

Third Party Evaluation Report 2012  
Ministry of Foreign Affairs of Japan

**Evaluation of**  
**Assistance to the Palestinian Territories**  
-Summary-

February 2013

Mitsubishi Research Institute, Inc.



## Preface

This report is a summary of the “Evaluation of Assistance to the Palestinian Territories” undertaken by Mitsubishi Research Institute, Inc. entrusted by the Ministry of Foreign Affairs (MOFA) of Japan in FY2012.

Since its commencement in 1954, Japan’s Official Development Assistance (ODA) has contributed to the development of partner countries and finding solutions to international issues which vary with the times. Recently, more effective and efficient implementation of ODA has been required not only in Japan but also in the international community. MOFA has been conducting ODA evaluations mainly at the policy level with two main objectives: to improve management of ODA; and to ensure its accountability. These evaluations are conducted by third parties to enhance their transparency and objectivity.

This evaluation study is carried out in order to review the overall Japan’s assistance to the Palestinian Territories, with the objective of obtaining lessons learned and recommendations for formulating policy for future assistance as well as contributing to public accountability of Japan’s ODA by publicizing the evaluation results.

Contributions from Professor Juichi INADA, Senshu University, a chief evaluator, and Professor Ryoji TATEYAMA, National Defense Academy of Japan, an advisor for the evaluation, were invaluable for the evaluation study. Significant inputs were also obtained from MOFA, the Japan International Cooperation Agency (JICA), and the ODA Task Force as well as institutions in the Palestinian National Authority, international development partners and NGOs. We would like to take this opportunity to express our sincere gratitude to all those who were involved in this study.

Finally, the Evaluation Team wishes to note that the opinions expressed in this report do not necessarily reflect the views or positions of the Government of Japan.

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## Evaluation of Assistance to the Palestinian Territories

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<p><b>2. Period of Evaluation:</b> July 2012 – February 2013</p>	
<p><b>3. Country Survey</b> The Palestinian Territories</p>	
<p><b>4. Outlines of Evaluation Results and Recommendations</b></p> <p><b><u>(1) Evaluation Results</u></b></p> <p><b>(a) Relevance of Policies</b></p> <p>Japan's aid policy towards the Palestinian Territories was confirmed to correspond to all the priority issues of the "National Development Plan" (NDP, 2011-2013) of the Palestinian National Authority, and is consistent with the Palestinian high-level policies, assistance plans of the international community, and Japan's ODA and diplomatic policies.</p> <p><b>(b) Effectiveness of Results</b></p> <p>In each of the nine sector programmes of the "Assistance Policy for the Palestinian Territories", namely water and sewage, health, education, protection for the socially vulnerable, improvement of public financial management, local governance, industrial development, agricultural development, and tourism development, it has been confirmed that there have been improvements in the progress towards the medium-term goals of stabilization and improvement of Palestinian people's livelihood, enhancement of administrative and financial capacity, and promotion of sustainable economic growth.</p> <p><b>(c) Appropriateness of Processes</b></p> <p>Both the formulation and implementation processes of Japan's aid policies towards the Palestinian Territories were found to be generally appropriate. However, as a feature of assistance to the Palestinian Territories, discussion with Israel and obtaining their agreement are necessary, which sometimes result in delay or changes of projects. It has been pointed out that more flexibility is required from Japan's development co-operation in this respect.</p> <p><b>(d) Perspective of Diplomacy</b></p> <p>It was recognized that Significance of assistance to the Palestinian Territories is not only in assisting the Palestinian people, but also in functioning as a mechanism for addressing to the Middle East conflicts; an issue commonly embraced by the international community. Its significance also ranges to maintaining favourable relationships with the Arab nations and</p>	

other Islamic countries, and for ensuring Japan's energy security.

## **(2) Recommendations**

The following recommendations are made with regards to the facts that the Palestinian Territories are under occupation, that assistance to the Palestinian Territories is subject to the authorisation of Israeli government, that it is liable to be affected by political factors, and that the people concerned are under unstable circumstances.

### Long term and policy recommendations

#### 1. The necessity of continued assistance to the Palestinian Territories has to be reiterated

Assistance to the Palestinian Territories, which has wide-ranging significance as confirmed by evaluation from the aspect of diplomacy, is a measure that must be continued even in the event that little progress is seen in the Israeli-Palestinian conflict, and Japan needs to reiterate and share its significance among its citizens.

#### 2. An expanded objective framework should be structured, on which the assistance should be implemented

Assistance to the Palestinian Territories, through the mechanism of development cooperation through ODA, requires political steps and initiatives for confidence-building among the parties, and it is desirable that several of these initiatives are used in combination. In order to show the structure of these initiatives in a visible manner, it is desirable that an expanded objective framework for the peace in the Middle East is constructed, and the assistance be implemented in accordance with this expanded objective framework.

#### 3. The "Corridor for Peace and Prosperity" initiative should be further developed

The "Corridor for Peace and Prosperity" initiative in the framework of the Four-Party Consultative Unit is applied by Japan for implementing development cooperation under restrictive conditions affected by Israeli occupation, and it is desirable that this initiative be utilized to the maximum extent in the future. At the same time Japan needs to urgently consider the start-up of next core projects following Jericho Agro Industrial Park (JAIP) by utilizing the "Corridor for Peace and Prosperity" initiative more effectively.

### Short term and practical recommendations

#### 1. Assistance schemes that have the ability to respond with flexibility should be actively employed

Taking into consideration as the characteristic of assistance to the Palestinian Territories that discussion and agreement with the Israeli government is required, assistance schemes with flexibility should be employed. From this point of view it can be recommended that schemes of Grant Aid for Community Empowerment, assistance through international organizations, Grant Assistance for Grassroots Human Security Projects, and Grant Assistance for Japanese NGO Projects continue to be actively used.

2. Projects that involve the neighbouring countries should be actively formulated and implemented

The overall objective of assistance to the Palestinians is to promote economic and social independence. It is particularly required that interactions with the neighbouring and surrounding countries including Israel, be vitalized. It is recommended that projects that can be expected to directly contribute to this overall objective be formulated and implemented.

3. Assistance that utilizes the advantages of Japan should continue to be implemented

Japan's advantage in skills, technology, and human resources should be made use of so as to respond to the requirement of the Palestinians. It is recommended that assistance that utilizes Japan's comparative advantages be developed within the context of the "Corridor for Peace and Prosperity" initiative and that cooperative relationships in the region be structured.

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## 1 Background and purpose of this evaluation

The Palestinian issue is at the core of the Arab-Israel conflict which has continued for more than half a century, and the Middle East conflicts that have arisen from it can have a major effect on the stability and prosperity of the whole international community, including Japan. In the current peace process aiming for a two-state solution, it is indispensable to promote social and economic development of the Palestinian Territories and prepare for the Palestinian state-building. Therefore based on the aspect of “peace building” as priority issues of Japan’s ODA Charter, Japan has been actively provided assistance to the Palestinian Territories, which could contribute to the Middle East peace.

Japan’s assistance to the Palestinians started from aid to Palestine Refugees through the United Nations Relief and Works Agency (UNRWA) in 1953, and assistance gained momentum after the Oslo Accord. Since 1993, Japan has provided \$1.3 billion as assistance to the Palestinian people.

On November 2005 Japan and the Palestinian National Authority held the economic cooperation policy consultation meeting, at which it was confirmed that assistance would be undertaken with emphasis on (a) humanitarian aid, (b) assistance for the state-building efforts, (c) confidence-building, and (d) enhancing economic self-sustainability. Also, in 2006 the then Prime Minister Junichiro Koizumi proposed the “Corridor for Peace and Prosperity” initiative in which economic development in the Jordan Valley would be implemented through intra-regional cooperation between Japan, Israel, the Palestinian National Authority, and Jordan, and the agreement of the heads of government was obtained. In February 2010 on the occasion of the visit of President Mahmoud Abbas to Japan, it was confirmed that Japan would provide assistance for the Palestine National Development Plan, and in July in a high level meeting between Japan and the Palestinian National Authority it was agreed that over the next three years there would be direct assistance mainly in the form of technical cooperation in seven major fields of assistance: (a) Small and Medium Enterprise Support, (b) Agriculture, (c) Tourism, (d) Local Governance, (e) Improvement of Public Financial Management, (f) Water Resource Development and Waste Water Treatment, and (g) Health. In November 2010, at the meeting in Tokyo between then Prime Minister Naoto Kan and Dr. Salam Fayyad, Prime Minister of the Palestinian National Authority, the significance of continuing the initiatives for Palestinian state building was re-confirmed. Then in December 2012 the “Assistance Policy for the Palestinian Territories” was formulated, with the overall target of “building peace by promoting social and economic independence,” and its three intermediate targets: “stabilization and improvement of Palestinian people’s livelihood,” “enhancement of administrative and financial capacity,” and “promotion of sustainable economic growth”.

Based on the significance of assistance to the Palestinians, this study was carried out to evaluate the overall policy of Japan’s assistance to the Palestinian Territories, with the objective of obtaining lessons learned and recommendations for formulating policy for future assistance. On the other hand, the characteristics of assistance to the Palestinians are that it is liable to be affected by the political situation in the Territories, and the diplomatic importance

and impact are high, because of high attention of the international community on the Middle East conflicts. With regards to this condition, the second objective of the evaluation was to clarify the political significance of assistance to the Palestinian Territories from the point of view of Japan's national interest. Further objectives included: contributing to public announcement activities of Japan's ODA by publicizing the evaluation results, fulfilling accountability to the Japanese people, and giving feedback of the evaluation results to the Palestinian National Authority and other international development partners, and contributing to promoting the improvement and visibility of the ODA through the evaluation based on the "ODA Review" published by the Ministry of Foreign Affairs (MOFA) in June 2010.

## 2 Scope and period of this evaluation

The scope of this evaluation was Japan's assistance to the Palestinian Territories. An overall evaluation was carried out in addition to evaluating relevance of policies, effectiveness of results, and appropriateness of processes, and an evaluation from the aspect of diplomacy. The evaluation was carried out in accordance with the "ODA Evaluation Guidelines (7<sup>th</sup> Edition)" issued by MOFA, and with reference to the five Development Assistance Committee (DAC) Criteria for evaluating development assistance.

The object of the ODA evaluation was both the aid policies and the assistance achievements. The focus was on initiatives from 2005 onwards in Japan's four major fields of assistance (humanitarian aid, assistance for the state-building efforts, confidence-building, and enhancing economic self-sustainability). Specifically, the scope of evaluation was the 2012 newly formulated the "Assistance Policy for the Palestinian Territories" based on the economic cooperation policy consultation meeting in 2005, the "Corridor for Peace and Prosperity" initiative announced in 2006, and the 2010 Japan-Palestine high-level meeting. In 1999, an ODA evaluation mission to the Palestinian Territories was carried out to evaluate the performance, so the performance of the assistance from 2000 onwards was evaluated to determine the trends thereafter. However, the scope of the evaluation of the effectiveness of the results was from 2005 onwards, as this evaluation was carried out in accordance with the above policies.

Also, besides direct assistance, initiatives that were continuously implemented through international organizations, such as assistance to the Palestine Refugees through UNRWA (however, in this evaluation the object was assistance to refugees within the Palestinian Territories only), food assistance through the United Nations World Food Programme (WFP), etc., were included in the scope of this evaluation survey. In addition, small-scale projects such as assistance to NGOs, Grant Assistance for Grassroots Human Security Projects, etc., were included in the scope of the evaluation.

## 3 Method of evaluation

From the contents of the "Assistance Policy for the Palestinian Territories", constructing an objective framework and the three intermediate targets of stabilization and improvement of

Palestinian people's livelihood, enhancement of administrative and financial capacity, and promotion of sustainable economic growth for achieving the overall target of “promotion of economic and social independence” consist of nine programs.

On the other hand, according to the Diplomatic Bluebook by MOFA, the Japanese initiatives for the Middle East peace are based on the three pillars of “political approaches,” “assistance to the Palestinian Territories,” and “confidence-building,” as well as promoting the “Corridor for Peace and Prosperity” initiative which combines these pillars. Particularly, assistance to the Palestinian Territories through ODA is one of the main pillars of the initiatives for the peace in the Middle East, and in parallel with political approaches and confidence-building forms a part of the “Corridor for Peace and Prosperity” initiative.

As stated in the Diplomatic Bluebook, assistance to the Palestinian Territories which constitutes one of the Japanese initiatives for peace in the Middle East is deeply related to political approaches and confidence-building in the “Corridor for Peace and Prosperity” initiative, and cannot be considered separately from these initiatives. Therefore, in the present evaluation study, although the main target is assistance to the Palestinian Territories through ODA, political approaches and confidence-building are also included in the scope of the evaluation in respect of the aspects that are related to initiatives through ODA.

The following figure shows how the evaluation team has positioned the objective framework of assistance to the Palestinian Territories within the structure of the Japanese initiatives for peace in the Middle East in order to conduct the present evaluation study. This figure shows the overall target and intermediate targets including the status when the target is achieved, etc., and the means for achieving these targets.

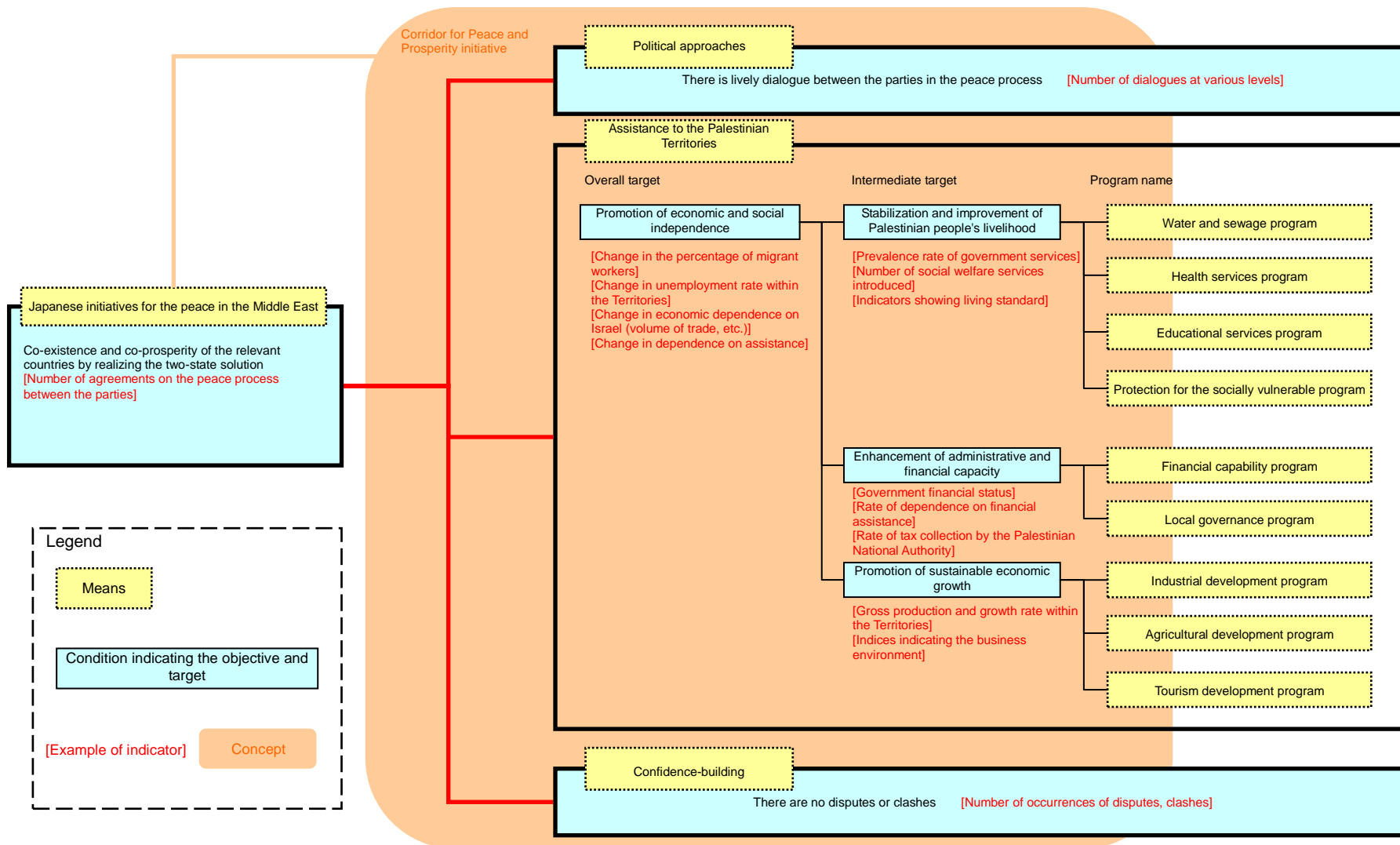


Figure: Expanded objective framework for assistance to the Palestinians

Source: Prepared by the Evaluation Team

## 4 Summary of the evaluation

### 4.1 Relevance of policies

Japan's "Assistance Policy for the Palestinian Territories" was found to correspond to all the four priority issues of the National Development Plan (NDP) (2011-2013) of the Palestinian National Authority, and is consistent with the Palestinian high-level policies, assistance plans of the international community, and Japan's ODA and diplomatic policies.

#### 4.1.1 Consistency with the development needs of the recipients of assistance

The basic policy (overall target) and the priority areas (intermediate targets) in the "Assistance Policy for the Palestinian Territories" formulated in 2012 correspond to all the four priority issues of the current Palestine medium-term development plan, which is the National Development Plan (NDP) (2011-2013). Thus it has been confirmed that the Japanese initiatives are consistent with and contribute to the development needs of the Palestinians.

#### 4.1.2 Consistency with Japan's high-level policies

Japan's assistance to the Palestinian Territories is implemented based on the "Assistance Policy for the Palestinian Territories". In this policy, the overall target of the assistance is peace building, which is consistent with the "Japan's ODA Charter" formulated in 2003. This policy is also consistent with poverty reduction, sustainable growth, initiatives for global issues, and peace building, which are contained in the "Japan's Medium Term Policy on ODA" which was formulated in 2005.

#### 4.1.3 Position among international initiatives

Japan participates in the Palestine Ad Hoc Liaison Committee (AHLC), which is a forum attended by the Palestinian National Authority and international development partners for coordinating the tasks relating to assistance to the Palestinians. The AHLC has been held every year since 1993, at which each development partner announces what assistance they have provided and what assistance they will provide, and they coordinate to avoid duplications.

#### 4.1.4 Japan's comparative advantage

It is confirmed that the Japan's assistance to the Palestinian Territories has comparative advantages in the area of assistance, the stable implementation of assistance, the assistance concentrated in Jericho and the Jordan Valley, and the diplomatic fields. High level technology and know-how that Japan possesses in the environmental and sanitary fields, etc., are being utilized effectively in the assistance to the Palestinian Territories. Also Japan has provided constant assistance despite the political fluctuations in the Palestinian Territories, and the impression that "Japan always fulfils its commitments" has been highly evaluated by the government agencies of the Palestinian National Authority and international organizations. One of the advantages of Japan's assistance to the Palestinians is that it is concentrated in Jericho and the Jordan Valley. By implementing various projects in these areas in a concentrated manner, (1) synergistic effects are achieved from initiatives in several fields, such as agriculture and tourism, etc., (2) the presence and visibility of Japan's assistance in these areas are increased, and (3) comprehensive assistance is

enabled, and these points have been highly evaluated. In the diplomatic field, one of Japan's advantages has been the implementation of assistance to the Palestinian Territories by Triangular Cooperation jointly with emerging donors.

#### 4.2 Effectiveness of results

The team evaluated the effectiveness of results of nine sector programs in the "Assistance Policy for the Palestinian Territories", namely water and sewage, health services, educational services, protection for the socially vulnerable, improvement of public financial management, local governance, industrial development, agricultural development, and tourism development. In each of the sectors it was confirmed that the status of the intermediate targets, namely stabilization and improvement of Palestinian people's livelihood, enhancement of administrative and financial capacity, and promotion of sustainable economic growth has improved. The effectiveness of results could therefore be confirmed.

##### 4.2.1 Stabilization and improvement of Palestinian people's livelihood

###### (1) Water and sewage

Japan has formulated a cooperative program to strengthen the waste water treatment system and improve the water supply facilities in the Palestinian Territories where water resources are limited, and to support the conservation of underground water resources which are shared with Israel. As a result of the assistance from Japan and the international society, the quantity of usable water resources in the Palestinian Territories is increasing. Also, water from public water supply networks as a proportion of water for domestic use in the Palestinian Territories is increasing, so the convenience of water for domestic use has improved. It has been confirmed that the Japanese initiatives in the water supply and sewage fields have contributed to the improvement of the situation in these fields in the Palestinian Territories.

###### (2) Health

Through the technical cooperation projects of "Improving Maternal and Child Health/Reproductive Health", Japan has achieved almost complete dispersal of the maternal and child health handbook with the Palestinian Territories, and this has been well acknowledged by the Palestinian side, thus to be thoroughly publicized. The infant mortality rate in the Palestinian Territories has reduced significantly from 27.6% in 2006 to 20% in 2010, which demonstrates the contribution made by assistance from Japan and the international community for improving the situation in the healthcare sector.

###### (3) Education

As the number of Palestinian children in elementary and secondary schools is constantly increasing, Japan and the international community have provided assistance for school construction for the Palestinian people. As the consequence, the number of pupils per class has been stable for years in both public schools and in schools operated by UNRWA. It can be observed that there has been an improvement in the educational environment for Palestinian children as a result of assistance from Japan and the international community.

#### (4) Protection for the socially vulnerable

The total value of food aid to the Palestinian Territories through the United Nations World Food Programme (WFP) in the period 2005 to 2011 was \$565.5 million, of which about 4% or \$22.1 million was from Japan. Also, assistance from Japan accounted for a virtually constant level of about 15 to 20% of the cost of food aid to refugee camps borne by UNRWA. Thus it has been confirmed that aid from Japan is contributing a constant proportion to initiatives to protect the socially vulnerable among the Palestinian people, and that relief is being extended to those in need.

In addition, projects such as “Olive Pest Control and Poverty Reduction of Women's Groups in the West Bank” (Grant Assistance for Japanese NGO Projects) have produced outcome of the income generation of farmers in the targeted area and improvement in the status of women in the society, etc. This project has received positive approbation and support by the local Governor, being regarded as a good practice intervention.



Photographs: Tubas Village where assistance for olive farmers is being implemented (left), and the farmers (right)

#### 4.2.2 Enhancement of administrative and financial capacity

##### (1) Financial administration sector

In view of the severe financial situation of the Palestinian National Authority, from 2007 Japan has provided Non-Project Grant Aid of a total amount of 7.4 billion Yen. The counterpart funds of this aid was used for economic and social development projects in the Territories as a general resource of the Palestinian National Authority, and contributed to a certain level of reduction in the fiscal deficit. This assistance by Japan was only a small proportion of the total financial assistance provided by the international community to the Palestinian National Authority. However, the evaluation team, through response from various interviews, observed that this constant and steady financial assistance has been favourably appreciated by the Palestinian National Authority.

##### (2) Local governance

In addition to assistance to the Palestinian National Authority in specific sectors as already mentioned, various initiatives have been implemented by Japan with the objective of improving the provision of administrative services by increasing the capacity of local government employees and ensuring revenue at the local level. Examples of projects include the “Project for Support for the

Public Activities of the Communities in Jordan Valley” (Grant Aid for Community Empowerment), “Improvement in Local Governance System in Palestine” (technical cooperation project), the “Project for Capacity Development on Solid Waste Management in Jericho and Jordan River Rift Valley in Palestine” (technical cooperation project), and the “West Bank Territories waste management improvement project” (Programme Grant Aid for Environment and Climate Change), among some others. As a result, for example, the percentage of solid waste purposely transported by local governments has steadily increased. Thus the assistance from Japan to local government within the Palestinian Territories has been confirmed to be making a contribution in this field.

4.2.3 Promotion of sustainable economic growth

(1) Industrial development

Japan has been providing assistance to nurture promising industries with the aim of export promotion in the Palestinian industrial sector. Typical initiatives include the initiatives to realize the “Corridor for Peace and Prosperity” initiative, which is Japan-led medium- to long-term initiative for future coexistence and co-prosperity between Israel and the Palestinians. The core project of this initiative is Jericho Agro-Industrial Park (JAIP). By providing a facility for the activities of the small and medium enterprises, industry will be nurtured within the area, and is expected to result in employment creation and income generation in the coming future.



Photograph: Construction of Jericho Agricultural Industrial Park (left), and date palm confectionary that will be processed in the industrial park (right)

(2) Agricultural development

In the agricultural field, from 2005 onwards Japan’s assistance to the Palestinians has focused on projects that are expected to have a synergistic effect with JAIP, such as the “Strengthening Support System focusing on Sustainable Agriculture in Jericho and Jordan River Rift Valley” (technical cooperation project), the “Project on Improved Extension for Value-Added Agriculture in the Jordan River Rift Valley” (technical cooperation project), with some other cases. In addition, there are other projects that have been implemented independently in other areas, such as the “Empowerment of the Agriculture Sector, Training and Promotion of Ecological and Sustainable Methods in the Gaza Strip” (Grant Assistance for Japanese NGO Projects). As the consequence of these initiatives by Japan, outcome such as increase in the agricultural output is expected to be achieved in this sector.



### (3) Tourism promotion

The characteristic of the Japanese initiatives in the tourism sector is the adoption of a Community Based Tourism (CBT) approach, which has also been implemented for tourism promotion in Japan. As a result of these initiatives outcome such as increase in the number of visitors to the Jericho Tourist Information Center (TIC) was observed. Further outcome is also expected to be visible in time, from strengthening community activities, such as enhancement of agricultural promotion and local crafts, etc., based on tourism.

#### 4.2.4 Contribution to achievement of the overall target

A significance of the contribution of Japan's assistance to the Palestinian Territories is in the fact that to promote the "Corridor for Peace and Prosperity" initiative, with the four parties (Palestinian National Authority, Israel, Jordan, and Japan) has formed a consultative body which promotes dialogue on the occasion of intra-regional cooperation. The promotion of this dialogue between the parties and neighbouring countries is similarly implemented in other initiatives by Japan.

In addition, Japan's various other initiatives for assisting the Palestinian National Authority's capacity and activities are contributing to support to the stability of the Palestinian National Authority as one of the parties involved in the peace in the Middle East. In other words, under the conditions of occupation, the improvement of Palestinian people's livelihood and the very existence of the government established by the Palestinian peoples are the minimum conditions for peace building. Therefore it can be said that the initiatives of Japan's assistance to the Palestinians, which contributes to maintaining these conditions, can be said to be effective.

### 4.3 Appropriateness of processes

Through the evaluation study, the processes of formulation of the "Assistance Policy for the Palestinian Territories" and the implementation processes are found to be generally appropriate.

However, assistance to the Palestinian Territories requires negotiation and agreement with the Israeli government. As a result, projects are often delayed and liable to changes. It can be pointed out that further flexibility is required with Japan's development cooperation to accommodate this situation.

#### 4.3.1 Appropriateness of the formulation process

In the process of formulating the "Assistance Policy for the Palestinian Territories", which is the current basic policy on Japan's assistance to the Palestinian Territories, the drafts were prepared based on the discussions between the Representative Office of Japan to the Palestinian Authority and the JICA Palestine office. The policy was formulated after sufficient discussion with MOFA and JICA headquarters, etc.

The "Corridor for Peace and Prosperity" initiative was formulated mainly by MOFA, the Embassy of Japan in Israel, and the JICA Palestine office, on the major occasion of the 2006 prime ministerial visit of the then Prime Minister Junichiro Koizumi to the Palestine Territories for the first time in 10 years. Major directions were ironed out with the participation of the relevant dignitaries. The directions of the assistance were hence found to have been clarified, and at the same time as the overall momentum was given. As a result at present, more than six years after the "Corridor for

Peace and Prosperity” initiative was raised, it still continues to be a core initiative of Japan’s assistance.

#### 4.3.2 Appropriateness of the implementation process

In implementing projects, there is sufficient discussion between the Japanese side and the Ministry of Planning and Administrative Development (MOPAD), which is a counterpart ministry of the Palestinian side. Coordination between both sides has been smooth. Besides, for projects via international organizations implemented by Japan, when concluding Exchange of Notes (E/N) with the recipient international organization, ceremonies are performed within the Palestinian Territories as much as possible, and witnessed by key officials from the relevant organizations of the Palestinian National Authority. In Grant Assistance for Grassroots Human Security Projects, at the start of a project and on completion of a project, publicity measures are taken such as sending press releases to the officials of the Palestinian National Authority in both English and Arabic languages.

Assistance extended to the Palestinians from the international community, requires prior negotiations with and approval from the Israeli government. Depending on the attitude of the Israeli side, in many of the cases, the assistance projects may be delayed or suspended. When a change is required to the initial design or plan, extra lead time will then be required for the Japanese side to respond to required changes to the initial plans in a flexible manner. Interview responses from the Palestinian side pointed out that rigidity on the Japanese side also became a factor for causing delays to the initiatives, not being able to cope with the change with flexibility.

The Local Development Forum (LDF) which is a meeting for coordination of international development partners within the Ad Hoc Liaison Committee (AHLC) has sector working groups under four strategic groups as a mechanism for coordinating and adjusting assistance. Japan, not only actively participates in these coordination and liaison meetings, but has also taken a leading role in coordinating and adjusting assistance, such as by holding the AHLC meeting in Tokyo in 1999.

### 4.4 Perspective of diplomacy

#### 4.4.1 Perspective of peace in the Middle East

Today, as Arab nations and other Islamic countries, as well as other countries with large Jewish populations, have a strong influence in the international community, the peace process in the Middle East is not merely an issue that is confined to the Middle East region, but rather a matter of concern shared globally, including Japan. If the peace process in the Middle East were to stagnate, instability would spread not only throughout the Middle East region, but also on a global scale. For Japan, it is essential that the present peace process in the Middle East, based on a two state solution, does not collapse, and therefore significance of supporting the Palestinian National Authority, which is the most fragile of the parties to the peace in the Middle East is evident. Japan is extending not only project-based assistance, but also non-project grant aid to financially assist the Palestinian National Authority. Such assistance to support the existence of the Palestinian National Authority is anticipated to be essential for the foreseeable future.

#### 4.4.2 Aspect of diplomatic relations with Arab nations and other Islamic countries

Japan's assistance to the Palestinian people can be traced back to 1953 when assistance was provided to UNRWA to support the Palestinian Refugees. The background to starting this assistance to the Palestinians was, at the time when Japan was striving to become a member to the United Nations. Diplomatic approaches were being made to obtain the support of various countries. At the time, the Israeli- Palestinian conflict was not an issue that the international society could overlook. It was therefore postulated that the diplomatic effort in addressing to the issue should be made. As the consequence, a wide support from Arab nations and other Islamic countries could be obtained for Japan to pursue its objective to becoming a member to the UN.

#### 4.4.3 Viewpoint of ensuring energy security

From the viewpoint ensuring energy security, favourable relations with the Arab nations should be maintained. However, this will require stability in Middle East region, including the Palestinian Territories. The 1973 oil shock and the 1991 Gulf crisis has demonstrated that conflict in the Middle East can endanger the stability of the Middle East region as a whole, and can result in oil price hike. . In this context, active and continuous assistance to the Palestinians can be said to be in the national interest of Japan.

#### 4.4.4 Diplomatic impact

To maximize the diplomatic benefits and energy security benefits of extending assistance to the Palestinians, it is essential to actively publicize to the international community (in particular, to the Arab nations and the other Islamic countries) the assistance that Japan is providing. It was observed during the field survey that the Government of Japan is proactively conducting public relations activities. For example, efforts were made to publicize their initiatives of assistance to the Palestinians in Arabic language newspapers. Also, when support is provided via international organizations, thorough efforts were being made to publicize the fact that the assistance is funded by Japan.

#### 4.4.5 Political approaches, confidence-building

Japan's assistance to the Palestinian Territories has not only economic and social development effects, but also has the political effect of contributing to peace building, and confidence-building among the parties to Middle East peace. For example, in the process of JAIP development, Japan instituted and supported dialogue between the Palestinian side and the Israeli side. As a result of acting as an intermediary, Japan was able to obtain the maximum concessions from the Israeli side.

Israel has made clear its policy of actively supporting the economic development of the Palestinians. There is a high expectation for Japan's cooperation (as mentioned in the interview with the Ministry of Foreign Affairs of Israel). There was an example of Japan's interventions functioning as a breakthrough for other international development partners when a development permit was obtained after Japan's strong and persistent negotiation concerning Japanese Grant Aid for Community Empowerment was to be carried out in Area C.

Japan's assistance to the Palestinians demonstrated that its significance is not just in economic and social development promotion, in its diplomatic impact. Assistance to the Palestinians can easily

be affected by the political situation. Under such condition the path to achieve the development objectives is uncertain., Development assistance through Japan's ODA is therefore expected to have positive effects other than social and economic development, namely on political aspects. Effective development assistance is hence expected to be pursued in association with political approaches and confidence-building.

5 Recommendations

5.1 Basic considerations regarding the recommendations arising from this evaluation

As a result of this evaluation, it has become clear that assistance to the Palestinian Territories differs from development cooperation for other countries and regions with respect to the nature and the conditions in mainly the points that follow. In other words, because the Palestinian Territories are under occupation:

- (1) Achievement of the overall target which is “peace building by promoting economic and social independence” is greatly affected by political factors. Development cooperation alone may not be sufficient to achieve the overall target. Development cooperation initiatives should therefore be combined with political approaches and measures for confidence-building;
- (2) The Palestinian National Authority itself, which is a party involved in the peace process, is constantly in an unstable situation. Assistance has important significance in maintaining the framework of the peace process itself;
- (3) In the process of each and every project, discussions and agreement of the Israeli government is required, which could be an obstacle for the projects.

Considering the characteristics of assistance to the Palestinian Territories, several additional measures should be taken in order to raise the awareness and obtain the support of the Japanese people to the assistance to the Palestinian Territories. In this report these measures have been categorized into recommendations from the long-term and policy aspect, and recommendations from the short-term and practical aspect.

Table: Recommendations for assistance to the Palestinian Territories

Long-term and policy aspect	Short-term and practical aspect
<p>1: The necessity of continued assistance to the Palestinian Territories has to be reiterated;</p> <p>2: An expanded objective framework should be structured, on which the assistance should be implemented;</p> <p>3: The “Corridor for Peace and Prosperity” initiative should be further developed.</p>	<p>1: Assistance schemes that have the ability to respond with flexibility should be actively employed;</p> <p>2: Projects that involve the neighbouring countries should be actively formulated and implemented;</p> <p>3: Assistance that utilizes the advantages of Japan should continue to be implemented.</p>

Source: Prepared by the evaluation team

5.2 Recommendations from the long-term and policy aspect

5.2.1 Recommendation 1: The necessity of continued assistance to the Palestinian Territories has to be reiterated

Through evaluation from the perspective of diplomacy, this evaluation study has determined that assistance to the Palestinian Territories has wide-ranging significance. In addition to its significance as assistance to the Palestinian people, it has significance as an initiative for resolving the Middle

East conflicts, which has a huge impact on the whole world. It also has significance for maintaining good relationships with the Arab nations and the other Islamic countries, and significance for Japan's energy security. With regards to such multiple significances of implementing assistance to the Palestinian Territories, the assistance must be continued even if only little progress can be seen in the Israeli-Palestinian conflict. Japan needs to reiterate and share this importance of assistance to the Palestinian Territories. Specifically, it is recommended that this significance should be stated in documents attached with the "Assistance Policy for the Palestinian Territories".

Also, the peace in the Middle East will not proceed without the participation of the parties concerned. The Palestinians are forced to live their lives with restrictions under the Israeli occupation, absence of public services, and security concerned, etc., and they cannot survive without continuous humanitarian assistance and emergency aid from the international community. Based on this condition of the Palestinian peoples and the importance of supporting the Palestinian National Authority, it is meaningful to clarify the food assistance, financial assistance, and basic infrastructure assistance within an objective framework for assistance to the Palestinian Territories. Also, in order to reduce the dependence of the Palestinian National Authority on assistance, assistance for sustainable development should be considered in the long term.

#### 5.2.2 Recommendation 2: An expanded objective framework should be structured, on which assistance should be implemented

The overall target of assistance to the Palestinian Territories is "building peace by promoting economic and social independence." However, this overall target cannot possibly be achieved by development cooperation alone. Development cooperation is nothing more than cultivating the environment necessary for peace and stability within the Territories. From this point of view, Japan should not simply implement assistance to the Palestinian Territories within a framework of development cooperation, but should consider it to be an important factor in a higher level of the objective framework, namely contributing to the peace in the Middle East. To achieve the peace in the Middle East, there should be initiatives in all three of the following areas, 1) political approaches, 2) assistance to the Palestinian Territories, and 3) confidence-building, together with promoting the "Corridor for Peace and Prosperity" initiative, which embraces these initiatives.

As can be seen from the evaluation result for the appropriateness of the implementation processes, discussion with and the agreement of Israeli government organizations are essential for assistance to the Palestinian Territories. Therefore, the assistance cannot proceed without dialogue and trust between the Israeli side and the Palestinian side. Particularly, for assistance to the Palestinian Territories by development cooperation initiatives through ODA, political approaches and confidence-building are indispensable, so it is desirable that several of these initiatives are implemented in combination. In order to show the structure of these initiatives clearly, it is desirable that an expanded objective framework is constructed for initiatives for the peace in the Middle East. For example, it is recommended that the framework be stated in documents associated with the "Assistance Policy for the Palestinian Territories". Then the assistance initiatives should be implemented in accordance with the framework. Also, in addition to constructing this expanded objective framework, it is recommended that evaluation indicators be set in accordance with the targets (the Figure in Section 3 shows 2-3 proposals for examples of indicators of intermediate

targets).

By constructing the expanded objective framework in this manner, it is possible to more clearly show the necessity of advancing assistance to the Palestinian Territories integrally with the promotion of political approaches and confidence-building, which are characteristics of assistance to the Palestinian Territories.

### 5.2.3 Recommendation 3: The “Corridor for Peace and Prosperity” initiative should be further developed

The “Corridor for Peace and Prosperity” initiative is the aggregate of the three important elements that constitute Japan’s initiatives for the peace in the Middle East. Based on this initiative, the establishment of the framework of the “Four-Party Consultative Unit” that includes the Palestinian National Authority, Israel, Jordan, and Japan to discuss development projects for the economic independence of the Palestinian Territories is an assembly for initiatives for development cooperation through ODA, political approaches, and confidence-building.

This framework of composite initiatives is applied when Japan is implementing development cooperation under the occupation. In the future, it is desirable that this system is utilized to the maximum extent.

On the other hand, even though this is a rational framework, an overall future vision of how this initiative should be realized is not necessarily shared by the other parties. Also, at the present time, the only project with a presence in this initiative is the development of the Jericho Agro-Industrial Park (JAIP). Therefore it is desirable that there are further proactive discussions among the four parties and greater closeness. It is necessary to urgently study the start up of next core projects after JAIP based on this initiative, in order that Japan can more effectively utilize the “Corridor for Peace and Prosperity” initiative. For example, actively promoting exchange of people in the corridor, tourism cooperation between the Palestinian Territories, Israel, and Jordan could be considered. In addition, it is necessary to study and review this initiative, as six years has now passed since it was first established. Thus Japan’s assistance to the Palestinian Territories can be more effectively, efficiently, and strategically implemented by combining it with political approaches and measures for confidence-building.

## 5.3 Recommendations from the short term and practical aspect

### 5.3.1 Recommendation 1: Aid schemes that have the ability to respond flexibly should be actively implemented

Changes and delays can easily occur to assistance to the Palestinian Territories due to the need for discussions with Israel and obtaining their agreement. Taking this characteristic into consideration, it is required that Japan should use aid schemes that can respond as flexibly as possible. In the examples of assistance to date, Grant Aid for Community Empowerment and assistance through international organizations such as UNICEF, etc., have been able to rapidly and flexibly respond in accordance with the needs for improving the living standard of Palestinians, and it is recommended that these aid schemes continue to be actively used. In addition, if it is possible to take into consideration flexible response to the precise needs in the Palestine Territories, then Grant

Assistance for Grassroots Human Security Projects and Grant Assistance for Japanese NGO Projects should also continue to be actively implemented.

### 5.3.2 Recommendation 2: Projects that involve the neighbouring countries should be actively formulated and implemented

The overall target of assistance to the Palestinian Territories is to promote economic and social independence. In other words, it is required that interactions with the neighbouring and surrounding countries, including Israel, be vitalized. Projects that can be expected to directly contribute to this overall target should be further formulated and implemented.

Specifically, technology transfer through Triangular Cooperation can be utilized as a means for vitalizing personnel interchange with the neighbouring countries through Japan's development cooperation. By actively carrying out third country training in Egypt, Jordan, Turkey, Lebanon, the Maghreb countries, and the Gulf Cooperation Council (GCC) countries, etc., mutual understanding between those countries will be nurtured. The exchange of personnel will result in the promotion of investment, and vigorously expand economic interchange. To date, Triangular Cooperation has been carried out between the countries of Southeast Asia such as Indonesia, Malaysia, etc., in the form of third country training in the agricultural field, for example. In addition to this it is desirable that personnel exchanges with the neighbouring and surrounding countries be actively more formulated and implemented through Triangular Cooperation.

### 5.3.3 Recommendation 3: Assistance that utilizes the advantages of Japan should continue to be implemented

Japan's advantage in skills, technology, and human resources should be made use of so as to respond to the requirement of the Palestinians. For example, Japan's technical cooperation is not the provision of funds, but is assistance in a form in which the Japanese and Palestinian sides work together for technology transfer, so that the Palestinian capacity is efficiently developed. Specifically, the CBT (Community Based Tourism) approach by public-private partnerships (PPPs), as implemented in Japan as a measure to promote tourism, has the effect of strengthening the bond within local communities and the effect of vitalizing local industries, in addition to the effect of increasing the number of tourists. In addition, assistance that utilizes the know-how and advantages of Japan produces outcome, such as the dissemination of the maternal and child health handbook in the reproductive health care field, and improvements in solid waste management achieved by linking local governments and improving their capacity, etc. Assistance that utilizes the Japan's advantages should be further developed within the context of the "Corridor for Peace and Prosperity" initiative which can develop cooperative relationships in the region. Specifically, wide area joint technical cooperation to strengthen initiatives to promote tourism by promoting tours not only in the Palestinian Territories, but also linking Israel, Jordan and Egypt may be considered.

Also, to further develop the capacity of the Palestinian National Authority, highly specialized Japanese experts in fields such as public financial management and local governance can be despatched. Else, technical cooperation projects may be implemented focusing on these topics.