IMPLEMENTATION COMPLETION AND RESULTS REPORT
(P151089)

ON A

TRUST FUND GRANT No. TF0A1490

IN THE AMOUNT OF US$5 MILLION

TO THE

PALESTINE LIBERATION ORGANIZATION
(for the Benefit of the Palestinian Authority)

FOR THE

FINANCE FOR JOBS I PROJECT

F4JI

Ministry of Finance

January 31, 2022

ABBREVIATIONS AND ACRONYMS

BDS	Business Development Services	GDP	Gross Domestic Product
CBA	Cost Benefit Analysis		
CCSA	Cross-Cutting Solutions Area	GRM	Grievance Redress Mechanism
DA	Designated Account	IA	Implementation Agreement
D-Adv	Development Impact Bond Advisor	ICA	Investment Climate Assessment
DIB	Development Impact Bond	ICT	Information and Communication Technology
DIME	Development Impact Evaluation Initiative	IFC	International Finance Corporation
DM	DIB Manager	IFR	Interim Financial Reports
DPJC	Dialogue for Palestinian Jobs Creation	IVA	Independent Verification Agent
EE-MG	Entrepreneurship Ecosystem Matching Grant	KPI	Key Performance Indicators
E2WTP	Education to Work Transition Project	MAS	Palestinian Economic Policy Research Institute
ESMF	Environmental and Social Management Framework	MDTF	Multi-Donor Trust Fund
ESO	Environmental and Social Officer	MIGA	Multilateral Investment Guarantee Agency
D-Adv	Development Impact Bond Advisor	MOF	Ministry of Finance
SCBA	Social Cost Benefit Analysis	E2WTP	Education to Work Transition Project
FES	Facilities, Equipment and Software	MTR	Midterm Review

F&M	Finance and Markets World Bank Group Global Practice	M&E	Monitoring and Evaluation
F4J	Finance for Jobs	OM	Operations Manual
GA	Grant Agreement	PA	Palestinian Authority
PE	Private Equity	PC	Project Counterpart
DCE	Discrete Choice Experiment	PDO	Project Development Objectives
PPP	Public Private Partnership	PIA	Project Implementation Agency
R&D	Research and Development	PPAB	Public-Private Advisory Board
SABER	Systems Approach for Better Education Results	SF	Strategic Framework
SD	Service Delivery	SIB	Social Impact Bond
SO	System Oversight	SOP	Series of Projects
SPV	Special Purpose Vehicle	TA	Technical Assistance
T&C	Trade and Competitiveness World Bank Group Global Practice	VC	Venture Capital
TVET	Technical and Vocational Training	TFA	Trust Fund Agreement
WfD	Workforce Development	RFA	Request for Application
EBRD	the European Bank for Reconstruction and Development	IRI	Intermediate Results Indicator
(PIF)	Palestine Investment Fund	ICR	Implementation Completion and Results Report
(SDO)	Semilla De Olivo	FMVA™	Financial modeling, valuation, analysis, advanced models.
(FMO)	Netherlands Development Finance Company	VfM	Value for Money
SME	Small and Medium Enterprises		
QRs	Quarterly Reports		

ARs	Annual Reports		
LLs	Lessons Learns		
IFRs	Interim Financial Reports		
FMRs	Financial Management Reports		

WEST BANK AND GAZA

FINANCE FOR JOBS I PROJECT

Contents

A. Basic Information			
Country:	West Bank and Gaza	Project Name:	Finance for Jobs
Project ID:	P151089	L/C/TF Number(s):	TFA1490
ICR Date:	31-Jan-2022	ICR Type:	Core ICR
Lending Instrument:	Investment Project Financing	Borrower:	Palestinian Liberation Organization (for the benefit of the Palestinian Authority)
Original Total Commitment:	USD 5.00M	Disbursed Amount:	USD 4.99M
Revised Amount:	USD 5.00M		
Environmental Category: Partial Assessment (B)			
Responsible Agency: Project Implementation Agency (DAI), Ministry of Finance			
Implementing Agencies: Project Implementation Agency (DAI), Ministry of Finance			
Co-financiers and Other External Partners: N/A			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	n/a	Effectiveness:	30-Nov-2016	n/a
Appraisal:	n/a	Restructuring(s):	n/a	16-Nov-2020
Approval:	8-Dec-2015	Mid-term Review:	26-Nov-2018	27-Nov-2012
		Closing:	31-Jan-2021	31-Jan-2022

C. Ratings Summary (By ICR)	
C.1 Key Project Ratings	
Progress towards achievement of PDO	Satisfactory
Overall Implementation Progress (IP)	Satisfactory
Component 1: Enterprise Ecosystem Matching Grant:(Cost $1.15 M, revised from original US$ 1.5)	Satisfactory
Component 2: Capacity Building and Lessons Learned:(Cost $2. 2 M)	Satisfactory
Component 3: Project Management :(Cost $1.65 M, revised from original US$ 1.3 M)	Satisfactory
Overall Risk rating	Moderate

C.3 Ratings of Bank and Borrower Performance (by ICR)			
Bank	**Ratings**	**Borrower**	**Ratings**
Quality at Entry:	Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	
		DAI	Satisfactory
		MoF	Satisfactory
Overall Bank Performance:	Satisfactory	**Overall Borrower Performance:**	Satisfactory

D. Risk Ratings	Rating at Approval	Current Rating
Political and Governance	High	Substantial
Macroeconomic	Substantial	Substantial
Sector Strategies and Policies	Substantial	Moderate
Technical Design of Project or Program	High	Low
Institutional Capacity for Implementation and Sustainability	Substantial	Low
Fiduciary	Substantial	Substantial
Environment and Social	Moderate	Low
Stakeholders	Low	Moderate
Other	--	--
Overall	High	Moderate

E. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The Project Development Objective (PDO): is to test the effectiveness of selected financial interventions

Revised Project Development Objectives (as approved by original approving authority)

The PDO was not revised during the lifetime of the project

1. Project Context, Development Objectives and Design

1.1 Context at Appraisal in the PAD

1. The Palestinian context is characterized by fragility. Weak governance and institutional capacity of the Palestinian Authority (PA) is further exacerbated by the economic weaknesses. The political situation in the Palestinian territories remains fraught with uncertainty. This has impacted an economy where growth has continued on a downward trajectory, reflecting also mounting fiscal difficulties (including a decline in donor assistance, uncertainty regarding the release of PA revenues collected by the Government of Israel has been a significant contributor to recent revenue shortfalls. Nearly a quarter of the Palestinian labor force is still unemployed, private investment and private sector activity have remained low, concentrated mainly in low productivity sub sectors with weak employment growth and dampened by the faltering peace process and continued restrictions on movement, access, and trade.

2. It is within this fragile environment of limited capacity and strained and uncertain public resources that the Series of Projects (SOPs), starting with F4JI, were introduced to mobilize private sector financing and know-how in support of job and entrepreneurship creation. Primarily, F4JI was mandated with preparing the deployment and testing of innovative financial instruments specifically designed to address the different market and government failures arising in the fragile setting that the PA is tackling, with an emphasis on private sector implementation. This private sector driven approach was combined with capacity building to the PA to strengthen collaborative arrangements with the private sector in the development and potential scale-up of these new financing approaches. Scalability, is based on a rigorous assessment of the lessons learned from the different financing approaches to be tested under the SOPs. The easier adaptability of the private sector, is fundamental aspect to the design of the program, which was proved during the life of the project and during COVID-19 in particular.

3. Bank Group analysis of the investment climate in West Bank and Gaza provided evidence of the persistently high obstacles to private sector investment – political instability, access to electricity, informal sector practices, tax rates and access to finance[1]. Corollary, time, cost, and procedures for establishing a business in the West Bank and Gaza are prohibitive to the startup and entrepreneurial activity needed to fuel private sector growth[2]. Another evidence highlighted not just the need to find innovative ways to mobilize new private investment in the face of a difficult investment climate but, also pointed to the skills mismatch in the labor market as a key constraint to employment outcomes, especially for youth and women[3].

4. In spite of the multitude of challenges both internal and external, the Palestinian private sector has displayed a level of resilience and a spirit of entrepreneurship and the

[1] The 2014 Investment Climate Assessment (ICA) “Fragmentation and Uncertainty”.
[2] The 2016 Doing Business Report.
[3] The “Systems Approach for Better Education Results” (SABER) Report,

capacity for further growth and employment generation, particularly if this private investment is targeted towards selected sectors with job creation potential in current conditions. There is evidence of this in the nascent, but growing entrepreneurship ecosystem, a growing Information and Communication Technology (ICT) sector that is able to attract investment.

1.2 Original Project Development Objectives (PDO) and Key Indicators (*as approved*)

5. The Project Development Objective is to test the effectiveness of selected financial interventions. Within the SOP framework, the overarching PDO supported by the SOP is "to mobilize private investment financing in high potential sectors and generate job opportunities for the West Bank and Gaza". For the purposes of the SOP, targeted groups include youth in the 18–29-year age bracket, including women (with a minimum share of 30 percent of total project beneficiaries).

6. The proposed Key Performance Indicators (KPIs) at the PDO level for F4J include:

- **Private Capital Mobilization**: Based on an envelope of funding amounting to US$1.5 million, a "four to one" ratio of new investment to MG contribution is targeted.

- **DIB Taken to Market**: Special Purpose Vehicle (SPV) has been established with meaningful investor commitments. This also includes pricing of the DIB, establishing a robust monitoring and evaluation (M&E) methodology, and strengthening the capacity of local service providers.

- **Job-Focused Private Investments Pipeline:** This is measured by the number of feasibility studies that are completed for the job-focused private investments pipeline, indicating that the instrument is ready for deployment under F4J II.

7. Learning is a highly important outcome of the F4J project. Four specific outcomes will be assessed:

- Private sector appetite and uptake of new financial instruments;
- Success in the application of a cost-benefit investment assessment methodology that captures the potential social value of the jobs created, including three types of additional "social externality" returns: (a) women and more vulnerable beneficiaries; (b) social stability and (c) human capital accumulation;
- Strengthened and new capacity in the Ministry of Finance (MoF) in investment assessment and in the development of innovative financing instruments for private sector job creation;
- Structuring of robust F4J assessment and evaluation methodologies.

8. Citizen and civic engagement are an important element of the project that is captured within the Results Framework. The Public Private Advisory Board (PPAB) includes representatives of the private sector and the PA and act as a key feedback loop for the project. The project measured the share of beneficiaries who feel that the project investment reflected their needs.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

9. No revision was made to PDO level.

1.4 Main Beneficiaries

Overall, the F4J involved a range of beneficiaries including:

10. Palestinian labor force particularly the youth in the 18–29-year age bracket targeted for job training and skills development and a targeted share of 30 percent women in the beneficiary group that would benefit from the skills development and job placement opportunities as well as a better functioning entrepreneurship ecosystem.

11. Private sector enterprises and service providers that receive financing, better qualified staff/employees and/or TA and capacity building services – including training providers related to the skills development component and the intermediary organizations and businesses that are supported through the other project components.

12. Public sector which benefits from enhanced dialogue and credibility between the public and private sectors, strengthened capabilities to utilize innovative financing instruments, increased capacity and service delivery within TVET/workforce that will complement existing public service provider capacity.

1.5 Original Components

Component 1: Entrepreneurship Ecosystem Matching Grant (US$1.5 million)

13. The EE-MG is a specialized fund designed to improve the number and quality of investment-ready entrepreneurship initiatives by enhancing the capacity of enterprises to absorb funding from the investment vehicles already in place. The matching grant funds was intended to finance eligible business development services (BDS) for these entrepreneurs. Originally, it is anticipated that the matching grant would mostly be 50 percent of total value of services provided and in the range of US$10,000–50,000. The matching ratio was revised to 70%-30% and the grant ceiling was raised to US$ 100,000. The investment fund provided the balance of the financing for the services purchased. The matching grant financing was made available at **a "wholesale level"** to investment funds whose investment strategy with a pipeline of prospective investees satisfy specific eligibility criteria related to job creation and business growth potential.

Component 2: Capacity Building and Lessons Learned (US$2.2 million)

Subcomponent 2.1: Building a Pipeline of Job-Focused Private Investments Requiring Financial Enhancements (US$1.125 million)

14. These private investment "assessment" funds are allocated and managed by the PIA through a competitive "Call for Proposal" process based on job-creating and cost

effectiveness criteria. The PIA was also responsible for the technical oversight of the CBA activities to be undertaken. The development of this CBA methodology was applied under the F4J.

Subcomponent 2.2: Developing the DIB for Skills (US$0.7 million)

15. This subcomponent financed the market preparation work and capacity building needed for the DIB instrument to be issued by the PA and to be deployed under F4JII. The knowledge, learning and enhanced capacity generated from this component not only prepared the market for the DIB financing under subsequent SOP phases, but also helped lay the foundation for any future investments in subsequent DIBs in the West Bank and Gaza.

Subcomponent 2.3: Capacity Building to the PA (US$0.35 million)

16. The capacity of the MOF - in respect of the additional responsibilities that come with assessing (including safeguards), developing and potentially managing innovative financing instruments - will need to be augmented. The project supports this, building on a core private sector implementation platform, through a package of capacity building comprising TA, training, secondments, internships and placements and essential facilities, equipment and software (FES).

Component 3: Project Management (US$1.225 million)

17. This component ensures the overall project implementation, fiduciary, safeguards, M&E, communications and technical expertise. Following the recruitment of the PIA by the MOF from the private sector, The PIA became responsible for the management of the EE-MG for the entrepreneurship ecosystem component, contracting the DIB Advisor (D-Adv) and the feasibility study work to be undertaken to assess potential job-focused investments and provision of the capacity building support to the PA. The specific composition of the PIA included the following core positions: (a) PIA Manager and Senior Economist; (b). Procurement Specialist; (c) Financial Management Specialist; (d) M&E Specialist; (e) Communications Officer; (f) Project Coordinator in Gaza. In addition, the PIA became responsible for contracting the specialized third-party Independent Verification Agent (IVA) to assess the DIB output and outcome performance against which payments would be made once the DIB is operational and subsequent projects in the SOP provide the financing for these payments.

18. As the tracking of outcomes is critical to the DIB instrument, this project component also provided support to activities such as building of a baseline, data collection, and outcomes measurement.

1.6 Revised Components

19. The table 1 below describes the financial revision history for components budgets:

Table 1: Component Based Budget Revisions

Project Components	Project Cost According to PAD	Project Cost According to IA	Project Cost Revised
Enterprise Ecosystem Matching Grant	US$1,600,000	US$1,500,000	US$1,146,892.5
Capacity Building and Lessons Learned	US$2,175,000	US$2,200,000	US$2,200,000
Project Management	US$1,225,000	US$1,300,000	US$1,653,107.5
Total Project Costs	**US$5,000,000**	**US$5,000,000**	**US$5,000,000**

Source: Quarterly FMRs, Restructuring Letters

Reallocated US$ 300,000 of funds from the EE-MG (Category 1 of the Grant Agreement) to Goods, Non-consulting Services, Consulting Services, Training and Incremental Operating Costs (Category 2 of the Grant Agreement) to close the funding gap for project management resulting from an extension of the project by one year.

1.7 Other significant changes

20. Following a request for modifications from MoF on September 16, 2020, the WB approved the following modifications to the TFA on November 16, 2020 as follows:

- In 2017, the first restructuring was done to reflect/specify management fees in the project management budget.

- The second (and final) restructuring was following the MTR, Extension of Project timeline by 12 months: It is recommended to extend the closing date of F4J I from January 31, 2022.

- Revision of results framework with an intermediate indicator that would capture the outputs linked to the emergency COVID grant funding. The proposed indicator tracked the number of firms receiving working capital bridge grants.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

Preparation

21. Preparation of the F4J I took place in a period that was characterized, and remains, fraught with uncertainty, heightened by the 2014 violent conflict in Gaza. Project preparation guided by lessons learnt from World Bank Group-financed projects, as well as other donor projects, and international best practices. The preparation phase **anticipated and highlighted** that F4JI is a high-risk initiative as it required capacity building to absorb the new financing instruments. To mitigate associated risks and enable key upstream market readiness and capacity building activities to proceed on a priority basis, a Series of Projects (SOPs) programmatic approach (time series of projects) was adopted by the Bank. This allowed for F4JI project – with shorter term outcomes within the context of a wider programmatic development outcome – to put in place the enabling conditions for subsequent projects that will implement different financial instruments. The F4JI also allowed for a significant learning dimension to be incorporated into the project objectives and design.

22. The F4J project also complemented and built upon lessons learned from the Bank Group-funded projects currently underway or recently closed. This included the technical and skills training program supported through the E2WTP, which entailed a competitive system of grant provision through support to tertiary education institutions in partnership with the private sector in three areas: (a) designing curricula, (b) updating teaching practices, and (c) providing practical training to students.

Design

23. The F4J project design reflects lessons learnt from World Bank Group-financed projects, as well as other donor projects, and international best practices. Key lessons taken into account for this project included: better connection of the demand and supply sides of the job market; introduction of private sector led implementation arrangements; building a robust database for quantification and measurement of results; building on the growing global experience to date with new financing models and Lessons Learned from Previous Matching Grant Programs.

24. The project design incorporated relevant lessons learned from the substantial global body of experience from job creation and the foundation put in place by the E4WTP and other donor projects which are largely focused on the supply side. This included specifically targeting the demand side through the introduction of innovative financial instruments and enhancements—to attract private sector financing for investment projects that have a significant job creation impact. Furthermore, to better understand the positive social spillovers of job creation and encourage further investment, a cost-benefit methodology was utilized to capture three types of additional “social externality” returns

from job creation: (a) women and more vulnerable beneficiaries; (b) social stability and (c) human capital accumulation.

25. Component 1 incorporated Lessons Learned from previous Matching Grant Programs implemented on a national level. While the EE-MG is a pilot that differs from more standard matching grant instruments insofar as the grants are channeled through investment vehicles rather than individual entrepreneurs, it sought to take into account general lessons learned from previous World Bank interventions. These lessons included integrating sound diagnostic work to inform the design of market-driven approaches, the integration of the program with national strategy, clear eligibility criteria and involvement of the private sector.

26. Component 2 and its three subcomponents was designed on the growing global experience to date with new financing models: While there is a limited track record with a number of the instruments under consideration, the current evidence is sufficient evidence to warrant testing the instruments.is favorable[4].

27. Component 3 of the project design introduced private sector led implementation arrangements as an alternative to PA led implementation. Capacity constraints impact the effectiveness of many PA implementing institutions looking to support what are largely private sector market activities. This is attributable to a lack of expertise and the institutional and bureaucratic rigidities that can make it difficult to respond to market developments in a timely manner. Given these considerations, the PA has concurred that the F4J should be implemented by a private sector implementation agent while also providing a platform for know-how transfer to a key PA department (MOF). This was intended to enable the MOF to oversee the private sector managed project operations and outcomes with increasing technical and evaluative effectiveness.

Quality at entry

28. The quality at entry was **satisfactory**, with a sound overall project concept and design, based on good background analysis, lessons learnt and stakeholders' dialogue. The project implementation agreement was signed between MoF and DAI, with a Project Operation Manual drafted which covers its relationship with the implementing partners[5]. It outlines the respective roles and responsibilities of the WB, MOF, PIA and the implementing partners, and the flow of documents and reporting. It also covers reporting, monitoring and evaluation, financial management and procurement.

29. The PDO and M&E framework were generally adequate with a sound results chain, although there is an overlap between PDO indicators and intermediary outcomes

[4] In the case of the DIB a recent Brookings Institution report found that impact bonds led to a shift in focus to outcomes and increased transparency and accountability for achieving results. The report further noted that by bringing the private sector mentality into the provision of services, impact bonds drove more effective and efficient performance management and stimulated collaboration amongst stakeholders. It was noted that impact bonds also support the development of strong M&E systems.

[5] POM was updated 16 times across F4JI life which reflects a continuous learning, adjusting and accommodating as the project progressed to closing.

indicators, especially with those related to DIB. Notably, lessons learned elsewhere as well as and mitigation measures for the main risks were included in project design. Consultations had been carried out with all stakeholders in the West Bank and in Gaza on the project concept and results were reflected in the design and in the draft PAD.

30. Project risk initially assessed as “High”; an assessment that was downgraded to moderate by the end of the project[6]. WBG is still an unstable political and operating environment, with clear risks for achieving the PDO. Political risks arising from conflict and adverse political events are a reality and this is an unstable operating environment, affecting all Bank projects in WBG. The technical specialty required by the innovative financial instrument was also initially assessed as “High”, then downgraded to “Low”. The pioneer work required to prepare a currently untested DIB instrument and, the new “jobs-based” cost benefit methodology to be applied to the assessment of private investment initiatives – **it was nevertheless the very objective of this project to test these instruments and therefore a risk that is accepted as integral to the project rationale.** The private sector implementation arrangement serves to mitigate against the greater risk assessed for any alternative public sector implementation option. The project also planned to recruit specialized expertise that has applied experience with the different financial instruments, commencing with the D-Adv.

31. The broad stakeholder support for this project is one of its assets and the risk here was rated Low, with a private sector very supportive of piloting these new approaches and the public sector strongly endorsing the private sector implementation approach and financial product experimentation that were key ingredients of the F4J initiative design. Safeguard issues to be mitigated could arise where the F4JI may - in subsequent projects in the SOP series - potentially direct financial support, further to the private investment pipeline feasibility work to be conducted under the market readiness subcomponent of the F4JI project. The approach to address these prospective downstream safeguard issues was set out in the Environmental and Social Management Framework (ESMF) that the PA has developed.

32. A key strategic goal of the F4J is to strengthen both the public and private sector to contribute to new modes of public-private collaboration. The Public Private Advisory Board (PPAB) was advised as mechanism by F4JI design to enhance the prospects of collaboration, structure channels of dialogue and to capitalize the comparative advantages of the different members.

[6] This downgrading to moderate has more to do with a revision on how to assess risk from the world bank group. Thus, the overall risk was downgraded to moderate of the end because overall the PDO had been achieved and there was little risk left to impact the project.

2.2 Implementation

33. The project was approved by the Board on December 18, 2015; the Trust Fund Grant Agreement, totaling US$ 5,000,000 was signed on March 10, 2016. The project took nearly a year to be declared effective on November 30, 2016, following the selection of DAI as the PIA. MoF and DAI swiftly entered into an Implementation Agreement (IA) with delegated decision-making authority for funds allocation based on acceptable methods and procedures of procurement and selection of consultants of the private sector and the commercial practices, acceptable to the World Bank. The D-Adv was recruited as part of the award to the PIA. The IA was operationalized through a detailed project operation manual which was originally developed by the WB and later revised by the PIA. The OM was updated16 times, reflecting the adjustments and revisions made as implementation progressed.

34. As mandated by the design, the overall project implementation arrangements would entail three levels. At the apex is the MOF as the formal PA Project Counterpart (PC) to the project. The overall management of the project is the responsibility of the Project Implementation Agency (PIA), together with a specialized D-Adv. In support of the overall implementation arrangements, PPAB was established comprising key PA counterparts from the MOF, Ministry of National Economy and Labor, together with representatives from the financial and private sector.

35. One Designated Account (DA) was opened at MoF in Bank of Palestine. According to the financial arrangements, the PIA is responsible for procurement, financial management, safeguards, M&E, including annual work planning and progress reporting and oversight. At the end of every month, the PIA prepares a summary of all costs incurred that month along with a bank reconciliation, with withdrawal application. MOF endorses the Withdrawal Applications indicating that funds be deposited directly in the DA managed by the PIA.

First Period from 30-November-2016 till 25-October-2018

36. Expectedly, PIA took some time to be fully operational, with many partner-level meetings held to explain the structure and the model coupled with hiring key staff. Project mobilization phase is estimated to have spanned most of the first and second quarter of 2017[7] with due attention given to start up activities, rolling out institutional arrangements and approving key project reference documents. In parallel, outreach activities were initiated with five IFs[8], along with key stakeholders' meetings and roundtables involving MoF, D-Adv and PPAB.

37. The first part of the project was marked by varying progress levels of components and sub-components. The EE-MG structure, and the logical justifications lying underneath, was swiftly put to test. Following initial interest from investment funds (IFs),

[7] The Project effectiveness has not yet been met due to delays in the recruitment of the Project Implementation Agency (PIA), a period that was covered by two ISRs.
[8] Including Ibtikar, Sadara, Sharakat, Siraj and Bader identified in the ecosystem mapping conducted b the WB.

only IBTIKAR fund replied to the RFA and signed the first Grant Agreement by June. The limited number of early-stage IFs continued to be a serious limitation for the F4JI in terms of its ability to utilize the allocated funds for EE-MG on one hand and the limited potential pipeline of good quality startups on the other hand[9]. As the EE-MG financial instrument is structured around "wholesale" modality, PIA, WB and MoF considered other alternatives, including prospecting cooperation with incubators, accelerators, which suggests lesser ability to mobilize private equity as most of their supported startups are still in the very early stage of development; hence, less aligned with EE-MG intended design goals.

38. The ICF component was not activated until the first quarter of 2018, pending the Social Cost Benefit Analysis (SCBA) and Discrete Choice Experiment (DCE) tool finalization and closing a deal with the first mover. During 2017, the F4JI team and the WB conducted preparatory work for ICF activation, by searching for potential large investments that are commercially viable and have economic and social returns coupled with approving the ICF manual. A call for investment proposal was published on February 21, 2018, and the PIA received 121 applications; of which 24 applications were longlisted after thorough review. Fifteen investment projects were shortlisted after conducting further due diligence on the eligibility of these applicants for public finance and ICF grant support. Nine projects, strongly demonstrating development impact cases, were pre-selected. Consequently, PIA conducted in-depth examination of their readiness to proceed with the investment.

39. Having secured the D-Adv as part of the IA agreement[10], F4JI team used the first two quarters of 2017 to conduct a series of missions and stakeholders' meetings that informed the refinement of the intervention model and the preparation for the service providers selection process for co-design. In the third quarter, D-Adv continued to refine the list of proposed output and outcome metrics, verification framework, and performance management indicators for the DIB. Corollary, service provider selection process progressed which included the preparation of service provider selection documents, refining the roles and responsibilities of key service provider parties, call for applications, evaluation and selection.

40. For DIB component, investor engagement and commitment proved to be time consuming and required a longer time than originally anticipated. Despite good initial international interest and subsequent reengagement, it was not until 2018 that intense investor engagement process, both on local and international levels commenced.[11] Initial international and local interest was tested by the third and fourth quarter of 2017. Follow-up process focused on six major investors that were shortlisted and deemed compatible.

[9] The time of the appraisal witnessed an awakening of interest in investment as a driver for economic growth that was nurtured by various macrolevel analysis on economic growth, employability and fiscal reform. This was evident in the growth of investment and Venture Capital (VC)-type funds focusing primarily on ICT. In addition to the ICT entrepreneurship sector, analysis further suggests that targeted investments in other major sectors of the Palestinian economy could have the potential to generate sustainable jobs

[10] By February 2017, the PIA also managed to sign a subcontract agreement with Social Finance UK to start the work on the DIB design

[11] Following interest at the international investor roundtable conducted in February 2017 in London, International and local DIB investor engagement have progressed with good initial interest from EBRD and FMO.

However, despite the intensive investor engagement, it was not until Q2 of 2018, that the legal advisors have presented a preferred legal registration form for the DIB SPV to investors, i.e. creating a Palestinian SPV (without an International SPV), that would be capitalized with equity investments from local investors. The remainder of the investment capital would be provided through loan agreements. This has required a complex capital structure to simulate pari passu treatment of all investors. The prospective DIB investors official commitments remained pending till the end of 2018, with consultations and due diligence support continued with both local and international investors to formalize DIB investment commitments[12].

41. During the first period, PIA developed and finalized a Capacity Building Plan including individual training plans in collaboration with MOF staff members, this plan was shared with the WB for review and feedback. In June 2018, it was agreed with the WB team to submit training and capacity building activities on a case-by-case basis. During 2018, the F4J team carried out four rounds of capacity building for MoF staff that related to the project, including on DIB, SCBA and M&E. MoF staff benefited from attending the World Bank Social Protection and Jobs Core Courses; Market Systems Facilitation course; and Assessment of Investment Projects for Public Finance course. The capacity building component was complemented by organizing two PPAB meetings.

42. On project management component, the PIA progressed steadily with majority of human resources were swiftly hired in the first quarter of 2017, with the remaining staff hired in the second quarter. The team was selected on a competitive selection basis. Notably, some two of the hired staff have worked on previous World Bank projects with MoF who are well aware of the details of the project and its components. A work plan and tentative budget was developed and submitted to MoF and WB by January 2017.

43. PIA shared its corporate procurement manual with the WB in December 2016 and received approval from them to follow DAI procurement procedures for F4JI based on compatibility with the WB guidelines for the private sector and the commercial practices. Accordingly, the PIA accomplished the procurements for the initial startup items in the first quarter and continued procurement during second and third quarters. The procurement plan was developed and submitted to the MoF and WB for review on April 11, 2017 and updated on May 4, 2017. By second quarter of 2017, the majority of project documents were submitted or approved, including annual work plan, budget, procurement plan, operations manual, communications plan and M&E plan.

44. The PIA has been responsible for the day-to-day implementation and the management of the designated account and sub-accounts of the Project. The PIA reported the need to align the PIA budget reporting, management fees in particular, with the WB approved budget structure. There was some delay in payment of management fees and missing items (management fees) in the cash flow statements required for requesting fund transfer until the third quarter.

[12] DIB investment commitments in the amount of US$1,800,000 were formalized with both local and international investors. On December 19, 2018, DIB SPV was registered as a limited liability company at the Company Registrar (Ministry of National Economy). The SPV registered name was Finance for Jobs Consultancy Services LLC.

45. The first period of the project was covered by 6 ISRs and two technical missions, with the overall progress towards PDO and overall implementation progress were assessed as **Moderately Satisfactory**, with overall risk rating “High”.

Mid-term Review (MTR)

46. By the time of the MTR, it was obvious that the persisting combination of delays in securing investments, limited IFs – with slower than anticipated absorption of Ibtikar Fund- would be the key focal points in the MTR. The MTR mission showed that tackling these bottlenecks is critical to make satisfactory progress under the project, with a possible restructuring of delayed components to no-cost extension of successful ones.

47. The MTR assessed that the progress toward achievement of results of the EE-MG are in line with expectations for year two, although utilization of the EE-MG budget was low, and as a result, disbursement under this component was low at approximately 5 %. The mission discussed recent changes made by the PIA to improve uptake of the EE-MG as well as options going forward to help address the low utilization of the instrument. These changes include increasing the grant agreement ceiling amount to Ibtikar from US$193,753 to US$669,334, increasing the size of the EE-MG grants, increasing the grant contribution to the EE-MG (from 50:50 to 70:30) and supporting procurement expertise to Ibtikar to facilitate the administration associated with grants management.

48. The MTR highlighted the need to engage other investment funds operating in Palestine. Although the PIA has attempted to engage these funds, discussions with the PIA during the mission highlighted several constraints that have made it challenging to initiate partnerships[13].The MTR also stretched its recommendations proposed for aligning EE-MG with other programs to deploy financing.

49. A key ongoing concern for the EE-MG has been to establish a clear linkage between the EE-MG grants provided to startups and the investment mobilized as a result of the grant funding. The MTR suggested that figures reported on private capital mobilization should not count any investments mobilized prior to the startup utilizing their first tranche of grant funding. Therefore, it suggested to verify the figures being reported on private capital mobilization, which are being provided by the investment fund (Ibtikar) as capital mobilized after the intervention.

50. With regard to ICF, the MTR concluded that both PDO and Intermediary indicators have progressed on track, with three feasibility studies completed. Market readiness and pipelining activities under subcomponent progressed on track, building the foundation for the deployment of ICF financing for the selected deals. The process of screening and selecting investment projects to receive ICF financing was nearly complete, with the signing of grant agreements for at least some of the projects expected in Q1 of 2019. Preparation work for first mover deal was also completed by 2017[14].

[13] Some of these constraints include: (i) timing issues linked to the funding cycles of the investment funds, (ii) focus on larger-scale investments rather than early-stage startups, (iii) procedural aspects relating to the existing funding modalities of the EE-MG (i.e. operating on a reimbursement-only basis).
[14] While the on-granting agreement with the investor has been signed in January 2018, project implementation has lagged due to complications in securing government approvals relating to the tariffs, concession rights and EPC contract negotiation. Grant agreement signing was linked to additional funding that will be provided under F4JII.

51. With regard to DIB, the MTR concluded that the key indicators, were not yet achieved. However, key milestones have been achieved including finalization of the DIB operating and financial model, potential service provider identification, investor outreach and due diligence, and recruitment of the Independent Verification Agent (IVA). The MTR acknowledged the intensive preparation work undertaken by D-Adv and the PIA, which has also required coordination across numerous stakeholders with varying levels of risk appetite and diverse objectives. While investor due diligence took longer than anticipated, the resulting mix of investors was of high quality and diverse. The DIB preparation stage was nearly complete by the time of MTR, with a launch expected in January 2019.

Second Period from 26-November-2018 till 31-January-2021

52. In the second period of the project, the PIA intensified its outreach efforts which resulted in three potential implementation partners submitting applications for EE-MG grant (Leaders, Syndicate, Flow)[15]. Admittedly, this outreach effort was propelled by the persisting bottleneck in EE-MG disbursement rate and in order to expedite meeting related disbursement rate[16]. However, initial disbursement rates were quite similar to those of Ibtikar the first period of the project with lower private equity mobilization potential.

53. By end of 2019, Ibtikar's Wholesale agreement remained the largest and the highest disbursement potential, with 44.6% of the total EE-MG budget and being the only available IF in the Palestinian market. Disbursement rate of Ibtikar nearly tripled in 2019 by reaching 52%. A progress that continued, although at slower pace in 2020 and 2021 where disbursement rate stood at 73% of committed amount. Notability, ability and potential for private capital mobilization for the additional partners remained relatively smaller and slower than those of Ibtikar's.

54. By early 2020, EE-MG component budget was reduced from $1.5M to $1.2M to cover the project management costs of the additional one-year extension. Furthermore, US$311,759 was allocated to COVID-19 Rapid Response Program (RRP)[17] to support salaries and some critical mission items which alleviates short-term liquidity bottlenecks for startups.

55. Due to the COVID-19 pandemic, the Palestinian economy as well as the global economy, has been greatly hampered. Startups and SMEs with growth potential have been particularly affected by COVID-19. Serious short-term liquidity bottlenecks occurred as a result of sales shortfalls and the withdrawal of new investors. Therefore, fast, efficient, comprehensive, and targeted financial support measures are urgently required. During the reporting period, F4J

[15] A comprehensive outreach report was submitted to the WB and MoF on January 3, 2019 to showcase the prospects of cooperation under the EEMG. Ten potential partners were visited to assess opportunities of cooperation on the EEMG component, whereas only three of which has shown high potential of cooperation.
[16] The expected grant amounts, startup numbers, capital mobilization and job creation are US$ 377,000 for 19 startups with potential to mobilize US$ 2,400,000 in capital and generate some 67 jobs.
[17] The F4J and IPSD projects are looking to provide COVID-19 Rapid Response Intervention, which is a combination of financial (grants) and non-financial support (mentoring, training, and coaching) program to assist startups, early-stage enterprises, and SMEs in sustaining their businesses and expanding where possible (referred to as Working Capital Bridge Grants). In coordination with WB team, F4J has allocated $300,000 for this joint intervention

partnered with the Innovative Private Sector Development (IPSD) project, another project implemented by DAI and funded by the WB, to quickly intervene and lend support to the Palestinian private sector amid the COVID-19 pandemic. To assist Palestinian private sector businesses dealing with the current abnormal market dynamics, F4J and IPSD launched the COVID-19 RRP, a combination of financial (grants) and non-financial support (mentoring, training, and coaching) to assist startups, early-stage enterprises, and SMEs in mitigating, adapting, and sustaining business operations and identifying market opportunities to expand their products and services (referred to as Working Capital Bridge Grants). In coordination with WB, F4J allocated approximately $300,000 of the EE-MG budget for this joint intervention. A total of 346 applications were received by June 2020 for both F4J and IPSD projects, of which 71% were from SMEs, and 29% from startups. By end of September 2020, 27 companies under the COVID-19 RRP signed grants agreements with the PIA, with a total grant support. of US$311,759 against grantees contribution of $369,481. Total number of supported jobs was146, of which 45 jobs for women (31%).

56. By 2021, PIA and Ibtikar have had 4 amendments, that contributed to increasing the take up and disbursement rate. The latest amendments extended the agreement to the end of 2021 (one-year extension), with no additional funding to enable Ibtikar to utilize the remaining grant funding of $211,096 to cover both planned BDS support and pending requests for payment. The PIA has uncommitted EE-MG budget of approximately $135,600 that can be utilized with other partners. The combination of the fourth mentioned restructuring, amendments and changes boosted cumulative disbursement rate under component 1 by 25% to reach 73.2% by March 2021.

57. The ICF component started the further assessment including SCBA and readiness of implementation for four investment projects which has been selected for further due diligence work in Q2 of 2019, with no objection from MoF and WB obtained in October 2019. By the end of October/early November 2019, the PIA has signed four ICF grants for a combined grant amount under contract of $4,303,000.

58. By Mid-2020, midst of COVID 19, two ICF grant agreements were terminated due to delays in implementation (United Group's Pyrolysis and Gridding Cement Project and Al Danaf's Poultry and Slaughter Chicken House) and were replaced by new two ICF deals (Fusion's Broadband ISP Infrastructure in rural areas of the Gaza Strip and Afana's Hatchery and Poultry Slaughterhouse in the Gaza Strip) bringing the total of ICF feasibility studies to seven and ICF deals to five. With that, the ICR found strong evidence of pipelining activities on a F4J SOP level[18]. It's worth noting that the two grant agreements are part of F4J II, and their feasibility study is part of F4J I.

59. The closing of the DIB transaction required the finalization of several legal agreements and contract frameworks. The Funding and Performance Agreement with a ceiling amount of $5,000,000 was successfully signed on October 17, 2019 between DAI and DIB SPV after securing the corresponding WB no-objection. Signing the Funding and Performance Agreement was achieved after consolidating comments and proposed

[18] Pipelining progressed as a result of ICF second and third round call for investment proposals which generated 121 applications by June 30, 2021. The call for proposals were followed with two public consultation meetings aiming to have an overall view on the ICF concept, objectives, and procedures.

changes from DIB investors, DAI and WB teams, as throughout 2019 all parties shared substantial comments and concerns on several articles of the agreement, mostly on potential risks and timelines.

60. Investors Agreement, Loan agreements for (EBRD, PIF and SDO), and the Development Contribution agreement (FMO) were all signed in September 2019, after securing the WB no-objection on June 26, 2019. The final purchase agreement was not signed until Q1 2020. During most of 2019, comments and changes were proposed by DIB investors on the previously approved outputs and outcomes verification framework which was prepared by the IVA as part of pre-launch advisory services. As agreed, and right after signing the performance and funding agreement, the PIA, the IVA and the DIB manager started reviewing the verification framework. On November 19, 2019, the PIA shared an agreed upon modified verification framework incorporating several modifications requested by the DIB manager and the appointed DIB Director of the Board of Directors. The revised verification framework was approved by the investors on December 9, 2019 and shared with WB and MoF accordingly under F4JII.

61. With the Funding and Performance Agreement signed during 2019, the DIB component project development objective and related intermediate indicator were both achieved successfully. Hence, updates on training outputs and jobs outcomes and service provider activities will be reported in F4J II progress reports.

62. During the second period of the project capacity building activities included: (1) Economic Analysis and SCBA course to be carried out by Decisio Economic Research and Consulting, the date for this training was decided to be January 20, 2020, for 4 days. (2) On-Line Self-Study Bundle & FMVA™ certification (financial modeling, valuation, analysis, advanced models) to be carried out by Corporate Finance Institute – Three MoF staff and one F4J staff were nominated and registration on the CFI platform was completed and training in ongoing at the time of writing. (3) Value for Money (VfM) and Cost Benefit Analysis to be carried out by the Institute for Public-Private Partnerships, this training was not a priority for MoF and was decided that it will be substituted with another similar topic at a later stage. (4) Recruitment of two recent graduate as Economic and Finance Interns: recruitment of two interns was completed during the reporting period aiming at creating skills and knowledge that will be available to the MoF beyond the life of F4J project. Both interns have started their on-job-training at F4J's office on November 18, 2019.

63. The second period of the project was covered by 6 ISRs and two technical missions, with the overall progress towards PDO and overall implementation progress were assessed as **Satisfactory**, with overall risk rating downgraded to **"Moderate**" compared to the first period.

Third Period from 31-January-2021 till 31-January-2022

64. Based on guidance from the MTR, and following the World Bank mission conducted from February 23-27, 2020, and despite the good progress during the second

period of the project, it was estimated that an additional 12 months will be needed to disburse remaining funds and fully achieve the PDO-level target on private capital mobilization linked to the EE-MG component. Depending on the impact of the coronavirus pandemic (COVID-19) a period beyond 12 months may be considered. Subsequently, the Ibtikar Fund wholesale grant agreement was extended in early 2021 for one year (amendment number 4) to reflect F4J I's extension and enable Ibtikar to utilize the remaining grant agreement amount of approximately $211,000.

65. The extension was of significance for the project to achieve a first-time 100% commitment rate by January 31, 2022, and disbursement rate progressed at 99.9% The proposed one-year extension was useful for enhancing the disbursement rate of the EE-MG component to reach 100%. The extension also allowed the PIA to submit the complete files of two additional ICF beneficiaries, instead of two others who were dropped out. Additional assessment deals were also assessed and prepared for MoF and WB.

66. Upon confirmation from PIA, the remaining payments are expected to be disbursed by official closer of the project, which represent payments to audit and ICR assignments.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

Design

67. The M&E framework was designed to monitor progress towards PDO through four effective indicators originally stated in the PAD, namely,

(a) Private Capital Mobilized (US$ 6 millions) from the EE-MG.
(b) DIB Taken to Market (Structuring of SPV) by the second year of the project.
(c) 5 Feasibility Studies Completed for Job-Focused Private Investments Pipeline.

68. The results chain was sound overall, with intermediate indicators developed to track inputs, outputs, and processes leading to the achievement of the PDO. The collection methods were well described in the PAD, IA and POM with the PIA responsible for aggregating and synthesizing M&E data and preparing 20 quarterly progress reports that are aggregated into 5 annual reports with lessons learnt from the PIA to the World Bank and MoF.

69. The POM outlined reporting responsibilities and formats at PIA and MoF levels. While the annual implementation plans enabled implementation monitoring, the Results Framework sat out the objectives, targets, intended outcomes, and means of monitoring progress towards achieving those outcomes. POM outlined additional reporting lines between the PIA and partners, through quarterly progress reports to be submitted from implementing partners to the PIA and used for monitoring of project implementation by PIA. Interviews revealed that this level of reports, were also enacted during the life of the project as the reporting against wholesale agreements were carried out regularly. As for procurement, PIA offered submission deadlines upon completion of the supporting documentation on rolling basis.

70. The mid-term review provided a basis for restructuring budget to components that are progressing well and merit further resources, or allocation of the budget away from activities that are behind schedule or are no longer relevant. The mid-term review assessed implementation progress against the procurement plan and the Results Framework and provided an opportunity to ensure that the project is delivering satisfactorily on indicators and providing the most critical and value-added capacity building support.

Implementation

71. The ICR recognizes the PIA's critical role in compiling and reporting project data. Partners interviews commends that role of PIA and the team involved, which was characterized by timely follow up, responsive reaction and full cooperation. The PIA produced a steady flow of QRs, ARs, LLs, IFRs, FMRs and audited project statements, which kept stock of the F4JI financial and programmatic progress for project partners. In particular, the narrative progress reports (quarterly/annually) were key references for the bank team to prepare the periodic ISRs.

72. Notably, the PIA was proactive in communicating key challenges, bottlenecks and achievements on a monthly, quarterly, annual basis. This included swiftly and openly reporting a number of constraints that were encountered early on budget restructuring, limited number of IFs, investor slow engagement, procurement delays, and due diligence bottlenecks in ICF and DIB. Interviews with PIA, MoF and WB, revealed that the three key stakeholders to institutional arrangements were active participants as per the original design and institutional arrangements of F4JI.

73. On the implementing partners and beneficiaries' level, interviews and evidence collected suggest mixed results. From one side, the institutional arrangements allowed PIA to exercise sufficient monitoring and supervision on component 2 activities including (ICF, DIB and supervision) of collective activities by implementing partners and activities. On EE-MG component, PIA supervision and monitoring were transactional in nature, due to the EE-MG design. The ICR suggests that the flow of information from EE-MG implementing partners to PIA could have been improved through direct communication with end-beneficiaries, to assist IFs in monitoring implementation and advising corrective actions as need arises. While the wholesale concept was originally advised as a risk sharing to incentivize IFs to mobilize private equity to potential investees, interviews revealed that two of the EE-MG implementing partners, perceived PIA's procurement activities as needing dedicated organizational capacity with committing additional financial resources burdening, complicated and uncompensated. This perception gap, not only complicated and slowed technical communication but also led to excessive and unduly back and forth and processing times over inaccurate/incomplete documentation.

74. While the PAD, POM, project manuals and agreements meticulously detail the structures, roles and communication lines F4JI project and the relation of the PIA, PC and WB, the ICR interviews revealed the need for a deeper and wider technical level cooperation and communication between the PIA and EE-MG implementing partners. The ICR believes that expanding the role of administrative level communication is essential for exchanging feedback necessary for granting no-objections, securing approvals and addressing enquiries which subsequently, enhances the predictability of disbursements and boosts disbursement rates.

75. Additionally, the World Bank conducted yearly missions to assess progress, suggest recommendations and take corrective actions were needed. During F4JI, 12 ISRs were produced along with 5 annual missions. The missions produced key and timely

recommendations that contributed to redirect the project towards progress in the second period.

Utilization

76. Implementation of M&E generated useful data that were used to reflect on a follow-up operation supported by the Bank. Progress and financial report were included satisfactory tracking of PDO Intermediary Outcomes indicators against pre-set values. The M&E specialist populated an annual beneficiary satisfaction survey, with open and clear documentation of replies, statistics and challenges to all stakeholders involved. The ICR confirms the improvement in the quality and robustness of the analysis, information and lessons learnt in the quarterly reports and annual lessons learnt projects during the second period of the project, as the project improved its delivery.

77. Each component activities were assigned to technical specialists, under the leadership of the Project Manager, who, in turn was responsible for communications with and reporting to MoF and WB. While Project Manager is ultimately responsible for representing the PIA in the F4JI, it was the technical experts, who are responsible for technical analysis, partner engagement, task management and delivering capacity building, and kept the vertical flow of information uninterrupted. The ICR rates the overall M&E function as **Satisfactory.**

2.4 Safeguard and Fiduciary Compliance

Environmental safeguards compliance

78. F4JI is classified as environmental category "B", in accordance with the World Bank's Operational Policy (OP) 4.01, due to potential adverse environmental and social impacts which are site-specific and reversible; these are easily remediable by applying appropriate mitigation measures. The OP4.01 (Environmental Assessment) and OP4.09 (Pest Management) were applicable to F4JI. Agricultural processing subprojects may include the purchase and use of chemical formulations to involve OP4.09. In that case, a Pest Management Plan has been included as part of the ESMF. The ESMF, which has been prepared in compliance with World Bank safeguard policies for a Category B Project, as well as in compliance with environmental and social laws of the PA.

79. The Environmental and Social Management Framework (ESMF) laid out the E&S due diligence steps and is the main governing document on this aspect. As part of the application and granting the ICF, PIA conducted nine E&S due diligences on ICF applicants to determine (i) eligibility of subprojects on E&S grounds in line with the relevant criteria above and (ii) potential E&S risks and instruments needed to address them (namely, E&S assessment studies done by the applicant and E&S risk management and monitoring plans based on the outcomes of the assessment. This process helped establish the soundness of environmental and social accountability of the applicant in terms of assessment and monitoring capability, mitigation strategies, and performance improvement. Compliance with the WB and MoF environmental and social safeguards were duly examined. PIA included adequate E&S clauses in the financing agreement with investment project sponsors.

Social safeguards compliance

80. Activities supported by the project were expected to generate socio-economic gains and have an overall positive effect. Initial assessments identified the following sectors as offering job creation prospects: (a) agriculture; (b) IT and digital entrepreneurship; (c) tourism; (d) construction, and; (e) energy. Dedicated gender and social consultants were hired as part of the PIA tasked with identifying potential negative impacts and introducing practices which intend to minimize these.

81. Overall, adverse social impacts were anticipated to be low with none of the projects triggering the World Bank Policy OP4.12 (Involuntary Resettlement). To screen out for these triggers, the project relied on guidelines in the OM, which include a rigorous sub-project screening process that was performed done by the F4J PIA.

82. The MoF. PIA and implementing partners demonstrated satisfactory understanding and identifying of social development outcomes and risks. The ICR this report notes a strong reporting of social development outcomes and risks through project supervision and against the project's Monitoring and Results Framework. As the Banks

safeguards policies were triggered in the PAD, social safeguards are rated as **satisfactory** for the purposes of this ICR**.**

Procurement compliance

83. The PIA was responsible for all procurement under the project, with the support of a procurement specialist. Due to slow procurement processing in the first period, the procurement rating was periodically downgraded to moderately satisfactory, but the PIA improved performance during the second period of project life and the rating was eventually upgraded to Satisfactory. During the project, procurement was regularly monitored with periodic post-reviews as part of supervision mission activities. The Bank carried out five ex-post procurement reviews during the project lifetime; no major noncompliance was noted on transactions.

84. Despite the improvement towards the end of the project, the ICR noted that procurement was key bottleneck for the project progress in EE-MG activities during the first period of the project, which was also confirmed by the beneficiaries' survey and communications with PIA and WB teams. The World Bank has the flexibility of using procurement guidelines for commercial practices, which resulted in accepting DAI procurement guidelines as the reference guidelines. Communications with implementing partners, expressed demands for simplified and flexible procurement guidelines. In reply, WB discussed with PIA to utilize the principle of commercial practices as the reference basis to simplify the procurement guidelines, which resulted in offering further reporting and procedural flexibility. The simplified Manual of Procurement Procedures was made available to implementing partners and is being referred to in handling procurement processes. Corollary, additional actions were advised for strengthening the implementing partner procurement capacity; including assigning procurement officer and support from PIA's procurement in the implementation of procurement activities and provides mentoring and on-job training.

85. The ICR confirms that the above measures, were not fully utilized, especially the offer to hire resident Procurement Officer at the implementing partner to establish capacity to manage procurement and compliance. The offer to assist implementing partners in managing procurement was not also utilized by Ibtikar. The ICR suggests that utilizing either, have the potential to assist entrepreneurs, stretched over many revenue generating activities, in meeting procurement requirements. Interviews revealed silo technical communication over procurement with Ibtikar in particular with extended processing times, which impacted the efficiency of the process and disincentives some of entrepreneurs from utilizing the available and much needed funds. Leaders on the other hand, highlighted the high effort needed to conduct procurement and compliance. With taking into consideration the perspectives gained through interviews, and the reasoning underneath, the ICR also recognizes the responsive measures taken collectively by PIA, MoF and WB by offering procedural flexibility and institutional capacity building. The ICR concludes that the overall procurement function **as Satisfactory.**

Financial compliance and disbursement

86. Financial management arrangements and implementation were compliant with the World Bank guidelines. Per F4J's Implementation Agreement between the MoF and DAI, the PIA maintained a separate financial management system. Accordingly, the PIA is responsible for managing and tracking its expenses from its designated bank account. The PIA also: 1) provided a summary of monthly expenses to the MoF, 2) requested a Withdrawal Application in advance of needing replenished funds in the designated PIA bank account, 3) provided interim unaudited financial reports, and 4) submitted annual audited financial reports.

87. the familiarity of the PIA with financial management systems of the project and satisfactory performance of the financial management specialist at the PIA. Regular supervision missions have confirmed that the project has complied with the obligations of financial reporting and auditing: (i) audit reports and Interim Financial Reports (IFRs) were submitted to the Bank on time and there were no overdue external audit reports and IFRs at the time of the project closing date. All audit reports and IFRs were reviewed by the Bank and comments provided to the government.

88. The project performance in financial management was rated **Moderately Satisfactory** during the life of the project implementation due to disbursement delays that persisted across the EE-MG component. Partners' interviews revealed delay in EE-MG BDS' payments during first and second year of the project, with concern over the impact of this delay on the project's ability to enhance disbursement. The PIA, after considering consultation with MoF and WB, had exerted commendable efforts to facilitate and simplify processing payments through reviewing documentation requirements for completeness, which apparently relieved the situation for the second third and fourth year of the F4JI life. The delay was caused also with some of the payments being cash payments by the beneficiaries which was not allowable which then required an update to the manual and capacity building to ensure that they could all move to wire transfers or checks.

89. Yet, some EE-MG beneficiaries, and Ibtikar management, demanded further relaxation of guidelines and controls to be aligned/matched with the financial cycle and nature of investment transactions in IFs. The ICR recognized the demands and performed a further detailed walkthrough of evidences on the claims mentioned during the interviews. The detailed walkthrough revealed the need to consider the significance of resident financial management and procurement capacity at the level of IF and beneficiary in order to expedite and facilitate the technical tasks of the procurement and compliance to remain within the form and substance of "Wholesale agreement". The ICR meticulously looked into the claims to consider the unique nature of transactions and expenses from IF perspective, as it persisted as a serious bottleneck to disbursement across the life of F4JI. Interview with Ibtikar focused on the need to adjust F4JI to allow it to be of use to entrepreneurs. According to Ibtikar entrepreneurs are stretched out across many tasks, and accordingly, was cumbersome for Ibtikar to exercise the procurement process with the existing procurement reference. A similar point of view was echoed during interview with Leaders organization. A deeper questioning of Ibtikar and entrepreneurs revealed that the majority of bottlenecks are related to proof of payment, followed with single sourced procurement, and finally excessive documentation. Proof of

payment was also stressed as a condition by the PIA and MoF after a dispute with one of Ibtikar’s beneficiaries.

90. The ICR, and after careful analysis of the claims and evidence of expenditures, could not confirm the relevance of the claims to the unique nature of IFs and investment transactions. Other Interviews with seasoned entrepreneurs, revealed that they had no such issue, although they reported other less prepared entrepreneurs’ nature of voicing similar claims. Procurement guidelines, and the reason for delay remains controversial point to date, the ICR suggests that most of points raised can be addressed through building resident capacity within IFs, with proactive engagement with beneficiaries. This suggestion is supported by feedback from some entrepreneurs, who demanded direct contact with F4JI might have been led to more efficient and reliable disbursement timeline.

91. The persistence of the claims to date, despite numerous professional and timely attempts from WB, MoF and PIA to address them, suggests the need for clearly outline between investment vs. grants transactional flow and financial management cycles. The ICR also suggests considering further clarification of procurement guideline for commercial practices. The two suggestions are highly relevant to the core of the EE-MG wholesale framework agreement that is based on risk-sharing as a motivation for IFs to mobilize private equity. The ICR suggests also to consider Interviews, and the offer to compensate resident staff at IF, suggests that this might not have been sufficient to allow for efficient and effective processing of procurement, nor expedite disbursement rate across the life of the project. With above mentioned, the ICR rates the financial management and disbursement as **Moderately Satisfactory.**

2.5 Post-completion Operation/Next Phase

92. With a confirmed over all disbursement rate of 99.9% at the end of the project, the project is progressing with sufficient confirmation to reach 100% disbursement rate.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

Relevance of objectives: High. Relevance of design: High.

93. The objective of “testing the effectiveness of selected financial interventions in mobilizing private investment financing in high potential sectors and generate job opportunities for the West Bank and Gaza” was highly relevant, especially with the subsequent potential upscaling and implementation. Private sector development, investment promotion and employability remain constant pillars and theme areas across National Development Plans (NDPs) and National Policy Agendas (NPAs), sectorial cluster strategies, and the emergency COVID-19 recovery plan[19]. This objective continues to represent an important element of the efforts of the PA to achieve economic independence. Corollary, the overarching theme of National Road Map to invest in Palestine (2021-2023) is to foster private sector - led-economic growth and development. Under this theme, MoF aims to contribute in directing the external aids in accordance with the Palestinian Agenda through the standard treasury account.

94. Following two-year Interim Strategy Notes that had previously steered the program, the bank places a longer-term approach, with a sharp focus on private sector development to create jobs. The Bank strategy for West Bank and Gaza and previous Interim strategies remain in complete harmony with the PA NDPs across the life of the project and beyond. F4J remains at the center of the Bank’s focus Area 1: Strengthening Institutions for Economic and Social Prosperity, and Focus Area 2: Boosting Innovation and Diversification for a Well-Connected Palestinian Economy.

95. Capacity building under F4JI project contributed to establish a national level expertise to support public private partnership and dialogue. Evidently, the knowledge and technical know-how has been satisfactorily transferred to the local specialist’s resident at PIA, SPV and two staff from MoF. Yet, the need for technical assistance remains critical due to the specialized nature of the three financial instruments; and the need for resident institutional capacity and/or formal structure within MoF. Nevertheless, specialized technical assistance is a perpetual need that not only creates capacity that is currently non-existent, but also enables the MoF to professionalize and upgrade public sector engagement in job creation from direct delivery and input-based metrics to the facilitation of a greater private sector led engagement based on market incentives and outcome-based metrics.

96. Capacity building also targeted civil servants at other ministers and stakeholders, yet, at awareness level and less at technical level. Notably, PPAB provided a platform to facilitate greater private sector led engagement based on market incentives and outcome-based metrics; specific expertise to develop, structure and evaluate market-based

[19] NDP (2021-2023), NPA (2017-2021), two National Employability Strategies (2017-2021, 2021-2025), Private sector development strategy (2017-2022), and National Road Map to invest in Palestine (2021-2023).

financial instruments require further capacity building planning that is beyond the scope of F4JI.

3.2 Achievement of Project Development Objectives

Rating: Satisfactory

97. The PDO objective is “testing the effectiveness of selected financial interventions in mobilizing private investment financing in high potential sectors and generate job opportunities for the West Bank and Gaza” was completely achieved and exceeded the targets on two PDO indicators, as measured by the indicators and supporting evidence.

98. **PDO indicator 1 “Private Capital Mobilized (USD, 6 million) from the EE-MG was largely achievable only after restructuring and extension.** The ICR confirms that by the end of the project F4JI mobilized some US$ 8.44m in total private capital for a total of 41 beneficiaries from Ibtikar IF, FLOW, and beneficiaries of the COVID-19 RRP. Table 1 below details private capital mobilized by end of F4JI.

Table 2: Private Capital Mobilization Summary as of January 31, 2022

Grantee	**Number of startups raising private capital**	**Cumulative private capital mobilized** (grantee)	**Cumulative private mobilized** (all sources of finance)
Ibtikar IF	14	$ 3,810,000	$ 7,564,600
FLOW	8	$0	$ 518,674
COVID-19 RRP	27	$361,331	$361,331
Total	**41**[20]	**$4,171,331**	**$8,444,605**

Source: 2021 annual report, prepared by DAI.

99. The table above reveals that private capital mobilized through Ibtikar, is 90% of total private capital mobilized and reported for meeting and exceeding the targeted value of the indicator. Ibtikar’s share of mobilized capital is 50%, signaling the VC’s ability to commit and mobilize capital to investees compared to other beneficiaries, including Flow, Leaders, and RRP.

100. Capital mobilization under EE-MG is incentivized by 1-4 ratio as a target ratio. The ICR recognizes that the above capital was originally designed to be mobilized on a 1-4 ratio. To that end, F4JI originally allocated US$ 1.5 million for BDS grants to incentivize IFs to commit private equity capital. Later a total amount of $62,331.85 was reallocated to project management making the final budget to become $1,137,668.15, which was totally disbursed. Of the total amount disbursed, F4JI utilized 74% for 4 wholesale agreements with Ibtikar, Flow and Leaders at a total amount of US$837,411.15 and 26% was used to finance RRP ($300,256).

101. The ICR concurs with PIA’s analysis conducted at the end of the project indicating that the three EE-MG wholesale agreements achieved a ratio of approximately 1:4.55/1:9.65 from partners own sources/all sources respectively. A segmented view at this ratio, reveals that Ibtikar and Flow were able to meet the original threshold of 4, with Ibtikar being the main contributor to achieving the overall calculation of the reported ratio.

[20] Capital mobilization of some startups are included both Ibtikar Fund, and FLOW, as they benefited from both wholesale agreement. Some startup benefited both from wholesale grant agreement and COVID RRP.

Ibtikar's ability to leverage equity from other sources is evident by doubling the ratio when calculated through all investment sources. The ratio was calculated by dividing the capital mobilized to grant amount disbursed after being accounted for using the pre-set criteria.

Table 3: Segmented Capital/Grant Ratio on committed/disbursed basis.

Grantee	Cumulative private capital mobilized (grantee)	Cumulative private mobilized (all sources of finance)	Cumulative Disbursed amount (USD)	Grant to Capital mobilized ratio (grantee own sources)	Grant to Capital mobilized ratio (all sources of finance)
Ibtikar IF	$3,810,000	$7,564,600	$669,334	5.69	11.30
Leaders Organization	$0	$0	$73,417.97	-	-
FLOW	$0	$518,674	$94,660.15	-	5.48
Results (excluding COVID -19 RRP figures)	**3,810,000**	**8,083,274**	**$837,412**	**4.55**	**9.65**
COVID-19 RRP	$361,331	$361,331	$300,256.03	1.20	1.20
Results (including COVID -19 RRP figures)	**$4,171,331**	**$8,444,605**	**$1,137,668**	3.67	7.42

Source: ICR analysis based on quarterly and annual progress reports

102. While employment records are not an indicator per se, EE-MG created 209 jobs as of December 31, 2021, the majority of which are from Ibtikar beneficiaries. The average jobs created per year revolved around 35 jobs in Palestine. ICR calculation suggests that the average job created by the wholesale agreements is US$ 4,007. The COVID-19 RRP also supported 143 jobs, of which 47 (33 percent) for women, with an average US$ 2,099.69.

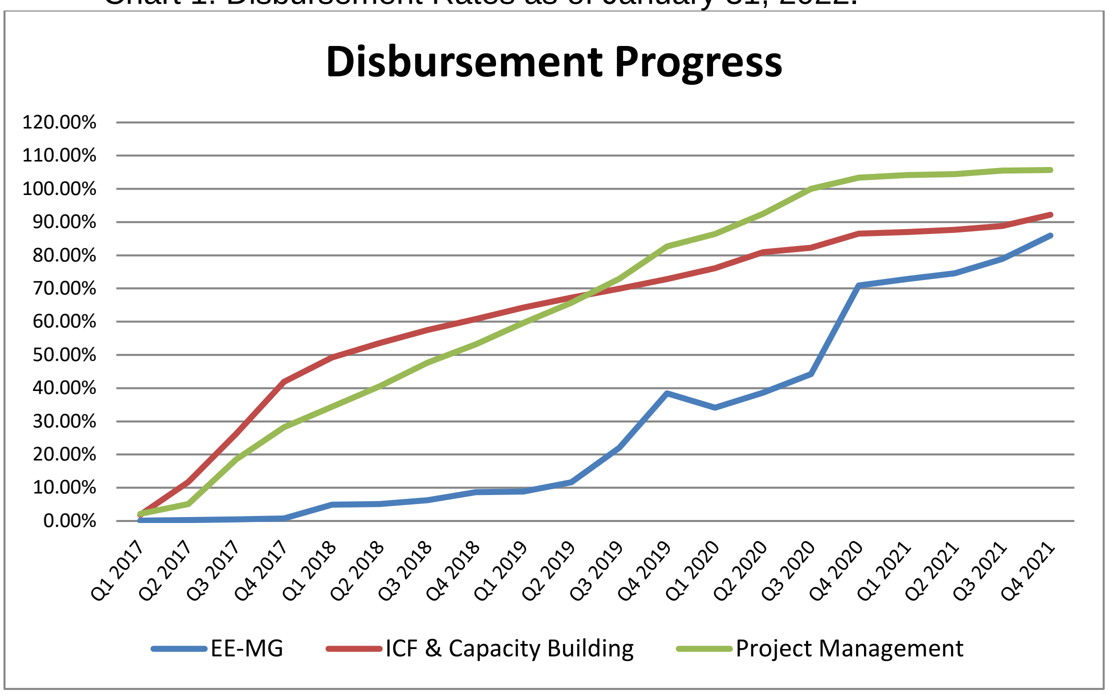
103. By design, EE-MG is categorically structured on wholesale agreements with IFs incentivized by the co-financing BDS for potential investees, otherwise, covered by IFs.

Evidence collected suggests that, the number of operating IFs, their interest and willingness to commit, and the resident organizational capacity, are contributing factor to enhance the disbursement rate. EE-MG was put swiftly as only Ibtikar, out of 5 approached, responded to the call for application and entered into a wholesale agreement with PIA in the amount of US$ 193,753. During the first period of the project, disbursement rate continued to progress well below its intended rate across the life of the project, especially the first period, where it progressed well below 5% by the MTR.

After MTR, Ibtikar grant ceiling from increased to US$669,334, increasing the size of the EE-MG grants to US$ 100,000, increasing the grant contribution to the EE-MG (from 50:50 to 70:30). Although and hiring procurement expertise by IF did not materialize, PIA followed on the MTR recommendations through offering various information sessions and simplified guidelines to facilitate the administration associated. The combinations of these actions contributed to increasing the disbursement rate to reach 79.5% of the revised component budget US$ 1.2 million. The ICR concludes that while the original design was based on a baseline of robust and clear growth of VCs during preparation, much more than single VC, the interest and willingness of Ibtikar to enter into and commit to wholesale agreement across the life of F4JI is the corner stone to meet the PDO indicator.

104. Chart 1 below reveals the various progression rates for components and subcomponents compared to EE-MG.

Chart 1: Disbursement Rates as of January 31, 2022.



Source: ICR analysis based on quarterly and annual progress reports.

105. While the disbursement rate is important to track and report against the allocated budget, the ICR suggests that it is real significance stems from the fact that it's a proxy for correlation between private equity committed and the matching grant. The key logic driving the instrument design. Evidence collected **supports strong correlation between**

investment decision and EE-MG grants. The majority of beneficiaries met highlighted high relevance between the grant, and their trajectory towards becoming a more viable entrepreneurs through procured BDS services needed to sustain business, develop markets and develop products. Ibtikar interview revealed that their investment decision to commit and disburse equity capital remains **largely incentivized** by, and dependent on, the grant decision, with the equity deposited ahead to beneficiary and the grant committed and reimbursed later. Ibtikar also confirmed that their pipeline is replenished annually through their perpetual screening and prospecting program, suggesting sustainable pipelining activities, Corollary, evidence from PIA, suggests that the equity injection decision is largely dependent on the readiness of the startup and the grant was allocated to improves readiness of startups to become investible. Most investment made by Ibtikar were done based on the outcomes of BDS offered to startups. This also correlates with interviews with beneficiaries and the results of the survey.

106. Ibtikar's low disbursement and uptake rates remained a controversial topic despite taking measures recommended by the MTR. According to Ibtikar, the low disbursement and uptake rates are majorly the result of procurement and compliance rules, coupled with complicated documentation procedures. PIA on the other hand, along with MoF and WB, have responded to the MTR recommendation to simplify and streamline procurement and compliance procedures, which resulted in short version of the original guidelines. Additionally, Ibtikar, with support from the PIA, hired a Procurement Officer to act as the PIA's focal point on procurement and to support the startups in processing procurement activities, but did not continue the work and Ibtikar did not replace with a new one[21]. Despite above measures, the ICR viewed various disbursements transactions with unduly prolonged time due to incomplete and inaccurate documentation as well as delays to submit documents to the PIA signaling the countermeasures were **underutilized**.

107. The ICR recognizes the fact that private equity commitment and mobilization decision is distinctively more flexible with shorter timeline and less documentation compared to grant. The ICR also recognizes, EE-MG is not the only instrument to utilize equity and grant funding mutually inclusive in the country or within F4JI context. Transactional review also suggests that the nature of expenditures reported can be adequately supported by proactive transactional follow up and communication coupled with sufficient level organizational capacity and human resources to assist entrepreneurs in meeting grants documentation and reporting requirements. With complete recognition of the demands for simplified procurement and financial management procedures, this flexibility in lieu of transparency and integrity of the procurement process or the eligibility criteria mandated by the implementation agreements.

108. **PDO Indicator 2 "DIB Taken to Market (Structuring of SPV) was completely achieved by end of third year.** The ICR confirms that this indicator is fully realized during 2019, with a nearly year and a half delay from the design timeline. Evidence of taking DIB to market is robust and abundant during F4JI, including the legal formation and registration of DIB special purpose vehicles (SPV), the signing of the Funding and Performance Agreement between DIB SPV and DAI, and signing of DIB Investors

[21] the hiring lasted for one week only.

Agreement, loan agreements with the European Bank for Reconstruction and Development (EBRD), Palestine Investment Fund (PIF) and Semilla De Olivo (SDO), and development contribution agreement with Netherlands Development Finance Company (FMO). Table 3 provides

Table 3: DIB Investors Commitments

Investor	**Committed Capital (US$)**
European Bank for Reconstruction and Development	500,000
FMO	475,000
Palestine Investment Fund	525,000
Semilla de Olivo (represented by Invest Palestine)	300,000
TOTAL	1,800,000

Source: PIA annual progress report 2018.

109. With securing Social Finance UK, the international technical expertise, as part of the implementation arrangements, institutionalizing, operationalizing and localizing the DIB was largely achieved during the first two years of the project, with the third year spent on additional due diligence, customization and localization of the IVA methodology. The outcome agreement took nearly 9 months in negotiations. The ICR highlight the significance of building technical expertise of the local team at the SPV, PIA an MoF is to meet the indicator. The importance of the local team in mobilizing the DIB, the support from MoF and the interest of local investors, were all highlighted during all investors and international experts interviews as categorical factors to taking DIB to Market. Evidently, the co-existence of the three local factors is *a priori* to enable knowledge and know-how transfer, expedite institutionalization efforts and bolstering international investors' confidence to commit funds.

110. Investors interviewed continue to express sufficient interest to capitalize on lessons leant with positive view of DIB results. Notably, interviews also revealed justification and acceptance, and even expectation, of the initial delays experienced during the first period as part of the learning curve due to novelty of the tool, local expertise building and scattered legal jurisdictions of investor. This confirms the interest and willingness of international and national investors and MoF in rolling out the model, for purposes that applying innovative solutions to real life problems in the Palestinian context.

111. Interviews highlighted the outcome funder as categorical to incentivize the group of investors to commit, and the SPV to mobilize technical expertise and know-how. Typically, the design suggests government as the outcome funder with its overarching policy power, knowledge of socioeconomic needs and ability to coordinate international assistance to relevant sectors. From F4JI perspective, the ICR suggests additional efforts between WB, MoF and PIA to engage in policy-level discussions to advise scenarios and alternatives the future role of the outcome funder. The ICR highlights the importance of

PPAB in extending this dialogue beyond the project-based arrangements and communications that categorized F4JI as the first of SOPs. While F4JI was tasked with taking the DIB to market, and hence, the public dialogue remained consultative and transactional in nature, the collective experience of F4JI suggests that robust and active communication is key to soliciting and securing interest of investors, pipelining of service providers and engaging stakeholders for coordinated actions to achieve results. The ICR highlights that the that F4JI build the foundation to test the innovative instruments further in F4J II

112. **PDO Indicator 3 "Number of Feasibility Studies Completed for Job-Focused Private Investments Pipeline" achieved intended target by end of third year and exceeded target by 3 by end of fifth year.** The most evident achievement before MTR is reaching the 5 years target by second year of the project, with securing the much-anticipated first mover deal. Pipelining activities is robust and pervasive with three calls for proposal interests producing some 300 applications. Under F4JI, the PIA has prepared nine SCBAs and investment packages in total with one additional investment deals and SCBA.

113. The combined budget for the SEVEN ACTIVE ICF projects is $6,433,000 with potential to create 2,122 jobs with an average cost per job of US$ 3,032. Private capital mobilization ratio was estimated at 1:5.42 Further updates on the projects' ICF grantees progress are reported in the F4J II progress reports.

Table 4: ICF Grant, Capital Committed, and Capital to Grant Ratio

ICF Beneficiary	**Capital Committed**	**Grant Disbursed/Committed**		**Capital to Grant ratio**
	USD	USD		PERCENTAGE
PRICO Solar Energy at Gaza GIE	2,925,000	2,000,000		1.46
Massader for Natural Resources & Infrastructure Development (Massader)	15,150,000	2,000,000		7.58
Al Dalya for Agricultural Investment (Al Dalya)	3,013,000	303,000		9.94
Fusion's Fixed Broadband Network for Rural Areas Project (Fusion)	4,700,000	800,000		5.88
Afana's Hatchery and Poultry Slaughterhouse Project (Afana)	4,100,000	600,000		6.83
BITC Garden for Agricultural Marketing	2,839,000	330,000		8.60

Al-Forat Agricultural Company	2,160,000	400,000		5.40
	34,887,000	6,433,000		5.42

Source: ICR analysis based on quarterly and annual progress reports.

114. Beneficiaries' interviews revealed almost unanimous consensus of ICF role in incentivizing private sector to commit funds in investments considered otherwise, unfeasible. Interviews also confirmed the feasibility studies role in enhancing the IRR, which ultimately enhanced the feasibility of the investments. Participants also expressed the importance of partnering with F4JI in the Palestinian context to mitigate geopolitical risks associated with securing approvals for importing, or branding the project was co-financed with international funding. The ICR recognizes that such geopolitical risks remain outside the control of implementation arrangements of F4JI.

115. **IRI Indicator 1.1 "Number of Investment-Ready Entrepreneurship Initiatives in the Pipeline for the EE-MG, was achieved from year 1.** By design, the wholesale agreement ensures accessing to IF's pipeline and capitalizing on targeted IF's pipelining activities. Interviews with Ibtikar, Leaders and Flow provided deeper perspective on the nature of the pipelining activities conducted, relevance to the original design of the instrument and the effect of EE-MG on incentivizing the grantees to increase pipelining activities.

116. In 2017, Ibtikar, has screened a total of 79 potential startup companies[22]. From these companies, Ibtikar is considering investing in six (6) new start-ups companies. The grant agreement modification encouraged Ibtikar to consider six additional startups for its pipeline to benefit from the EE-MG. During 2019, Ibtikar screened more than thirty new startups, the most they have in any year to date. From this screening round, Ibtikar is finalized two new investment deals co- investments with current startups.

117. By Definition, Ibtikar is a VC with its independent and perpetual screening activities resulting in shortlisting nearly 30 leads per round of screening, with availability of private equity and existing guidelines and investment protocols and procedures. Leaders is the pioneer business incubator and accelerator with successful track record incubation and acceleration projects in Palestine and MENA. By definition Leaders is funded programs implementer focusing on mobilizing grants to BDS and seed funding. Leader's pipeline is project-based, and its pipelining activities is based, and hence, its funding potential is donor based. Flow is an accelerator specializing in assisting early-stage startups overcome financial and technical barriers to become investment-ready with a future outlook to establish an investment program through regional investors**. The limited evidence collected from the four wholesale agreements, suggests that the EE-MG was capable of pipelining 10 news startups and securing 3-4 new startups per year.**

118. The ICR suggests that while incubators and accelerators are key players in the local ecosystem, and more abundant, their limited/non-existent ability to mobilize private equity or investment funding reduces or diminishes their relevance of their pipelining

[22] Through the acceleration partners (Gaza Sky Geeks (GSG) and Fast Forward (FF))

activities to EE-MG as originally designed under F4JI. Also, the side and age of the startups targeted by incubators does not seem to have been suitable for the EE-MG. The ICR returns this limited ability to the fundamental difference between sources grant-based and investment-based programs. The discussion reveals the significance of private equity definition and eligibility, available private sector -IFs, incubators and accelerators pool of funds, and extended private sector dialogue to the viability and scalability of the EE-MG original designs.

119. **IRI Indicator 2.1 "Legal Formation of the Development Impact Bond (DIB) SPV, was achieved from year 2.** On December 19, 2018, the DIB SPV was registered as a limited liability company (LLC) at the Companies Registrar (Ministry of National Economy). The SPV registered name is Finance for Jobs Consultancy Services LLC. The Funding and Performance Agreement was signed in October 2019.

120. The DIB SPV is formally functioning, the first capital drawdown from investors into the SPV was materialized (SDO and PIF startup capital and all investors made the first loan disbursement of 10 percent). Investors interviews suggest that the board is highly involved in the SUV oversight through regular reporting flow, internal audits regularity of board meeting.

121. **IRI Indicator 2.2 "Number of PA Staff Trained",** was largely achieved. Mr. Shahada and Mr. Fahed Sheikh were nominated by MoF, as technical leads with long track record in working on public reforms, public finance analytics and international cooperation with MoF[23]. During the first period of the project, PIA varied its capacity building activities with coaching and mentoring, documents sharing and participation in workshops and subject-matter trainings. The ICR collected sufficient evidences of participatory capacity building planning, needs assessments and approval by the MoF and WB on an annual basis. The ICR also viewed evidence of rounds of information sessions on SCBA, DIB, M&E and public-private investments. PIA and MoF staff attended the World Bank Social Protection and Jobs Core Courses held at the World Bank's headquarters in Washington, D.C. There is evidence of inviting staff from other ministries and private sector entities, with the conclusion that such participation was aiming for awareness raising and knowledge sharing, rather than building technical skills and competencies.

122. The second period of the project, focused on certified technical courses on SCBA, financial modeling and value for money. While SCBA training was completed, the value for money training was not approved, and the financial modeling course is still to be completed by seven participants from MoF. PIA also recruited two recent graduates as Economic and Finance Interns to creating skills and knowledge that will be available to the MoF beyond the life of F4J project. The PIA shared all knowledge, approaches and methodologies documents with MoF, coupled with informational sessions and specialized trainings with the designated staff. The ICR collected enough evidence of participatory

[23] Mr. Anas Shehadeh is the technical lead for EE-MG and ICF while Mr. Fahed Al-Shaikh DIB technical lead. Mrs. Fairouz Shahrour was MoF counterpart for M&E.

needs assessments and capacity building between PIA and MoF, across the life of the project, suggesting strong correlation between capacity building and needs assessed.

123. With this in mind, interviews with MoF revealed on that job coaching and mentoring, remained below expectations, as it required prolonged engagements from technical specialists at the PIA. The ICR concludes, from F4JI perspective, the combination of informational sessions, Internal project partners deliberations, experts' meetings, and participating in project activities constitutes a sufficient basis for awareness raising, knowledge transfer and to some degree, technical know-how capacity building. The ICR also recognizes the specialized nature of the financial instruments, which will mandate project stakeholders to discuss and consider future orientations towards institutionalization and internalization of this specialized capacity with MoF structures.

124. Ultimately, at closing, the F4JI largely succeeded in delivering capacity building activities to selected technical staff at MoF on technical areas that are critical to the implementation of the financial instruments, particularity ICF and DIB. Although this remains one of the aims of the project, the ICR could not establish a sustainable institutional capacity at MoF. The three financial tools require subject matter expertise in financial modeling, feasibility analysis, and socioeconomic justification, which in turn require specialized and dedicated staff. In an effort to institutionalize this technical expertise within MoF, a proposal was presented by PIA to MoF, which was used as the basis for internal discussion at MoF that materialized into a structuring proposal. The ICR believes that while this review remains pending, the outsourcing external expertise, including existing expertise recruited and mobilized across F4JI, presents a viable and practical alternative to institutionalization.

125. Evidence of utilizing PPAB to enhance private-public sector dialogue remain mixed at best. There is strong evidence the F4J team kept the members involved with project updates and achievements. This was done by regularly sharing with them press releases, project updates and the latest achievements and invitations to key F4JI events. Regularity of the meetings were interrupted, due to COVID 19, which was partially compensated with on-on-one meetings. Meeting's agenda remained focused on updates and achievements and soliciting thoughts on future potential investments as well as ideas for improvement on how F4J interventions are designed. The ICR benefited from attending the last PPAB meeting, which revealed suggestions from members, in particular Ministry of Labor, Ministry of National Economy and Businessmen Association, to discuss the project results and conclude lessons learnt for replication and sustainability of the financial instruments tested. The PIA is committed to continue the PPAB meetings during the life of F4J SOP, which provides a realistic trajectory to strengthen and enhance its work

126. Citizens Engagement was advised to measure for project management. Indicator 3.1 is the percentage of beneficiaries that Feel Project Investments reflected their needs on an annual basis. PIA M&E specialist conducted an annual survey to EE-MG and RRR beneficiaries and reported results to MoF and WB. The average satisfaction rate progressed from 83.25% in 2017 to 88% in 2021. The ICR interviews with the key findings

of the survey, with entrepreneurs highlighting the incentivizing effect of the high grant ceiling and the relevance and importance of the grant to their growth prospects. Interviews with entrepreneurs included suggestions from their perspective, which the ICR believes are worthy for future consideration. The first is the demand to consider direct technical communication with F4JI procurement and FM team on procurement and compliance, and the second is to enhance the predictability of disbursement timelines through procurement planning with IFs.

127. The ICR suggests that the suggested indicator project component does not capture the complexity underneath the third component, in terms of contracts number, prospecting, contracting procedures, due diligence and safeguards, procurement and compliance, capacity building and technical communications. The ICR calculated some 250 BDS contracts under the four wholesale agreements, 9 feasibility studies involving some 150 sophisticated documents (SCBA, E&S, feasibility studies, financial models). The ICR also highlights the importance of other proxy indicators to capture extensive efforts in prospecting, screening, negotiation, technical committees' meetings, project partners deliberations, deals management with investors, and collective efforts in follow up and supervision.

128. The ICR assesses the implementation arrangements suggested **as Satisfactory.** With complete recognition of the learning curves, accommodations and adjustments, the three EE-MG partners to implementations arrangements succeeded in delivering results, and in some indicators exceeding planned indicators. The PIA largely succeeded in implementing the IA, through contractual flexibility, adequate local staffing, localizing knowledge, and extensive follow up with investors and beneficiaries. The ICR collected enough evidence of PIA's consistent attention to deploying previous experiences, accumulated institutional expertise and lessons learnt to F4JI. The ICR also recognized MoF's due care to align the project, with other projects and interventions with the WB and other donors, coupled with enabling efficient and effective project management.

Three key lessons learnt related to project management, that the ICR believes are worthy of considering for future replication. The first is the importance of technical level communication between PIA and MoF for the purposes of addressing enquiries, building congruence and enhancing technical teams' collaboration spirit. The second is the significance of project visibility and ownership to implementing partners strategic plans, intuitional image and developmental goals. The third is the importance of PA staff availability and institutional support to the effectiveness and efficiency of the project management arrangements.

3.3 Efficiency

Rating: Satisfactory.

129. Efficiency is rated satisfactory. F4JI is the first WB project to introduce PIA from the private sector as opposed to PCU within PC or partnering private sector. The project structure in the PAD and POM, was based on the justification that, private sector led implementation arrangements, would support the MoF “as PC” with the current capacity constraints of PA (i.e., lack of resident technical expertise and institutional/ bureaucratic rigidities), which ultimately aims at enhancing delivery effectiveness and transfer knowledge and capacity. As the formal PA Project Counterpart (PC) to the project at the apex of the implementation arrangements, MOF was able to oversee the private sector managed project operations and outcomes with increasing technical and evaluative effectiveness. This supervision proposes additional important justification represented by the need to organize, consolidate and streamline capacity building and institutional infrastructure development around the three financial instruments in specific and the public sector at large.

130. **This reasoning at appraisal is confirmed as largely valid at the closing of the project, with lessons learnt and key recommendations for future replication.** The PIA succeeded in Project Implementation through applying private sector approaches in mobilizing in-house specialists, pool of services providers and subject matter experts towards achieving the designed results under various components. Under ICF, the institutional arrangements allowed PIA to directly solicit applications from end beneficiaries, and hence higher control over transactional processing, pipelining and commitment, and communications. Partnering with the specialized D-Adv to take DIB market was effective in securing and providing technical subject matter expertise to advise blueprints for DIB, structuring the SPV proved to be greatly influenced by investors’ appetite, sentiment and pace, impacting the F4JI timeline and the institutional arrangements efficiency. PIA also entered into four wholesale agreements to deliver results for EE-MG, with only one with was able to deliver robust capital mobilization towards end PDO indicator. Similar to DIB, IFs and VCs availability, timelines, pipelining criteria and sentiment remain limiting factors to both effectiveness and efficiency of institutional arrangements made.

131. Mobilizing private equity proved to be slower than expected with extended timelines, extensive negations and persuasion and meticulous due diligence processes. The combination of these factors affected the efficiency of F4JI, in terms of timeline. This was particularly observed in the DIB design process where negotiations and due diligence stalled for nearly a year a half due to due diligence and requested alterations. Nevertheless, cost per job created remained largely in line with key program assumptions across the three financial. Notably, capital to grants ratios registered some impressive multiple reaching to 1:9.65 exceeding original assumptions. Overall, F4JI was able to mobilize some US$ 8.44 million in private equity and securing the equity commitment for US$ 34.5 million and 1.8 million under ICF and DIB instruments utilizing US 5 million as the overall project budget allocated for F4JI.

132. The varying progression curves of the three instruments represented a key bottleneck for F4JI efficiency, especially in the first period. The slow disbursement rate of EE-MG is particularly evident revisions and reallocations, representing 23% of the total component budget. This not only created a sense of fixation between partners, but also, depressed commitment and disbursement curves in the first three years of the F4JI life. The F4JI model is conceptually and practically based on the ability to deliver effectively and efficiently, which in turn, is organically linked to the ability of each wholesale partner to deliver their respective component. Accordingly, the individual partner underperformance has a direct impact on the rating of achieving the PDO and project efficiency.

133. The project was designed for the PIA operationalize the project along with financial management and procurement. As the project progressed, it was clear that the EE-MG design remained completely dependent on outputs of the partners implementing the wholesale agreements, which in turn had the subject matter expertise and oversight responsibilities over their respective components. This created a *de facto* fourth level that was not anticipated in the original design. Evidence of silo management, interrupted communication, informational and operational gap limited the role of PIA to transactional processing, compliance reporting and coordination.

134. Overall, the PIA planned to deliver the project in two 48-months, which was not possible due to delays in disbursing the EE-MG and COVID 19. Implementation delays led to project implementation being rated Moderately Satisfactory for some time and a 12-month extension to the project became necessary in 2020. However, the overall design was robust enough to allow changes to the implementation arrangements during the MTR that led to a more efficient process during the second period of the project.

135. The review of the procurement plan reveals that the procurement procedures were in line with the standard operating procedures of the Bank for commercial practices, which was practically interpreted through DAI’s own guidelines for procurement and compliance. DAI is an international development company, with long track record in delivering private sector-oriented program and institutionalized mind-set, operating model and work procedures. During the first period of the project, procurement and compliance is one area where this institutionalized approach required additional effort to match with the entrepreneurial mind set, operating model and work dynamics of VC and entrepreneurs. As reported earlier, this additional effort came in the form of simplified procurement guidelines and amendments to EE-MG design which significantly improved disbursement rates in the second period of the project, however, with still long payment processing times extending in some cases to 6 months and beyond. Procurement related ICF beneficiaries and DIB implementation remains out of the scope of this report as they are tracked under F4JII.

136. From MoF and WB side, no objections were mostly secured in a matter of two month at latest, pending the fulfillment of the preparation work, including applications, screening, due diligence, negotiations and contracting as per agreed implementation

arrangements. The MTR noted delay in processing of withdrawal applications during the first period of the project, which was improved during the second period due to enhanced technical communication between PIA specialists and MoF technical coordinators and assigned staff. Notably, and due to the highly technical nature of investment transactions and deals, the timeline preparation and mobilization work for ICF and DIB consumed nearly one and a half year, with active engagement from the PIA, WB and MoF.

137. The technical audits, WB missions, PIA progress reports and IFRs, interviews have confirmed the quality of the delivered activities as well as their utilization. There is an agreement that the F4JI model, with a PIA model, with participatory and responsible implementation of partners, had the institutional capacity and flexibility to overcome public sector institutional and bureaucratic rigidities, with enhanced flexibility to reach out and engage private sector to commit and mobilize private equity, especially institutional investors under ICF and DIB. The experience of F4JI with entrepreneurs and IFs suggests the importance of incentivizing IFs with generous package to commit and mobilize with enhanced technical level reporting and communication to speed up disbursements and enhance its efficiency.

3.4 Justification of Overall Outcome Rating

138. The project had very few shortcomings of substance on any of the dimensions of relevance, impact. The indicators, data, and supporting evidence fully document the project implementation process, its impacts, and the continued relevance of the project objectives. On the dimensions of design, efficiency and effectiveness the F4JI was most of the first three years of implementation rated Moderately Satisfactory on PDO and on Implementation Progress. This was due to the implementation difficulties described in the ICR, slow procurement commitment and disbursement, prolonged delays on getting investors approvals for DIB and limited IFs number and organizational capacity, Silo-style technical communication and transactional nature of follow up. The project was upgraded to satisfactory following the MTR suggesting agreed upon measures to relief the bottlenecks above.

139. The F4JI is an innovative project in **substance and in form**, with steep learning process and absorbing efforts for all involved parties. In substance, it introduced an ambitious three financial innovations aiming to mobilize private equity to actualize investments, otherwise impossible due to market failures in the economic context of WBG. While the language of the PDO brands the whole project, as a test experience, the ICR wishes to note that the test per se, have delivered some impressive results on a PDO and outcomes levels. The ICR wishes also to note that in one of three innovations, F4JI, worked in a complete uncharted area and delivered some highly specialized and complex institutional, legal and financial transaction. The ICF applied some highly specialized approaches and methodologies under F4JI to produce a pipeline with US$ 34.5 million of investments with socio-economic impacts to be implemented later under F4JII. EE-MG on the other hand, while not the first in the country in terms of concept, was the first to work primarily with IFs and have one of highest grant ceilings offered and mobilized US$ 8.44 million. DIB on the other hand, succeeded in committing US$ 1.8 million and establishing the first instrument of its kind in the country.

140. In form, it was the first word bank project to use PIA modality in West Bank and Gaza, as an alternative to PCU which required additional efforts from PIA, MoF and WB to accommodate and adjust. For the Bank it was a question of overcoming public sector rigidities to enhance implementation effectiveness and efficiency while maintain public sector at the apex of the arrangements with supervisory and approval powers as counter party. For MoF it was a pilot project to test innovative approaches and modalities to promote economic growth and generate employability, build resident capacity and expertise within MoF and enhance public-private dialogue. For PIA it was an opportunity to mobilize its national expertise in partnership with the MoF to deliver capacity building and mobilize private equity. The project was designed to bring about new “means and ways” to promote private-sector investments in line with NDPs and succeeded in the end in introducing a private sector delivery model in comparison to public sector delivery model for consideration. The replicability of the model remains hinging upon, introducing further operational and administrative enhancements that would ultimately enhance efficient functionality, stakeholder engagement and resident capacity installed at the level of sub-partners.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Interlinkages to other SOPs, capturing externalities, and public private dialogue

141. The F4JI was designed as a pilot project that laid the foundation for the uptake of new financing instruments that, when implemented in subsequent projects in the SOP series, will make possible improvements in job creation capacity of the Palestinian economy. While reporting the results of F4JII out of scope of this report, the interlinkages are quite evident between the two SOPs, especially on DIB and ICF.

142. The F4JI was able to practically bridge the gap between private rate and social return on investments. When the social value of the investment is factored into the overall investment, there might be a justification for the public sector to support part of the investment or be able to assess the soundness of public-private partnership proposal. was able to assess and measure the value of these social returns - specifically in terms of job creation for the most vulnerable (specifically youth, women and unemployed), of externalities to the society in terms of stabilization (if at a big scale), and of skills development for the labor.

143. F4JI established PPAB as part of its activities to structure a dialogue mechanism. Despite being consultative in nature, key members proposed the designating detailed sessions to pick up the results of F4JI financial instruments and discuss replicability and scaling up potentials. MoF positively replied to the calls which suggests relevant interest from key members to further engage after closing the project. PPAB will continue having bi-annual meeting during F4J SOP.

(b) Institutional Change/Strengthening

144. F4JI worked on building institutional capacity of MoF proposed staff. The focal point for all MoF capacity building activities is Anas Shehadeh, and the proposed MoF team members roles are were assigned as the follows.

Capacity Building Activity	MoF Team Members
Development Impact Bond (DIB) Component	Anas Shehadeh, International Relations and Projects Department - Task Manager Firas Farsakh, Head of Japan Coordination Unit.
Investment Co-Financing Facility (ICF) component - SCBA and Financial Modeling	Anas Shehadeh, International Relations and Projects Department - Task Manager Hedaya Obaid, Finance and Admin Officer. Qais Azmouti, Head of Macro Fiscal Unit. Heba Baker, Finance and Investment Intern. Diana Kanzoua, Finance and Investment Intern.
Monitoring and Evaluation	Sana Abu Halawah, Office Administrator Fairouz Shahrour, Head of World Bank Unit.
Entrepreneurship Ecosystem – Match Grant component	Heba Baker, Finance and Investment Intern. Diana Kanzoua, Finance and Investment Intern.

145. The team went through several rounds of trainings, coaching and mentoring by F4JI local specialists and international experts by D-adv. Some members of team went into 3 certified international courses on financial modeling, negotiations skills, and entrepreneurship essentials.

146. The project established professional local expertise on DIB, SCBA, IVA and financial innovation which can be outsourced/hired for the benefit MoF to conduct highly specialized assignments. The number of experts total 7 including specialists working with PIA and SPV on a project basis.

147. In addition to building individual capacity, F4JI aimed at establishing institutional capacity represented by the proposal to structure specialized unit for public-private project, a proposal that was refined by MoF to be considered as part of future restructuring proposals. PPAB is another mechanism established under the project, with support and leadership from MoF, which has the potential of continuity after the project closes.

148. Taking the SPV to market is another institutional change that have made significant strides under F4JI through international and local cooperation. MoF played critical role in facilitating the incorporation and exempt the SPV from VAT tax on DIB payments, which had an incentivizing effect on international and local investors to commit.

(c) Other Unintended Outcomes and Impacts (positive or negative)

149. The project component 1 has exceeded its capital mobilization indicator by nearly US$ 2.44 million, representing 40% of original indicator planned.

150. The project component 2 has exceeded its target for feasibility studies by 4.

4. Assessment of Risk to Development Outcome

Rating: Moderate

151. The risk that the PA will not continue to promote investment, dialogue with private sector and economic resilience is Low. Institutional capacity and infrastructure remain a persistent need MoF, to absorb, and subsequentially consider replicating the, new financial instruments, to socioeconomic priorities mandated by the national development plans, strategic plans. Evidence also suggests that PA private sector led economic growth and economic resilience remain key thematic areas in the World Bank strategies, and in most of international development agencies agenda. Accordingly, the ICR believes that specialized technical assistance is more likely continue to flow to support MoF to consider the further replication and/or scaling up. The F4JI offered an alternative approach to organize testing the three financial instruments, while in parallel build capacity within MoF, as a regulator, to promote public private partnerships based on incentives and outcome-based metrics.

152. The model scalability and replication rely heavily on obtaining the buy-in from future participating institutions as well as complementarity and harmony of the proposed components. However, there is enough evidence that the F4JI modality will continue to be supported by MOF. There is also evidence of stronger coordinating of targeting and selection across amongst various programs within with demonstrated capability of bringing together a number of public entities around a common program.

153. Further enhancements still remain to be done on the model to gain further acceptance as an efficient and effective alternative to public-sector led modality. This entails strengthening PA ownership of interventions, public sector institutional visibility, bi-lateral technical communication, and to strengthen the institutional sustainability for MoF as a regulator. This coincides with the enhancing institutional linkages between relevant PA institutions and private sector to promote dialogue and public private partnerships.

154. However, the highest risk comes from the overall country context, which remains fragile and unpredictable, given the geopolitical and socioeconomic risks. Aside from the ever-present business and associated sector policy constraints arising from Israeli policies which can intensify and ease in unpredictable ways, there remains also a threat of further political instability that would significantly further limit both PA and private sector capacity to function.

155. Additional High risk to the PDO derives most notably from the current macroeconomic imbalances faced by the PA. On the fiscal side, risks relate to the persistently high fiscal deficit financed mostly through donor grants that have been relatively unpredictable and on a declining path. Also, repeated suspensions of tax revenue payments for taxes collected by the Government of Israel on behalf of the PA and lack of control over public finances and economic management in Gaza significantly add to the risks.

156. While the technical design category risk was originally assessed High, due to innovative nature of the different financial instruments being tested - including the pilot EE-MG project component, the pioneer work required to prepare a currently untested DIB instrument and, the new “jobs-based” cost benefit methodology to be applied to the assessment of private investment initiatives – the experience of F4JI, and its stakeholders led to reassess the risk to Low in line, in line with the very objective of this project to test these instruments and therefore a risk that is accepted as integral to the project rationale.

157. The private sector implementation arrangement succeeded in mitigating against the greater risk assessed for any alternative public sector implementation option. The project ability to recruit specialized expertise that applied experience with the different financial instruments, commencing with the D-Adv, to resident local specialists and outsourced consultants. This enhanced institutional and contractual flexibility is evidently coming at additional cost represented by management fee which amount to 25% of the contract amount. This amount includes fringe and overhead, general and administrative and fixed fee (9%).

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance
(a) Bank Performance in Ensuring Quality at Entry

Rating: Satisfactory

159. Due to the innovative side of the project, the WB assured that lessons learned elsewhere and in the WBG were incorporated and that risks would be mitigated. The Bank conducted extensive lessons learning exercises as part of the preparation process of F4JI, coupled with integrating world-class innovative financial instruments that brought considerable expertise and highly specialized knowledge to the design of the project. With a Bank Team based in the field, the Bank could participate regularly to face-to-face meetings to prepare the project and provide guidance on the finalization of preparatory work. The quality-at-entry was satisfactory.

(b) Quality of Supervision

Rating: Satisfactory

160. Bank Task Team exercised the supervisory role with complete consideration of the implementation agreement between MoF and PIA, and with enough care not create redundant and duplicate vertical and horizontal communication and reporting. was based in the field throughout the project. Supervision missions were regular, and team members were based in both the West Bank and Gaza to assure full implementation support in spite of movement restrictions. During the MTR, site visits were carried out and a thorough review of project activities was assured. Starting at the MTR, the Bank team also adopted regular monthly operational meeting to subprojects in-between missions. The Bank was actively involved in supervising environmental and social safeguards measures implemented by PIA. The Bank also carried out regular and thorough reviews of financial and procurement performance, which resulted in corrective measures being proposed as necessary, combined with additional support and hands-on training.

(c) Justification of Rating for Overall Bank Performance

Rating: Satisfactory

161. The satisfactory performance during preparation and supervision justifies a satisfactory rating of Bank performance.

5.2 Borrower Performance
(a) Government Performance

Rating: Satisfactory

162. The PA was involved in assuring project preparation and appraisal through establishing the institutional arrangements with PIA. This involvement enabled the PIA to take over implementation, upon formal delegation from MoF through an implementation agreement. Similar to the World Bank, the MoF was mandated with mainly supervisory powers and roles through approving results, annual workplans and withdrawal approvals. A team of technical staff was assigned for two essential purposes, the first is supporting the MoF in conducting its supervisory role, while in parallel, establish institutional capacity within MoF to engage private sector and promote public private partnerships.

163. Evidently, F4JI implementation arrangements succeeded in establishing, a precedent in the context of the relationship between WB and PA, which has been based on public sector implementation arrangements. The ICR recognizes MoF's critical role in accommodating the private sector implementation model and enabling PIA to perform its delegated responsibilities. This included alignment of institutional mind-sets, communication styles and work practices between public and private sector work practices and communication styles. MoF was also responsive to consider further tax incentives, flexible commercial procurement procedures to further encourage private sector commit to the three financial instruments. Moreover, MoF played key role in the work of PPAB by facilitating and leading the dialogue and being responsive to suggestions, ideas and scenarios exchanged.

164. With PIA's periodic reporting and communication, MoF played a central role in fulfilling its supervisory duties over implementation, financial management and M&E, in line with the project manual, procurement plan and financial management manuals. The MTR recognized some delay in approving withdrawals applications, which was addressed during the second and third period of the project.

165. MoF had another role under F4JI, as counter party. The ministry benefited from various capacity building activities implemented by PIA, D-Adv and outsourced consultants. The ministry staff also participated in certified courses covering technical skills focusing on financial modeling and financial decision making, needed to exercise judgement and optimize outcome-based decision making. The ICR recognizes the technical specialty of such courses the learning load needed coupled with the time availability requirements, which can be overwhelming given the administrative roles of key MoF key staff.

166. To be able to objectively assess the effectiveness of the capacity building sub-component, the overall purpose behind of the capacity building activity is of key importance. The ICR concludes that trained MoF counter demonstrated a sufficient understanding of the financial instruments, their functionality and applicability. From a public sector point of view, the awareness, knowledge and to some functional degree,

competencies have been successfully transferred and established to key counterparts with high representation with MoF. Further evidence awareness raising have been collected through other PA entities, and private sector members from PPAB. With the in mind, the ICR, believes that the three financial instruments, and associated methodologies and techniques will always remain highly specialized and sophisticated, which is the very nature of financial modelling, socioeconomic analysis and feasibility reporting. For MoF, as a regulator, to exercise educated opinion judgement on feasibility studies, SCBA models, financial models, financial analysis some resident and/or outsourced subject matter expertise is inevitably needed.

167. The ICR recommends careful weighing of the in-house capacity building and institutionalization versus collaborating with outsourced local and international expertise. With the first option mandating committing sustainable resources, institutional structuring of this resident expertise. The second option is contractual by nature, and hence, pending availability of this expertise to be procurement on demand.

(b) Implementing Agencies Performance

Rating: Satisfactory

168. F4J took nearly one year to be effective due to the selection process of the PIA. As per the design of F4JI and the implementation agreement, PIA is responsible for overall management of the project along with a specialized D-Adv, which was secured as part of the implementation agreement. Evidence collected suggests swift and proactive start up to mobilize project management and the specialized D-Adv. Initially, PIA with fully recruited team was able to conduct meetings with targeted audience from private sector to generate interest in partnering to structure and rollout the three financial instruments. PIA brought its strong institutional background and long track record in working with the private sector promotion projects, which includes networking, contracting, supervision, procurement, compliance and financial management to F4JI. Notably, PIA steadily adhered to the designated reporting and communication structure mandated by the implementing agreement.

169. By design, the three financial instruments categorically relied on sub-implementing partners. EE-MG relied on securing wholesale agreements with interested IFs. Similarly, DIB and ICF relied on the highly specialized expertise of the D-Adv to transfer knowledge to the local PIA and SPV teams. Administratively, the PIA had to manage a number of sub-partners with various institutional backgrounds, contractual responsibilities and organizational capacities. Technically, as the project progressed beyond its second year, it was obvious that the PIA remained largely dependent on outputs produced by the implementing partners, which in turn had the subject matter expertise and oversight responsibilities over their respective components. Yet, the quality of follow up, coordination and project management were able to gather the needed momentum to overcome the challenging and diverse nature of sub-components. Evidence also suggests that progress gained further momentum as local knowledge and skills were transferred to PIA, SPV and MoF.

170. F4JI and implementation arrangements relied on securing subject matter expertise inhouse as part of the PIA and MoF, as opposed to technical assistance model. PIA is responsible for coordinating and reporting on the joint progress of implementing partners, while generating sufficient capital commitments from local private sector and international development agencies. The ICR confirms that the PIA, and its implementing partners, eventually succeeded in coordinating and managing the project towards achieving its intended indicators.

171. F4JI diversity and novelty was evidently expected to come with a learning curve for stakeholders involved. The ability of PIA to cope with diversity is equally important to its ability to deliver indicators. While F4JI PDO has branded the project as a test of effectiveness in mobilizing private sector equity, it was also an opportunity to test private sector implementation modality. **On both of the tests the ICR confirms that the test has largely succeeded, after passing a learning curve in the first period of the project, with a some highly relevant lessons learnt.** There is enough evidence that the F4JI modality will continue to be supported by MOF. There is also evidence of stronger coordinating of targeting and selection across amongst various programs within with demonstrated capability of bringing together a number of public entities around a common program.

(c) Justification of Rating for Overall Borrower Performance

Rating: Satisfactory

172. Both the government and implementing agency performance were satisfactory, which warrant an overall satisfactory rating.

6. Lessons Learned

173. The 5 years' F4JI project established a precedent in the context of Bank-PA cooperation in terms of its structure and delivery mode. At its core, F4JI is a technical assistance project, that built on previous public technical assistance projects which concluded that contractual, operational and technical know-how bottlenecks are persistent limitations to delivery of predominantly private sector activities involving multi-stakeholders and multi-sectorial interventions. The modality succeeded, *on a test basis*, in engaging the private sector investors to commit and mobilize equity, contracting required know-how and expertise, and establishing a public-private dialogue mechanism. Achieving this, amidst economic slowdown, low investment sentiment, geopolitical risks and global pandemic, is unequivocally testimonial of the success of the key stakeholders in meeting their obligations under the implementation arrangements.

174. PA remains committed to promote private sector economic growth and economic resilience. The Bank, amongst other donors and development agencies, remain committed to the two thematic areas. F4JI paved the way for the potential replication the model in the future. The ICR concludes that the model scalability and replication rely heavily on obtaining the buy-in from future participating institutions as well as complementarity and harmony of the proposed components. This entails strengthening PA ownership of interventions, public sector institutional visibility, bi-lateral technical communication, and to strengthen the institutional sustainability for MoF as a regulator. This coincides with the enhancing institutional linkages between relevant PA institutions and private sector to promote dialogue and public private partnerships.

175. Efficiency and effectiveness of the model are the other two key stones to scalability. While, F4JI was able to ultimately deliver, evidence suggests that it was able to do so, only after restructuring, extension and external expertise intervention. Mobilizing private equity under DIB proved to be slower than expected with extended timelines, extensive negations and persuasion and meticulous due diligence processes. Corollary, the limited number of IFs, investor slow engagement and slow disbursement were evident under EE-MG instrument. Although the fiduciary requirement has been met, procurement procedures, disbursement delays, and due diligence bottlenecks remain key areas of improvement for enhanced clarity and predictability in the flow of such procedures due to complexity to communication, prolonged approval reviews, and paperwork.

176. Evidently, private sector has demonstrated robust interest to commit and mobilize private equity to investments with socio-economic impacts. Yet, the experience of F4JI suggests that private equity paradigm is distinctively different from grants, in terms of governance and fiduciary requirements, which tends to be typically relaxed in the first. The experience of F4JI suggests, while public-private partnerships can be realistically expected from developmental program with a 5 years' timeline, the experience of F4JI suggests that the private sector applies rigorous investment criteria and demands for generous incentives and assistance including, tax reliefs, geopolitical risks assurance, relaxed fiduciary requirements, and operational costs support.

177. PIA functionality directly impacts F4JI efficiency and effectiveness. The project was designed for the PIA operationalize the project along with financial management and procurement. As the project progressed, it was clear that the EE-MG design remained completely dependent on outputs of the partners implementing the wholesale agreements, which in turn had the subject matter expertise and oversight responsibilities over their respective components. This created *additional* level that was not anticipated in the original design. Evidence of silo management, interrupted communication, informational and operational gap limited the role of PIA's transactional processing, compliance reporting and coordination. To bridge this gap, the ICR calls for enhanced role of PIA in directly assisting beneficiaries in managing compliance requirements per agreed arrangements. The ICR calls WB, MoF and PIA to explore further potentials for flexibility that can be offered under the WB guidelines for commercial practices.

178. F4JI experience confirmed its potential as technical assistance project to build local capacity, subject matter expertise and know-how for the purposes of delivering project results in cooperation with international expertise. Evidence of such significance is abundant and robust across the three financial instruments and the stakeholders involved. ICF relied heavily on local expertise hired, trained and deployed to achieve results. Institutional capacity building is evident under DIB through establishing a local SPV that is staffed with resident local expertise, including especially building expertise around results-based financing instruments. MoF task manager and technical counterparts built resident capacity related to the three financial instruments. Staff trained within PIA, MoF and SPV benefit from access to a database of technical tools, manuals and training material that can be used as reference documents for future use. The ICR calls to open the discussion between project partners on the possible way forward to utilize this local expertise to the benefit or MoF, as a regulator.

7. Annexes

7.1 M&E Framework

F4J PDO: To test the effectiveness of selected financial interventions in incentivizing private sector investment and job creation.													
F4J I PDO Indicators	Baseline	Cumulative Target Values					Cumulative Actual Value					Incremental (YR4 to YR5)	End Target
		YR1 2017	YR2 2018	YR3 2019	YR4 2020	YR5 2021	YR1 2017	YR2 2018	YR3 2019	YR4 2020	YR5 2021		
Private Capital Mobilized (USD, millions) from the EE-MG	0.0	0.0	2.0	4.0	6.0	6.0	1.3	2.78	4.8	6.38	8.44	2.06	6.0
DIB Taken to Market (Structuring of SPV)	N	N	Y	Y	Y	Y	N	N	Y	Y	Y	-	Y
Number of Feasibility Studies Completed for Job-Focused Private Investments Pipeline	0	1	3	5	5	5	1	5	6	7	9	2	5
F4J I Intermediate Results Indicators													
Component 1: Entrepreneurship Ecosystem Matching Grant (EE-MG)													
Number of Investment-Ready Entrepreneurship Initiatives in the Pipeline for the EE-MG	0	5	10	15	15	15	6	12	23	23	30	7	15
Number of firms provided with working capital /COVID bridge grants (Number)	0	0	0	0	10	10	0	0	0	27	27	0	10
Component 2: Lessons Learned and Capacity Building													
Legal Formation of the Development Impact Bond (DIB) SPV	N	N	Y	Y	Y	Y	N	Y	Y	Y	Y	-	Y
Number of PA Staff Trained	0	1	2	4	4	4	2	2	8	8	8	-	4
Number of Briefs/Reports Produced on Lessons Learned from the Project	0.0	1	2	3	4	5	1	2	3	4	5	1	4
Component 3: Project Management													
Citizens Engagement: Beneficiaries that Feel Project Investments Reflected their Needs (percentage %)	0.0	75	80	85	85	85	-	83.25%	85.7%	88%	92%	4%	85%

7.2 List of persons interviewed

World Bank Team	Abed Khatib F4J project Co-team leader E: abedkhatib@worldbank.org M: 0569887887 Jade Elena Garza Ndiaye F4J project Co-team leader E: jndiaye@worldbank.org Stefanie Ridenour Financial Sector Specialist Finance, Competitiveness & Innovation E sridenour@worldbank.org T +1 (202) 473-9685 Maria Ariano E: mariano1@worldbank.org Lina Tutanji, Senior procurement specialist Ala Turshan Procurement specialist
Ministry of Finance Team	Laila Sbaih Eghraib Director General of International Relations & Projects E: slaila@MoF.ps / lsbaih@yahoo.com M: 0599111731 Anas Shahada International Relations and Projects Department Task Manager E: anas.shahada@gmail.com / s.anas@MoF.ps M: 0597946291
Finance for Jobs Team	Mazen Asad F4J Project Manager E: mazen_asad@dai.com M: 0562600211 Nasser Al-Amouri Project Finance and Investment Officer E: Nasser_AlAmuri@dai.com M: 0562 600 213 Maysa Abu Awad Monitoring and Evaluation Specialist

	E: maysa_abuawad@dai.com M: 0599701050 Haneen Qazzaz Procurement & Operations Specialist E: Haneen_Qazzaz@dai.com M: 0562600215 Ramez Azar	Financial Management Specialist E: Ramez_Azar@dai.com M: 0569234407
ICF feasibility studies beneficiaries	Gaza Industrial Estate (GIE) PV Solar Project Palestine Development and Investment, Ltd. (PADICO HOLDING) Mohammed Najjar Director of Infrastructure and Energy Sector E: mnajjar@padico.com M: 0599592935 Seedless Grape Project Al Dalya for Agricultural Investment Mohammed Sawafta Co-Owner E: msawafta2004@yahoo.com M: 0599359102 Schools Rooftop 35MW PV Project Massader for Natural Resources & Infrastructure Development Co. Azem Bishara Chief Executive Officer E: abishara@Massader.ps M: 0569210011 Broadband ISP Infrastructure in Rural Areas of the Gaza Strip; Fusion for Internet and Communication Services Ltd Company Hani Alami Chairman of the Board E: hani@coolnet.ps T: 02-2959933
DIB partners	Finance for Jobs Consulting Services Jalil Hazboun Executive Director, M: 0598907707 / 0569666947 E: hazboun.jalil@f4jconsulting.com Social Finance UK Peter Nicholas

	Director E: Peter.Nicholas@socialfinance.org.uk Independent Verification Agency - Deloitte & Touche (M.E.) LLP Raed Abu El Etham Director E: rabueletham@deloitte.com M: 0599207916 Legal Consulting Agency - ITTQAN Consulting Services MARK G. NESNAS Partner E: mnesnas@ittqanlaw.com T: 022986444 DIB Investors: European Bank for Reconstruction and Development (EBRD) Ait-Kadi, Khadija E: AitKadiK@ebrd.com Palestine Investment Fund (PIF): Ahmad Zeidan E: azeidan@psdf.ps
EE-MG Wholesale agreement partners	Ibtikar Fund Habib Hazzan General Managing Partner E: habib@ibtikarfund.com Ambar Amleh Partner E: ambar@ibtikarfund.com M: 0568501558 Flow for Entrepreneurial Consulting Majd Khalifeh Chief Executive Officer and Chairperson of the Board E: majd.k@flow.ps M: 0562100771 Leaders organization Shadi Atshan Director E: satshan@leaders.ps T: +970 2 2972930
EE_MG Beneficiaries (Startups)	Ibtikar Fund Startups Inggez

	Ali Tazami E: ali@inggez.com M: 0592932368 Beautiful Clothing (kenz) Christina Ganim E: christina@kenzwoman.com M: 0568402139 Tawazon Suna Zoabi Othman E: suna@tawazonapp.com M: 0523236276 360 MoM Dina AbdulMajeed E: dina@360moms.net M: +962 7 99111530 Flow for Entrepreneurial Consulting Startups Eventati Shadi Baker E: shadi.baker@gmail.com M: 0599358822

7.3 Terms of Reference for the Appointment of a Consultant for Implementation Completion Report (ICR)

Terms of Reference
Consulting Services

F4J1 Implementation Completion and Results (ICR) Report

West Bank and Gaza
Finance for Jobs I
Grant No. TF0A1490
Project ID No. P151089

1. Introduction and Background

Finance for Jobs (F4J 1)[24] is a five-year (2017 to 2021) project implemented by DAI Global, LLC (DAI) on behalf of the Ministry of Finance (MoF) and funded by the World Bank (WB). The project has an overarching objective of "mobilizing private investment in high potential sectors and generating job opportunities across the West Bank and Gaza." F4J I was extended for an additional one year ending on January 31, 2022 a total budget of $5,000,000. The F4J I Project has the following three main components:

Component 1: Entrepreneurship Ecosystem Matching Grant (EE-MG): The Entrepreneurship Ecosystem Matching Grant (EE-MG) is a cost-sharing facility targeting early stage investment funds seeking to build a portfolio of investments in start-up and early stage enterprises. The EE-MG was designed to improve the number and quality of investment-ready entrepreneurship initiatives by enhancing the capacity of enterprises to absorb funding from the investment vehicles already in place. The matching grant funds would be used to finance eligible business development services (BDS) for these entrepreneurs on cost sharing basis. Supported EE-MG BDS include an array of production, design, and quality services, marketing/distribution, and other business management support services.

Component 2: Capacity Building and Lessons Learned: The capacity building component includes the following three subcomponents:

Subcomponent 2.1: Building a Pipeline of Job-Focused Private Investments Requiring Financial Enhancements (ICF): This is a risk-sharing grant mechanism that provides financial support to commercially sound, job-creating, private sector investments that may otherwise not be considered viable due to market and institutional failures, and other fragile conflict violent (FCV) risk considerations.

Subcomponent 2.2: Developing the DIB for Skills: The Development Impact Bond (DIB) is an innovative financing model that leverages private sector investment, whereby investors pay in advance for interventions to achieve agreed upon results and work with service delivery

[24] F4J project documents (project appraisal document, grant agreement, results framework, implementation status reports, and other documents), can be found on: https://projects.worldbank.org/en/projects-operations/document-detail/P151089?type=projects . The PIA will provide other required documentation as needed.

organizations to ensure that the results are achieved. Outcome funders make payments to investors if the interventions succeed.

Subcomponent 2.3: Capacity Building to the Palestinian Authority: F4J supports activities that develop the capacity of the MoF, improving its ability to: a) effectively engage with the private sector to collaborate on innovative solutions to job creation; b) better understand market failures and risks of the private sector; and, c) assess, develop, and manage innovative financing instruments tested under the F4J.

Component 3: Project Management: This component covers the overall project implementation, finances, safeguards, monitoring and evaluation (M&E), communications, and technical expertise. The project implementation agent (PIA) is responsible for the management of the EE-MG component, contracting the DIB Advisor and the feasibility study to assess potential job-focused investments, and the provision of capacity building support to the Palestinian Authority (PA). In addition, the PIA is responsible for contracting a specialized third-party independent verification agent (IVA) to assess DIB output and outcome performance against which payments will be made once the DIB is operational, as well as subsequent projects in the series of projects (SOP) receiving financing.

The Project will reach its 5 years operations in January 31, 2022. As per requirement of the World Bank, an Implementation Completion and Results (ICR) Report of the Project need to be prepared. As such, the project PIA intends to hire an individual consultant to carry out the said tasks.

2. Objectives of the Assignment

The F4J Project Implementation Agency (PIA) needs to commence standard project closure procedures and prepare an Implementation Completion and Results (ICR) Report for the F4J I project. The ICR report will cover the entire F4J 1 project period of performance from January 1st, 2017 to January 31st, 2022, using the World Bank's standard format. The overall objective is to assess the project's objectives/achievements, design, implementation, operational experience, and lessons learned.

3. Scope of Work

To fulfill the objectives of this assignment, the Consultant shall work in close cooperation with the PIA, Ministry of Finance (MoF) and project beneficiary institutions and stakeholders; including but not limited to: Ibtikar Fund, Flow for Entrepreneurial consulting, Leaders Organization, Social Finance UK, Development Impact Bond (DIB) Manager, and Investment Financing Facility (ICF) Grants recipients as appropriate to carry out the following tasks:

- 3.1 Summarize the project's purpose and story line
  - 3.1.1 Operational context
  - 3.1.2 Rationale for project operations and approach
  - 3.1.3 Relevance of the project's objectives during from startup to completion / Closedown.
- 3.2 Assess relevance of project objectives, design, and implementation
- 3.3 Assess project's outputs and outcomes against its objectives and results, with focus on:
  - 3.3.1 Providing evidence of achievement of the project's objectives

3.3.2 Providing evidence of the contribution of the supported activities and outputs to the project's development outcomes with indication of lessons learned

3.4 Assess key factors and events pertaining to the World Bank, recipient, co-financiers, other partners, and the external environment during preparation and implementation, that affected performance and outcomes

3.5 Assess project beneficiaries' performance (with emphasis on lessons learned) and impact

3.6 Evaluation of the World Bank's performance

3.7 Evaluation of the Ministry of Finance and the Project Implementation Agency (PIA) performance with emphasis on lessons learned.

3.8 Description of project proposed arrangements for future related operation, if applicable

3.9 The consultant will also support the PIA in: (i) responding to World Bank's requests for information during preparation for the ICR; (ii) participate in the ICR discussions between the World Bank, the PIA, co-financiers and other partners; and (iii) provide comments on the World Bank's draft ICR

The Consultant will be required to review project documentation and literature, including project appraisal documents (PAD), Project Operations Manual (POM), workplans, grant agreements, progress reports, WB project review reports. The Consultant will also conduct field visits, face to face when appropriate, and/or virtual meetings with project stakeholders and beneficiaries. A list of stakeholders and beneficiaries will be furnished.

4. Availability

The Consultant should be available to work starting the first week of July 2021 until January 31, 2022.

5. Duration of the Assignment and expected level of effort:

The consultancy services are expected to be completed within 7 calendar months ending on January 31, 2022. The estimated level of effort is between 40-50 working days. The consultant is expected to start the assignment the first week of July 2021.

6. Contract Type:

Lump Sum

7. Deliverables:

The Consultant shall submit the following reports/deliverables:

- A report outline and action plan (within 2 weeks of signing the contract).
- Inception report by the end of July 2021.
- Advanced draft Implementation Completion and Results (ICR) Report by mid November 2021.
- Final draft Implementation Completion and Results (ICR) Report by January 1, 2022 for review and comments.
- Final Implementation Completion and Results (ICR) Report by January 31, 2022.

The consultant will report, on bi-weekly basis, to F4J Project Manager and related team members on progress made and upcoming tasks.

8. Schedule of Payments

The schedule of payments is specified below:

- Ten percent (10%) of the lump-sum amount shall be paid upon submission of a report outline and action plan acceptable to the PIA.
- Ten percent (10%) upon submission of the inception report acceptable to the PIA.
- Forty percent (40%) of the lump-sum amount shall be paid upon submission of an Advanced draft ICR report acceptable to the PIA.
- Forty percent (40%) of the lump-sum amount shall be paid upon submission of a final ICR report acceptable to the PIA.

9. Qualifications required:

- Bachelor’s degree in business, finance, accounting, or a similar relevant professional degree Required. Preference given to those with post graduate degree from a reputable institution.
- At least 5 years’ experience working with relevant Governmental Institutions, International Organizations, and/or the Private Sector on monitoring and evaluation.
- At least five years’ relevant experience in conducting program evaluations and assessments of project outputs, outcomes, and impact.
- Practical and hands on experience of similar projects in at least one country.
- Excellent communication, presentation and writing and reporting skills.
- Familiarity with World Bank projects evaluation, procurement and financial management processes is a plus.
- Language requirements: Excellent English /Arabic (reading, writing, speaking).
- Familiarity with the F4J I project is also a plus.

10. Project Counterparts:

Mazen Asad
Project Manager
Finance for Jobs

Anas Shehada
MoF Project Manager
Ministry of Finance

7.4 Methodology and Action Plan for ICR Preparation

Action Plan (The first week of July 2021 until January 31, 2022)

Contractually, the assignment is expected to be completed within 7 calendar months ending on January 31, 2022. The estimated level of effort is between 40 working days. The consultant has started the assignment during the first week of July 2021, with agreement to complete the major bulk of field work and analysis in the first half of the period, and continuously update the report and analysis with remaining activities.

Project Phase	Tasks	Activities	Deliverables	Deadline
Phase1: Project Mobilization	**1.1 Assignment Planning & Kick Off**	• Introduction kick-off meetings with representatives of DAI and WB representatives to confirm understating of the ToR and agree on action planning for the assignment. • Collect project documentation and literature, including, but not limited to, project appraisal documents (PAD), Project Operations Manual (POM), workplans, grant agreements, progress reports, lessons learned reports, WB project review reports. • Desk review and analysis of collected information and feedback.	• Desktop Analysis • Approved inception report	31 July 2021
Phase1: Field mission	**1.2 Program Information Gathering**	• Identifying key informants for interviewing at the two levels of beneficiary institutions and direct/indirect stakeholders. • Semi-structured interviews forms, including questions and informational categories. • Receive a list of stakeholders and beneficiaries related to each component partners including progress reports, financial reports, inter-partner communications, minutes of meetings, etc.	• List of interviews • Data collection tools.	31 July 2021

Project Phase	Tasks	Activities	Deliverables	Deadline
	1.3 **Stakeholders' meetings**	• Conducting semi structured interviews with representatives of MoF. • Conducting semi structured interviews with representatives of project beneficiary institutions; including but not limited to: Ibtikar Fund, Flow for Entrepreneurial consulting, and Leaders Organization. • Conducting semi structured interviews with representatives of project stakeholders' institutions, including but not limited to, Social Finance UK Development Impact Bond (DIB) Manager, and Investment Financing Facility (ICF) Grants recipients / potential beneficiaries.	• 10 semi-structured stakeholder interviews (about 8 people whom we work with including trainees and interns) • EEMG: beneficiaries' interviews?) IFs and accelerators and then final recipients of BDS support (startups) • 7 online/ face to face interviews with grants recipients. (They did not receive grants under F4J1; only feasibility studies and SCBA)	31 August 2021

Phase2: Assessment	**2.1 Data analysis**	• Data analysis, cross referencing, benchmarking and conclusions formulation:
		
		  • *Assessment of the objective, design, implementation and operational experience of the Project,*
		
		  • *Assessment of the project's (F4JI) outcomes/impacts against the agreed PDO and results indicators,*
		
		  • *Evaluation of key stakeholder's own performance,*
			• Presentation of preliminary conclusions	30 September 2021

Project Phase	Tasks	Activities	Deliverables	Deadline
		• *Evaluation of the performance of the Bank, MoF and PIA.* • Formulating conclusions related to project Impacts, outcomes and lessons learnt on: • *Completion status and progress tracking per component and sub-component,* • *Projects overall relevance to context, stakeholders and subsequent interventions,* • *Project implementation (timeline and budget) and communication arrangements.* • At the end of the analysis, the ICR consultant will meet with DAI and WB (in accordance with preferred arrangements) in order to restitute the first conclusions.		
	2.2 Draft ICR report	• Draft ICR will be sent to DAI/WB for feedback and comments. • Build common understanding and agreement on the feedback received and update the ICR report with feedback accordingly.	• Approved Draft ICR report	30 October 2021
Phase 3: Reporting and Finalization	**3.1 Finalization**	• During the remaining of the assignment period, receive periodic updates from DAI and update the draft report as the project progresses to closure. • Add the final observations and feedback to the final ICR report.	• Periodic updates • Final ICR Report	1- November 2021- 31 January 2022