to a standstill. This is reflected in the opening statement of the Quartet's report to the Ad-Hoc Liaison

Committee (AHLC)<sup>11</sup> meeting on 22 September 2014: “This meeting comes at a time when the international community is concerned more than ever over the prospects of the two-state solution.”

The PLO played a leading role in setting up the Palestinian National Authority in 1994, referred to in this report as the Palestinian Authority (PA). Since winning the elections in January 2006 that were deemed free and fair, Hamas has governed Gaza<sup>12</sup> and the PA governs the West Bank. Starting from 2007, the PA has formulated a series of National Development Plans. A main aim of the PA in relation to the peace process is international recognition of the state of Palestine. On 29 November 2012, Palestine obtained non-member observer status in the UN. Denmark voted in favour. An increasing number of countries have actually recognised the Palestinian state. In addition, various EU Member States parliaments passed non-binding motions to recognise a Palestinian state.<sup>13</sup>

The EU has also set out parameters for a comprehensive and lasting two-state solution, most notably in the Foreign Affairs Council conclusions of December 2009, December 2010 and July 2014. The Council Conclusions of 10 December 2012 state “Recalling its parameters for the resumption of negotiations between the parties, as set out in previous Council Conclusions, including in December 2009, December 2010 and May 2011, the European Union reiterates that it will not recognise any changes to the pre-1967 borders, including with regard to Jerusalem, other than those agreed by the parties”. In addition: “The EU is deeply dismayed by and strongly opposes Israeli plans to expand settlements in the West Bank, including in East Jerusalem”. However, the EU did not manage to translate its intentions into coherent and vigorous political action, despite the provision of substantial development and humanitarian support to Palestine. A recently completed evaluation of EU support to the Palestinian people points at incoherence in EU external action between its declared policies and its practice: “There was a disconnect or incoherence between declared policies and the practice for achieving them”.<sup>14</sup> It concludes that failure to overcome the two major binding constraints explain why the EU cooperation had “little demonstrable impact on the main obstacles to achieving the two-state solution”. Also World Bank, IMF and AHLC reports (see Annex C) describing and analysing the geopolitical context recognise these widely documented constraints.

- 
- 11 The Ad Hoc Liaison Committee (AHLC), established on 1 October 1993, is a 15-member committee that serves as the principal policy-level coordination mechanism for development assistance to the Palestinian people. The AHLC is chaired by Norway and co-sponsored by the EU and US. In addition, the United Nations participates together with the World Bank (Secretariat) and the International Monetary Fund (IMF). The AHLC seeks to promote dialogue between donors, the Palestinian Authority (PA) and the Government of Israel (GoI).
  - 12 Hamas won a decisive majority in the Palestinian Parliament, defeating the PLO-affiliated Fatah party. A unity government was formed, but was short-lived as tensions over the control of Palestinian security forces soon erupted in the June 2007 Battle of Gaza, after which Hamas retained control of Gaza, while its officials were ousted from government positions in the West Bank.
  - 13 The Swedish government announced on 30 October 2014 that it officially recognises the Palestinian state. The European Parliament passed a motion in favour of Palestinian recognition on 17 December 2014, Portugal did so on 12 December 2014; Ireland on 10 December 2014; France on 2 December 2014, Spain on 18 November 2014; and the United Kingdom on 13 October 2014.
  - 14 European Commission, Evaluation of the EU cooperation with the occupied Palestinian territory and support to the Palestinian people, Final Report, Volume 1, May 2014, p. xii.

### Area C

The situation in Area C presents a clear example of the “aid conundrum” that Denmark and other donor countries are facing when providing assistance to Palestine. Area C constitutes 60% of the West Bank. It contains the most significant land reserves available for Palestinian development, as well as the bulk of Palestinian agricultural and grazing land. Israel maintains full civil and security control, including control over the planning and development of infrastructure. Israel has viewed Area C as contested, not Palestinian, and therefore open to settlement. Israel does not see its position as occupation, while Palestinians consider Area C as occupied area. Since 1994, there has been no evidence on the ground to expect a change. While donors, including Denmark, feel the need to become active in Area C, for example in relation to local government support, in practice there is no easy way forward to overcome the political barriers.

### Restrictions resulting from the Israeli occupation

As indicated above, the Palestinian economy is severely affected by the situation of continued conflict, while also the lives of Palestinians are affected in all possible ways. The blockade of Gaza by Israel has led to a serious economic decline. Gaza has faced another humanitarian crisis since 2014 after the recent conflict, and living conditions in the strip have for a long time remained behind those in the West Bank.

The Israeli occupation limits the movement and access to resources and markets by Palestinians to a very important extent. The multiple and complex occupation and settlement-related restrictions have wide-ranging consequences. The permit and closure regime affects the free movement of people and goods, halts economic development and leads to structural economic distortions. The 1994 Protocol on Economic Relations<sup>15</sup> placed Palestine in a quasi-customs union with Israel and effectively left Israel in control of Palestine’s external economic relations. With few exceptions, the Protocol extended Israeli tariffs, tax rates and in most cases technical standards to Palestine. After the Oslo Accords, while goods from Israel entered Palestine freely, exports from the Palestinian territories were constrained in a variety of ways: security restrictions which are de facto non-tariff barriers (such as quality, health and safety standards) imposed on the movement of Palestinian goods and restrictions on the importation of dual use goods. These and other measures have all had the effect of increasing uncertainty and the cost of trade as well as reducing the competitiveness of Palestinian goods in Palestine, in Israel and as exports to the rest of the world. The fragmented legal and regulatory business environments hamper private sector development and the lack of land and security constitute further impediments.

The continuing expansion of Israeli settlements in the West Bank and in East Jerusalem, the demolitions of houses and public infrastructure, displacements of Palestinians and Bedouins and movement and permit restrictions have fragmented the Palestinian areas and effectively deny the Palestinians access to natural resources, especially water and land. Water resources availability shows a large discrepancy between the West Bank and Gaza on the one hand and Israel on the other hand, with fresh water per capita in Israel about four times that of Palestine. In addition, the territorial subdivision into ‘Areas’ is also

---

15 The Protocol on Economic Relations, also called the Paris Protocol, was an agreement between Israel and the PLO, signed on 29 April 1994.

relevant in terms of water management. In Areas A and B, springs and wells to access groundwater are mainly under control of local Palestinian municipalities and private Palestinian owners.<sup>16</sup> In Area C, Israel maintains full control of water infrastructure (wells) and natural springs. There are similar problems regarding energy supply, waste water and solid waste.

Municipalities have to collect the fees for electricity and water supply, but the PA is responsible for paying Israel. As provision of electricity and water is unreliable and tariffs relatively high, Palestinians have responded with a culture of non- or delayed payment. Therefore, the PA reduces the budget disbursements to the local governments in order to compensate for the bills paid to Israel on their behalf.

### **Limitations on the Palestinian side**

The PA has managed to build the necessary institutions for an independent state. This was confirmed by assessments of the World Bank, IMF and UN prior to the vote on the non-member observer status for Palestine in the UN. Palestine became already a member of UNESCO on 23 November 2011. In April 2012, the AHLC welcomed the assessment that the PA “was above the threshold” for running state institutions. Yet, despite the explicit intent of the Oslo Accords, 20 years of substantial international assistance, institutional improvements and the 2012 UN recognition, Palestine still lacks the fundamental attributes of a state. Crucially, it does not have a monopoly of the use of force for security in its territory, even in the relatively small West Bank Area A. In the West Bank, the PA’s span of control and governance has continually diminished as Israeli settlements, subject entirely to Israeli law and governance, have expanded. Furthermore, there is no free flow of people, goods, investments and services between the West Bank and Gaza. The PA therefore has limited authority but broad responsibility for administering two non-adjacent land areas. This task has been difficult from the outset of the Oslo process in 1993 and has become more so since the 2007 divergence of the ruling authorities in the West Bank and Gaza.

Although democratisation was strongly supported by several donors, including the EU and Denmark, and despite elections in line with international standards, there has been no progress towards re-establishing a national participatory democratic process. No elections, other than a few local elections in 2012, have been held since 2006. Hence, the Palestinian Legislative Council (PLC) remains paralysed. While laws and regulations continue to be issued by Presidential Decree, the democratic legitimacy of the PA as well as the Hamas government in Gaza continues to decrease in the absence of national elections. In June 2014, a consensus government was formed after an agreement between the PLO and Hamas to prepare national elections within six months. However, limited or no progress has been made.

The PA’s commitment to integrity and accountability is visible in the establishment of an Anti-Corruption Commission (ACC), which has not yet become fully operational. Ongoing progress in this regard is also evidenced by internal audit reforms, the work of the Audit Committee and enhanced capacity for fraud prevention. However, ACC surveys indicate that the Palestinian public continue to believe that nepotism, cronyism,

---

16 Even within Areas A & B, Palestinians are not allowed to drill for wells or access ground water before they receive permission from the Israeli authorities who control all the resources and issue permits only reluctantly.

favouritism in services and job appointments as well as abuse and misuse of funds and public property remain unpunished. These attitudes of duty bearers in turn further undermine institutional progress and legitimacy. The World Bank points at an accountability deficit in the Palestinian territories.<sup>17</sup> The lack of democratic process has left Palestinians with virtually no mechanism for holding accountable the numerous and fragmented institutions providing public services. The human rights situation remains a matter of grave concern, particularly in Gaza, but also in the West Bank. In 2012, there was some progress on human rights issues such as the preparation of a National Action Plan for Human Rights and the removal of security clearance as a pre-requisite for public sector recruitment. In 2014, the PA acceded to a number of international human rights treaties. However, no National Action Plan has been adopted so far. Various human rights violations, particularly limits to freedom of expression and assembly, speak to a narrowing of the democratic space. In recent years, there has also been an increase in alleged human rights abuses by the Palestinian security forces.

### **Role of donors**

Given the Israeli occupation the Palestinian economy is heavily donor-dependent (see Annex E) and donors (including the EU and Denmark) have to deal with the consequences of this binding constraint in their work. It is argued by many stakeholders interviewed and in documents that donors are paying for the Israeli occupation. OECD/DAC figures show that Denmark is ranked as number 18 among all donors (no. 16 among the bilateral donors – see Annex E). Donors disagree on many issues related to the political dialogue with Israel, including the blockade of Gaza, the Israeli settlements, the permit and closure regime, human rights etc. Donors also disagree on issues for debate with the PA, including good governance, human rights, the unity government, etc. Within the EU there is a lack of consensus on the way forward and Member States take different positions on various issues including the vote on the “non-member observer state” status in the UN.

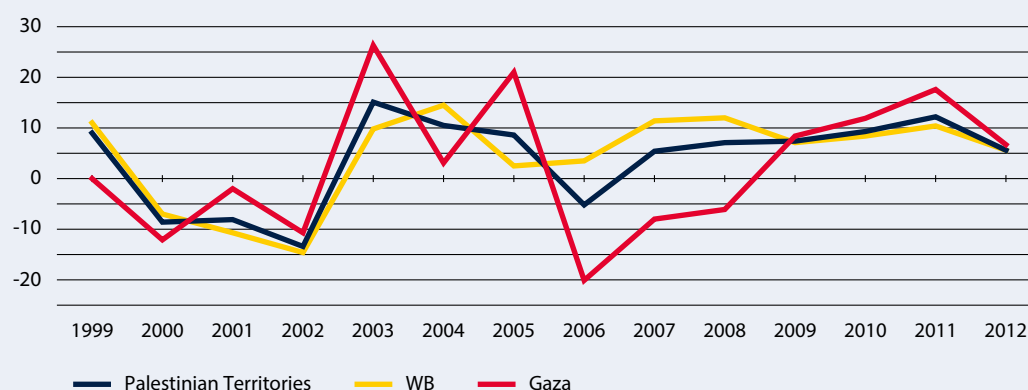
---

17 World Bank, Economic Monitoring Report to the AHLC, September 22, 2014, p.15.

### Economic developments in Palestine

The overall economic situation in Palestine is very volatile, which is illustrated in the following figure:

**Figure 2.1 GDP Growth Rate 1999-2012 – Palestine**



Source: PCBS and World Bank Staff for Economic Monitoring for AHLC September 2102 and March 2103.

As mentioned earlier, the Israeli occupation, including the blockade of Gaza, affects the Palestinian economy considerably, and the economy has become heavily donor-dependent and very vulnerable to fluctuations in donor funding. In the present situation, the Palestinian economy is unable to take off. According to the World Bank, the lack of a comprehensive peace agreement leads to a vicious circle of economic decline and conflict.<sup>18</sup> An IMF report from September 2014 indicates that even before the recent Israel-Hamas conflict, the economy was slowing down, particularly in Gaza.<sup>19</sup>

The World Bank is one of the main actors providing updates on the economic situation in Palestine. Economic growth figures for the West Bank were positive from 2009 to 2011 between 8 and 10% real GDP growth rate. Also Gaza saw some economic growth after easing of the blockade and the influx of humanitarian aid from the second half of 2009 onwards. However, after this temporary period of economic recovery, the Palestinian economy buckled under the many constraints related to the political uncertainty, continued restrictions on movement and access, fragmented regulatory business environments and the Gaza energy crisis. As a consequence, growth decelerated since 2012 to less than 2% in 2013 and the economy entered into recession in 2014.<sup>20</sup> With the new unfolding recession, unemployment reached a new high: 45% in Gaza in June 2014. A gender gap is visible in the labour force participation.

The financing gap of the PA has increased over time and is reported to be in the range of USD 350 million by the end of 2014.<sup>21</sup>

Recent reports all point at increasing fiscal difficulties for the PA. The fiscal situation of the PA received considerable attention from the World Bank and IMF. Some improvements were realised in public finance management including an increase in tax revenue collection, but maintaining fiscal discipline is an issue of concern. The banking sector remains quite healthy.

18 World Bank, Economic Monitoring Report to the AHLC, September 22, 2014, p. 4.

19 IMF, West Bank and Gaza, Report to the AHLC, September 12, 2014, p.5.

20 World Bank, Economic Monitoring Report to the AHLC, September 22, 2014, p. 4.

21 World Bank, Economic Monitoring Report to the AHLC, September 22, 2014, p. 5.

### 2.3 Danish engagement in Palestine

Like in most EU countries, the Israeli-Palestinian conflict and the future of Palestinians receives substantial media attention and provokes intensive political debates in Denmark. Civil society organisations lobbied politicians actively. It is beyond the scope of this evaluation to present a full account of all debates. However, it is worth mentioning that the debate about Palestine in Denmark is bifurcated between a pro-Israeli group and another group supporting Palestinian claims. The NGO milieu appears to be dominated by the pro-Palestinian groups, which results in constant and growing pressure on the Danish government to review its policies particularly with regard to the recognition of Palestinian statehood. Nevertheless, Denmark's engagement in Palestine is based on a series of motions passed by broad consensus in the Danish Parliament.

One specific event in Denmark led to a widespread national and international reaction in 2005: the so-called Muhammad Cartoon Crisis.<sup>22</sup> The government's position focused on supporting the principle of freedom of expression.<sup>23</sup> The Cartoon Crisis affected Denmark's foreign policy towards the Middle East and Palestine for a brief period.<sup>24</sup>

#### **Formal relations between Denmark and Palestine**

The Danish Ministry of Foreign Affairs is in charge of relations with countries in the region, including Palestine. Following the 1993 Oslo Accords, Denmark opened a Representative Office of Denmark in the occupied Palestinian territory (oPt) in Jericho in 1994. Later this became the Danish Representative Office (DRO) to the PA, based in Ramallah. According to its website "The Representative Office, located in Ramallah since 1998, represents the Danish government to the PA and UNRWA and provides the Danish government with analyses and advice as to the political, economic and social developments in the oPt, including the Palestinian-Israeli peace process".<sup>25</sup>

The Mission of Palestine in Denmark was established in 1996 after an agreement between the PLO and Denmark. The Mission is the representative of the PLO and the Palestinian Government – Palestinian National Authority (PNA). In April 2014, the Danish Parliament approved the bill providing a status equivalent to that of a diplomatic mission to the PLO Representative office in Copenhagen.

The relationship between Denmark and the Palestinian authorities has gradually intensified notwithstanding the fact that Denmark does not officially recognise the state of Palestine. During the period 2009-2013, Danish ministers for foreign affairs and ministers for development cooperation as well as other ministers paid several visits

---

22 In September 2005, the Danish newspaper Jyllands-Posten, published a number of cartoons depicting the Islamic prophet Muhammad. Early 2006, this led to violent demonstrations, riots and attacks on Danish embassies in the Middle East (Damascus & Beirut) and elsewhere.

23 According to polls, 60-70% of the Danish populations supported the newspaper and the government's approach to the crisis.

24 For example, the portfolio of projects analysed for the evaluation period (see Annex G) includes some projects that were started to mediate the effects of the Cartoon Crisis. Despite general support, the government met some criticism from the private sector, which was affected by the crisis and felt the direct consequences through a drastic decrease in export to the Middle East and Muslim countries. Furthermore, 22 former Danish ambassadors wrote an open letter to the Minister for Foreign Affairs requesting dialogue and increased diplomacy.

25 <http://ramallah.um.dk/en/about-us/>. Ministry of Foreign Affairs of Denmark. (2014). Retrieved on September 15, 2014 from <http://ramallah.um.dk/en/about-us/>.



to Palestine. Various Palestinian ministers also visited Denmark, culminating in a first visit, in March 2011, of the Palestinian President Mahmoud Abbas. Denmark voted in November 2012 for the UN resolution granting Palestine “non-member observer state” status in the UN.

An important foreign policy argument for Denmark to continue providing assistance to Palestine is to have a seat at the international table where the conflict is debated with the aim of finding a political solution. Regarding the peace process and the two-state solution Denmark has always closely followed the EU line and accepted the lead position of the US in the peace process: “The EU and Denmark have a fundamental interest in stability in the region. The continued conflict is a major source of lost economic opportunities for the region and constitutes a regional security threat that also affects the security of the EU... At the political level, Denmark will, in conjunction with its EU partners take steps to further support initiatives by the US, the UN and the EU that can lead to a negotiated two-state solution.”<sup>26</sup> Frequent references are made to the above-mentioned EU Council Conclusions on the Middle-East peace process.

The debate on the Danish engagement in Gaza in relation to the de facto Hamas government gives insight into the Danish position. Some of the debates focused on specific project issues, but the focus here is on the political debate. From 1999 to 2010, Denmark was very active in Gaza and funded various bilateral projects.<sup>27</sup> From 2006 onwards, Danish parliamentarians frequently raised questions on Denmark’s position vis-à-vis Hamas. The government in its response – via the Minister for Foreign Affairs and the Minister for Development Cooperation – stressed that Denmark supported and adhered to the overall political line of the EU and US considering Hamas as a terrorist organisation and accordingly could not engage with Hamas. The government ensured that Danish aid would in no way be exposed to the risk of being channelled to Hamas. Therefore, control mechanisms would be set up through international donor coordination and bilateral mechanisms like Danish monitoring and inspections missions to Gaza. According to interviewees, there was discussion in the Ministry of Foreign Affairs whether bilateral projects in Gaza such as the bilateral ‘flagship’ ‘Support to Municipal Development and Management’ (SMDM) project in the Middle Gaza could be continued or not in the difficult circumstances. During the period 2006 to early 2010, bilateral support continued. In October 2009, an internal note to the Minister for Foreign Affairs and the Minister for Development presented the challenges of operating in Gaza under the complicated political circumstances at the time.<sup>28</sup> In November 2009, the Danish government decided to put its bilateral support to Gaza on hold as a result of a stricter interpretation of the EU’s non-cooperation policy towards Hamas.<sup>29</sup> In 2010, the Ministry of Foreign Affairs decided to stop all bilateral project support to Gaza and to close the project office.<sup>30</sup>

---

26 MFA, Danida, Denmark- Palestine Country Strategy Paper 2014-2015, p. 6-7.

27 In 1999, a project office under the supervision of the Representative Office of Denmark in Ramallah was established in Gaza to deal with projects supporting the Gaza population.

28 MENA, Note to Min. Re. Bilateral transition aid to Gaza/WB 2006-09 Annex 2, 12 June 2007. Ministry of Foreign Affairs, MENA department, Note to Min. Re. Bilateral transition aid to Gaza/WB 2006-09 Annex 2, 12 June 2007.

29 MFA, Draft Strategy Framework for DK-Pal Development Cooperation 2010-2012, 10 November 2009. Ministry of Foreign Affairs of Denmark, Draft Strategy Framework for DK-Pal Development Cooperation 2010-2012, 10 November 2009.

30 This prompted Hamas to approach the office on 28 July 2010 demanding the inventory list and resulting in the Danish consultant leaving Gaza the following day.

The 2008-2009 Gaza conflict, the Israeli Operation Cast Lead and its aftermath are considered by various interviewees as a turning point in the Danish position regarding Palestine as it led to renewed intensive media attention and questions in Parliament. These questions<sup>31</sup> concerned the situation in Gaza (the humanitarian situation including access and provision of assistance, and the election victory of Hamas) and relations with Israel (UN Human Rights Council and peace negotiations). Queries also concerned the reported damage caused by Israeli forces to assets of humanitarian projects supported by Danish funding.<sup>32</sup> Parliamentarians raised the question whether Denmark should demand compensation from Israel. The government responded, citing earlier unsuccessful attempts by the EU Commission to claim compensation (in 2006) and referring to complex legal aspects implying that it would be premature and most probably ineffective to react. At the same time, several Danish NGOs and individuals voiced their concern over civilian casualties in Gaza and barriers for humanitarian aid to Gaza.<sup>33</sup>

The Goldstone report (September 2009), providing the results of a UN fact-finding mission on the Gaza conflict 2008-2009 investigating possible war crimes on both sides, led to another intensive discussion in the Danish media and Parliament. The Government stated that all parties must be held accountable for their actions and any breach of International Law must have consequences.<sup>34</sup> Denmark abstained in the vote on the resolution text for a follow-up to the Goldstone report at the UN General Assembly (5 November 2010). EU Member States did not achieve unity on the issue.

### **Motions passed by Danish Parliament**

The intensive debate after the 2008-2009 Gaza conflict and the resumption of peace negotiations at the time led to the adoption of a motion proposed by six Members of Parliament (both government and opposition party members)<sup>35</sup>, in which the Parliament welcomed the renewed peace negotiations regarding the two-state solution. The resolution indicated that Parliament supported “Israel’s right to peace and security and the Palestinians right to a viable, geographically connected state based on the 1967 borders”. The Parliament also encouraged the Danish government to urge the government of Israel and the Palestinian Authority that they adhere to the Geneva Conventions and other international commitments. It called upon Israel to freeze all settlements; to stop the threats from the external settlers on the West Bank and stop the destruction of houses of Palestinians and infrastructure; to allow access to and from Gaza; and to improve the freedom of movement and living conditions of Palestinians. For its part, the Palestinian Authority was called upon to strengthen security and the judicial sector and to stop militant groups launching terror and rocket attacks on Israel.

---

31 Response to Foreign Affairs Committee, Question 74, Re. Gaza January 7, 2009; Reply to Q 155 from Foreign Affairs Committee re. Gaza, March 26, 2009; Reply to Foreign Affairs Committee S 104 re. Gaza 5 February, 2009.

32 In particular a mental health community programme and a mobile health clinic in Gaza.

33 In January 2009 the MFA allocated an additional DKK 20 million to UNRWA for humanitarian assistance as part of the Emergency Flash Appeal.

34 The debate took place on 17 September 2009.

35 18 May 2010 – V (vedtagelse/resolution) 73.

In January 2014, a new motion<sup>36</sup> was adopted basically with the same message, again in line with the EU Council Conclusions. The Danish position vis-à-vis the settlements was expressed in very clear terms as it was stated that “neither agreements between Israel and the EU nor Danish public or private engagements will result in legitimisation of or improved economic opportunities for Israeli settlements”.

The position on settlements in the above motion may also be linked to the development of guidelines in Denmark, in 2012, regarding the voluntary labelling of products from the settlements, following an earlier UK initiative<sup>37,38</sup>. According to these guidelines supermarkets are encouraged to label products produced in settlements in the West Bank in order to underline that products from settlements are not considered products from Israel.<sup>39</sup>

### **Continuity and change in the Danish political engagement in Palestine**

There is continuity in the Danish political engagement in Palestine, which is reflected in the Danish position in the international debate and the similarity between the EU Council Conclusions and the motions adopted by the Danish Parliament. It has to be acknowledged that the position of the EU regarding Palestine, and thus of Denmark, has changed gradually in response to the Gaza conflicts, the Israeli blockade of Gaza and the expansion of Israeli settlements. Some Israeli actions have been clearly condemned. On the other hand, substantial support has been provided to the PA, while the PA has been called upon to pay more attention to good governance and to respect human rights.

---

36 21 January 2014 – V (vedtagelse) 13 ”Om EU, Israel og Vestbredden”.

37 A Danish funded workshop in Brussels in October 2012, organised by the Danish NGO DanChurchAid, also dealt with this subject.

38 These guidelines were made to ensure that Israel should not misuse the EU-Israel Free Trade Agreement to export products from the occupied Palestinian territories labelling them as goods from Israel to the EU.

39 The development of these guidelines led to Israeli protests. In response, the Danish government once again indicated that the labelling of products was not aimed at targeting Israel but only at the illegal settlements.

---

## 3 Overall Assessment of the Danish Engagement in Palestine

This chapter presents an overall assessment of the Danish engagement in Palestine. After the main findings, the chapter starts with a reconstructed Theory of Change, based on an analysis of the Strategic Frameworks (the Strategic Framework for the Danish-Palestinian Development Cooperation 2010-2012 and the Denmark-Palestine Country Strategy Paper 2014-2015; see Annex F). Together with the portfolio analysis (see details in Annex G), this forms the basis for the overall assessment of Danish engagement in Palestine, providing partial answers to the four main evaluation questions.

The analysis in this chapter is based on the broad selection of all areas of funding support (75% of all disbursements, see Chapter 1) including related non-funding activities. According to the Terms of Reference, the evaluation should specifically focus on local government and human rights support to assess in more depth the effectiveness of the Danish engagement in these sub-sectors. Therefore Chapter 4 concentrates on the in-depth analysis of the effectiveness and efficiency of support to these two sub-sectors, while this chapter only covers effectiveness to a limited extent.

### 3.1 Main findings

- **There was continuity in the areas of support during the evaluation period, with relatively minor changes over time.** The two main areas of support were state-building and humanitarian support (respectively 41% and 46% of total support). During the evaluation period, support to state-building via the PA increased, and support to peacebuilding and small-scale local activities decreased.
- Denmark has been very much aware of the binding constraints and its limited space and possibilities to address or mitigate these. Nevertheless, **Denmark did not develop or implement a strategy to consistently link the secondary goals of its development support to political and policy dialogue needed to realise the overall political objective of the two-state solution.** The two strategic frameworks for the periods 2010-2012 and 2014-2015 were prepared in line with Danida guidelines for country strategies focusing on development cooperation. This explains why limited attention was paid to the linkages between the strategic level, including the policy and political dialogue with Israel and the PA, and the intervention level. This 'narrow' or 'non-integrated' approach was rectified to some extent during the preparation of the 2014-2015 Country Strategy Paper. This document paid more attention to the political context in relation to the Danish engagement. While new guidelines for comprehensive country strategies are currently in place, Denmark does not have specific guidelines for strategies for engagement in fragile settings.

- **The lack of articulated linkages between the development support on the one hand, and the policy and political dialogue on the other negatively affected effectiveness and sustainability of results related to the overall political objective.** To date, Denmark has not carried out thorough context and/or conflict analyses as an important first step to selecting and balancing the various instruments ranging from different aid modalities to policy and political dialogue. This is necessary to address the enduring conflict as the main driver preventing change and development on the ground.
- **The choice of interventions responded to needs of the Palestinian population and was in large part aligned with National Development Plans (NDPs).** Alignment with NDPs increased over time, primarily because of the shift in funding that resulted in more attention to state-building.
- **The geographical allocation of funding was consistent with the need to support the various territorial components of the Palestine, with the important exception of Area C.** Area C emerged as a crucial issue over the years, given the fact that, despite covering 60% of the West Bank, full Israeli control of this territory means that donors have hardly operated there. Denmark and other donors lag behind in terms of strategies and joint donor approaches, including the political dialogue with the government of Israel and the policy dialogue with the Palestinian Authority.
- **At the project level, technocratic solutions for problems were developed,** focusing on organisational strengthening and infrastructure, but more difficult issues such as the quality and transparency of governance remained largely unaddressed. In practice, there was insufficient attention to higher-level solutions through the development of joint approaches and policy dialogue.
- **In principle, the various areas of Danish engagement in Palestine constitute a coherent whole and offer ample opportunities for complementarities and synergies. In practice, the examples of opportunities grasped to realise synergies are limited to some good practice examples** such as the implementation of cultural activities, as part of the peacebuilding area, in Jenin Governorate, where Denmark provided local government support.
- **Denmark improved the overall efficiency of its development programme with Palestine by reducing the number of small-sized bilateral projects and opting for joint and multilateral funding of large programmes.**
- As far as cross-cutting issues are concerned, governance and, in part, gender were addressed to some extent, while green growth was taken into account to a lesser degree. Given the focus on state-building and humanitarian support, the limited attention to green growth can be understood, although local governments face important environmental problems. However, the **challenges regarding gender and governance were insufficiently recognised**, reflecting the over-reliance on technocratic project approaches.

### 3.2 Towards a Theory of Change

In this section the main characteristics of the two strategic frameworks for the Danish engagement in Palestine are presented. Together with the portfolio analysis, these form the building blocks for a reconstructed Theory of Change.

#### **Strategic Framework for the Danish-Palestinian Development Cooperation 2010-2012**

There was no formal strategic framework in place for the Danish engagement in Palestine prior to 2010. However, since the Oslo Accords the main objective of the engagement was to support the two-state solution. Support was for a long time provided to UNRWA, while also local government was a strong pillar, next to peacebuilding activities, cultural activities and humanitarian support provided by Danish NGOs. The Cartoon Crisis led to a number of public diplomacy initiatives that were new to the programme.

In 2009, the Strategic Framework for the Danish-Palestinian Development Cooperation 2010-2012 (in short Strategic Framework 2010-2012) was developed. This document starts with a short analysis of the peace process that had come to a standstill at the time of writing, just after the 2008-2009 Gaza War and refers to all main challenges, including the fragmentation of international aid. The non-existing solution to peace, the continued Israeli occupation as well as a continued lack of Palestinian reconciliation are considered as huge challenges facing Danish aid. In particular, the Framework highlights the risk of increasing radicalisation on the Palestinian side. The Strategic Framework 2010-2012 defines three objectives for the Danish aid:

1. **Peacebuilding.** Denmark wanted to contribute to the peace process through direct support to this process (such as support to the PLO Negotiations Affairs Department, support to the Temporary International Presence in Hebron and indirect support (such as confidence building among parties through agricultural cooperation in the region and support to cultural heritage activities in Palestine);
2. **State-building,** which was meant to contribute to a “sovereign, democratic, sustainable and peaceful Palestinian state, which could guarantee human rights and security to the population, create the framework for economic growth, as well as deliver basic services”. The focus of the support was on local government, human rights and rule of law;
3. **Improved livelihoods/living conditions for the Palestinian population** with the purpose of reducing poverty and preventing radicalisation. Humanitarian assistance was included under this objective (via UNRWA, international agencies and Danish NGOs).<sup>40</sup>

The Strategic Framework argues that these three objectives are related to the overall political goal, i.e. the two-state solution. The focus on local democracy, local governance and local development is meant to prevent further radicalisation, in particular in Gaza. The choice of the various interventions to be supported is, in particular, based on both past involvement of the Danish aid and perceived good results. The Strategic Framework

---

40 In terms of budget allocation, 10% was planned for peacebuilding, 30% for state-building and 60% for improved livelihoods.

also stresses the importance of peace negotiations and international donor coordination, including the lead role of Denmark in the local government sector. It does not elaborate Denmark's role in the policy and political dialogue.

#### **Denmark-Palestine Country Strategy Paper 2014-2015**

There were different guidelines in force during the period that a new country strategy framework was developed. This was not very conducive for the development of a new strategic framework. In 2012, preparations for a new strategy for the period 2013-2016 started (see Annex G for details).<sup>41</sup> At the time, the Danida guidelines for Country Strategies focusing on development assistance were in force. In January 2013, new Guidelines for the development of policy papers for Denmark's relations with priority countries were issued "encompassing Denmark's entire engagement and strategic direction in a country, i.e. foreign and security policy, development cooperation, climate policy and commercial relations".<sup>42</sup>

In April 2013, a draft Danish-Palestinian Partnership Paper 2013-2016, based on the old guidelines, was presented to the Ministers for Foreign Affairs and Development Cooperation and it was agreed that the approval process should be initiated.<sup>43</sup> In the summer of 2013 new staff in the DRO took up their positions and became engaged in the process. Given the delays, there was agreement that the Partnership Paper would not be completely redrafted to follow the new guidelines on comprehensive country strategy papers. Nevertheless, it was also agreed that the political line related to the overall goal should be strengthened by emphasising the focus on Area C and East Jerusalem, mentioning the guidelines on voluntary labelling of settler products, and including clearer statements on democratic principles and human rights to Palestinian decision-makers. The DRO also made a plea for further streamlining of the programme (less support areas than initially proposed), toning down the emphasis on Gaza and some other shifts in the portfolio.<sup>44</sup> Most of these suggestions were included in a revised draft of the Danish-Palestinian Partnership Paper. Furthermore, the strategy would become an interim strategy for the period 2014-2015.<sup>45</sup> The Danish-Palestinian Partnership 2014-2015 was finalised and approved in February 2014, later renamed and published as Denmark-Palestine Country Strategy Paper 2014-2015. A related Transition Programme 2014-2015 focusing on new allocations was also developed and finalised in 2014 (see Annex F).

The Country Strategy Paper 2014-2015 states that "Denmark has contributed to keeping the vision of an independent Palestine alive and strengthened the foundation for future statehood". It also states that "Denmark strongly supports the efforts spearheaded by the US to ensure a negotiated solution to the conflict".<sup>46</sup> In addition, the political engagement of Denmark is presented as part of the EU context, indicating that "the EU and

---

41 MENA and DRO, Background note to Min for Dev. Re. Danish-Palestinian Partnership 2014-2015 (summary of process), 20 January 2014. Ministry of Foreign Affairs of Denmark, MENA department and Danish Representative Office (DRO), Background note to Min for Dev. Re. Danish-Palestinian Partnership 2014-2015, 20 January 2014.

42 <http://amg.um.dk/en/technical-guidelines/country-policy-papers/>.

43 This draft was planned to be presented to the Programme Committee meeting in September 2014, which was postponed to November 2014.

44 Internal correspondence made available to the Evaluation Team.

45 In the first half of 2014, preparations of a comprehensive policy paper for the period 2016-2018 should be started.

46 Denmark-Palestine Country Strategy Paper 2014-2015, p. 10.

Denmark have a fundamental interest in the region, given the continued conflict that is a major source of lost economic opportunities and a regional security threat”. This reflects the strengthening of the political line in this strategic document. The Country Strategy Paper also refers to the continuous policy dialogue with the PA in relation to the National Development Plans (NDPs), but mentions no specific issues.

The overall political goal in the Country Strategy Paper is “to support the realisation of a two-state solution to the Israeli-Palestinian conflict encompassing the state of Israel, and an independent, democratic, sovereign and contiguous state of Palestine, living side by side in peace and security”. This overall objective would include “the recognition of Palestine as a state when appropriate”.<sup>47</sup> The Country Strategy Paper refers explicitly to the peacebuilding process and states that “it is essential that the activities supported by Denmark will provide benefits for Palestinians irrespective of the outcome of the current peace talks”.<sup>48</sup> This implies that supported interventions need to be relevant in the event that peace is realised as well as in the current situation. Two specific strategic objectives related to the Danish support are presented in the Country Strategy Paper 2014-2015 and are elaborated in some more detail in the related Transition Programme:<sup>49</sup>

1. **Palestinian state-building and citizens’ rights** as a means to support good governance, democracy and human rights; and
2. **Equal economic opportunities** through stimulation of economic development, growth and livelihood, which includes humanitarian assistance.

While this Country Strategy Paper explicitly refers to the peacebuilding process, it no longer contains a specific strategic objective related to peacebuilding. Nevertheless, some activities carried out under the former peacebuilding objective are to be continued under the two new objectives.

The preparations of a new Country Policy Paper for the period 2016 to 2018 started in 2014 adopting the new guidelines. All stakeholders agreed on the need for a comprehensive policy paper for the Danish engagement in Palestine. However, as Denmark has not developed specific guidelines for fragile countries or fragile settings, stakeholders expressed some doubts regarding the suitability of the present guidelines for policy papers with priority countries for the specific case of Palestine.

#### **Continuity and change in the Danish engagement in Palestine**

The portfolio analysis (see Annex G) provides insight into the relative importance of each area of support and the changes in disbursements during the evaluation period.

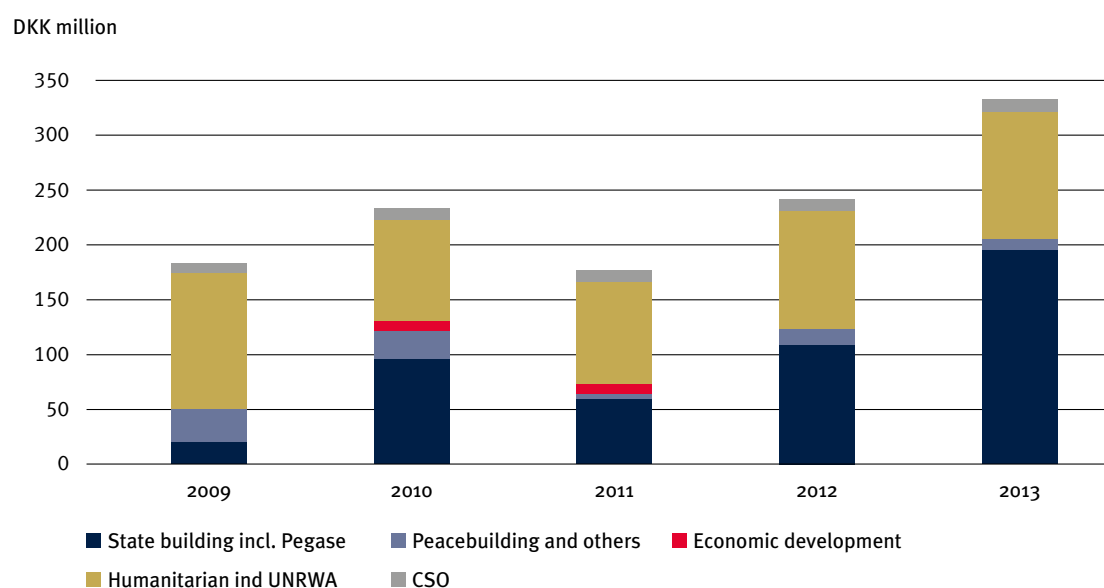
---

47 Denmark-Palestine Country Strategy Paper 2014-2015, p.3.

48 Ibidem.

49 In addition to the Partnership document, a Transition Programme document was drafted. The Transition Programme is a more detailed document on the development (and humanitarian) assistance to Palestine. The latest version of the Transition Programme team dates from 29 May 2014, which included the comments of an Appraisal Mission that took place from 27 April to 7 May 2014. While there are many similarities between the two documents, the Transition Programme refers explicitly to specific new projects (or extensions of previous projects) for which a total budget of DKK 274 million is available.



**Figure 3.1 Disbursements by areas of support per year, 2009 to 2013**

The analysis of the Danish political engagement in Palestine (see Chapter 2) in combination with the overview of the strategic frameworks and the portfolio analysis leads to the following findings:

1. There is continuity in Denmark's engagement in Palestine exemplified by the overall political goal and the major strategic objectives related to state-building and improved livelihoods for the Palestinian population;
2. During the period 2009-2013, the focus on state-building increased, which is in line with the motions passed by the Danish Parliament;
3. Some changes in Denmark's engagement were also related to support to peacebuilding activities. The support to mainly local-level peacebuilding activities figured prominently in the Strategic Framework 2010-2012 with the aim of preventing radicalisation. This was given less attention in the Country Strategy Paper 2014-2015, which gave greater emphasis to support to Palestinian state-building;
4. The portfolio analysis reflects both continuity in Danish support as reflected in the stable humanitarian assistance support and change as reflected in the increased support to state-building and the decreased support to peacebuilding.<sup>50</sup>

In the preparations of the Country Strategy Paper 2014-2015 and the preparations for the new framework from 2016 onwards, the Ministry of Foreign Affairs and DRO have stressed the need for a reduction of the areas of support. This is reflected in the disappearance of the objective related to peacebuilding and the discontinuation of the support to rule of law as one of the components of state-building. However, in practice, Denmark remains active in many sub-sectors of support that are grouped in different ways.

50 In Annex F the Danish areas and sub-sectors of support are presented in relation to the strategic frameworks, including the Synopsis for the new strategic period 2016-2018 (Table AF.1).

#### **Reconstructed Theory of Change**

The strategic frameworks did not contain an explicit Theory of Change outlining the ‘intervention logic’ of the engagement of Denmark in Palestine. The evaluation reconstructed the Theory of Change on the basis of the content of the strategic frameworks and other documents<sup>51</sup>, the Danish programme, and interviews with stakeholders. The reconstructed Theory of Change was discussed with the stakeholders for validation.

State-building and peacebuilding are two strategic objectives included in the reconstructed Theory of Change. It has been decided to distinguish two other strategic objectives that were combined in the strategic frameworks, but which are in practice different, i.e. economic development and humanitarian assistance via UNRWA and Danish NGOs.<sup>52</sup>

The Reconstructed Theory of Change (see Figure 3.2) is primarily based on the Strategic Framework for the Danish-Palestinian Development Cooperation 2010-2012 and the underlying thinking, which cover most of the evaluation period 2009-2013. In addition, strategic directions included in the Denmark-Palestine Country Strategy 2014-2015 have also been taken into account. The strategic frameworks for Danish engagement in Palestine provide due attention to the binding constraints, which are reflected in the columns ‘main context assumptions’. The Reconstructed Theory of Change is based on the overall political objective for Danish engagement ‘to contribute to the establishment of a viable Palestinian state through a two-state solution’. As indicated, Denmark defined four secondary objectives in relation to the overall political objective.

The Danish support to state-building (41% of total disbursements 2009-2013) initially focused on local government and human rights support to NGOs, which were considered to be areas where Denmark could contribute irrespective of the outcome of the peace process. These Danish choices were also founded on Danish normative values related to democracy and human rights.<sup>53</sup> In the area of local government Denmark wanted to contribute to strengthened local government units and to stronger local democracy.<sup>54</sup> Despite the consistent focus on state-building, Denmark provided initially very limited direct support to national-level PA ministries. The state-building support

---

51 Including a Theory of Change included in the Transition Programme 2014-2015, which is linked to the Country Strategy Paper for the same period. This Theory of Change presents a column with context and development environment assumptions and another column with macro-state-building framework assumptions affecting a change process. The change process mentions inputs (Denmark providing contributions to specific areas) leading to short-term (key state and civil society capacities) and medium-term results (stronger democracy, governance, human rights, growth and employment) contributing to the overall political goal.

52 A fifth category in the portfolio analysis falls outside the scope of this evaluation, i.e. funding to (Danish) Civil Society Organisations through framework agreements. Therefore it is not included in the Reconstructed Theory of Change.

53 The Denmark-Palestine Country Strategy Paper 2014-2015 refers to the four principles of the Human Rights Based Approach: non-discrimination, participation and inclusion, transparency and accountability

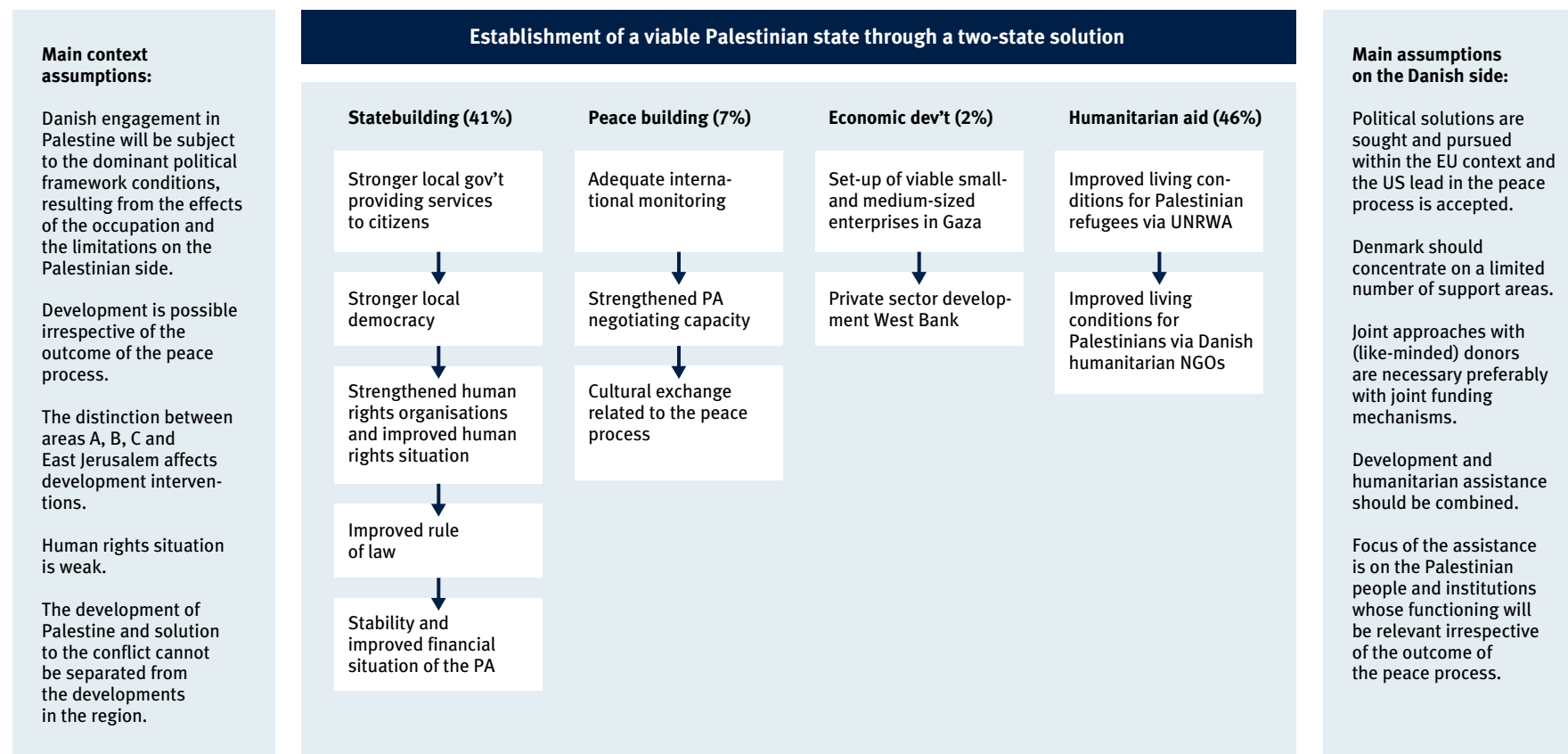
54 These two objectives related to local government support, namely strengthened local governments and stronger local democracy, were included in the 2010-2012 Strategic Framework. In the 2014-2015 Country Strategy, it is mentioned that “Denmark will launch a nation-wide programme aimed at strengthening the local democracy and the active involvement of citizens in local political processes”. According to interviews, Denmark realised that the objective of strengthening local democracy was not given sufficient attention in the previous years.

to local government and NGOs went together with strong support for peacebuilding activities at the local level with the aim to prevent radicalisation (7%), while Denmark also provided considerable humanitarian support (46%) to improve or maintain living conditions for Palestinians. Support to economic development remained rather limited with 2% of the total disbursements.

Gradually over the evaluation period, Denmark also included direct support to the PA in its state-building support, for example through its contribution to PEGASE. This reflects an increasing focus on stability, related to a viable and accountable Palestinian state. This gradual change in focus went together with a deliberate shift in funding modalities towards more co-funded and bigger projects, which were expected to yield more results in the crowded donor environment. In the section on relevance (see Section 3.3) the choices made by Denmark are analysed in more detail.

### 3 OVERALL ASSESSMENT OF THE DANISH ENGAGEMENT IN PALESTINE

**Figure 3.2 Reconstructed Theory of Change of Danish engagement in Palestine 2009-2013**



### 3.3 Relevance of Danish engagement in Palestine

#### **Support to the overall political goal**

In order to assess the relevance of the interventions supported by Denmark, it is necessary to ascertain whether they potentially or actually contributed to the overall political goal of creating the two-state solution. However, the binding constraints outlined in Chapter 2 have continuously constituted a barrier to reach the desired solution. A discussion is presented below on the extent to which Danish support at the sector and sub-sector level has been relevant in view of this overall political goal. In addition, the evaluation assessed to what extent funding activities are linked to non-funding interventions, i.e. the dialogues with Israel and the Palestinian Authority with a view to addressing the binding constraints.

The Strategic Framework 2010-2012 and the reconstructed Theory of Change provide indications on the linkages between Denmark's support at the sector and sub-sector levels and the overall political objective. Interviews provided additional insights on the composition of the aid portfolio. The strategic objectives leading to the composition of the aid portfolio (state-building, peacebuilding, economic development) and its relations to the overall political goal are presented below.

The state-building objective is “to support the build-up of a sovereign, democratic, sustainable, peaceful Palestinian state, which can guarantee human rights and security to the population, create the framework for economic growth, as well as deliver basic services”. Denmark has for a long time considered local governments to be the backbone of the public administration within Palestinian society, even in times of political and economic crises. Rule of law institutions such as courts and police meeting minimum international standards were considered as a prerequisite for effective state-building. Equally, support to civil society was seen as an essential component of democratic statehood. For a long time, Denmark gave very little direct support to specific national-level ministries within the PA, but instead focused on local government and NGOs. This changed from 2012 onwards with the Danish contribution to PEGASE, the EU direct financial support instrument to the PA, which was meant to contribute to the financial viability of the Palestinian state. The state-building objective is relevant to the overall political goal. The focus of the Danish engagement gradually evolved from strengthening of organisations and institutions that could be supported independently of the outcome of the peace process, to more support to the PA, which is in line with the Danish aim to be cooperating closer to the EU.<sup>55</sup>

The peacebuilding objective is linked to the need to contribute to the advancement of the peace process and is, therefore, directly relevant to the overall political goal. The focus is on strengthening Palestinian negotiating capacity via the PLO Negotiation Affairs Department and support to the observer mission Temporary International Presence in Hebron. Denmark also focused on trust engagement activities and dialogue at the local level, which was also meant to prevent radicalisation. As indicated previously,

---

55 The Denmark-Palestine Country Strategy Paper 2014-2015 refers several times to the need to increase democratic accountability at different levels of Palestinian society, notably in relation to local governments and human rights. In other documents the accountability challenges of the Palestinian state are analysed and it is argued that donor support, in particular budget support, might increase the accountability gap.

the peacebuilding objective, in particular the focus on radicalisation, received progressively less attention during the evaluation period.

The economic development objective, in principle, is in line with the Palestinian National Development Plan, and was meant to help bring about a viable Palestinian state. In practice, economic development activities lagged behind in terms of both planning and implementation. Moreover, the main focus was on improved living conditions for Palestinians in Palestine and Palestinian refugees living outside the country. However, this is still relevant to the overall political goal as the intention is to reduce poverty and prevent radicalisation, which is necessary to achieve lasting peace.

Regarding the linkages between funding and non-funding activities, it is necessary to take a look at both other donors and Denmark in the broader context of the EU. The politicised context means that donors are very divided. During the evaluation period there have been various attempts at strengthening the EU coordination mechanisms among the EU Delegation and representations of Member States, both at a political level and at the level of donor coordination. The recent EU evaluation (May 2014) sheds some light on the coordination of the political and policy dialogue with the PA and Government of Israel indicating: “The EU has not effectively exercised leadership for strategic and systematic triangulation of a results-based dialogue with Israel and the Palestinians.” Since Denmark’s strategy has been to operate together with the EU to the extent possible regarding dialogue with the PA and Israel, this assessment also applies to Denmark. Although Denmark has taken a political stance and is engaged in political dialogue with Israel and the PA (see Chapter 2), the evaluation did not find evidence of concrete linkages between the issues related to the binding constraints that the development and humanitarian interventions were confronted with and the bilateral or broader international dialogue Denmark was involved in. Therefore, the political and policy dialogue appears to be somewhat disconnected from the development and humanitarian interventions. This confirms the finding of the EU evaluation.

#### **Alignment with PA goals and addressing Palestinian needs**

The Strategic Frameworks stated that Danish aid was to be aligned to the different National Development Plans of the PA and the evaluation has ascertained that this was indeed the case. In addition, the evaluation has assessed to what extent Palestinian needs were addressed.

Danish assistance was by and large aligned with the goals of the PA. At the 2007 Paris Conference, the Palestinian Reform and Development Plan (PRDP) 2008-2010 was presented to allow donors to link their aid to this comprehensive strategy, in line with aid effectiveness principles. The Strategic Framework 2010-2012 referred to this first NDP, stating that with the arrival of the Fayyad government remarkable progress had been made with reforms of the Palestinian state. Danish aid to Gaza and in the West Bank, in particular the interventions focusing on local government, were aligned with Palestinian priorities for the government sector. Improving local government was one of the seven major objectives of the PRDP and was related to the establishment of a leaner central administration.<sup>56</sup> The PRDP mentioned the problem of fragmentation of local government in relation to the occupation and the conflict, which called for

---

56 PNA, PRDP 2008-2010, p. 36. Palestinian National Authority, Palestinian Reform and Development Plan 2008-2010, p. 36.

local government reform. Local government was also mentioned in the second National Development Plan 2011-2013: “The NDP commits to the continuous improvement and close monitoring of central and local government performance, to the ongoing reform of government financial management and accountability systems, and to the further strengthening of institutional checks and balances.”<sup>57</sup> A specific governance sector objective was: “To empower local government and bring public services closer to the citizens.”

Denmark continued its support to the local government sector at various levels: the municipalities in Gaza, the local government units on the West Bank, and some support to the Ministry of Local Government (MoLG). Initially there was a particular focus on support to 11 municipalities in the Middle Area of Gaza and to the amalgamation process<sup>58</sup> on the West Bank, focusing on integration of small local councils into municipalities. This support is analysed in more detail in Chapter 4.

The decision made in 2012 to provide a substantial financial contribution to the EU programme PEGASE (see box) also indicates a strong alignment with the objectives of the Palestinian Authority.

---

57 “The NDP commits to the continuous improvement and close monitoring of central and local government performance, to the ongoing reform of government financial management and accountability systems, and to the further strengthening of institutional checks and balances.” PNA, NDP 2011-2013, p. 10. Palestinian National Authority, National Development Plan 2011-2013 Establishing the State, Building our Future, April 2011, p. 10.

58 Amalgamation refers to the aim to merge the large number of dispersed local government units, including hundreds of village councils, into municipalities or Joint Service Councils (JSCs).

#### **Denmark and the EU mechanism for direct budget support to the PA (PEGASE)**

Denmark contributed DKK 80 million in the period 2012-2013 to PEGASE (Mécanisme Palestino-Européen de Gestion et de l'Aide Socio-Economique)<sup>59</sup>, which is an EU mechanism to provide direct financial support to the PA. This contribution was made after the decision to increase the budget to Palestine and was meant to contribute to the financial viability of the Palestinian state, while also fitting the intention of Denmark to decrease its administrative burden by providing more multilateral support. The agreement signed on 19 December 2012 between the DRO Head of Mission and the PA Prime Minister indicates that the support was meant for the Programme 'Supporting Palestinian public administration and services' and in particular "to support the payment of salaries and pensions of civil servants and pensioners of the PA in the West Bank and Gaza". In 2013, the European Court of Auditors published a report on PEGASE with a management response from the Commission and the European External Action Service. The report concluded that direct financial support to the PA had been implemented in difficult circumstances. It recommended major revisions to the approach stating that "a way needs to be found to bring Israel to take the necessary steps to help ensure that PEGASE is effective". At the same time, the PA had to be encouraged to undertake more reforms, notably in relation to its civil service. One of the issues was the payment of salaries of former PA civil servants in Gaza without going to work, because the Hamas government recruited its own civil servants. The management response indicates that "the Commission and the EEAS have actively sought to ensure Israeli cooperation. Numerous meetings have been held.... The effectiveness of such demarches could be enhanced by a more consistent and robust approach on the matter from Member States". The issue of salary payments in Gaza is considered to be "politically very sensitive" and the Commission and the EEAS are of the opinion that they have sufficiently addressed this problem in the dialogue with the PA. As indicated in relation to the Theory of Change, the focus of the Danish contribution to PEGASE was on support to the PA and providing stability through an improved fiscal situation. There is no evidence that there was a push for more accountability or for targeting for direct cash payments to the most vulnerable rather than salary payments at the onset of the Danish support. After the Court of Auditors report, Denmark intends to continue supporting PEGASE, but rather than contributing to payment of salaries and pensions of (retired) civil servants, future funding will be channelled to another PEGASE programme to support East Jerusalem hospitals.

In the area of human rights and rule of law, the NDP 2011-2013 offered a vision of a state that is "a champion of judicial independence, individual and collective political and civil rights, and democratic freedoms".<sup>60</sup> The NDP also stresses the importance of oversight of security agencies.<sup>61</sup> Denmark invested in the rule of law, in particular capacity building of the police, and in strengthening human rights institutions. The Danish choices in the field of human rights/rule of law were aligned with government priorities.

---

59 Denmark did contribute to PEGASE in 2007 when the instrument was established at the Paris donor conference that took place after lifting the ban on funding related to the Hamas election victory. It did not however make any further contributions until 2012.

60 Palestinian National Authority, National Development Plan 2011-2013 Establishing the State, Building our Future, April 2011.

61 Ibidem, p.16.



Irrespective of PA plans, Denmark's decision to support human rights and the rule of law were also motivated by the belief that an independent civil society should play a role in holding the PA to account. Reports from human rights organisations and donors pointed to authoritarian trends within the PA and continuing human rights violations perpetrated by PA agencies. This justified the need to foster the development of a 'watchdog function' in Palestine by providing support to civil society organisations and the Independent Commission for Human Rights.<sup>62</sup> Denmark felt the need to support police oversight and monitoring of detention centres, among other things, because serious violations of human rights took place there, and continue to do so. The Hamas-Fatah divide created problems of equal treatment of citizens and especially civil servants that also need to be addressed and the ICHR plays an important role in this regard.

Robust economic development is a strong pillar of the NDPs. The NDP 2011-2013 stated the PA's commitment to build on previous economic reforms to ensure that the government takes its proper place in the organisation and development of the economy in partnership with the private sector. The priority put on economic development in the NDPs was an important justification for Denmark to intend providing substantial support in this area. However, thus far Denmark has only provided very limited support to this area, mainly via NGOs (only 2% of total disbursements during the period 2009-2013). The reasons were that Denmark had limited human resources available to identify adequate economic development interventions within the overall deteriorating economic situation related to the binding constraints and the crowded donor environment.

Danish humanitarian aid was needs-based and also covered livelihoods development. The NDP 2011-2013 envisaged that humanitarian aid and assistance, delivered through UN agencies and other NGOs, would continue for some years to come. The stated intention was to "gradually phase-out humanitarian aid and to scale-up development assistance once the state of Palestine is established." Denmark funded UNRWA, international agencies and NGOs providing humanitarian assistance, which follow a needs-based approach. In this way notably education and health services were provided to millions of Palestinian refugees and Palestinians living in deprived conditions.<sup>63</sup> Livelihood support remained quite meagre, especially because of the binding constraint of the occupation.

The geographical allocation of funding was consistent with the need to support the various territorial components of the Palestine, with the important exception of Area C,

---

62 For example, Norad, Turid Laegreid, Review of Norwegian support to Palestine through Norwegian NGOs, March 2009. Mustafa Mar'I, The Right to Freedom of Assembly: An Analysis of the Position of the Palestinian National Authority, Al Haq, 1996; Palestinian Authority: Drop criminal charges against peaceful activists, investigate police violence, Amnesty International Public Statement 25 May 2014; Human Rights Watch, No News is Good News. Abuses against Journalists by Palestinian Security Forces, HRW, New York, 2011.

63 The website of UNRWA indicates that UNRWA provides assistance and protection to some 5 million Palestinian refugees (Retrieved on October 3, 2014 from <http://www.unrwa.org/palestine-refugees>). UNRWA evaluations focused on the relevance of the medium term strategy (UNRWA, Mid-term evaluation of the Medium Term Strategy, Revised report 7 January 2013) and on organisational development (Evaluation of UNRWA's Organizational Development, Final Report 24 October 2011), But these evaluation do not report on concrete results. A Project Completion Report of a DanChurchAid humanitarian assistance projects in Gaza reports on immediate relief provided to approximately 25,000 Internally Displaced persons and female-headed households in Gaza after the 2008-2009 Gaza War.

where Israel maintains full control (see Chapter 2). Area C emerged over the years as a crucial issue as Denmark and other donors lagged behind in terms of strategies and approaches to it.<sup>64</sup> The majority of assistance was provided to the West Bank, Area A. Denmark also gave considerable, mainly humanitarian, support to Gaza, but also local government and economic development support. It is estimated that at least one third, and up to 40%, of total disbursements was spent in Gaza.<sup>65</sup> Denmark supported some small-scale activities in East Jerusalem through the East Jerusalem Fund and the Danish Centre for Culture and Development, while a contribution was also made to the PEGASE programme to support hospitals in East Jerusalem.

Another example of how the geographical dimension was addressed is a private-sector led project in 2009 aimed at increasing business linkages between the Northern West Bank and the Palestinian community living in Northern Israel and ultimately at promoting sustainable economic development. After some relaxation of access regulations by Israel, Arab Israelis were once again allowed to go shopping in the West Bank and to renew business relations. An initial project organised a trade fair uniting the various group and a follow-up project in 2009 provided subsidised bus transport to Arab Israelis to cross the border. This was a very small project, but featured prominently in the Strategic Framework 2010-2012 with a view to further expansion. However, interest in this project faded and no follow-up took place, mainly because of changes in staff.

#### **Technocratic approaches**

The main focus of Denmark – and other donors – was to fund activities through project or programme support. The desk review and interviews revealed that little attention was paid to an in-depth analysis of the situation on the ground through political economy analyses or other means, linking that analysis to project identification and preparation. Denmark did not carry out in-depth context or conflict analyses as preparation of its project or programme support. There is also no evidence that Denmark relied on analyses done by other donors, but it should be acknowledged that the donor attention for conflict or political economy analyses in Palestine is relatively new. Therefore, the projects tended to be quite technocratic in their approach and often focused on infrastructure, training etc. without clearly addressing the underlying constraints. In Chapter 4, the technocratic approaches in local government and human rights support are analysed in more detail.

### **3.4 Coherence of Danish engagement**

In the period covered by this evaluation, Denmark lacked a comprehensive or integrated strategy guiding the configuration of the different components of its engagement in Palestine, i.e. political engagement, policy dialogue and the composition of the aid portfolio. Although the Strategic Framework for Danish-Palestinian Development Cooperation 2010-2012 and the Country Strategy Paper 2014-2015 present a brief background on the context, the peace process and the Danish position, both strategies focus on development aid and do not address political or commercial relations between Denmark

---

64 Municipalities are planning to prepare Master Plans for their entire area, including Area C, with amongst others Danish support. However, implementation in Area C still has to start. See Chapter 4.

65 This also includes part of the Danish contribution to PEGASE of which salaries of former PA civil servants, now unemployed, in Gaza have been paid.

and Palestine. This is partly due to the lack of guidelines for such comprehensive policy papers at the time.<sup>66</sup> As shown by the evaluation of EU support, Denmark was not unique in struggling to develop and implement a comprehensive approach regarding its engagement in Palestine. In addition, the heavy workload of DRO staff also contributed to a fragmented approach as it requires sufficient time to develop an integrated approach linking issues encountered at the intervention level to the overall policy and political dialogue.

#### **Coherence within and between support areas**

In principle, the areas of support presented in the Theory of Change constituted a coherent whole. The selected areas of support fit nicely together and offered opportunities to create synergies, some of which were identified in the Strategic Framework 2010-2012 and also in the Country Strategy Paper 2014-2015.

Within the area of state-building in particular there were potential synergies, but opportunities to grasp and leverage these synergies in practice were missed. The new name of this area of support in the 2014-2015 Country Strategy Paper: “state-building and citizens’ rights” reflects potential synergies.<sup>67</sup> It states that *“An intrinsic part of the Danish approach to state-building is to enhance the ability of Palestinian civil society to play a role in the decision-making process that shape the daily lives of Palestinians”*. However, the (potential) synergies between support to human rights organisations and other areas of state-building support were not developed. In the area of human rights, Denmark, as a member of the donor consortium, focused on specialist human rights organisations. As an important local government donor via the central Municipal Development Programme (MDP), Denmark paid little attention to human rights issues related to local democracy, development of citizens’ rights in their relationships with the public administration and local services, and social accountability in general. These themes have been addressed by specific projects of other donors<sup>68</sup> but so far have only been partially integrated in MDP, for instance by linking them to performance indicators.<sup>69</sup> The complexity of dealing with local interests and politics, especially in the Hamas-led municipalities, appears to have inhibited donors from intervening extensively in this area. In the synopsis for the new country strategy, the Danish-Palestinian Partnership from 2016 onwards, state-building (including local government) and human rights are included as separate strands. This does not facilitate synergies between these two sub-sectors.

Furthermore, support to human rights cannot be disconnected from support to rule of law. In this respect, the Danish support covered a range of projects which would enable to make links between collection of complaints on human rights from right holders and training of duty bearers such as the police to prevent violations. However, Denmark did not address these linkages at the policy dialogue level, for example, through participation

---

66 With the issuing of new guidelines in January 2013, this problem should in principle have been solved. However, various stakeholders questioned in interviews whether the guidelines are appropriate for fragile countries, in particular Palestine. This question does not fall within the scope of the evaluation, but requires attention in future country policy formulation exercises for Palestine.

67 Also in the Strategic Framework state-building and human rights were combined in one area of support, but this was not reflected in the name.

68 See for example Evaluation Report on the GIZ Social Accountability and Youth Participation pilot projects in the Palestinian Local Government, May 2014.

69 Ibidem.

in sector working groups on justice and security where rule of law implications of human rights could be discussed. Therefore, opportunities to exploit synergies were missed. In general, human rights issues are politically sensitive. Donors, including Denmark, were not comfortable to address them in fora where the Palestinian Authority plays an important role. Efforts to coordinate donor support to improve the human rights situation were addressed in the human rights donor consortium. Yet, even where donors were among themselves, they did not openly discuss human rights issues emerging at the project level. Donors simply shied away from taking joint action on this topic in their dialogue with Israel and the Palestinian Authority (see for more explanation in Section 4.3).

There was also limited coherence between various forms of support to human rights: support to specialised HR NGOs in the context of state-building, support to CSOs in the context of peacebuilding, and CSO support as part of humanitarian assistance. Some of the activities funded through the Danish Centre for Culture and Development (DCCD) programme and the East Jerusalem Fund did address human rights issues (e.g. child rights and women's rights). However, no synergies were sought between these various types of support. The HR NGO Secretariat is now focusing increasingly on issues of international humanitarian law particularly in Gaza, East Jerusalem and Area C. Moreover, Danish humanitarian NGOs like DanChurchAid are also quite active in advocacy on human rights/international humanitarian law. Therefore, one would have expected some degree of synergy in terms of knowledge exchange and cooperation. However, the team did not come across evidence of this. Besides the absence of a programme-level strategic approach by Denmark, the characteristics and attitudes of the various organisations probably played a role here. Human rights organisations in Palestine (NGOs and ICHR) tend to preserve their "specialist" field from entry by other actors. DCCD may have been more comfortable labelling their activities as cultural and social rather than explicitly human rights-directed, given its culture and development focus.

The potential links between local government support and peacebuilding support were left almost completely unexploited and the evaluation analysed a number of bottlenecks. Under its peacebuilding stream, notably via the DCCD, Denmark funded a number of projects that targeted local CSOs e.g. in Ramallah, Nablus, Bethlehem, Hebron and Jenin. At the same time, Denmark supported some of these municipalities via MDP. These two types of beneficiaries had occasional contacts, but did not establish a working relationship. However, there is one exception: in 2012 DCCD carried out an activity, "Cultural empowerment for Marj Ibn Amer and Al-Mutaheda Municipalities", with an additional grant of USD 22,300 from the Municipal Development and Lending Fund (MDLF). The connection with MDLF was facilitated by DRO. The project aimed at nurturing cultural life in two villages/municipalities in the Jenin area through training courses in theatre and circus as well as to inspire municipalities to support cultural activities.<sup>70</sup> This is a positive example of synergies that could be replicated on a larger scale.

One of the identified bottlenecks to realise synergies was that Denmark outsourced its fund management to intermediary bodies with different professional backgrounds such as the MDLF and DCCD. This complicated the creation of synergies. Another bottleneck was that the people responsible for different areas and sub-sectors at DRO

---

70 Danish Center for Culture and Development (DCCD), Programme for culture and Development – Palestine, Annual Report 2012.

did not meet on a regular basis to develop their strategies on policy and political dialogue in relation to the information obtained through the interventions on the ground. DRO indicated in interviews that they had been facing challenges such as the shortage of personnel. Given the work burden of staff at DRO, it was difficult to develop an integrated approach linking issues encountered at the intervention level to the overall policy and political dialogue in a consistent way. The political counsellors and the development cooperation counsellors recognised the need for more interaction and joint actions, but they faced difficulties in finding practical arrangements to make this possible.

#### **Cross-cutting issues**

The evaluation assessed the extent to which the cross-cutting issues governance, green growth and gender were addressed in the strategic frameworks and in practice. The various analyses in the strategic frameworks and in the project documents identified many governance issues, which indicate that governance was considered as an integral part of the state-building projects. The main focus was on organisational strengthening or restructuring (in the case of amalgamation), while broader issues such as addressing local democracy, relations between local governments and NGOs and other institutional relations were given less attention.

Green growth concerns were not adequately reflected in the programme, an issue that was also mentioned in the internal appraisal report of the Transition Programme 2014-2015 that is related to the Country Strategy Paper.<sup>71</sup> Various documents – for example, the Environmental Management Plan of the Municipal Development Programme and the Concept Note for MDP II – indicated that environmental considerations could be more strongly integrated and mainstreamed into local government.

Gender issues were very unevenly addressed in the different interventions reviewed by the evaluation. Gender mainstreaming was not guided by specific guidelines and the DRO lacked a gender specialist. Gender issues were considered in human rights and development projects but not so much in local government and in humanitarian assistance. The HR/GG NGO Secretariat provided core support for organisations devoted to promoting and protecting women's rights. The Secretariat also enabled a number of NGOs to conduct work on reducing inequalities between men and women. Examples included: multi-year analysis of the budget of the PA from a gender perspective and working with a number of PA ministries in engendering their respective budgets.<sup>72</sup> Nevertheless, the final report of the Secretariat states that gender was not prioritised and more could have been done.<sup>73</sup>

The Independent Commission for Human Rights does not have a gender policy. It did take gender issues into account in its activities, albeit not always successfully. The Commission produces gender-disaggregated data. The staff attended some training courses on gender. A special project started in cooperation with UN Women on gender based violence and women's access to justice in the West Bank. During 2012, ICHR monitored 24 cases of honour killings of women in the West Bank and the Gaza Strip.

---

71 DFA, MENA, Internal appraisal report of the Transition Programme 2014-2015, June 2014.

72 Other examples are related to examining the impact of forced displacement on women and girls, and examining the gender impact of Israeli zoning plans in East Jerusalem. A final example includes raising awareness on the specific gender impact of disability.

73 C. Karlstedt, J. Pace, K. Ansara, External Evaluation of The Palestinian Independent Commission for Human Rights (ICHR) Final Report, May 6, 2013.

Female monitors were assigned to visit women's prisons. However, only 14% of the total number of complaints is filed by women. This indicates that the capacity and means to reach out to both women and men is still limited.<sup>74</sup>

In local government, gender received limited attention. MDP documents indicate that gender considerations could have been more strongly integrated in the municipalities' general work, staffing and prioritisation.

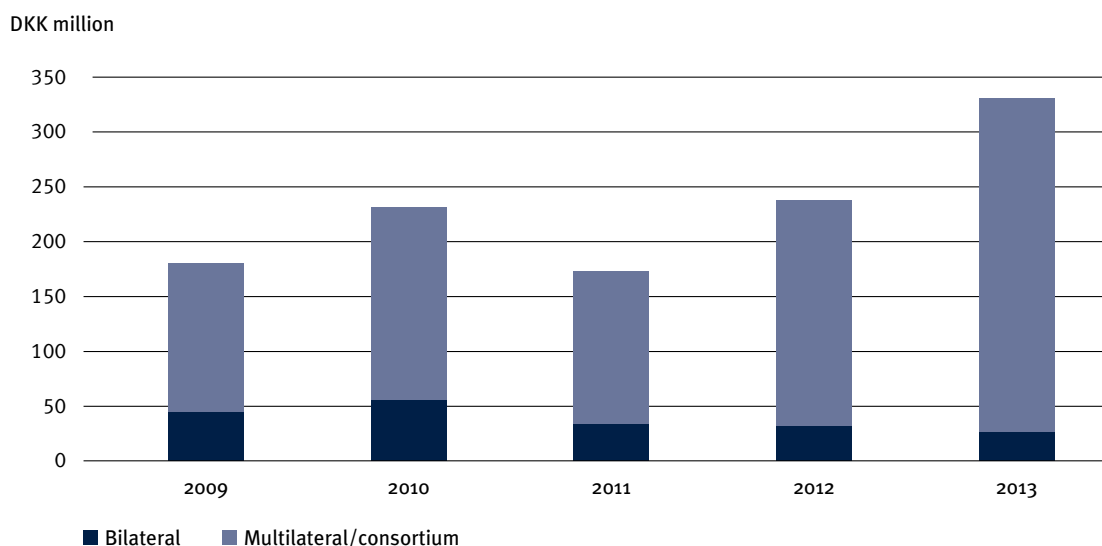
## 3.5 Efficiency

### Joint funding mechanisms

The portfolio analysis (see Annex G) shows that Denmark clearly changed its funding modalities during the evaluation period, giving increasingly attention to multilateral funding and funding via donor consortia rather than bilateral projects (see Figure 3.3). Denmark provided support to the EU Direct Financial Support to the Palestinian Government PEGASE. The support to MDP was provided via a special Trust Fund managed by the World Bank to which Denmark and Sweden contributed. Human rights support to NGOs and the ICHR was provided together with other donors that work together in donor consortia.

The figure shows that the share of bilateral projects gradually decreased from 27% in 2009 to 9% in 2013. On average 81% of the funds were disbursed via the UN, the World Bank or donor consortia.

**Figure 3.3 Disbursements according to aid modality over the years 2009-2013**



---

74 Ibidem.

The number of disbursements (i.e. projects and programmes) dropped from 38 in 2010 to 13 in 2013. At the same time, their average size increased from DKK 1.5 million in 2009 to DKK 15.5 million in 2013 (see Annex G). This shows that the aid portfolio was rationalised in order to diminish the administrative burden of DRO.

There were efficiency gains from having less bilateral projects, but there were also some risks related to this strategy. One of the risks was that Denmark would miss important issues on development on the ground to inform the policy dialogue. In donor consortium meetings, there was often a strong intermediary role of technical personnel from the implementing body.<sup>75</sup> On the other hand, donors often focused on logframes, traditional yardsticks of development aid and other technicalities. This created some obstacles to addressing the binding constraints as additional insights needed to be collected and shared. However, also in bilateral projects additional insights related to the binding constraints were not automatically picked up and shared. For example, the two bilateral local government projects the Local Development Programme (LDP) and the Local Government Policy Development in Palestine (LGPDP) project did not come up with any obvious issues hindering progress on amalgamation and other issues, as appears from the evidence gathered through interviews.

#### **Results orientation and learning**

Denmark is gradually paying more attention to results orientation in its policies, strategies and detailed planning. New Country Programmes require a Theory of Change, but this was not the case during the evaluation period. The sections on results of past Danish involvement in the strategic frameworks were not clearly based on evidence, but did provide some scattered insight into best practices. This indicates that there was a certain results orientation in the Danish engagement, but with substantial room for further improvement. There was no systematic overview based on a limited number of indicators for the entire Danish engagement in Palestine that provided global and objective insight into the effectiveness and efficiency of support.

At the intervention level, the results orientation in the project documents and reflected in M&E systems was variable, but showed improvement over time. A positive example is MDP where the results orientation clearly improved over time also with Denmark's contribution. There is evidence of learning at intervention level where recommendations from evaluations were taken into account.

At the level of areas of support and at the overall level of Danish engagement there was no evidence of functioning learning mechanisms. Therefore, there is room for improvement for learning based on robust and sound evidence gathered throughout the implementation of projects and programmes, and on the basis of policy dialogue.

---

75 E.g. the HR/GG Secretariat had more experience with grants management than human rights, discussions with the donor consortium revolved on selection of grant applications.

#### **Binding constraints affecting efficiency**

The assessment of overall efficiency is mixed. On the one hand, Denmark made a bold move to reduce its number of projects and to fund larger multilateral or co-funded projects, which positively affected efficiency. On the other hand, this did not result in changes in the policy dialogue aiming to address concrete issues that projects were confronted with in order to improve overall effectiveness and efficiency. Also the context with its two major binding constraints and the problematic donor coordination negatively affected efficiency. In fragile contexts costs of security tend to be high and this is also the case in Palestine. Denmark had to take additional security measures for quite some time after the Cartoon Crisis, and those were quite costly. For example, not only diplomatic staff, but also TA experts were not allowed to live in Ramallah for many years for security and political reasons.<sup>76</sup>

The Israeli occupation and outbreaks of violence resulted in enormous efficiency losses at all levels, because mobility was severely affected and project results were destroyed, while donors were compelled to provide new emergency assistance. In this way, the binding constraints led to high transaction costs. The strategic frameworks contained risk analyses and some indications on how risks could be mitigated. The issue of risk mitigation is also related to some extent to the recognised need for a flexible approach. In reality, however, there is no indication that throughout the implementation risks were constantly assessed and, where necessary, mitigated.

### **3.6 Sustainability**

According to OECD/DAC, sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. This is a very complicated concept in Palestine given the heavy dependency on donor funding and the lack of progress in the peace process. Different components of sustainability are distinguished below.

#### **Financial sustainability**

At high-level donor coordination meetings – i.e. the Ad-Hoc Liaison Committee (AHLC) – and the Fiscal Sector Working Group (SWG), financial sustainability of the PA were considered important. Improvements of public finance management, including improved tax collection, received considerable attention and some progress was made. However, in the present context financial viability will remain an illusion. The Court of Auditors report and the EU evaluation indicated that financial sustainability issues were insufficiently addressed in relation to PEGASE support. In most projects, there was not much attention to financial sustainability, although there were a few positive exceptions. For example, financial sustainability should be a major issue for municipalities, which also depends on their legal situation and further decentralisation. Furthermore, the dependency on Israel for water and electricity supplies influences their financial situation as municipalities do not receive the transfers that are retained by the PA in order to pay water and electricity bills to Israel. On the positive side, it has to be acknowledged that MDLF increasingly paid attention to operation and maintenance, already during the planning stage of new infrastructure. Moreover, realised improvements

---

76 Diplomats living in Jerusalem would stress that East Jerusalem is part of Palestine.



to the financial systems of municipalities were considered as a pre-condition for financial sustainability.

The Independent Commission for Human Rights (ICHR) has been so far heavily dependent on donor funding. The 5% of its budget that has to be provided by the PA has not been disbursed since 2011. It is understandable that the PA has financial difficulties but the lack of effort to provide even this minimum contribution does not augur well in terms of political will of the PA to support the Commission. On a positive note, the ICHR leadership has planned to develop a strategy to reduce its dependence on donors.<sup>77</sup>

The dependence of NGOs on foreign donor funding is another potential source of unsustainability. There is evidence of an increase in the number of NGOs. According to a recent study there were around 2700 registered NGOs in 2014. NGOs, especially the larger ones, and those of the Central West Bank, are increasingly dependent on external aid funding (close to 80% in 2008, up from 50% in 1999).<sup>78</sup> At the same time, NGOs are currently challenged by the developments in donors' positions towards Hamas and its inclusion in the unity government. Certain donors (e.g. USAID) have tightened up their vetting procedures for awarding funding. These challenges and pressures create an incentive for NGOs to prioritise politically neutral service delivery tasks over advocacy on human rights and IHL if they want to keep donor funding and PA support. Danish and human rights donor consortium core funding remains important in this context as it enables human rights NGOs to keep their focus on their core business.

#### **Institutional and cultural sustainability**

The following factors related to institutional and cultural sustainability emerged from the research.

***Uncertain legal frameworks.*** The fact that the Palestinian Legislative Council is inactive and all legislation is promulgated as Presidential Decree does not provide a sustainable solution for the long-term. In Gaza, Hamas continues to legislate independently from the PA. In practice, institutional reforms are not given priority. This adds up to the very fragmented legal system inherited from previous (Ottoman, British, Egyptian, Jordanian, etc.) times.

***Persisting tense relations between the PA and NGOs.*** A potential challenge for the sustainability of human rights activities comes from the persistently tense relationships between the Palestinian Authority and NGOs. There were reports by NGOs of harassment by the police and continued attempts to put their activities under control.<sup>79</sup> This exacerbated to the already difficult environment provided by the Israeli occupation.

---

77 The Independent Commission for Human Rights Strategic Plan 2014-2018, September 2013.

78 Palestine Economic Policy Research Institute (MAS), Jerusalem, Israel. De Voir, J. and Tartir, A. (2009) Tracking external donor funding to Palestinian non-governmental organisations in the West Bank and Gaza strip 1999 -2008. Palestine Economic Policy Research Institute (MAS), Jerusalem, Israel.

79 Retrieved on September 25, 2014 from: <http://www.hrw.org/legacy/wr2k/Mena-07.htm>.

*The ratification of the human rights conventions.* On the positive side, it can be noted that the PA in April 2014 ratified without reservation 19 human rights conventions. While this move was politically motivated according to most interviewed stakeholders, the PA committed itself towards the international community to protect and champion human rights and the PA will need to live up to this commitment. This will increase the strength and legitimacy of the requests of human rights agencies and will open an important space for both ICHR and human rights NGOs.

*Risks of increase in fundamentalism.* The achievement of the overall goal and specific objectives could become more difficult if the influence of religious fundamentalist groups in Palestinian as well as Israeli society were to increase, or if the religious factions within politics were to gain in prominence. The development of dialogue at various levels, which was part of the Danish peacebuilding activities during the period until 2012, remains important to mitigate these risks.

---

## 4 Assessment of Local Government and Human Rights Support

This chapter zooms in on the support to the two selected areas local government and human rights and focuses in particular on the third evaluation question “Have expected results, outputs and outcomes been achieved?” while also issues of relevance, coherence and sustainability are touched upon when relevant for the analysis of these areas of support. Due attention is paid to the analysis of explanatory factors. In each sub-sector, three projects were selected for in-depth analysis (see Annex B).

### 4.1 Main findings

- **The assessment of the Danish contribution to local government support yields mixed results.** The multilateral Municipal Development Programme can definitely be considered as the most effective and efficient project of the sample, and far more successful than the two bilateral projects Local Development Programme and Local Government Policy Development in Palestine.
- **The support to local government led to good achievements, especially in terms of improved performance of municipalities and the realisation of hundreds of infrastructure and community development projects for the population.** The performance-based funding of municipalities created incentives for further improvement of the investment processes, while still more attention is needed for the operation and maintenance of these investments.
- **The provision of services to citizens and transparency were also improved,** especially regarding transparency of budgets, and the issuing of building licenses.
- **There is no evidence on progress regarding the strengthening of local democracy.** There was limited attention to understanding the local political economy in the projects, which was related to a the reluctance of donors (and the World Bank) to deal with political issues and in particular, given the no-contact policy, with Hamas and Hamas-affiliated groups. This, as well as the general belief of donors and development agencies that first service provision should be assured to achieve stability, explains the rather technocratic approaches to local government development, focusing primarily on improvement of public financial management at municipal level and improvement of procedures.
- **The results orientation of the sampled projects in local government and human rights was quite variable** and multilateral projects or projects funded by donor consortia had a better results orientation than bilateral projects.
- Through flexible core funding to the Independent Commission for Human Rights and NGOs which resulted in organisational strengthening, **Denmark’s support to human rights and civil society contributed to stronger human rights actors.** The ICHR has become a reference institution for human rights-related complaints in the country, and there are **many examples of successfully resolved cases by the funded human rights NGOs to the benefit of the Palestinian population.**

- **There was no significant progress in human rights compliance on the side of duty bearers.** This was related to a large extent to the binding constraints inter alia leading to continuing abuses of human rights by Israeli and Palestinian actors.
- All local government and human rights support was negatively affected by the binding constraints. The analysis indicates though that **not all opportunities were grasped to address at least some of the policy issues within the space left by the binding constraints.** Given its role as lead donor in the local government sector, Denmark could have engaged more in policy dialogue with the Palestinian Authority. It could have promoted the monitoring of the effects of the occupation and could have brought them with other donors to the attention of appropriate international and national fora. The same applies to Denmark's role as a donor supporting human rights institutions.

### 4.2 Assessment of the support to local government

The Danish support to local government was characterised by a mix of funding and non-funding activities. The portfolio contained bilateral projects, multilateral projects and technical assistance. Moreover, Denmark had a lead role in the sector working group on local government. Initially, the Support to Municipal Development and Management in the Middle Gaza project (SMDM) was Denmark's bilateral 'flagship' intervention. From 2009 onwards, this role was taken over by the multilateral Municipal Development Programme (MDP). Denmark contributed to MDP through a Multi-donor Trust Fund which also included Sweden, rather than signing a bilateral agreement with the Palestinian Authority. By providing 27% of the project funds Denmark was the most important donor of MDP. Only support to MDP will be continued and other bilateral projects in this sector will be phased out.<sup>80</sup>

#### **Relevance and coherence of the support to local government**

Local governments have been for long time the backbone of Palestinian public administration. Besides fulfilling an administrative function, they provide essential services to the citizens. Denmark addressed key priorities in the sector and deployed a variety of funding and non-funding instruments. There were limited linkages between the different activities supported.

In 2009, policy reforms in local government, which were urgently needed given the variety of legal frameworks in place and lack of overall policies, were put high on the agenda of the Palestinian Authority. The sector working group on local government, which was established in 2008 and co-chaired by Denmark, contributed to the intensified policy dialogue at the time. However, gradually the momentum for policy reforms disappeared, due to changes of ministers of local government and donor representatives. The minutes of the sector working group meetings show that in 2009 the main focus was on strategic issues and policy reforms, while in later years the Ministry of Local Government and various donors, including Denmark, presented their own initiatives, without agreeing on a common way forward. Over the years many studies and analyses of the local governance system have been published with recommendations on amalgamation,

---

80 See the External Grant committee meeting document of 2013 on MDP II.

decentralisation, a new legal framework etc., while new studies are being planned again.<sup>81</sup> Different approaches and visions by various donors competed with each other, and there was less agreement on the way forward in 2014 than in 2009.

It should be recognised that the binding constraints, including the dependence on Israel of the municipalities for the delivery of electricity and water and the establishment of new settlements, and the divide between the PA and Hamas limited the options for effective and sustainable policy reforms.

The bilateral Local Development Programme (LDP) focused on a specific policy reform, i.e. amalgamation of local government units in the Jenin area as a pilot for an overall amalgamation policy to restructure the large number of local governments and to merge them into larger units. Apparently the PA leadership at the time saw amalgamation as an important reform to improve efficiency in the delivery of services. Another motivation for the PA leadership was to break up clan influences at council level. The implementation of this activity was negatively affected by a change of PA leadership and lack of decision-making by the PA on the intended policy reforms. Resistance of the local residents who perceived the suggested amalgamation as donor-driven and a top-down PA-effort to increase its control at local level also played a role. Therefore, the amalgamation promoted by LDP focused on administrative and technical issues; specific activities such as small-scale community development projects (gardens, play-grounds, joint festivities, etc.) were implemented to convince the population of the benefits of amalgamation. Unfortunately, the intervention paid insufficient attention to the local political economy. Denmark – and other donors – failed to recognise the signals and to take adequate action to change the approach in order to respond to the needs of the population. The other bilateral project Local Government Policy Development in Palestine also identified key problems in Palestinian local government such as the need for policy reforms and to strengthen the Association of Palestinian Local Authorities (APLA), but failed to develop an appropriate approach to addressing them.

Given its lead role in the local government sector and in view of the limited capacity available at DRO to manage the local government support, Denmark decided to provide an own external advisor to the Ministry of Local Government. This ministry benefitted already from the support of various other external advisors. It is questionable whether the technical support provided by Denmark was demand-driven. Moreover, the advisor was not stationed in the ministry, but worked for many years at the DRO and spent also time on tasks not related to the improvement of local government.

The bilateral project Support to Municipal Development and Management in the Middle Gaza (SMDM) was very relevant. It addressed key issues in the difficult years from 2006 onwards when Hamas de facto took power in Gaza. The project staff recognised that local government was one of the key battlegrounds in the struggle between Hamas and the Palestinian Authority. Municipalities were losing relevance as elected service providers for the population, as the politicised ‘parallel government’ controlled by Hamas slowly took over their functions. The role of municipalities was also undermined

---

81 The common reaction of donors is to organise new study tours, present new studies and give more technical advice. Even if some studies are of good quality and valuable advice is given, the abundance of recommendations without real coordination limits progress rather than contributing to making steps forward.

as donors channelled emergency responses through external organisations, and in many cases did not even engage them in decision-making.

In the light of these changes, SMDM was placing stronger emphasis on community development. The objective was to strengthen the positive connections between municipalities and citizens by enabling municipalities to respond to the emerging priorities of the population.<sup>82</sup> Furthermore, from 2006 to 2009, Denmark made flexible use of its funding, including project funding, to address emergency needs of the population in Gaza after the various Gaza wars.<sup>83</sup> Denmark continued its bilateral support to the government sector in Gaza for considerable time, but decided to withdraw from Gaza due to political reasons (see Chapter 2). The multilateral MDP should take over the bilateral support activities but proved slow in deploying its activities due to the very complex situation in Gaza at the time. This affected the continuity of the local government support provided to Gaza. Various stakeholders raised concerns that MDP was less active in Gaza than on the West Bank, which was also indicated in the 2010 mid-term review.

The key MDP programme focused on strengthening of local governments through the development of procedures, manuals, training etc. and on the provision of investment support to improve service delivery to the citizens. This was considered by the various stakeholders as an appropriate, mainly technical approach to strengthen local government.

### **Outputs and outcomes**

The reconstructed Theory of Change distinguished two specific objectives of the Danish support to local government at the outcome level: 1) Stronger local government providing services to the citizens, and 2) Stronger local democracy.

The detailed outputs of the three selected projects are presented in Annex H and can be summarised as follows:

---

82 Rolf Holmboe, Gaza: challenges and adaptation, Humanitarian Exchange Magazine, Issue 44, September 2009.

83 In 2006, in view of the continuing crisis in Gaza, Denmark decided to support a quick 'side project' to assist in the emergency restoration of public services and the rehabilitation of public and private infrastructure in Gaza, and to help the municipalities to continue to function (Emergency Municipal Services and Rehabilitation Project or EMSRP II). This project was a follow-up of an earlier project EMSRP I that was started after the Second Intifada. Likewise, during the Gaza War in 2008-2009 Denmark used SMDM project funds to implement an emergency package of humanitarian assistance, which is an example of a flexible response to an immediate emergency.

### **Main outputs of local government support**

#### **Municipal Development Programme (MDP)<sup>84</sup>**

- MDP-I has reached 132 municipalities (107 in the West Bank and 25 in Gaza). About 75% of the Palestinian population are served by the municipal services;<sup>85</sup>
- MDP-I has realised 235 investments in municipalities that were identified in the municipal Strategic Development and Investment Plans (SDIPs). The majority of investments is in roads (hundreds of kilometres), community buildings, recreational infrastructure etc. Most of the infrastructure is reported to be in adequate state of usability;
- MDP-I has implemented 12 projects in amalgamated municipalities or Joint Service Councils (solely funded by Denmark) related to health, education, culture and roads;
- Four pilots for installing energy-saving equipment in four municipalities were successfully implemented.

#### **Local Development Programme (LDP)**

- Set-up of two Joint Service Councils in Jenin, based on needs assessments, areal photogrammetry, physical plans and SDIPs;
- Community development and joint infrastructure projects implemented, including the organisation of a social, sport and cultural week in each cluster with sports competition between the clusters, other social activities such as a Ramadan evening and a labour day, in total 16 small community development projects.

#### **Local Government Policy Development in Palestine project (LGPDP)**

- Contribution to the establishment of a Policy and Strategy Unit in the Ministry of Local Government;
- MDP staff trained on the so-called “Lean approach”, defined as “a combination of increased customer value and better quality, increased job satisfaction and improved efficiency”.<sup>86</sup>

The projects achieved their outputs to a varying degree. MDP was significantly more successful than the two bilateral projects. Its targets were more technical and operational than those of LDP and LGPDP and, therefore, easier to achieve. More importantly, MDP developed a more coherent approach than the other two (bilateral) projects. The design of MDP is based on a good understanding of the local context and where results can be achieved. This also explains its focus on enhancing the performance of municipalities through improved planning, budgeting and procedures matched with the provision of infrastructure. The bilateral projects focused on policy reforms, in particular amalgamation, without sufficiently taking into account the various steps needed to obtain sustainable results. In addition, a thorough context analysis of the local political economy and social conditions (including the willingness of the population

84 These are overall MDP outputs to which Denmark contributed. Denmark provided 27% of MDP funding.

85 These figures are presented in the MDP Project Completion Report 2013. Also NGOs provide services to the population, while UNRWA provides services to Palestinian refugees.

86 <http://www.mdlf.org.ps/Files/Docs/MDLF%20-%20semi%20annual%202012.pdf>.

and the village councils to be involved in the reform) was lacking. While the (internal) reports on LDP and LGPDP were quite positive on the outputs (and outcomes), stakeholders were very critical on the accomplishments of these two projects.

### **Stronger local government providing services to the citizens**

The Municipal Development Programme adopted a performance ranking system to assess the capacity of municipalities and the related improvements. This ranking system measures the achievement of the objective “To improve municipal management practices for better transparency” and uses various indicators related to financial systems, strategic plans, etc. Based on this system, the vast majority of municipalities (130 of them) showed improvements over time. 56% of municipalities apply at least two public disclosure methods for Strategic Development and Investment Plans, municipal budgets and external audits, surpassing the planned target of 50%. MDP also worked with Joint Service Councils, bodies established to manage joint projects and activities of local government units. Some improvements in the functioning of these Councils were observed; however, these are not recorded in such a systematic way as they are for the municipalities.

Regarding the overall MDP objective ‘to improve the quality and coverage of municipal service delivery’, customer and citizen satisfaction surveys carried out in 2009 and 2013 were largely positive and indicated improvements. The overall satisfaction score rose from 50.0 to 57.1. However, some reoccurring issues were reported such as shortage of solid waste containers, water shortage and electricity cuts in Gaza, prepaid metering, and insufficient spaces for green areas. The contribution of MDP to improvement of service delivery is visible in areas where the Programme has been most active such as construction of roads and citizen support centres.

Field visits to municipalities, interviews and the focus group discussion on local government confirmed that progress has been realised in the functioning of municipalities and the delivery of services, notably related to infrastructure to the citizens. In particular MDP has developed many procedures, manuals and other institutional arrangements within the municipalities regarding the financial, and planning aspects that are supported by the central government. The existence of these tools allows for better functioning of the municipalities, who have now become a more important actor in the Palestinian society, according to most stakeholders. However, this is not reflected in a more united voice of the municipalities vis-à-vis the PA as the Association of Palestinian Local Authorities is suffering from continued governance problems, despite substantial support from donors (including Denmark).<sup>87</sup>

Also LDP has contributed to the improvement of service delivery to the citizens in Jenin through various small-scale social and physical infrastructure projects. However, LDP and LGPDP have not contributed significantly to the improvement of policy formulation and implementation capabilities at MoLG and to the production of a best practice model for amalgamation, as they were expected to do.

---

87 The local governments do not agree on the main issues to be addressed in their relation to the PA, which is due to a variety of problems including inequality among local governments, different political affiliations, different positions on important issues, etc. Donors, including Denmark, provided TA and financial support to APLA to strengthen the organisation, but so far without result.



### **Stronger local democracy**

There is very little or no evidence that Danish supported projects contributed to strengthened local democracy. MDP put in place specific systems at municipality level to consult citizens on prioritisation of sub-projects to be funded, but there were no criteria to ensure representativeness of those who participated in the consultations. In the project frameworks the concept of local democracy was not elaborated beyond the concept of citizen participation, and no targets and indicators were set, which made it impossible to measure progress. Also a lack of clarity regarding the concept of local democracy in the Palestinian context played a role. Local elections were delayed for a long time (see Section 2.2.). However, local elections are only one element of local democracy as the effective participation of citizens in decision-making and transparency are key elements.

### **Efficiency**

All in all, the Municipal Development and Lending Fund is considered as a rather efficient implementation agency. However, the implementation of the bilateral projects was not very efficient, not only because of a number of delays, but especially because only a small part of the intended results were realised (see Annex H). Given the limited results of the bilateral projects LDP and LGPDP and their relatively high costs, the assessment of efficiency is not positive for these projects. LGPDP was implemented by Local Government Denmark (LGDK), the umbrella authority of Danish municipalities, which should have provided value added. However, in practice LGDK had insufficient knowledge of the Palestinian context, which negatively affected efficiency (and effectiveness).

### **Explanatory factors**

#### *Israeli Occupation*

The Israeli occupation is the first major binding constraint that affects all support to local government to an important extent (see Chapter 2). The constant reduction of territory where the municipalities have some form of jurisdiction is a major problem. The establishment of new Israeli settlements and the building of the wall led to serious deterioration for many municipalities during the evaluation period. In addition, Israel destroyed infrastructure, in quite some cases constructed with international support, in Gaza<sup>88</sup> and Area C. During the evaluation period, discussions on possible donor-supported interventions in Area C parts of the municipalities started, but there were no concrete activities supported by Denmark.<sup>89</sup>

It is not clear to what extent issues related to the impact of developments in Area C on the international support to Palestinian local government were taken up in the political dialogue with Israel. The political dialogue with Israel is not in the scope of this evaluation; in our interviews with local government actors no specific action was mentioned in this regard.

---

88 The approach and challenges to local government support in Gaza is presented above.

89 The EU has recently developed an Area C programme to which Denmark is contributing, that aims to assist municipalities developing Master Plans for their entire territory, including Area C. This is an interesting, albeit typical project-centred, response to the issue.

### *Constraints on the Palestinian side*

The divide between Fatah and Hamas since the 2006 elections strongly influences local politics and thus local government. Hamas is not only present in Gaza, but also in many West Bank municipalities. As EU donors decided not to deal directly with Hamas, they are also cautious in raising issues concerning local democracy.

Despite the intentions stated in the various national development plans, to date the PA has not made any progress in reforming local government policies and the legal framework. This is inter alia due to the frequent changes of political leadership in the Ministry of Local Government. This has affected the local government sector as a whole. It is logical that in this context local government projects were only able to tackle issues that were within their control, namely the development and streamlining of procedures and the development of tools to allow better functioning of local government units within the present context. It is not surprising that progress has only been made on technocratic elements of local government.

### 4.3 Assessment of the support to civil society/human rights

#### **Relevance and coherence of human rights/ rule of law support**

The set of projects on human rights and rule of law including support to the Independent Commission for Human Rights, the NGO Human Rights (HR)/Good Governance (GG) Secretariat, and the establishment of a family law database (see details in Annex I) was, in principle, coherent. Different actors were targeted: non-governmental, quasi-governmental (ICHR), governmental (police/Ministry of Interior), judges and other legal professions. However, there was no attention to foster complementarity, collaboration and dialogue among these actors, which does not happen spontaneously. The ICHR has recently become an observer in the Palestinian Council of Human Rights NGOs, but NGOs have not been very proactive in intensifying the contacts. The biggest human rights NGOs are often older, better rooted and experienced, and more attractive to donors than ICHR or PA ministries. Therefore, they do not really need cooperation with the PA and ICHR. ICHR, on the other hand, has also for long time neglected relations with civil society stakeholders.

There was a disconnect between high level policy dialogue on human rights compliance in Palestine and support to human rights activities at project level. Human rights issues were addressed in the policy dialogue with Israel and the Palestinian authority by the EU<sup>90</sup> and also by individual Member States.<sup>91</sup> However, the NGOs did not see the result of this dialogue and perceived the donors that fund their human rights activities as not very keen on supporting them when they advocated for human rights with Israel and the PA. From the ICHR there was also a request for more donor pressure

---

90 See for instance: [http://eeas.europa.eu/delegations/westbank/documents/news/2013/20131126\\_pr\\_subcommittee\\_hr\\_en.pdf](http://eeas.europa.eu/delegations/westbank/documents/news/2013/20131126_pr_subcommittee_hr_en.pdf); [http://eeas.europa.eu/delegations/israel/press\\_corner/all\\_news/news/2010/20100902\\_02\\_en.htm](http://eeas.europa.eu/delegations/israel/press_corner/all_news/news/2010/20100902_02_en.htm).

91 Denmark has not chosen for regular bilateral policy dialogue sessions and no evidence of ad hoc dialogue activities on human rights (beyond some policy statements regarding the settlements and the conflict) was retrieved by the Evaluation Team in the collected documentation.

to urge the PA to address governance issues such as the legal basis of the ICHR including the mechanisms for the selection of Commissioners.<sup>92</sup>

An example of a missed opportunity for a coherent intervention is the ICHR monitoring of human rights violations by Palestinian security agencies, including the police. Denmark, along with the ICHR, co-funded the UNDP/EUPOL COPPS project that supports the Palestinian police in developing its complaint mechanism and a code of conduct. Denmark, funding both projects, was in a position to influence both right holders and duty bearers, thus closing the circle. Instead, the activity implemented in the UNDP/EUPOL COPPS project at the technical level was not supported by donors at a higher level with the Ministry of Interior. This limited the ability of the project to follow-up the concerns of human rights agencies when policy decisions were needed.

### **Outputs and outcomes**

Especially in the first part of the evaluation period, projects in the human rights sector were not monitored and evaluated according to a results framework that would have allowed the measurement of progress. The absence of intermediate levels between the overarching objective of promoting human rights and the operational objectives related to organisational strengthening did not help identify measurable results. According to interviews, Denmark and like-minded donors in the human rights field encouraged the implementing partners to develop better results frameworks.<sup>93</sup> Improvements were made over time particularly for the ICHR as the strategic plan 2011-2013 has a detailed list of outcomes and output indicators. For the NGO Secretariat, a new results framework was developed for the new edition of this project started in 2014 with new implementing partners. Therefore there has been some progress in the last years. More details are presented in Annex H.

### *Outputs*

The HR/GG NGO Secretariat disbursed the totality of the amount allocated by the donors for funding and produced outputs in terms of capacity building and services. During the period 1 May 2010 to 30 June 2014, the Secretariat provided 69 core grants and supported a number of NGOs with 28 project grants for a total amount of USD 16 million.<sup>94</sup> In addition, the Secretariat provided capacity building services to 48 NGOs in Palestine and Israel. Under the policy dialogue component, the Secretariat staff conducted three rounds of consultations with the human rights and good governance CSOs in the West Bank, Jerusalem and Gaza in 2011, while also facilitating annual thematic events for the partners celebrating International Women's and Human Rights day. On the whole, the project delivered its planned outputs. Beneficiaries sometimes questioned the quality of some outputs. For instance, the rather basic capacity building

---

92 Karlstedt, C., Pace, J. and Ansara, K., External Evaluation of The Palestinian Independent Commission for Human Rights, Final Report, May 6, 2013, p. 31.

93 The external ICHR evaluation over the period 2011-2013 concluded that "For the next strategic period ICHR should further develop its results framework by including overall long term development objectives with impact indicators, establish baselines of the selected indicators at all levels and formulate a specific objective for ICHR in line with its mandate, in addition to the present results framework".

94 This amount represents actual disbursement from the inception until the date of this report. For more information, please see Annex G.

activities and the quality of some trainers were considered less relevant to address the needs of bigger organisations.

The ICHR has established itself as a reference institution for human rights-related complaints in the country, particularly for what concerns violations by the Palestinian Authority. Its decentralised structure, with distinct West Bank and Gaza programmes to address the specificities of these two areas, and functioning regional offices to collect and address complaints,<sup>95</sup> enables the Commission to reach out to the different realities of Palestine. Particularly in Gaza the ICHR succeeded in expanding its activities (the number of collected complaints increased from 812, 831 and 888 in respectively 2012, 2011 and 2010 to 1,409 in 2013). This was also due to the progress made on awareness-raising together with the fact that the Hamas de facto administration lifted the restrictions imposed on the ICHR for four consecutive years and allowed the Commission to monitor prisons and detention centres. The ICHR gained access to the whole Palestinian territory as it always operated impartially between Fatah and Hamas and often defended citizens against abuses generated by the political divide between these two parties.

The Birzeit University Family Law database was produced largely according to the planning. The Family Court Judgments Database was developed as a new component within the already existing overall Al-Muqtafi law database. 11,000 judgments from Sharia Courts were analysed and 105 were selected and added to the online database. 1,000 legal principles were derived from judgements and three papers were published. Several presentation meetings and trainings were delivered to present the database in courts and in the Institute of Law. The only part of the project that was relatively less successful was the inclusion of Church courts case law, as these courts cooperated less than the Sharia courts.

### *Outcomes*

In 2013, the funded partner NGOs provided legal advice and representation before Israeli and Palestinian courts and administrative bodies to more than 27,000 direct beneficiaries. There were approximately 20,216 legal consultations and 5,994 cases of legal actions. Partner NGOs attained positive outcomes in 9,995 cases, according to Secretariat data.

---

95 There are three regional offices in the West Bank (Nablus, Ramallah and Hebron, with smaller sub-offices in Tulkarem and Bethlehem) and two in Gaza (Gaza City covering Gaza City and the northern part and Khan Younis covering the central and southern parts of the Gaza strip).

**Main highlights of achievements of HR/GG Secretariat Partners during the first half of 2012:<sup>96</sup>**

- Release of 183 detainees (Addameer);
- Prevention of the legalisation of Sansana settlement (first successful action of its kind recorded) (Bimkom);
- Prevention of the demolition of over 120 homes/facilities, (Al Aqaba and Barta'a villages, and Khan Al Ahmar Bedouin community) and helping 320 individuals from becoming homeless (JLAC);
- Securing 251 travel permits for Palestinian residents, and 152 permits to access agricultural land in the Seam Zone (HaMoked);
- Securing 143 travel permits for Gaza residents (Gisha);
- Securing positive outcomes in 44 residency and 96 family reunifications cases (HaMoked);
- Representation of women in 224 court cases with 75 court decisions in favour of women (WCLAC);
- Representation of 68 Palestinian workers, winning 533,565 New Israeli Shekels in compensation (DKK 891,451) (Kav LaOved);
- Securing 4,000 post office boxes in Palestinian neighbourhoods in Jerusalem, as a result of a petition filed by ACRI;
- Proposing four new pieces of legislation: Societies Act Palestinian Penal Code, the code of conduct for the Judicial Authority, military legislation and a Charter of the Arab Court of Human Rights (Al Haq).

Source: MDF, Impact Evaluation HR/GG NGO Secretariat, 2013.

Beneficiary organisations received core funding and this provided them with medium-term stability for their staff and functioning. However, the capacity building development component made a difference to some of the targeted NGOs but was not so relevant for other ones. Many supported NGOs were already well established and quite capable in fundraising, project management, etc. (the training covered quite general management topics and was not really focused on human rights and good governance).

The full accreditation of ICHR by the international Coordinating Committee of Human Rights Institutions and its admission to full membership of Asia Pacific Forum of Human Rights Institutions demonstrate international recognition and indicate its growing strength. NGO representatives interviewed recognised the positive role played by the ICHR in handling complaints, especially regarding the PA. Interviewees from ICHR explained that the Commission is now engaged in training staff of similar institutions in the region as it is recognised as a “good practice” institution.

<sup>96</sup> The organisations that achieved the result are named in brackets.

Neither the supported human rights organisations, nor other research or statistical bodies have established indicators that provide evidence of increased awareness of human rights among citizens and duty bearers (e.g. justice and law enforcement professionals). The number of complaints is an ambiguous indicator as it can indicate raised awareness as well as an increase in violations. For right holders, the increased number of complaints collected in the Gaza strip is considered by ICHR as a sign of increased awareness of the Commission's role there. On the side of duty bearers, an increase in the response rate to ICHR complaints over the years<sup>97</sup> could indicate on the one hand an increased willingness of targeted institutions to take human rights seriously. On the other hand, there has not been significant progress in achieving the application of human rights by duty bearers from 2010 onwards.<sup>98</sup> The 2010 ICHR evaluation reported that interviewed stakeholders – mainly from the human rights NGO sector – were of the opinion that ICHR had been effective in improving conditions in places of detention, reducing the incidence of torture, pressuring for a higher standard of performance by the security services and Palestinian officials generally and contributing to an overall reduction in human rights violations. However, ICHR data do not confirm this finding.<sup>99</sup> In 2012, ICHR noticed that the number of complaints and allegations of torture and ill-treatment had increased compared to 2011 and in 2013, at about 70%, the increase was even greater.<sup>100</sup> The recommendations formulated by the Commission since 2010 were almost all still unimplemented by the PA and de facto Gaza administration (see Annex I).

The evaluation did not find evidence of increased awareness of legal professionals and activists following the availability of the family law database. The overall impression from interviews is that stakeholders are not very aware of it, although the overall database Al Muqtafi, that existed already prior to the project, is well known.<sup>101</sup>

It can be concluded that the expected outcome of strengthened human rights organisations – via a strengthened human rights NGO sector and a strengthened ICHR – can be considered as largely achieved. However, crucial issues remain to be addressed in order to improve the human rights situation. One of these is the importance of a proper policy dialogue<sup>102</sup> with the PA and Israel, at an intermediate level between the high-level political dialogue and the project implementation, to ensure that recommendations made by human rights organisations are followed-up. This dialogue

---

97 In 2013, ICHR received responses to 52% of its written complaints: in the West Bank and to 30% in the Gaza Strip. In 2012, the response rate was 42.5%: in the West Bank and 29% in the Gaza Strip.

98 Ibidem.

99 The 2010 ICHR Report does not note any improvement and records an increase of 11% in complaints between 2010 and 2009. Such increase is explained with the “continued political division and its aggravation, which led to the deterioration of rights and freedoms and an increase in the number of human rights violations against Palestinian citizens on the one hand, and the spread of ICHR in the governorates of the West Bank and Gaza Strip, and the increased confidence of citizens in ICHR and its role as a national ombudsman, and a Complaint Office on the other hand.”(Independent Commission for Human Rights (ICHR), *The Status of Human Rights in Palestine Sixteenth Annual Report 1 January-31 December 2010*, p. 178).

100 497 complaints in 2014 vs 294 in 2012 (ICHR, *The Status of Human Rights in Palestine Nineteenth Annual Report 1 January-31 December 2013*).

101 In the project on access of information on women's rights that succeeded the family law database project the topic of awareness-raising is being addressed.

102 A proper policy dialogue in this context means that the parties enter with some good faith/intent to do better; or that the intermediary has the ability/leverage to cause progress.

is the responsibility of the international community at large, while donors that fund human rights organisations in Palestine should be expected to be particularly active in this regard. Documents and interviews clarified that the organisation by the Secretariat of policy dialogue initiatives, e.g. inviting donors to discuss with NGOs, was limited in part due to hesitation by donors in encouraging this type of activity.<sup>103</sup>

### **Efficiency**

The assessment of the efficiency of human right support leads to mixed results.

A positive element was the pooling of donor funding. For ICHR, this was an efficient way to reduce administration costs.<sup>104</sup> According to the 2010 evaluation, ICHR had a good, transparent internal control system. However the most recent evaluation indicated that the internal audit system was not functioning as intended. In renewing its support in 2013, Denmark restated that ICHR should continue to implement efficiency improvements for better use of its resources. For the HR/GG NGO Secretariat, pooling of funding was also positive as it helped prevent duplication and reduce administration costs. Moreover, the existence of a steering committee allowed implementing agencies to have a counterpart ready to discuss issues and problems. However, pooling donor funding did not completely prevent duplication as double funding to the same NGOs was provided by some donors of the consortium (not Denmark).

Outsourcing the management of support to human rights and good governance NGOs to an implementing agency (the Palestinian organisation NDC for the period 2008-2013<sup>105</sup>) halved the costs of the Secretariat with respect to 2006-2008. According to the final evaluation of the HR/GG NGO secretariat, the available resources were used efficiently as a small staff managed a large portfolio of partners.<sup>106</sup> The fact that NDC steered the programme with a board including NGO representatives gave NGOs the

---

103 According to the evaluation “the Secretariat was told by the donors that this is their role, and that there is no need for the Secretariat to play a role in this as such. One of the challenges is that the four donor countries do not always have the same position on issues and that positions may change when national governments change after elections”. Donors were therefore not comfortable with discussing issues in a single forum.

104 The total ICHR budget of USD 8.2 million for a three-year period is divided as following: 62% allocated to human resources, 25% for activities implementation, and the rest for administration. Salaries take up an important share of the overall budget, as the main task of the ICHR is to collect complaints, visit prisons and detention centres, as well as monitoring and evaluation of the human rights situation in the territories. In addition, the movement restrictions imposed on ICHR staff by the Israeli military authorities imposes ICHR to have decentralised offices in every district as well as two headquarters in Gaza and the West Bank.

105 In the previous period 2006-2008 a Danish consultancy firm ran the Secretariat. The company went bankrupt and the donors had to take over the management of the Secretariat in the transitional phase before signing another contract. Since 2014, the Secretariat is run again by an international consultancy, NIRAS, together with Birzeit University.

106 In the current edition of the Secretariat, however, the contractor is an international consultancy with a local partner and the management costs appear to have increased to 30% of the total funds, while management costs of NDC (the service contract) did not reach 10%. Therefore, it can be questioned whether the shift in the type of implementing agency – from a NGO to a consortium composed by an international consultancy and an academic institution – will improve efficiency, but this question is beyond the scope of this evaluation. According to interviewees, this change was interpreted by stakeholders as an attempt to bring the project under more direct control of the donors. This entailed on the one hand a decrease in potential divergences, but on the other hand decreased beneficiary ownership.

impression of having a forum where decisions could be discussed even if the ultimate decision was always with the donors (a feature interpreted as transparency by those who saw this fact positively, and as a potential source of conflicts of interest by those who did not).<sup>107</sup>

There were some delays in the issue of the second call for proposals and in the notification of awarded grants. This prevented beneficiaries from starting their activities as planned. Moreover, the year 2011 was characterised by difficult relations between NDC and donors, which affected efficiency.<sup>108</sup> According to a review in 2011, these issues were generated by the absence of a clear mechanism for dealing with cases where the NDC Board disagreed with the donor consortium in relation to funding decisions.<sup>109</sup> As one of the arguments for funding the Secretariat was that decisions would be taken at arm's length of donors, this is rather surprising and does not reflect a very consistent approach.

### **Explanatory factors**

The fact that Palestine is an occupied territory and the conflict situation affected results of support to human rights in various ways. First of all, ICHR has a limited possibility to address human rights violations in Area C as it does not have an Israeli institutional counterpart. Second, the conflict between Hamas and Fatah prevented ICHR from establishing itself in Gaza for long time, as Hamas boycotted the Commission. The conflict also affected the responses of the PA to complaints regarding the treatment of Hamas-affiliated citizens. The recent political divisions at Palestinian level strengthened the power of weakly accountable security agencies.<sup>110</sup> Third, the overall fragility of the PA, and above all the inactivity of the Palestinian Legislative Council, leaves legal and institutional gaps that still hamper the activities of the Commission. The lack of a legal framework for the ICHR and some lack of clarity in the mandate of commissioners are still unsolved and affect ICHR performance. Finally, despite mechanisms of donor

---

107 In the current edition, such a forum does not exist. In general, the 'technical' focus of the new Secretariat has increased through more sophisticated capacity assessment and capacity building methods and potential access to specialist legal expertise on human rights law, which is a result of follow-up of the recommendations of the earlier impact evaluation.

108 In January 2011, NDC decided to award a grant to Badil, a Bethlehem-based NGO which campaigns for the rights of Palestinian refugees and IDPs. Badil had published a cartoon, which won the competition, based on a traditional anti-Semitic stereotype. The case was taken up in Dutch parliament and elsewhere and caused very considerable problems and disruption for the donors. Therefore, some of the consortium donors contested the award to Badil. In addition, donors started to be concerned over political issues arising from the funding of specific organisations. The donors' response was to aim for more influence over the programme. Donors met eight times amongst themselves in the first five months of 2011, without ever meeting with NDC. Only in June 2011 a meeting between donors and NDC took place. This approach has been judged by the 2011 review as counterproductive as it did not sufficiently involve NDC in the discussions. A delay in notification of results was due to a dispute between NDC and donors regarding the award of funding to two organisations, the Jerusalem Community Advocacy Network (JCAN) and Al Qaws for Sexual and Gender Diversity in Palestinian Society. At the third Steering Committee donors approved two proposals that had failed NDC's application of eligibility criteria and had not been submitted to the Steering Committee. NDC objected to the donors' decision to override agreed appraisal procedures, leading to a breakdown in communication and a crisis for the programme as a whole. Work on the programme was suspended.

109 Dammers, C. and Madi, A. Review of Human Rights/Good Governance Secretariat in The Occupied Palestinian Territory, January 2011.

110 ICHR, The Status of Human Rights in Palestine, 19th Annual report January 1-December 31 2013.



coordination among the donors funding human rights organisations, there was limited linkage with overall LACS donor coordination mechanisms. This would have provided for better connections between human rights and rule of law. Moreover, there was some uncertainty and some hesitation on behalf of the donors in promoting policy dialogue with Israel and the PA to follow-up on human rights issues raised by the funded organisations. This was related to the difficulty of donors to speak with one voice or adopt joint initiatives on issues involving their countries' foreign affairs policy towards Israel and the PA.

The conflict also affected the results of human rights-related activities of the supported NGOs principally in terms of restrictions of movement and focus of attention on emergency issues at the expense of prevention and advocacy work.<sup>111</sup> A gradual shift in focus from state-building and governance-related issues to international humanitarian law issues was supported and encouraged by human rights NGOs that wanted to address basic human rights violations, particularly in the context of Gaza and Area C.

---

111 Human Rights and Good Governance (HR/GG) Impact Evaluation, NGO Secretariat 2011-2013, p.16.

---

## 5 Conclusions, Lessons and Recommendations

In this chapter an answer to the overall evaluation question is formulated, followed by answers to the four main evaluation questions presented in Chapter 1. These answers form the main conclusions of this evaluation on which the lessons and recommendations are based.

### 5.1 Conclusions

#### **To what extent did Denmark contribute to the establishment of a viable Palestinian state as part of the two-state solution?**

*A positive Danish contribution to strengthened Palestinian organisations, but too little was done to address the binding constraints*

The evaluation found that Danish engagement contributed positively in varying degrees to a number of strategic objectives or secondary goals. Initially, Denmark contributed to the strengthening of Palestinian organisations focusing on local government and human rights organisations. Subsequently, the Danish contribution to PEGASE provided stability to national-level institutions and improved their financial situation. Strengthened and capable public institutions at different levels are to be considered as an important pre-condition for the creation of a viable Palestinian state. This was the logic underpinning Denmark's engagement in Palestine as reflected in the reconstructed Theory of Change. Second, Denmark also contributed positively to Palestinian welfare and service delivery via UNRWA, PEGASE and local government support.

However, given the Israeli occupation and the limitations on the Palestinian side, strengthened organisations alone cannot bring about a viable state. Financial sustainability remains a very important issue of concern and Palestinian organisations, both governmental as well as non-governmental, remain heavily dependent on donor support. The Danish attention for organisational strengthening focused in particular on service delivery, while there was less attention for democratic accountability. Furthermore, strengthening of the institutional relations between the various organisations – for example the relations between local government and CSOs – was given relatively limited attention.

Given the complex environment and the major binding constraints, it is no surprise that in line with the evaluation of EU cooperation, this evaluation also presents a picture that overall is quite sobering. As indicated in the same EU evaluation “prolonged failure to achieve the two-state solution, combined with unsustainability of service delivery at current levels of support, jeopardises the goal of stability”<sup>112</sup> and this is also the case for Denmark. There is no evidence of overall progress towards improved accountability of national and local institutions. Nor has there been progress in realising the two-state solution. By largely mitigating the effects of the Israeli occupation, international support including that of Denmark may have inadvertently contributed to the status quo.

---

112 European Commission, Evaluation of the European Union's Cooperation with the occupied Palestinian territory and support to the Palestinian people, Final Report, Volume 1, European Commission, May 2014, Executive Summary, p. ix.

The support has also not resulted in important changes in the ways in which the PA and its administrative functions have been operating.

Although Denmark was very much aware of the context dominated by binding constraints and tried to work around them, Denmark did not succeed to address or mitigate these large binding constraints in order to contribute to the higher-level political objective. Denmark did not succeed sufficiently in making use of experiences gained at the intervention level to address the major binding constraints at the strategic level. Issues limiting progress at intervention level were not sufficiently taken up in the policy and political dialogue. Context analyses in the strategic frameworks remained general. To date, no comprehensive country policy papers have been prepared for Palestine according to Denmark's own standards. Both in the strategic frameworks as well as in practice, Denmark faced challenges in linking the funding activities – through project, programme and budget support – to non-funding activities such as the policy and political dialogue. This is a challenge all donors are facing. Therefore, it is impossible to provide an unequivocal answer to the central evaluation question.

*EQ1: How relevant have the strategy and the activities carried out under the strategy been in the overall context of Palestine?*

The main question is whether Denmark made the right choices to be able to bring about change in the overall situation as reflected in its overall political objective. It can be concluded that the choice of interventions proved relevant of the needs of the Palestinian population and was largely aligned with National Development Plans (NDPs). Alignment with NDPs increased over time, primarily because of a shift in funding that resulted in increased attention to state-building, especially from 2012 onwards. While Denmark's choices were relevant in view of maintaining and where needed strengthening of institutions at the national and sub-national level (PA, local government and civil society) and addressed some basic humanitarian needs of the population, the choices were less directly relevant to the achievement of the overall political goal as the binding constraints were not directly addressed.

The geographical allocation of funding was consistent with the need to support the various territorial components of Palestine, with the important exception of Area C. The majority of Danish support was focused on Area A, while support was also provided to Gaza and East-Jerusalem. Support to Gaza was at least 30% of total disbursements during the evaluation period. Denmark continued till 2010 to provide bilateral support to Gaza during difficult times with the assistance of its own project office in Gaza. In 2010, bilateral support to Gaza was replaced by multilateral support and support via NGOs. Area C emerged as a crucial issue over the years, given the fact that, despite covering 60% of the West Bank, full Israeli control of this territory means that donors have hardly operated there. Denmark and other donors lag behind in terms of strategies and joint donor approaches, including the political dialogue with the government of Israel and the policy dialogue with the Palestinian Authority. This was acknowledged in the Denmark-Palestine Country Strategy Paper 2014-2015. Recently, the EU and Member States started preparing intervention strategies for Area C.

Project and programme approaches were rather technocratic and focused on organisational strengthening and infrastructure, but ignored more difficult issues such as the quality and transparency of governance and linkages to the binding constraints. Hardly any political economy analyses, also addressing gender and environmental concerns, were carried out. Technocratic approaches are within the donor's span of control and

are a common phenomenon in fragile settings, but limit the overall relevance to the scope of the project itself.

*EQ2. How effective and efficient has the engagement been as a whole and at the intervention level? What can be said of the relation between the effectiveness and the unresolved Israel/Palestine conflict?*

The focus of this question is primarily on the achievement of the strategic objectives or the secondary goal as reflected in the Reconstructed Theory of Change.

### **Denmark contributed to the strengthening of local government, the expansion of infrastructure and the delivery of essential services to the population**

The local government support, in particular the support via the multilateral Municipal Development Programme, did lead to good outputs and outcomes, especially in terms of strengthened systems for local government and infrastructure projects for the population. The performance-based funding of municipalities created incentives for further improvement, including service provision to citizens. The performance ranking of municipalities is based on indicators mainly related to transparency regarding budgets and on some services such as construction permits. Based on this system, the vast majority of municipalities (130 of them) showed improvements over time. The bilateral projects that aimed to contribute to policy reforms were less effective than the multilateral programme. Denmark also aimed to contribute to the strengthening of local democracy, but there is no evidence of progress in this area.

The main stakeholders in local government were of the opinion that insufficient policy and political dialogue took place, which negatively affected effectiveness. Given its role as lead donor in the local government sector, Denmark could have engaged more in policy dialogue with the PA as local government policy and legal reforms were urgently required. Denmark could also have promoted the monitoring of the effects of the occupation and could have brought them with other donors to the attention of appropriate international and national fora. It is not clear to what extent issues related to the impact of developments in Area C on the international support to Palestinian local government were taken up in the political dialogue with Israel. The analysis indicates that not all opportunities were grasped to address at least some of the policy issues within the space left by the binding constraints.

Denmark contributed to PEGASE, which provided financial support to the PA that allowed paying salaries and pensions of (retired) civil servants, contributed to maintaining the PA administration and essential public services, and helped the PA manage its budget deficit through reduced net lending and arrears.

Moreover, Denmark funded UNRWA and NGOs that provided humanitarian assistance to millions of Palestinian refugees and Palestinians living in deprived conditions, consisting of education and health services and livelihood support.

### **Denmark also contributed to stronger human rights actors**

Denmark's support to human rights and civil society contributed to stronger human rights actors. The Independent Commission for Human Rights (ICHR) has become a reference institution for human rights-related complaints in the country. There were many examples of successfully resolved cases by the funded human rights NGOs to the benefit of the Palestinian population, but there was not much evidence of strengthening in terms of acquiring new skills and networking of the NGOs. There is insufficient

evidence to establish whether the awareness of right holders was raised or not, although there are some positive signs such as an increased number of complaints, in particular from Gaza. On the side of duty bearers, there is no evidence of real progress regarding compliance with human rights. Palestine is an occupied territory and the conflict situation affected results of support to human rights in various ways. For instance, the effectiveness of the support to the ICHR was negatively affected, because of the lack of a legal framework and the absence of an Israeli institutional counterpart. The effectiveness of the supported human rights NGOs was negatively affected by movement restrictions and their need to focus on emergency issues at the expense of prevention and advocacy work.

### **Dispersed peacebuilding activities and very limited economic development activities**

Peacebuilding projects, also in remote areas of the West Bank and East Jerusalem, provided cultural and social activities and contributed to dialogue between different population groups at local level. The activities at the grassroots level took place to preserve the cultural heritage, promote social cohesion and improve resilience of the Palestinian society (especially in East Jerusalem and remote areas of the West Bank).

Despite Denmark's intentions to make economic development an important area of its development support, activities in this area in practice remained very limited. Vulnerable groups, including women, in Gaza and on the West Bank were involved in small-scale local economic development projects allowing them to generate an income. There was a good NGO project in Gaza focusing on value chain development. However, Denmark did not realise its ambitious objectives for this sector.

### **Efficiency**

The assessment of efficiency at the intervention and the strategic level leads to mixed results. During the evaluation period, Denmark moved towards less bilateral and more jointly funded projects in order to improve efficiency. The choice of local government funding via a World Bank Trust Fund improved efficiency as transaction costs were reduced. Pooling human rights donor funding through consortia was also a cost-effective measure that reduced administrative costs. The outsourcing of the management of the support to human rights NGOs to a Palestinian organisation kept the overhead costs relatively low compared to the previous project where an international consortium was responsible.

At the intervention level, the results orientation in the project documents and reflected in M&E systems was variable, but showed improvement over time. Multilateral projects or projects funded by donor consortia had a better results orientation than bilateral projects as reflected in adequate logframes with related indicators as an appropriate basis for monitoring and evaluation systems. However, linkages between these intervention-level indicators and the binding constraints that should be addressed at the strategic level were still missing. At the strategic level, the results orientation in the Danish engagement in Palestine was quite limited.

The Israeli occupation and outbreaks of violence led to enormous efficiency losses at all levels, because mobility was severely affected and project results were destroyed, while donors in turn were compelled to provide new emergency assistance.

*EQ3: To what extent is the engagement sustainable also in the event of a continued unresolved situation between Israel and Palestine?*

The continued heavy dependence of Palestine on donor funding affects financial sustainability to an important extent. Different levels of sustainability can be distinguished: the level of the PA, the level of supported organisations and at the intervention level of projects and programmes. Denmark's support to the PA consisted primarily of the contribution to PEGASE: the direct financial support mechanism of the EU to the PA. While this support covered essential needs, it did not contribute to financial sustainability of the PA.

Regarding the assessment of sustainability at the intervention level, both local governments and NGOs remain heavily dependent on donor funding. Recently, issues related to financial sustainability were given more attention. In local government support, operation and maintenance of infrastructure was put on the agenda. However, the prospects for sustainability at all levels are quite meagre in the current context. The often devastating effects of the occupation, lack of appropriate legal frameworks, delayed policy reforms, and insufficient donor insight into the local political economy all negatively affect sustainability.

*EQ4: Has there been coherence between the various instruments – political initiatives vis-à-vis Palestine, policy dialogue with Palestinian stakeholders, development cooperation, humanitarian assistance – in the Danish engagement?*

In principle, the various areas of Danish engagement in Palestine constituted a coherent whole and offered ample opportunities for complementarities and synergies. In practice, the examples of opportunities grasped to realise synergies were limited to some good practice examples such as local government development in relation to socio-cultural empowerment in Jenin Governorate. This was primarily related to the lack of articulated linkages between the development and humanitarian support on the one hand, and the policy and political dialogue on the other.

Denmark did of course engage in policy and political dialogue at various levels. This was, however, not the result of a strategy based on thorough context and conflict analysis. In the period covered by this evaluation, Denmark lacked a comprehensive or integrated strategy guiding the configuration of the different components of its engagement in Palestine, i.e. political engagement, policy dialogue and the composition of the aid portfolio.

Cross-cutting issues, in particular governance and gender, were only addressed to some extent. The heavy workload of the political counsellors and the development cooperation counsellors also contributed to a fragmented approach as it requires sufficient time to develop an integrated approach linking issues encountered at the intervention level to the overall policy and political dialogue. As shown by the evaluation of EU support, Denmark was not unique in struggling to develop and implement a comprehensive approach regarding its engagement in Palestine. According to international research and guidelines, developed in networks of which Denmark is a member, enduring conflict is widely acknowledged as the main driver preventing change and development on the ground. A comprehensive strategy should be based on thorough context (or conflict) analyses at different levels. The Danish engagement in Palestine is gradually developing the various elements for such a comprehensive strategy. So far the lack of coherence has negatively affected effectiveness and sustainability of results.

## 5.2 Lessons and recommendations

Progress in the resolution of the conflict and the resumption of negotiations remains the key precondition for the elimination of the binding constraints. In the current setting, it is important that Denmark while supporting the two-state solution also recognises the risks and underlying assumptions regarding the viability of the two-state solution based on a sound understanding of the binding constraints and how to address and mitigate them.

The evaluation makes the following recommendations:

1. **Prepare a comprehensive Country Policy Paper in line with the new guidelines, including integration of the political, development cooperation and economic relations focusing on a realistic assessment of the binding constraints.** This should be followed by a test of whether and how to address them, with implications for the terms of engagement, especially at the programme and project level. The new Country Policy Paper and Country Programme for the period from 2016 onwards should be based on a context and conflict analysis, include a detailed Theory of Change linking the overall political objective to specific objectives and paying due attention to coherence between all areas of Danish engagement. The consideration of different scenarios for the future development of Palestine would help Denmark to better mitigate risks.
2. Given the context in Palestine and the overarching binding constraints, funding only development and humanitarian assistance will not lead to relevant, effective and lasting change. Therefore, **funding and non-funding activities (i.e. policy and political dialogue and donor coordination)** should be combined and the skill sets and working methods of the staff responsible of both types of activities should be adapted to this purpose. In practice, this means that in relation to the Danish support to state-building – local government and human rights support as well as PEGASE – there is a need to get more leverage in the dialogue with the PA on accountability issues, policy reforms, human rights violations, attitudes of duty-bearers and local democracy. Regarding the political dialogue with Israel the obstacles of the occupation to the development of Palestine, demolitions of infrastructure, human rights violations should be brought forward.
3. **Focus on Area C, East Jerusalem and Gaza.** Denmark, together with the EU, should further develop a strategy to provide support to Area C, which should also include political dialogue with Israel in order to try and forge an opening in the standstill situation. Support to Gaza should also be continued given the crisis situation, with strengthened linkages to the dialogue regarding the limitations on the Palestinian side. Finally, strengthening the focus on East Jerusalem is needed given its key role in the peace negotiations and the future of a viable Palestinian state.

4. Denmark could further **promote its best practice in Palestine to reduce the number of bilateral projects and to opt for multilateral and co-funding** within the EU and also in the local aid coordination structure. In principle, a reduction in the number of projects and more joint or pooled funding would allow more attention to be paid to the political and policy dialogue, but this should be planned for and implemented.
5. **Develop clear and transparent criteria for the choice of specific objectives and areas of support**, in line with the overall political goal. Possible criteria to be considered are: a) Comparative advantage of Denmark in specific sectors based on past experience; b) Alignment with PA priorities; c) Analysis of needs of Palestinian people in relation to donor mapping and past performance; and d) Potential synergies between the areas of support.
6. **Continue Danish support to local government and to human rights** on the basis of the satisfactory results achieved so far, while paying more attention to addressing the binding constraints. This would include giving a new dimension to Denmark's leadership role in the local government sector by developing a more pro-active approach to donor coordination and policy dialogue. For human rights, experiences at the project level should be related to the policy and political dialogue where duty bearers are addressed.
7. **Consider a further reduction of the areas of support for the years to come.** As Denmark is still active in a large number of areas of support, reducing this number would free up resources. This in turn would allow more attention to be paid to the political and policy dialogue with both Israel and the PA, in particular in sectors where Denmark is in the lead. In addition to the recommended continuation of support to local government and human rights, continuation of humanitarian assistance is also inevitable for the next programming period. In this area, linkages with the application of international humanitarian law, which are addressed by the supported human rights organisations, can be further established.

The evaluation suggests giving consideration to the following **two options** when deciding about the areas to be supported in the future. Both options would include **state-building and humanitarian support**.

### **State-building, peacebuilding and humanitarian support:**

- State-building would be focused on building the foundations for a Palestinian state, taking into account the binding constraints. The focus will be on PEGASE and local government support. State-building might also include support to the PLO Negotiations Affairs Department (NAD), which is linked to peacebuilding, but which is also in touch with many ministries and therefore could qualify as state-building support.



- Peacebuilding could be focused on restoring societal trust in the possibility of a positive solution to the conflict with the establishment of a viable Palestinian state, despite the current sobering picture. This would involve strengthening social cohesion; encouraging tolerance and dialogue; ensuring the respect of international humanitarian law and citizens' civil, political, social and cultural rights; ensuring the presence of an independent and vibrant civil society; developing and supporting Palestine's rich cultural heritage and contemporary culture, with a focus on young generations. Support to the Independent Commission for Human Rights and to the NGO/IHL Secretariat, and programmes run by DHP and CKU could all fit well into this area. In addition, the aim of creating a knowledge society, which is also high on the list in the Danish-Arab Partnership could be included through supporting the exchange and dialogue between academic institutions, independent media, think-tanks etc. and be aligned with existing initiative. In this way the challenge to link the peacebuilding to the extent possible to state-building and vice-versa could be overcome.
- Humanitarian support in the broad sense, which would include direct humanitarian support via UNRWA and Danish NGOs, while taking care that sufficient linkages are established to the overall dialogue on international humanitarian law. In addition, this category would include basic economic development activities as already implemented by OXFAM. These activities focus on value chain development, but can be considered as part of the broader Linking Relief to Rehabilitation and Development approach.

### **State-building and citizens' rights, economic development and humanitarian support:**

- The focus in this option would be on state-building and citizen's rights, as was the case in the 2014-2015 strategic framework. The focus on state-building would be the same as in option A (i.e. contribution to PEGASE, local government and NAD), but would also include the support to human rights. Other activities that are funded at present would not naturally fit into this category.
- Economic development could be a second main objective that should still be developed to a large extent. The present support via NGOs (notably OXFAM) could be one pillar of economic development, while a second pillar would need to be developed in very close consultation with the PA as the priorities set by the PA are the main reason for including this area of support. The point of departure should be a clear analysis of the situation in the West Bank and Gaza, including the policy options, the political economy factors, the binding constraints and how to overcome these, a mapping of donor support, while also setting clear conditions and modalities for the support to be provided.
- Humanitarian support would be more narrowly defined in this option and would consist of support to UNRWA and via Danish NGOs such as DanChurchAid and the Danish Red Cross (only if the support is covering various sectors and is not exclusively focused on economic development).

MINISTRY OF FOREIGN AFFAIRS OF DENMARK  
**DANIDA** | INTERNATIONAL  
DEVELOPMENT COOPERATION

2 Asiatisk Plads  
1448 Copenhagen K  
Denmark

Tel +45 33 92 00 00  
Fax +45 32 54 05 33  
um@um.dk  
www.um.dk

---

## EVALUATION OF THE DANISH ENGAGEMENT IN PALESTINE

---

ISBN html: 978-87-90656-70-6  
ISBN pdf: 978-87-90656-29-4