

Country Name	<b>The project for institutional strengthening of PIEFZA for the agro-industrial park in Jericho</b>
Palestine	<b>Project for Strengthening Incentive Service and Management Function for Jericho Agro-Industrial Park</b>

## I. Project Outline

Background	<p>Economic development of the Palestinian Authority (PA) was hindered by its inadequate economic infrastructure and the trade structure that was overly dependent on the Israeli market. The growth of the private manufacturing sector was severely stagnant. The Palestinian economy needed to develop value-added products and to cultivate overseas markets, but there was much room for improvement for concrete policies, institutions, or infrastructure to develop manufacturing and to promote trade and investment. Industrial parks had attracted attention in PA because of their potential not only to develop infrastructure and business but also to create employment and improve investment environment.</p> <p>JICA “Project on Institutional Strengthening for Industrial Park Development in the West Bank” (2010-2013) strengthened the capacity of Palestinian Industrial Estates and Free Zones Authority (PIEFZA) to develop Jericho Agro Industrial Park (JAIP). The following phase “Project for Strengthening Incentive Service and Management Function for Jericho Agro-Industrial Park” (2013-2016) was implemented to further strengthen the management of JAIP in a more concrete manner.</p>																						
Objectives of the Project	<p>Through strengthening the function of PIEFZA in management and provision of incentive services to its tenants, the project aims at the establishment of good management of JAIP, thereby contributing to the expansion of the economic activities in JAIP.</p> <p>&lt;Project on Institutional Strengthening for Industrial Park Development in the West Bank&gt; (hereinafter referred to as Phase I)</p> <p>1. Overall Goal: Trade, investment and economic activities in the West Bank are promoted through development of industrial parks.</p> <p>2. Project Purpose: To enhance the capabilities of PIEFZA for smooth and effective development of industrial parks, in particular Jericho Agro-Industrial Park (JAIP).</p> <p>&lt;Project for Strengthening Incentive Service and Management Function for Jericho Agro-Industrial Park&gt; (hereinafter referred to as Phase II)</p> <p>1. Overall Goal: The economic activities in JAIP are expanded.</p> <p>2. Project Purpose: JAIP is well-managed by strengthening the functions of PIEFZA to provide incentive services to tenants in JAIP and to operate and manage JAIP.</p>																						
Activities of the Project	<p>1. Project Site: Jericho, Ramallah, Al-Bireh</p> <p>2. Main Activities:</p> <p>&lt;Phase I&gt; To define the roles and functions of PIEFZA to manage JAIP and to develop business plan of JAIP.</p> <p>&lt;Phase II&gt; To strengthen capacity of PIEFZA in One-Stop-Service (OSS), business development services (BDS), financial services and management of JAIP.</p> <p>3. Inputs (to carry out above activities)</p> <table border="0"> <tr> <td>Japanese Side</td> <td>Palestinian Side</td> </tr> <tr> <td>&lt;Phase I&gt; *As of project completion</td> <td>&lt;Phase I&gt;*As of terminal evaluation</td> </tr> <tr> <td>1) Experts: 3 persons</td> <td>1) Staff allocated: 8 persons</td> </tr> <tr> <td>2) Training in the third country: Seven counterparts in total participated in study tours in Vietnam, Indonesia and Malaysia</td> <td>2) Land and facilities: Project office, office equipment</td> </tr> <tr> <td>3) Equipment: presentation equipment (video, screen)</td> <td>3) Operation cost</td> </tr> <tr> <td>4) Operation cost</td> <td></td> </tr> <tr> <td>&lt;Phase II&gt; * As of project completion</td> <td>&lt;Phase II&gt; * As of project completion</td> </tr> <tr> <td>1) Experts: 15 persons</td> <td>1) Staff allocated: 33 persons</td> </tr> <tr> <td>2) Equipment: computers, printer, etc.</td> <td>2) Land and facilities: Project office, office equipment</td> </tr> <tr> <td>3) Operation cost</td> <td>3) Operation cost</td> </tr> </table>			Japanese Side	Palestinian Side	<Phase I> *As of project completion	<Phase I>*As of terminal evaluation	1) Experts: 3 persons	1) Staff allocated: 8 persons	2) Training in the third country: Seven counterparts in total participated in study tours in Vietnam, Indonesia and Malaysia	2) Land and facilities: Project office, office equipment	3) Equipment: presentation equipment (video, screen)	3) Operation cost	4) Operation cost		<Phase II> * As of project completion	<Phase II> * As of project completion	1) Experts: 15 persons	1) Staff allocated: 33 persons	2) Equipment: computers, printer, etc.	2) Land and facilities: Project office, office equipment	3) Operation cost	3) Operation cost
Japanese Side	Palestinian Side																						
<Phase I> *As of project completion	<Phase I>*As of terminal evaluation																						
1) Experts: 3 persons	1) Staff allocated: 8 persons																						
2) Training in the third country: Seven counterparts in total participated in study tours in Vietnam, Indonesia and Malaysia	2) Land and facilities: Project office, office equipment																						
3) Equipment: presentation equipment (video, screen)	3) Operation cost																						
4) Operation cost																							
<Phase II> * As of project completion	<Phase II> * As of project completion																						
1) Experts: 15 persons	1) Staff allocated: 33 persons																						
2) Equipment: computers, printer, etc.	2) Land and facilities: Project office, office equipment																						
3) Operation cost	3) Operation cost																						
Project Period	<p>&lt;Phase I&gt; (ex-ante) September 2010-March 2012 (actual) September 2010-March 2013</p> <p>&lt;Phase II&gt; (ex-ante) December 2013-November 2016 (actual) December 2013-July 2018</p>	Project Cost	<p>&lt;Phase I&gt; (ex-ante) 277 million yen (actual) 262 million yen</p> <p>&lt;Phase II&gt; (ex-ante) 362 million yen (actual) 638 million yen</p>																				
Implementing Agency	Palestinian Industrial Estates and Free Zones Authority (PIEFZA)																						
Cooperation Agency in Japan	Padeco Co., Ltd.																						

## II. Result of the Evaluation

### <Special Perspectives Considered in the Ex-Post Evaluation>

- Phase I and Phase II are evaluated as a package and the Project Purpose and Overall Goal indicators of Phase II are used to analyze Effectiveness and Impact. Phase I was preparation stage aiming to strengthen capacity of PIEFZA for development of JAIP, and Phase II focused on actual operation of JAIP, and what Phase I aimed at are substantially included in those of Phase II. The Overall Goal of

Phase I “Trade, investment and economic activities in the West Bank are promoted through development of industrial parks” seems to cover other industrial parks as well, but it would be reasonable to focus on JAIP in this ex-post evaluation, considering the scope of works of two phases.

- PIEFZA and Palestine Investment Promotion Agency (PIPA) merged, and Investment Promotion and Industrial Estate Agency (IPIEA) was established in April 2021.

After Phase II, JICA has been implementing technical cooperation “Industrial Promotion Project” (March 2019-March 2023) to support IPIEA and the developer (Jericho Agro-Industrial Park Co.: JAIP Co.). Some activities of the ongoing project are similar to the activities of Phase II. This evaluation results may be influenced by the ongoing project, especially the business plan review for the developer.

## 1 Relevance/Coherence

### [Relevance]

<Consistency with the Development Policy of Palestine at the Time of Ex-Ante Evaluation >

This project was consistent with the Palestinian Development Plan (2011-2013) at the time of ex-ante evaluation, which identified "elimination of dependence on the Israeli economy," "improvement of the investment environment," and "development of public and private sector entities to manage the national economy" as objectives in the private sector.

<Consistency with the Development Needs of Palestine at the Time of Ex-Ante Evaluation >

This project was consistent with the development needs of Palestine at the time of ex-ante evaluation as mentioned in “Background” above. Industrial parks were expected for the development of infrastructure and business, creation of employment, and improvement of investment environment.

<Appropriateness of Project Design/Approach>

The project design/approach was appropriate. No problem attributed to the project design/approach was confirmed.

<Evaluation Result>

In light of the above, the relevance of the project is ③<sup>1</sup>.

### [Coherence]

<Consistency with Japan’s ODA Policy at the Time of Ex-Ante Evaluation>

The project was consistent with the Japan’s ODA policy to Palestine at the time of ex-ante evaluation. “Corridor for Peace and Prosperity” Initiative (2006) is Japan’s mid-and long-term effort to support the coexistence and co-prosperity of the Israelis and the Palestinians. As for phase 1, it aims to promote economic and social development in Jericho and the Jordan Valley area through regional cooperation among Palestine, Israel, Jordan and Japan. As for phase 2, in the National Assistance Policy for the Palestinian Territories (2012), one of the key objectives (medium-term objectives) is to “promote sustainable economic growth”, which states that “through the construction of the Jericho Agro-Industrial Processing Park (JAIP), we will support the development of the supporting agro-industry and the promotion of small and medium-sized enterprises, and we will also develop tourism in the area”.

<Collaboration/Coordination with other JICA’s interventions>

The result of “Feasibility study on Agro-Industrial Park Development in the Jordan River Rift Valley” (Phase I and II) (2007-2009) was taken into consideration during the formulation of Phase I as expected. The collaboration/coordination between the project and JICA technical cooperation “Project for Business Development Service (BDS) Enhancement for MSMEs” (2013-2016) was planned at the time of ex-ante evaluation, and such collaboration/coordination has brought moderate achievement till now.

This project collaborated with the JICA Grant Aid “Jericho Wastewater Collection, Treatment System and Reuse Project” (G/A 2011) and contributed to improving the quality of wastewater produced in JAIP at Jericho wastewater treatment plant.

<Cooperation with other institutions/ Coordination with international framework>

The cooperation with France which was intended at the ex-ante evaluation were confirmed. In addition, donors’ working group meetings with Germany, France, UK, USA, Canada, Netherland, EU, and World Bank were conducted to support private sector development, support for entrepreneurs and SMEs, capacity development of MONE, development of industrial parks. Several concerted efforts were confirmed, such as a joint statement of major donors to the Ministry of National Economy (MONE), at the time of ex-post evaluation.

<Evaluation Result>

In light of the above, the coherence of the project is ③.

### [Evaluation Result of Relevance/Coherence]

In the light above, the relevance/coherence of the project is ③.

## 2 Effectiveness/Impact

<Status of Achievement of the Project Purpose at the Time of Project Completion>

At the time of project completion, the Project Purpose was partially achieved.

Out of three indicators, one was achieved, one was partially achieved and one was not achieved. The occupancy ratio of the Stage I<sup>2</sup> of JAIP by the Lease Agreement (LA) tenants exceeded the target (Indicator 1). Ratio of tenants who perceived that the received services were beneficial for their business activities was 56.3% at the final survey in May 2018 and it did not achieve the target (Indicator 2). Ratio of stakeholders who acknowledged PIEFZA’s improvement in JAIP’s management was 56.4% (LA tenants) and 75.7% (developer and other stakeholders), and it was partially achieved (Indicator 3). The degree of satisfaction with services showed a decline because the tenants had more complex challenges in the later stage and services did not fully meet their demand.

<Continuation Status of Project Effects at the Time of Ex-Post Evaluation>

By the time of the ex-post evaluation, the project effects have been continued and further developed.

Three indicators were achieved. The occupancy ratio of the Stage I of JAIP by the LA tenants was 100% (Indicator 1), while not all slots are operating as indicated in the table below. Ratio of surveyed tenants who perceived that the received services were beneficial for their business activities was 100% (Indicator 2). Ratio of surveyed tenants who acknowledged IPIEA’s improvement in JAIP’s management was

<sup>1</sup> ④ : very high, ③ : high, ② : moderately low, ① : low \* To be the same afterwards.

<sup>2</sup> JAIP is consisted of three stages: Stage I (19.4ha), Stage II (42.1ha) and Stage III (50ha). The JICA technical cooperation projects supported the development of Stage I.

75% (Indicator 3).

<Status of Achievement of the Overall Goal at the Time of Ex-Post Evaluation>

At the time of ex-post evaluation, the Overall Goal has been mostly achieved as planned.

Out of four indicators, one was partially achieved and three were achieved. The number of employment were achieved the target (Indicator 1 and 2). Total investment at JAIP was 125,709,200 USD and exceeded the target, but contribution to GDP by private investment at JAIP did not exceed the target and it was 72% of the target (Indicator 3). Some businesses are still in the preparation stage, and some are not operating due to financial problem mainly due to the impact of COVID19. All 27 tenants (100%) are registered as tax payer properly and it achieved the target (Indicator 4).

<Other Impacts at the Time of Ex-Post Evaluation>

- JAIP stimulates the local economy as the tenants buy materials from the local market and pay electricity and water fees to Jericho.
- This project collaborated with the JICA Grant Aid project of “Jericho Wastewater Collection, Treatment System and Reuse Project” and contributed to ensuring the quality of wastewater produced in JAIP at Jericho wastewater treatment plant.
- Employment was created also to socially vulnerable people/groups, and most of the employees in the project are females.

<Evaluation Result>

In light of the above, the effectiveness/impact of the project is ③.

Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results	Source																						
(Project Purpose) JAIP is well-managed by strengthening the function of PIEFZA to provide incentive services to tenants in JAIP and to operate and manage JAIP	Phase II Indicator 1: The occupancy ratio of the Stage I of JAIP by the tenants with lease agreements exceeds 85%.	<p>Status of the Achievement (Status of the Continuation): Achieved (continued and further developed) (Project Completion) Occupancy ratio among 34 LA tenants</p> <table border="1" data-bbox="576 705 1270 801"> <tr> <td>2015/8</td> <td>2016/2</td> <td>2016/8</td> <td>2017/2</td> <td>2017/7</td> <td>2017/11</td> <td>2018/5</td> </tr> <tr> <td>44.5%</td> <td>54.7%</td> <td>65.7%</td> <td>84.4%</td> <td>84.4%</td> <td>84.4%</td> <td>87.3%</td> </tr> </table> <p>(Ex-Post Evaluation) Occupancy ratio among the LA tenants</p> <table border="1" data-bbox="576 891 1284 958"> <tr> <td>2019</td> <td>2020</td> <td>2021</td> <td>2022 (as of October)</td> </tr> <tr> <td>84%</td> <td>90%</td> <td>100%</td> <td>100%</td> </tr> </table> <p>All of the 42 slots of JAIP Stage I are leased as of November 2022. All tenants own valid operation license. Among which: · 26 slots: operating · 10 slots: seasonal operating or not operating · 6 slots: preparing</p>	2015/8	2016/2	2016/8	2017/2	2017/7	2017/11	2018/5	44.5%	54.7%	65.7%	84.4%	84.4%	84.4%	87.3%	2019	2020	2021	2022 (as of October)	84%	90%	100%	100%	source : Project final report, developer
2015/8	2016/2	2016/8	2017/2	2017/7	2017/11	2018/5																			
44.5%	54.7%	65.7%	84.4%	84.4%	84.4%	87.3%																			
2019	2020	2021	2022 (as of October)																						
84%	90%	100%	100%																						
	Phase II Indicator 2: Ratio of tenants who perceive that the received services were beneficial for their business activities exceeds 75%.	<p>Status of the Achievement (Status of the Continuation): Partially achieved (continued and further developed) (Project Completion) Ratio of tenants who perceive that the received services were beneficial for their business activities (Final: May 2018): 56.3%</p> <table border="1" data-bbox="576 1339 1270 1435"> <tr> <td>2015/8</td> <td>2016/2</td> <td>2016/8</td> <td>2017/2</td> <td>2017/7</td> <td>2017/11</td> <td>2018/5</td> </tr> <tr> <td>71.0%</td> <td>71.0%</td> <td>57.9%</td> <td>57.9%</td> <td>57.9%</td> <td>56.3%</td> <td>56.3%</td> </tr> </table> <p>The degree of satisfaction dropped in 2016. According to the project, satisfaction level with OSS and BDS activities showed a decline because these activities in the earlier stage was focused on the support of starting up business and satisfaction level was high, but at the later stage, the tenants already had full-scale production activities and had more complex challenges, and OSS and BDS did not fully meet their demand. BDS activities were supposed to be implemented by the developer (JAIP Co.), but it did only little activities and PIEFZA acted on behalf of them. Tenants did not appreciate the developer very much. (Ex-Post Evaluation) All tenants (100%) surveyed in the ex-post evaluation perceived the services (water, electricity, wastewater, security, OSS, solid waste management) were beneficial. For example, the reduction of electricity bill from 2021 is very beneficial for tenants.</p>	2015/8	2016/2	2016/8	2017/2	2017/7	2017/11	2018/5	71.0%	71.0%	57.9%	57.9%	57.9%	56.3%	56.3%	source : Project final report, IPIEA, tenants								
2015/8	2016/2	2016/8	2017/2	2017/7	2017/11	2018/5																			
71.0%	71.0%	57.9%	57.9%	57.9%	56.3%	56.3%																			
	Phase II Indicator 3: Ratio of stakeholders who acknowledges PIEFZA’s improvement in JAIP’s management exceeds 75%.	<p>Status of the Achievement (Status of the Continuation): Partially achieved (continued) (Project Completion) Ratio of stakeholders who acknowledges PIEFZA’s improvement in JAIP’s management (Final: May 2018): LA tenants: 56.4% Developer &amp; other stakeholders: 75.7%</p>	source : Project final report, survey of tenants																						

		<p>LA tenants</p> <table border="1"> <tr> <td>2015/8</td> <td>2016/2</td> <td>2016/8</td> <td>2017/2</td> <td>2017/7</td> <td>2017/11</td> <td>2018/5</td> </tr> <tr> <td>50.0%</td> <td>50.0%</td> <td>68.4%</td> <td>68.4%</td> <td>68.4%</td> <td>56.4%</td> <td>56.4%</td> </tr> </table> <p>The reasons of the decline were likely to be the same as Indicator 2 above.</p> <p>(Ex-Post Evaluation) Among the eight stakeholders (tenants and the developer) surveyed, six (75%) were positive about the improvement of IPIEA's management.</p> <p>Positive: Some improvement in tenants' relation and management. IPIEA used to consider the non-operating tenants as bad or fail, but now they reconsider the status of some tenants and recognizes that some tenants are good. IPIEA manager's capacity in solving problems improved. For example, when a tenant company faced unstable electricity distribution, the manager supported until the problem was solved.</p> <p>Negative: Improvement is not seen in IPIEA's management in comparison with PIEFZA's, for example, support for tenants. Delay of utilization of newly-installed PVs.</p>	2015/8	2016/2	2016/8	2017/2	2017/7	2017/11	2018/5	50.0%	50.0%	68.4%	68.4%	68.4%	56.4%	56.4%		
2015/8	2016/2	2016/8	2017/2	2017/7	2017/11	2018/5												
50.0%	50.0%	68.4%	68.4%	68.4%	56.4%	56.4%												
<p>(Overall Goal) The economic activities in JAIP are expanded.</p>	<p>Phase II Overall Goal Indicator 1 Number of employment in JAIP exceeds 1,000.</p>	<p>(Ex-Post Evaluation) Achieved beyond the plan</p> <table border="1"> <thead> <tr> <th>Year 2022</th> <th>Number of employees of JAIP</th> <th>(of which) Number of employees from Jericho Governorate</th> </tr> </thead> <tbody> <tr> <td>Constant employees</td> <td>428</td> <td>152</td> </tr> <tr> <td>Seasonal employees</td> <td>58</td> <td>50</td> </tr> <tr> <td>Indirect employees (estimated)</td> <td>560</td> <td>248</td> </tr> <tr> <td>Total</td> <td>1,046</td> <td>450</td> </tr> </tbody> </table>	Year 2022	Number of employees of JAIP	(of which) Number of employees from Jericho Governorate	Constant employees	428	152	Seasonal employees	58	50	Indirect employees (estimated)	560	248	Total	1,046	450	<p>source : IPIEA, developer, tenants</p>
Year 2022	Number of employees of JAIP	(of which) Number of employees from Jericho Governorate																
Constant employees	428	152																
Seasonal employees	58	50																
Indirect employees (estimated)	560	248																
Total	1,046	450																
	<p>Phase II Overall Goal Indicator 2 Number of employment in JAIP originated from Jericho Governorate exceeds 250.</p>	<p>(Ex-Post Evaluation) Achieved beyond the plan Please see Indicator 1 above.</p>	<p>source : IPIEA, developer, tenants</p>															
	<p>Phase II Overall Goal Indicator 3 1) Investment amount in the stage I exceeds 50 million USD. 2) Contribution to GDP by private investment exceeds 0.8%.</p>	<p>(Ex-Post Evaluation) Mostly achieved as planned 1) (Achieved) Total investment at JAIP exceeds 50 million USD. It equals 125,709,200 USD. 2) (more than 70% achieved) Private investment amount at JAIP did not exceed 0.8% of GDP.</p> <p>Table 1. Investment amount (Total. Unit: USD)</p> <table border="1"> <thead> <tr> <th>a) Investment of tenants</th> <th>b) Investment of the developer</th> <th>c) Investment of others (Japan)</th> <th>d) Total</th> </tr> </thead> <tbody> <tr> <td>95,529,200</td> <td>8,500,000</td> <td>21,680,000</td> <td>125,709,200</td> </tr> </tbody> </table> <p>Table 2: GDP and share</p> <table border="1"> <thead> <tr> <th>e) GDP of Palestine in 2021</th> <th>f) private investment of JAIP</th> <th>g) Contribution to GDP</th> </tr> </thead> <tbody> <tr> <td>18.037 b USD</td> <td>104,029,200 USD</td> <td>0.58%</td> </tr> </tbody> </table>	a) Investment of tenants	b) Investment of the developer	c) Investment of others (Japan)	d) Total	95,529,200	8,500,000	21,680,000	125,709,200	e) GDP of Palestine in 2021	f) private investment of JAIP	g) Contribution to GDP	18.037 b USD	104,029,200 USD	0.58%	<p>source : IPIEA, developer and tenants</p>	
a) Investment of tenants	b) Investment of the developer	c) Investment of others (Japan)	d) Total															
95,529,200	8,500,000	21,680,000	125,709,200															
e) GDP of Palestine in 2021	f) private investment of JAIP	g) Contribution to GDP																
18.037 b USD	104,029,200 USD	0.58%																
	<p>Phase II Overall Goal Indicator 4 Cooperate tax payer through JAIP to PA exceeds 85% of LA companies.</p>	<p>(Ex-Post Evaluation) Achieved beyond the plan All tenants (100%) are registered as tax payer properly.</p>	<p>source: IPIEA</p>															

The project cost exceeded the plan (the ratio against the plan: 141%) and the project period considerably exceeded the plan (the ratio against the plan: 156%).

In Phase I, the project was extended for one year due to the delay of the concession agreement between PIEFZA and the developer. In Phase 2, based on the recommendation of the terminal evaluation in 2016, the project period was extended up to 31 July 2018 (first extension decided: Feb. 2017, second extension decided: Jan.2018). Outputs and Project Purpose relating to management services to the tenants that were not achieved by the time of terminal evaluation were expected to be achieved in the extended period. The project cost increased to cover human resources and activities in the extended period.

Outputs were produced as planned.

In the light above, the efficiency of the project is ①.

#### 4 Sustainability

##### <Policy Aspect>

There is a strongly-committed strategy for the industrial development and investment. “National Policy Agenda 2017-2022” clearly states the plan and invest in strategic infrastructure for industrial parks as a major policy intervention. And its updated policy “National Development Plan 2021-2023” mentions Jordan Valley as an area to help capitalize on available opportunities under its Territorial development approach. It is elaborated in detailed Action Plans in “Empowering the Palestinian Economy: Facilitating Trade through the King Hussein Bridge” (June 2022), which outlines action to be taken at quarterly-basis up to 2025, with JAIP mentioned.

##### <Institutional/Organizational Aspect>

IPIEA is responsible for the management of JAIP and for the continuation of the project effects. The current organizational structure of IPIEA after merging PIEFZA and PIPA is practically functioning while it needs to be endorsed by cabinet. The OSS structure needs representatives from Ministry of Finance, Ministry of Health, and others. IPIEA and the developer still need human resources (observers, secretaries, archiving and others), in addition to the staff working with the developer to monitor, maintain and operate all the facilities, services and infrastructure of the industrial park.

##### <Technical Aspect>

A brochure for JAIP, a manual for the OSS and O&M reports templates were prepared. The skills that were given and respected during the project have been preserved such as the OSS guide.

##### <Financial Aspect>

IPIEA was supported by other financial sources such as Representative office of Japan to Palestine (ROJ), who was financing the implementation of the off-site infrastructure on behalf of the implementation Agency. The European Union and ROJ supported some tenants by the financial grant called “PRIDE (Partnership for Regional Investment, Development and Employment)”.

##### <Environmental and Social Aspect>

Wastewater management measures were developed at JAIP. A series of steps have been taken to control the process of pumping the wastewater to Jericho Wastewater Treatment Plant, especially for the wastewater quality to meet the accepted specifications. The establishment of the primary treatment plant has been suggested by JICA for the improvement of the quality of wastewater. Also, for collecting the solid waste at JAIP, some coordination was done in support of the project with the joint service council (JSC) to use the authorized dumping sites for solid waste collected at JAIP.

##### <Evaluation Result>

In light of the above, slight problems have been observed in terms of the institutional/organizational aspects of the implementing agency, while the sustainability from the other aspects are positive with a strongly commitment by the Palestinian Authority. Therefore, the sustainability of the project effects is ③.

#### 5 Summary of the Evaluation

The project partially achieved the Project Purpose (JAIP is well-managed by strengthening the functions of PIEFZA to provide incentive services to tenants in JAIP and to operate and manage JAIP) and achieved the Overall Goal (The economic activities in JAIP are expanded) beyond the plan. After the project completion, project effects have been continued and further developed. The project cost and period exceeded the plan. Some problems have been observed in terms of the institutional/operational aspects of sustainability, but there is a strong commitment of PA's policy to industrial development and investment.

Considering all of the above points, this project is evaluated to be satisfactory.

### III. Non-score Items

#### Adaption and Contribution:

- JICA Palestine office provided a special support to the implementation agency, including trouble shooting in need for technical facilitation, COVID-19 response (by a follow-up project; Follow up cooperation for training on “Special Economic Zone (SEZ) and Industrial Zone (IZ) Development for promoting Foreign Direct Investment (A)”), challenging discussion among the developer, government and tenants. They attended all the WG meetings between PIEFZA/IPIEA and developers on JAIP operations and facilitated reaching a solution among several parties when needed.

#### Additionality and Creative Values:

- Japan's knowledge and experiences: unique industry of date powder; mobilization of private funds; mobilization of ROJ investment at JAIP (technical input for deep water well, solar panels, water pipeline (connecting Mekorote water to JAIP), wastewater treatment plant, PRIDE (Partnership for Regional Investment, Development and Employment) grant, ICT center, etc.).
- Co-creation (Collection of knowledge and resource): Special Economic Zone (SEZ) and Industrial Zone (IZ) Development for Promoting Foreign Direct Investment
- Innovation: OSS concept and manuals; attending some global industrial seminars; technical input for design of ICT center

### IV. Recommendations & Lessons Learned

Recommendations for Implementing Agency:

[IPIEA]

- To create and provide a comprehensive incentive package which is competitive to the regional Industrial parks, would have a significant influence in attracting investments.
- To develop more-timely and customer-friendly procedure for issuing license including manual for issuing the license, list of all documents and actions needed for issuing the license, and notification to tenants about the expiry date of the specific license which could enhance the tenants' commitment to renew the licenses. A computerized system needs to be implemented to streamline the management procedures and improve efficiency.

[IPIEA (regulator), developer (on-site operator) and tenants (investors)]

- To develop a trouble shooting mechanism for the management of industrial zone.
- To consider internal management of solid waste in JAIP, such as customized waste management solutions.

Lessons Learned for JICA:

- Importance of several possible scenarios for the project implementation in a conflict-affected area/country, for not causing unexpected increase of expenditure and extension of period.
- In Industrial Estate, there is wide variety of stakeholders, namely government organizations, operation and maintenance companies, factories, utilities service providers. It may be difficult for Palestinian organization to operate and maintain the Industrial Estate smoothly and efficiently because of the lack of experience. For improvement of their capacity, Experts should have shared the knowledge from other Industrial Estates more properly and studied the measures in the viewpoint of competitiveness at the implementation stage of the project.



(Tenant) Barhoom Sons, Furniture Manufacture



Working Group meeting at JAIP (2022)