

Type of Review: Annual Review

Project Title: Financial support to Improve Access to Education in Gaza in the Occupied Palestinian Territories

Date started: 1/01/2013

Date review undertaken: 25/2/2014

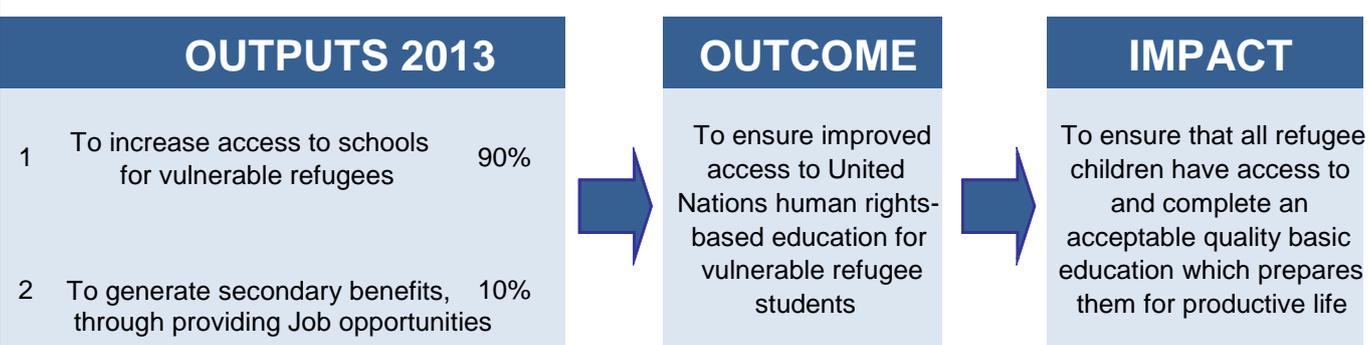
Introduction and Context

What support is the UK providing?

The UK is contributing £14,672,500 over four years (2011-2015) to the Palestinian Authority - United Nations Trust Fund. This will enable 12,000 Palestinian refugees to have better access to education through financing the construction, equipping and furnishing of 12 United Nations Relief and Works Agency (UNRWA) schools in Gaza. An additional £100,000 is allocated for an external evaluation.

What are the expected results?

Our support is managed by the Palestinian Authority (PA)-UN Trust Fund. The implementing agency for construction is UNRWA, which is also responsible for operating the schools. This contribution will allow for the construction of 12 new schools, directly benefiting 12,000 refugee students.



What is the context in which UK support is provided?

The Gaza Strip is home to over 1.5 million Palestinians, of whom 1.2 million are refugees¹. Like anywhere in the world, the young generation in Gaza is being shaped by its immediate physical, economic, social and psychological environment. In this context, the role of education is critical in developing and reinforcing positive values and behaviour and giving young Gazans a chance for a better future.

Years of conflict and restrictions on the movement of people and goods have left 80% of the population dependent on international assistance.² Access to all basic services, including education, has been seriously affected. A ban on the import of construction materials during the period June 2007 to July 2010 significantly delayed the repair and construction of schools (many of which were damaged by the 2008-09 conflict) to meet the needs of the growing population. This has resulted in severe over-crowding in schools. Many schools have been forced to operate on double and triple shifts, leading to reduced learning time. It is estimated that an additional 260 schools (100 schools for UNRWA and 160 for the PA) are needed to accommodate new students and to reduce the pressure on schools operating on double and triple shifts³. The vast majority of children in Gaza attend UNRWA⁴ or PA-run public schools. Governmental schools serve a total student population of 233,013 children through grades 1-12 in 396 schools. UNRWA serves a student population of 225,098 in 245 schools, providing free basic education to registered refugee children through grades 1-9. Private schools provide education for over 14,000 students in 33 schools.

All schools use the same PA curriculum as a basis, however UNRWA schools use additional methods and materials; for example, they teach human rights and conflict resolution in all of their schools in the region. UNRWA's human rights curriculum includes reference to the significance of the Universal Declaration of Human Rights, and emphasises the importance of tolerance.

In 2011, when this project's Business Case was written, UNRWA was running 238 schools in 125 school buildings (95% of them operating on double shifts) with many of the schools being 50-60 years old. During the period when no construction was possible (2007-2010), UNRWA's student population increased from 195,000 to 212,000 (a 3% annual increase). Population growth and the Agency's inability to build new schools, or repair existing ones, resulted in severe over-crowding of schools – as illustrated by the following statistics:

- The number of students enrolled was larger than the number of students which schools are designed to serve. The physical space available for students (1 sq. m per child) is below the UNESCO standard⁵. The average classroom size is 50.6 square metres, with as many as 45-50 students per classroom.
- 1,410 students receive education in 47 shipping containers.
- Around 8,000 students rotate learning periods between classrooms and the school yard.
- The student population was expected to continue to grow at 3% per year. This means an increase of 10,000 school-aged children per year. ⁶ (Growth rate for 2013 is 3.5%.)⁷

¹ UNRWA, Emergency Appeal 2013

² UNRWA (2012) 'Where UNRWA works- Gaza report' pp. 1

³ UN OCHA Special Focus: Easing the blockade, March 2011

⁴ UNRWA was mandated by the UN in 1949 to provide basic services to refugees

⁵ UNESCO standard is 1.4-1.5 square meters per child

⁶ UNRWA education monitoring system.

⁷ UNRWA The Harmonized results report 2012

Section A: Detailed Output Scoring

Output 1:

Increased access to schools for vulnerable refugees

Indicators:

- 1) Number of new schools constructed in Gaza Strip. **Milestone: 9 schools (cumulative) Achieved: 12 schools + 1 School which is currently 93% completed.**
- 2) Number of students per classroom in the newly constructed schools is under the average for UNRWA schools in Gaza. **Milestone: 36. Achieved: 34**

Output Indicator 1.1		Milestone 2013
Number of new schools constructed in Gaza	Planned	9
	Achieved	12
Output Indicator 1.2		Milestone 2013
Number of students per classroom in the newly constructed schools is under the average for UNRWA schools in Gaza.	Planned	36
	Achieved	34

Output 1 score and performance description:

Progress against expected results: Overall assessment (A++) Outputs substantially exceeded expectations.

12 schools were completed against the cumulative milestone of 9 schools completed. Because of savings made throughout the project, UNRWA has been able to complete construction of 3 extra schools – which will increase the total number of schools completed by DFID funding to 12 as of 31st December. Another school is expected to be completed by March 2014.

Students have been enrolled and have been using the 12 new schools since September 2013.

The second indicator measures whether the number of students per classroom in the newly constructed schools is under the average of UNRWA schools in Gaza (38 students per classroom). The achieved ratio of 34 students per classroom is below the UNRWA average and below the milestone set for this indicator, which took into consideration that the increase in the number of classrooms will reduce the average number of students in all UNRWA schools (milestone 36 students per classroom).

Recommendation :

- Increase the 2014 target from 12 to 13 to reflect the current trajectory of overachievement.

Impact Weighting (%): 90%

Revised since last Annual Review? Y/N (NO)

Risk: Low/Medium/High: Medium

Revised since last Annual Review? Y/N (NO)

OUTPUT2:

To generate secondary benefits

Indicator 1:

- 1) Number of work days of employment created through schools construction. **Milestone: 140,000 (308,000 cumulative). Achieved: 297,552 (465,552 cumulative)**

Output Indicator 2.1		Milestone 2013
Number of work days created through schools construction (annual)	Planned	140,000 (308,000 cumulative)
	Achieved	297,552 (465,552 cumulative)

Output 2 score and performance description:

Progress against expected results: Overall assessment (A++) Outputs substantially exceeded expectations.

The number of cumulative work days created was 465,552, compared to a milestone of 308,000. The number represents the total cumulative employment days created through the construction of the 13 schools. The total number is also already substantially ahead the target for the end of the project (420,000 work days).

In the context of rising unemployment rates in the construction sector caused by the restrictions on the import of construction materials (and the closure of illegal smuggling tunnels), the high achievement of this output has been of particular importance. The unemployment rate surged to 38.5% in the fourth quarter of 2013, from 27.9% in the second quarter of the same year. The construction sector lost an estimated 11,000 jobs between the second and fourth quarters of 2013, representing a reduction by 45% in its initial workforce⁸.

The impact of short and long term interventions incorporating construction activities, like school construction, goes beyond the improvement of social infrastructure and reaches the socio-economic status of an important group of the Gaza population, who would otherwise find themselves unemployed.

Impact Weighting (%): 10%

Revised since last Annual Review? Y/N (No)

Risk: Low/Medium/High: Low

Revised since last Annual Review? Y/N (No)

⁸ UNRWA's Annual Report submitted to DFID on February 2013

Section B: Results and Value for Money.

1. Progress and results

1.1 Has the logframe been updated since last review? Yes, as per the discussions between UNRWA and DFID :

Old indicator 2.1 for Output 2:

Number of refugee students enrolled in the newly constructed schools.

New indicator 2.1 for Output 2:

Number of students per classroom in the newly constructed schools is under the average for UNRWA schools in Gaza.

Following discussions with UNRWA, it was agreed that the indicator 'Number of refugee students enrolled in the newly constructed schools' required refining better to reflect the purpose of the project.

In UNRWA's Recovery and Reconstruction Plan, UNRWA appealed for support to rebuild 22 existing schools and construct 78 new schools. Progress is being made on these targets, therefore, the focus of UNRWA has shifted to increase access to education for the Palestine children in terms of proximity, accessing the schools for extra-curricular activities and improving the access conditions. It is considered that measuring the ratio of students per classroom and comparing it with the overall average is a more appropriate and contextualised way to evaluate the level of achievement of the output. The programme's logical framework includes this new indicator in place of the previous one.

1.2 Overall Output Score and Description: (A++) Outputs substantially exceeded expectations.

1.3 Direct feedback from beneficiaries

Feedback has been elicited by teachers in the new school, asking what difference the new school has made on their daily lives:

Salma A.E , a student in the sixth grade in Bureij elementary school A, moved to new Bureij elementary school (located in Johr El-Deek):

"I was studying in a school far away from my house; I wake up very early and take the long walk to my school even before sunshine. I used to arrive home late and tired that I could hardly do my homework. Now, the school is very near; no more tiring walks and I have time to study and do my homework and improve my grades". Her father added: "my daughter used to arrive home tired and exhausted after school, she used to walk nearly 5 km. Well, not any more!"

Lubna & Ruba's two sister from Gaza

Lubna (eighth class) & Ruba (fifth grade) moved from Gaza elementary school to new Moghragha elementary school

Lubna & Ruba: "For the first time, no more carts pulled by donkeys, no more taxis. The school is few meters away from home; I can even hear the school bell ringing, what a relief".

Lubna & Ruba's father: "The old school was very far from our home, every month I struggled to afford the cost of transportation, in some months I had to make the choice between sending my daughters to school or buy bread for my family. Thanks to the new school, they enjoy walking to school and saved me so much worries and bread is available on daily basis.

Final feedback from beneficiaries will be reported upon completion of the construction phase of the 13th school and the full enrolment of students into the new facilities. UNRWA will elicit feedback through community forums, beneficiary satisfaction surveys, and through direct discussions with community stakeholders. School principals, teachers, students, parents and community members will be included in the Project Completion Review (PCR).

1.4 Summary of overall progress

As detailed under output 1.1, a total of 12 schools have been completed and are being used, another is due to be completed by the end of March 2014.

The quality of education being delivered in these schools has improved due to the small class sizes as shown by the progress on output 1.2.

1.5 Key challenges

As highlighted in the previous annual review, there were a number of issues that resulted in the project being delayed including gaining access to land, and recruitment. In 2013, the ban imposed by the Israeli authorities on the import of certain construction materials into Gaza has caused further delays to the 13th school UNRWA is constructing. Following intensive negotiations with Coordination of Government Activities in Territories (COGAT), the suspension was lifted to allow construction materials for this project to be imported in December 2013.

1.6 Annual Outcome Assessment

Outcome Indicator 1		Milestone 2013
Basic education enrolment rate for refugees in Gaza	Planned	80%
	Achieved	87.60%
Proportion of eligible refugee students entering UNRWA schools a grade 1	Planned	95%
	Achieved	Data not available

The planned outcome is **improved access to United Nations human rights-based education for vulnerable refugee students**. Activities related to the outcome and outputs are still under progress, however, UNRWA anticipates that the 2014 outcome indicator targets will be met. This assessment is based on current progress and target completion enrolment dates related to the new schools under construction.

Enrolment rate for refugee children in Gaza are currently at 87.60 per cent of the total eligible population - well above the targets set for 2013 in the proposal (80%). As for the second outcome indicator, "the proportion of eligible refugee students entering UNRWA schools at grade 1", the data for this is only collected at the time UNRWA's harmonized donor report is produced; UNRWA was therefore not able to report against this at the time of this annual review.

2. Costs and timescale

2.1 Is the project on-track against financial forecasts: Yes

DFID disbursed the full amount of the project (£14,572,500) to UNWRA using the PA-UN Trust Fund. The Trust Fund disbursed all the amount in one tranche to the implementing agency on 16 February 2012. Approval for payment in advance was obtained from DFID's Finance and Corporate Performance Division (FCPD) on 9 November 2011.

Although the initial funding allocation for the purchase of furniture was mostly utilised according to the plan, the final total cost of making the 13 schools operational will be lower than originally planned for the 12 schools, producing an estimated saving of approximately US\$ 220,000. This will be confirmed at the end of the project.

UNRWA has requested permission from DIFD to use these funds to support the provision of quality education to the Palestine refugee students through:

- *Support for the education supervisors*
- *Support to "old" UNRWA schools*
- *Improving existing schooling infrastructure*

Further details on the above suggestions are attached in Annex (A).

Recommendation:

DFID will assess the value for money of any further investments by the end of March 2014.

2.2 Key cost drivers

Key-cost drivers include:

- Number of schools constructed.
 - Total Cost of Labour
 - Total Cost of material
- Number of contracts and purchase orders awarded for furnishing the schools.

2.3 Is the project on-track against original timescale: yes

The implementation rate related to the construction of schools has been faster than anticipated, with 12 schools completed already against a target date of 12 by the end of 2015. The additional 13th school is expected to be completed by March 2014.

3. Evidence and Evaluation

3.1 Assess any changes in evidence and implications for the project

There are no changes in evidence from the original Business Case There is still strong evidence that building schools increases school enrolment and access to education.

3.2 Where an evaluation is planned what progress has been made?

£100,000 has been set aside for an external evaluation of the project. Based on the nature of the project and achieved results, the MENAD Statistics and Evaluation Adviser recommend not to conduct an external evaluation but to use the evaluation budget to draw on independent expertise to undertake a comprehensive in-depth PCR that will help answer questions like:

- Are the schools being well used?
- Have enrolment rates increased in the catchment areas?
- Are there any improvements in educational attainment following the construction of the new schools?
- What were the positive and negative effects of the employment opportunities the construction provided? Did people get jobs after they worked on the schools?
- Were there any environmental impacts, both positive and negative, associated with the building of these schools?

4. Risk

4.1 Output Risk Rating: Low/Medium/High(Low)

Output 1: Low

Output 2: Low

The risk rating was ranked LOW in the Business case approved in December 2011

4.2 Assessment of the risk level

The overall risk was rated as Low in the Business Case, with no individual major risks to implementation. In the process of this Annual Review we have considered each of the risks in the table below. We now assess the overall risk to stay the same.

Risk	Probability	Impact	Mitigation measures
Deterioration of the Gaza access regime	Low.	High	<p>- The access regime is restricted but our assessment is that it will not deteriorate in Gaza.</p> <p>-UNRWA Gaza relies on the external market to purchase items which are deemed by the Israeli authorities as “dual-use items for projects”. Any changes to the access regime would either speed up transfer of such commodities and thus enhance project efficiency in implementation, or reduce efficiency to the degree that it could be stalled or frozen for a sustained period of time.</p> <p>- The UK will lobby the Israeli government strongly if material for schools construction that it is funding is not allowed.</p>
Deterioration in the political/ security situation	Medium	Medium	UNRWA is well established in Gaza with extensive experience in construction project implementation through its own Engineering and Construction Services Division. Should the situation change and implementation be stalled, the construction projects would be frozen until such a time that they may

			recommence. We will submit options to management if this risk materialises. This may include providing the funds to UNRWA against other identified needs.
Market volatility makes some commodities unavailable	Low	Medium	UNRWA Gaza relies on the external market to purchase items which are deemed by the Israeli authorities as “dual-use items for projects”. Any changes to the access regime would either speed up transfer of such commodities and thus enhance project efficiency in implementation, or reduce efficiency to the degree that it could be stalled or frozen for a sustained period of time. Relevant mitigation measures are discussed in the above two risks.
Political interference by Hamas	Medium	Low	UNRWA implements its projects directly through local contractors registered with the Palestinian Authority’s Contractors’ Union. Past attempts by Hamas to interfere with its operations has been pushed back robustly by the Agency.
Financial benefit accruing to Hamas, including through use of tunnel-imported project inputs	Low	Low	This project is not engaged in direct procurement. UNRWA Gaza procures materials deemed as “dual-use items for projects” from Israel. UNRWA maintains strict procurement procedures consistent with donor policies on prohibition of direct and/ or indirect financial support to Hamas.
Large scale Israeli military operations in Gaza destructs UNRWA schools	Low	High	It is very unlikely that Israel will target UN schools and facilities. Israel is aware of the location of the schools (submitting this is part of the import approval process) so it’s unlikely that they don’t know where the schools are. UNRWA’s facilities have a flag and a clear UN identity, making it difficult to mistake them for something else. If any facilities are targeted, whether funded by the UK or not, we will raise this subject with the Israelis at the highest level.

4.3 Risk of funds not being used as intended

- Low
- Funds are managed through the PA-UN trust fund⁹. The Trust Fund prepares consolidated financial reports by 31 May, submitted to all donors and to all UN organisations participating in the Trust Fund. The Trust fund also provides:
 - Certified annual financial statements.
 - Certified final financial statement.
- Yearly audit financial statements are requested from the implementing partners

⁹ The Trust Fund terms of Reference (available at <http://mdtf.undp.org/factsheet/fund/PS100>) provide detailed information on governance, project approval process and management.

4.4 Climate and Environment Risk

In the BC we have outlined that there are some significant environmental costs associated with this intervention. School construction will necessitate import and use of construction supplies, with an associated carbon footprint and potential impacts associated with use of certain materials (e.g. discharge or disposal of by-products/waste into the surrounding environment). Workers and beneficiaries will also be transported to the sites, again with associated carbon emissions. Moreover, the intervention will increase the 'built' environment and thereby reduce natural space available for recreation, which could in turn affect the sense of well-being of the immediate community. All of these costs however can be reduced or avoided completely through review and subsequent development/adaptation of UNRWA climate/environment safeguards.

UNRWA has procedures in place for environmental protection and management. UNRWA maintains a dedicated special environmental health team, which forms an integral part of their infrastructure and camp improvement programme (ICIP). The engineering and construction department and the special environmental health department fall under the ICIP. With this structure UNRWA ensures minimum negative environmental impact. The mentioned procedures include connection to appropriate water and sewage conveyors and networks; this is very important since sewage management is one of the most critical health and environmental issues in Gaza.

UNRWA constructs its schools on land which has been identified for such purposes. While this will further constrain the available green areas in Gaza, the schools will be located in urban areas and within the confines of the boundaries of existing school sites. The carbon footprints will also be offset to some degree by proximity of schools to the areas of residence of refugee children, reducing their travel and therefore also reducing the carbon footprint resulting from the UNRWA education programme.

Overall, in the long term, the negative environmental implications will likely be countered to a reasonable extent (provided appropriate safeguards are in place) by the increased level of education and access to knowledge/information on sustainable environmental practices and protection provided through the UNRWA curriculum. UNRWA has been pioneering in introducing a stand-alone Human Rights curriculum to students in its schools. Protection of the environment is a basic component of the curriculum, instilling values and behaviour compatible with sustainable use of natural resources. If DFID decide to conduct an external evaluation, we will include an Environmental Impact Assessment for the projects.

5. Value for Money

5.1 Performance on VfM measures. 5.2 Commercial Improvement and Value for Money

We have obtained a saving of approximately £440,000 by directing our project funding through the PA-UN Trust Fund, rather than through UNRWA directly. The PA-UN Trust Fund can only charge a total of 8% for management / administration fees, compared to UNRWA's 11% rate. This is appropriate for this project because of its relatively limited scope and low management burden on UNRWA. Within our support to UNRWA's General Fund, we prioritise a number of central planning, reform and evaluation processes which involve a greater management burden.

UNRWA undertakes procurement and tendering directly. It applies a common framework and values throughout the procurement process. The agency's general policy on procurement is set out in the Organisation Directive No. 10. All procurement is guided by the following principles:

- Best value for money
- Fairness, integrity and transparency
- Effective competition

Contracting companies registered with the Palestinian Contractors Union in the Gaza Strip, all of them Palestinian-owned, were invited to tender bids on the construction contract, which were awarded competitively. In accordance with its internal rules, UNRWA vetted each company which submitted a

bid for the construction of schools to verify that no funding is used to benefit terrorist or militant organizations.

Robust procurement enabled us to decrease the estimated unit cost of school construction by \$161,565 for each of the 12 schools planned for construction throughout the project, allowing UNRWA to build one more school and still have a saving of approx. \$220,000.

The table below shows the cost per school, classroom and student, and in relation to the different type of costs necessary to have the schools operational (construction activities, including supervision; and equipment). The figures show an improvement in cost ratio, for both construction and equipment, in comparison to the revised budget approved in April 2013, when the cost per school construction was US\$ 1,352,438 and US\$ 250,082 per school for equipment and in comparison to another US-funded project implemented in 2012 in Gaza.

DFID funded schools in Gaza – Cost analysis (all US\$)

	Cost per school	Cost per classroom	Cost per student
<i>Number</i>	13	383	13,541
Construction cost	1,330,650	45,166	1,277
Equipment cost	246,083	8,353	236
Construction + Equipment cost	1,576,733	53,518	1,514

US funded schools in Gaza (2012) – Cost analysis (all US\$)

	Cost per school	Cost per classroom	Cost per student
<i>Number</i>	5	163	3,681
Construction cost	1,480,720	45,421	2,011
Equipment cost	292,836	8,983	398
Construction + Equipment cost	1,773,556	54,404	2,409

International Cost (2012)

The average construction cost for an UNRWA school is \$295 per square metre (for buildings of 5,000 m²), while the schools built with DFID funding show an average cost of \$266 per square metre. Furthermore, both figures are lower than other Lower Middle Income Countries, where the construction costs per m² of school area is \$393 (according to the International Construction Cost Survey 2012 by Turner & Townsend).

Note: These calculations already take into account the projected savings, thus reflected the estimated final cost per item.

5.3 Role of project partners:

- UNRWA is the direct implementer.
- PA-UN Trust Fund as the funding mechanism.

5.4 Does the project still represent Value for Money : Y/N (Yes)

5.5 If not, what action will you take?(N/A)

6. Conditionality

6.1 Update on specific conditions

- N/A

7. Conclusions and actions

Recommendations:

- 1- In place of the planned evaluation, draw on the evaluation budget to include external perspectives in the Project Completion Report.
- 2- Assess the value for money for any additional investments made using savings from the current project.
- 3- Take forward previous recommendations of updating indicator 1.1 to reflect new milestones.

8. Review Process

The AR was conducted by the DFID Palestinian Programme, Programme Officer and Results Adviser, using the following documents:

- 1- Business Case.
- 2- Logframe.
- 3- How to Note on Project Scoring.
- 4- Final Narrative report and Financial Statement prepared by UNRWA.
- 5- Project scoring calculation sheet.