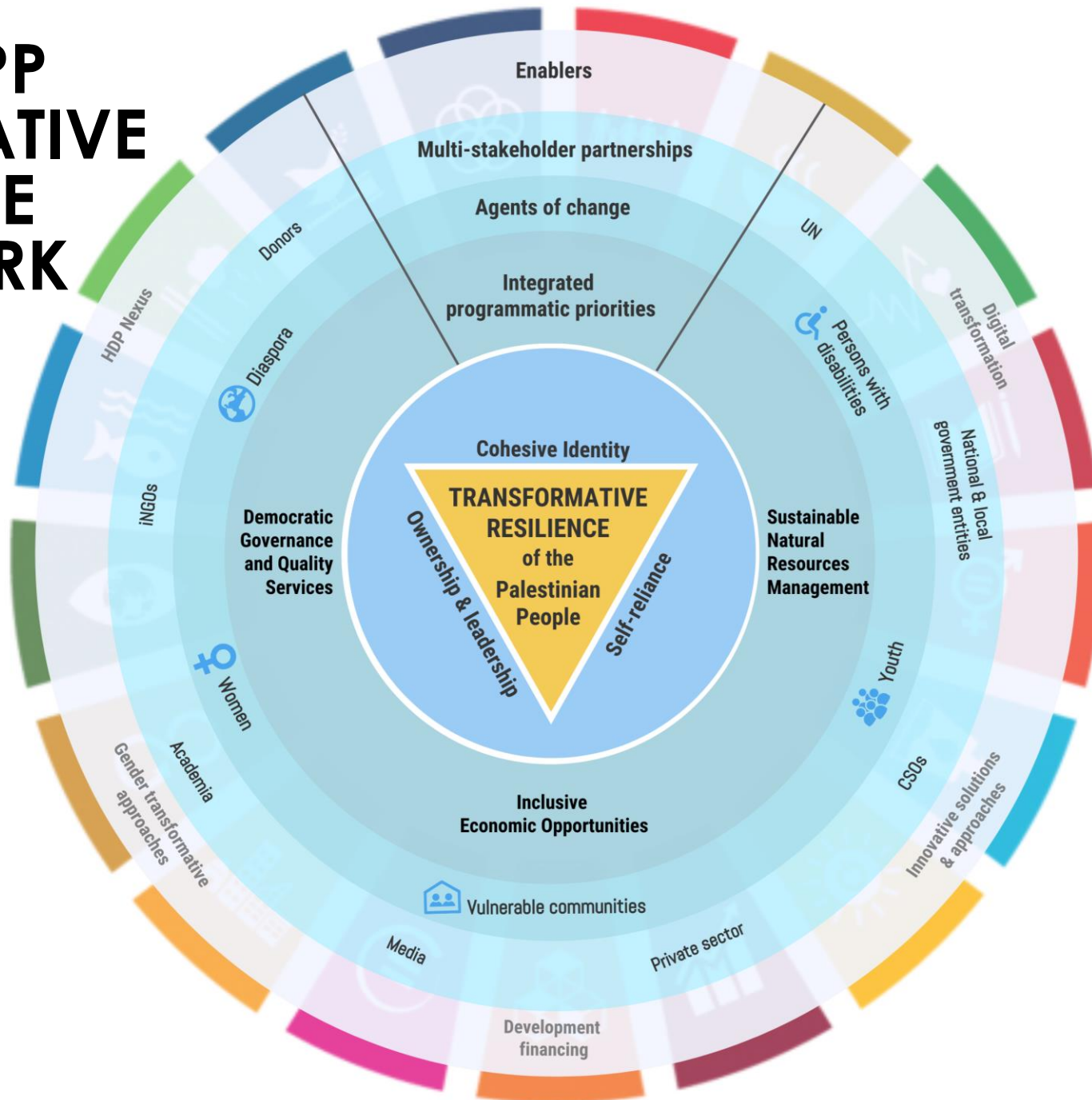


# Annex iii.

## Theory of Change



# UNDP/PAPP TRANSFORMATIVE RESILIENCE FRAMEWORK



VISION

A world in which **all Palestinians** can enjoy a **dignified life** and fulfil their **own vision** of a **unified, peaceful** and **free** society

IMPACT

Strengthened socio-economic resilience of the Palestinian people, including greater **self-reliance**, enhanced **ownership and leadership**, and **cohesive identity**

OUTCOMES

**DEMOCRATIC GOVERNANCE & QUALITY SERVICES**

*Improved democratic governance based on the principles of human rights and rule of law, with equitable access to justice and quality public and basic services*

**INCLUSIVE ECONOMIC OPPORTUNITIES**

*Improved equitable access to economic opportunities, including decent jobs and sustainable livelihoods*

**SUSTAINABLE NATURAL RESOURCES MANAGEMENT**

*Improved climate-resilient management of and equitable access to natural resources, including renewable energy*

# Programmatic Priorities

IMPACT

Strengthened socio-economic resilience of the Palestinian people, including greater self-reliance, enhanced ownership and leadership, and cohesive identity



OUTCOMES

## **Outcome 1**

*Improved democratic governance based on the principles of human rights and rule of law, with equitable access to justice and quality public and basic services*

## **Outcome 2**

*Improved equitable access to economic opportunities, including decent jobs and sustainable livelihoods*

## **Outcome 3**

*Improved climate-resilient management of and equitable access to natural resources, including renewable energy*

# Programmatic Priority #1

## Democratic Governance & Quality Services

IMPACT

Strengthened socio-economic resilience of the Palestinian people, including greater self-reliance, enhanced ownership and leadership, and cohesive identity



OUTCOMES

### Outcome 1

Improved **democratic** governance based on the principles of **human rights and rule of law**, with **equitable access to justice and quality public and basic services**

### Outcome 2

Improved equitable access to economic opportunities, including decent jobs and sustainable livelihoods

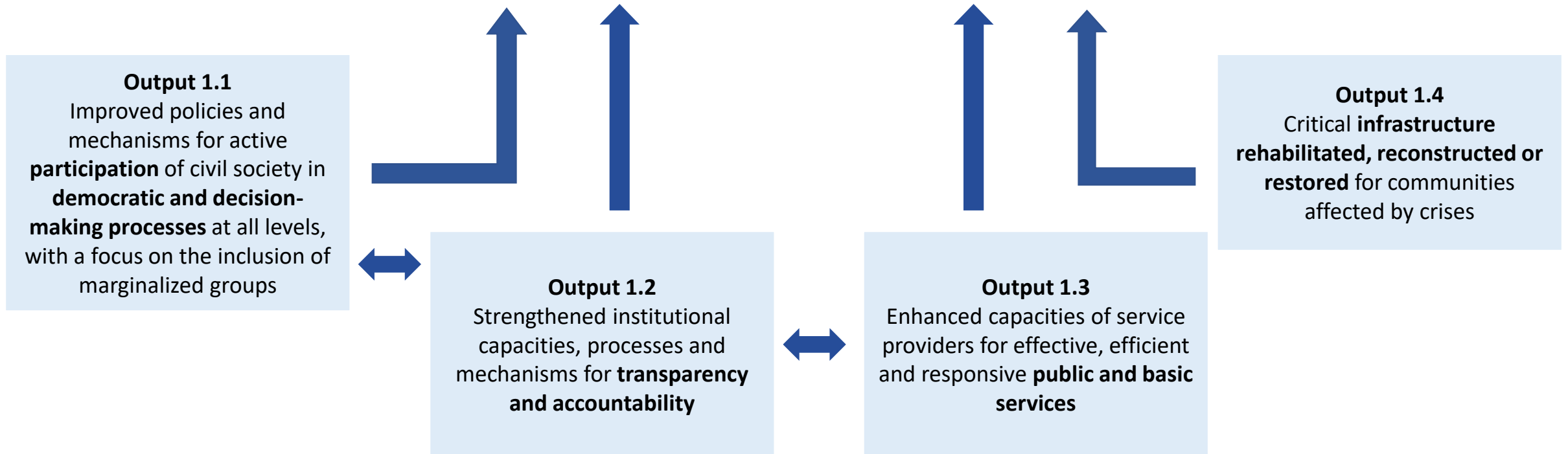
### Outcome 3

Improved sustainable and climate-resilient management of and equitable access to natural resources, including renewable energy

# Democratic Governance & Quality Services

## Outcome 1

Improved **democratic** governance based on the principles of **human rights and rule of law**, with **equitable access to justice and quality public and basic services**



# Democratic Governance & Quality Services

## *Assumptions, Risks, Partnerships, Synergies*

### **Assumptions**

- *Political will for reform and appetite of institutions across national and local levels to adopt institutional changes, new / improved mechanisms and processes*
- *National Reform Committee assigned by the President is committed to deliver on improving governance environment*
- *Political will and commitment to align with and adopt international human rights standards and instruments*
- *Political will and government appetite for creating/fostering spaces for dialogue with civil society and citizens*
- *Continued interest and support from the international community – including financial support – channeled towards improved governance and basic services*
- *Citizens, including youth, women, PWDs and marginalized communities, are willing to mobilize for civic engagement and political participation*

### **Risks**

- *Changes in government negatively affect the political will for reform*
- *Failure to hold legislative and presidential elections further erode legitimacy of the government*
- *Public disenchantment and lack of trust in government remains increases, negatively affecting already limited political participation*
- *Further decrease in fiscal sustainability of gov/public institutions limiting capacity and willingness to invest in and sustain provision and quality of public services*
- *Further territorial fragmentation which prevents marginalized communities to access basic*
- *Persisting discriminatory social norms and legislative frameworks continue to hinder progress towards achieving gender equality in political participation and representation, as well as equal opportunities for leadership in decision-making and democratic processes*

### **Partnerships**

- *Public institutions across national and local levels (incl. relevant Ministries, LGUs, PACC, etc.)*
- *UN agencies, including UNICEF, UN Women, UNRWA, OHCHR, etc.*
- *CSOs (incl. international and local NGOs), Think Tanks, Academia, Media Establishments*
- *International community and other UN agencies*
- *Private sector*
- *UNDP Resources, such as Oslo, Singapore, HQ, and RBAS*

### **Synergies with other Priority Areas**

- *Advocate for and support the development of improved regulatory frameworks, incentives and overall enabling environment supporting environmental sustainability and inclusive economic development*
- *Improved access to quality basic and social services (through improved institutional capacities and infrastructure) contribute to decent livelihoods and inclusive economic opportunities*
- *Provision of quality basic services such as education, including TVET, contributes positively to the education-employment nexus through skills enhancement of young people.*

# Programmatic Priority #2

## Inclusive Economic Opportunities

IMPACT

Strengthened socio-economic resilience of the Palestinian people, including greater self-reliance, enhanced ownership and leadership, and cohesive identity



OUTCOMES

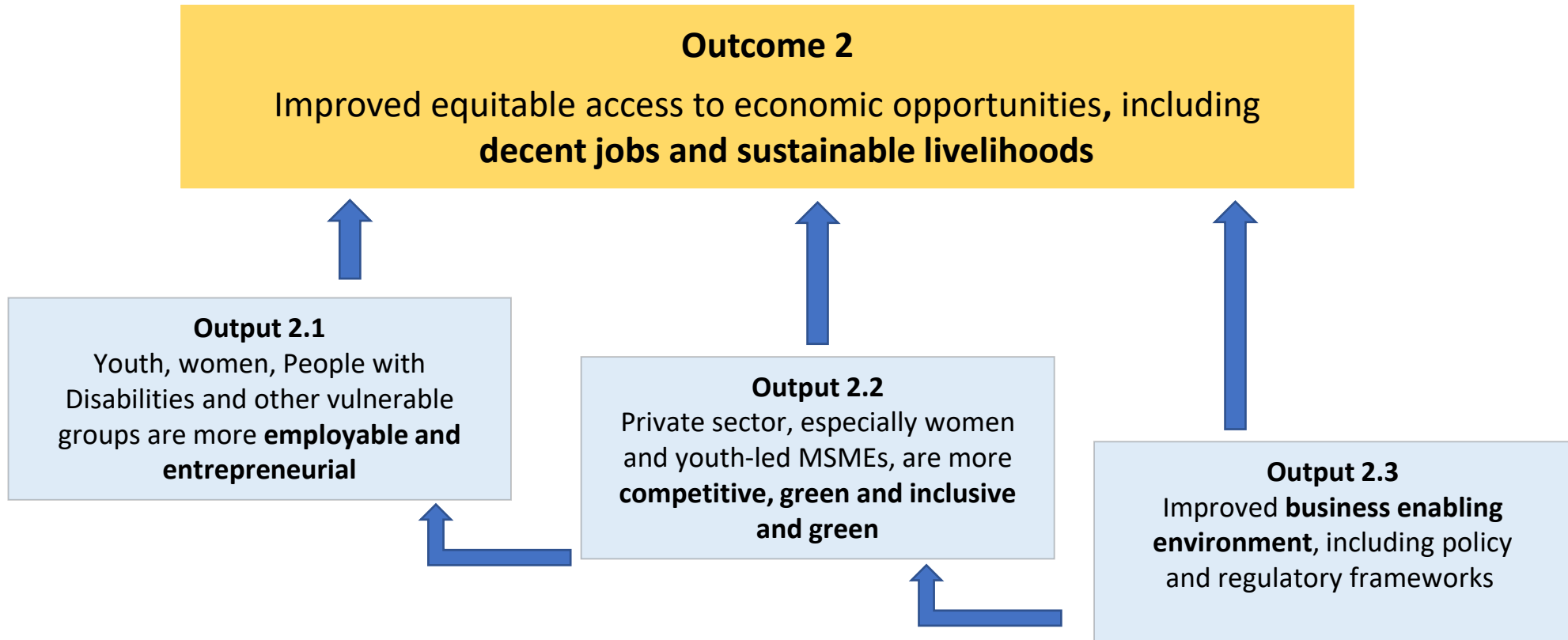
**Outcome 1**  
*Improved democratic governance based on the principles of human rights and rule of law, with equitable access to justice and quality public and basic services*

**Outcome 2**  
Improved equitable access to economic opportunities, including **decent jobs and sustainable livelihoods**

**Outcome 3**  
*Improved sustainable and climate-resilient management of and equitable access to natural resources, including renewable energy*



# Inclusive Economic Opportunities



# Inclusive Economic Opportunities

## *Assumptions, Risks, Partnerships, Synergies*

<p><b>Assumptions</b></p> <ul style="list-style-type: none"><li>• <i>Youth and women are willing to join skill development programmes and pursue non-traditional vocational and technical careers.</i></li><li>• <i>Higher education institutions are willing to adapt their educational programs to align with private sector needs</i></li><li>• <i>Private sector is willing to adapt their business models, practices and behavior to achieve economies of scale, efficiencies and innovation</i></li><li>• <i>Private sector is willing to adapt and invest in becoming greener and more inclusive</i></li><li>• <i>Private sector is committed to adopt new employment strategies to retain and attract skilled workers and improve working conditions</i></li><li>• <i>Local and national actors including government, private sector representative groups are willing to adopt organizational and institutional change and reform.</i></li><li>• <i>Evidence-based data is available</i></li><li>• <i>International community continues to support economic development initiatives in the State of Palestine in-line with the National Policy Agenda</i></li></ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"><li>• <i>Hostilities resulting in destruction and damages of economic entities.</i></li><li>• <i>Further decrease in fiscal sustainability of gov/public institutions resulting in lack of capacity and willing to invest key service sectors and lack of leadership for change</i></li><li>• <i>Palestinian access to markets is obstructed by Israel's interventions and policies to maintain economic dependency.</i></li><li>• <i>Lack of clarity and agreement between key actors on the mandate and role of the public and private sector and civil society in economic development.</i></li><li>• <i>Persisting discriminatory social norms and gender roles, as well as legislative and policy frameworks, continue to hinder women's equal access to economic opportunities</i></li></ul>
<p><b>Partnerships</b></p> <ul style="list-style-type: none"><li>• <i>UN and international development Agencies: World Bank, GIZ, Oxfam, ILO, UN Women, UNIDO, FAO, ITC, UNCTAD, etc.</i></li><li>• <i>Government institutions: PMO, MoF, MoHE, MoNE, MoL, MoA, MoSD, MoEE.</i></li><li>• <i>Semi-governmental institutions including IPIEA, PMA, PIF, PEFSP, etc.</i></li><li>• <i>Universities, technical and vocational schools and centers</i></li><li>• <i>Private sector support organizations: FPCCIA, PFI-including sub-unions, BWF, BMF, business clusters, PALTRADE, Banks Association, etc.</i></li><li>• <i>Business incubators, accelerators and well-established social enterprises</i></li><li>• <i>Large private sector entities, Banks, telecommunication companies, etc.</i></li><li>• <i>Diaspora: including businesses and relevant consortiums and organizations</i></li><li>• <i>Local and International NGOs/CSOs</i></li><li>• <i>Workers' unions and syndicates</i></li></ul>	<p><b>Synergies with other priority areas</b></p> <ul style="list-style-type: none"><li>• <i>Supporting integration of green solution in business operation green, e.g. circular/ value-based economy and renewable energy</i></li><li>• <i>Support Public and Private Sector Partnerships to revitalize Palestinian cultural heritage and promote Palestinian identity through value-based products and services.</i></li><li>• <i>Green jobs promotion</i></li><li>• <i>Strengthen policy development and implementation processes to improve business enabling environment and protect labour rights</i></li><li>• <i>Enhance the capacities of public institutions to tailor their services and procedures to benefit/ be responsive to marginalized segments of the economy (youth, women and informal/home-based businesses)</i></li><li>• <i>Enhance public service-delivery through job placement initiatives</i></li></ul>

# *Programmatic Priority #3*

## Sustainable Natural Resources Management

IMPACT

Strengthened socio-economic resilience of the Palestinian people, including greater self-reliance, enhanced ownership and leadership, and cohesive identity



OUTCOMES

### *Outcome 1*

*Improved democratic governance based on the principles of human rights and rule of law, with equitable access to justice and quality public and basic services*

### *Outcome 2*

*Improved equitable access to economic opportunities, including decent jobs and sustainable livelihoods*

### *Outcome 3*

*Improved **sustainable and climate-resilient** management of and **equitable access to natural resources**, including **renewable energy***

# Sustainable Natural Resources Management

## Outcome 3

Improved **sustainable** and **climate-resilient** management of and **equitable access** to **natural resources**, including **renewable energy**



**Output 3.1**  
Improved **integration of renewable energy solutions** at sub-national and community level



**Output 3.2**  
Enhanced capacities of local government institutions in **better water and wastewater management**



**Output 3.3**  
Improved **capacities** in **ecosystem management** and **gender-sensitive climate change adaptation and mitigation** at local level



**Output 3.4**  
Enhanced **waste management capacities** of local government institutions and communities

# Sustainable Natural Resource Management

## *Assumptions, Risks, Partnerships, Synergies*

<p><b>Assumptions</b></p> <ul style="list-style-type: none"><li>• <i>Palestinian institutions willing to invest in addressing climate changes in their annual budget and workplan, and support of transitioning towards renewable energy, including operational maintenance</i></li><li>• <i>Governance functions continue to be administered by the Palestinian Authority</i></li><li>• <i>Targeted communities, especially farmers, are open for testing and investing new approaches</i></li><li>• <i>Palestinians and Israelis are willing to advance the discussions on the management of transboundary issues (e.g., e-waste, solid waste, water)</i></li><li>• <i>Private sector has the capacity to invest in new more environmentally friendly solutions</i></li><li>• <i>Private and public sector and academia is willing and interested in working together</i></li><li>• <i>External funding to climate resilience continues and preferably scaled up by donor agencies</i></li><li>• <i>No deterioration in the level of sovereignty over natural resources</i></li></ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"><li>• <i>Lack of interest among donors in scaling-up key priorities (for instance if results are long-term)</i></li><li>• <i>Lack of PA commitment to invest, engage and/or support sustainability of interventions</i></li><li>• <i>Continued evolvment of the lack of legitimate legislation and separation of powers causing delays in introducing and enforcing new policies and regulations towards greener and more climate friendly solutions at all levels</i></li><li>• <i>Land expropriation/Insecure property rights; weak land tenure security, Discriminatory planning and zoning</i></li><li>• <i>Gender inequalities in access to and control over natural resources are perpetuated</i></li></ul>
<p><b>Partnerships</b></p> <ul style="list-style-type: none"><li>• <i>Renewable Energy: PENRA, MoH, MoE, distribution companies, service providers</i></li><li>• <i>Water: PWA and service providers</i></li><li>• <i>Agriculture: MoA, CSOs/NGOs (e.g., PARC, MA'AN, ESDC), Unions and PADRRIF</i></li><li>• <i>Hazards waste management: MoLG, Joint Service Council</i></li><li>• <i>Cross-cutting: LGUs, other UN and development Agencies (e.g., FAO, UN Women, UN Habitat, etc.), EQA, academia, private sector</i></li></ul>	<p><b>Synergies with other priority areas</b></p> <ul style="list-style-type: none"><li>• <i>Capacity build institutions to enforce and incentivize regulations and standards to protect ecosystems goods and service</i></li><li>• <i>Enhance systems to provide better services (water supply, electricity and energy, sanitation) and indirectly other services such as health and education through the provision of clean and affordable energy</i></li><li>• <i>Contribute to the creation of green job opportunities and more productive sectors (energy, agriculture, waste management, eco-tourism)</i></li></ul>

# Cross-Cutting

## *Internal and External Risks*

### **Risks**

#### Internal

- *Insufficient synergies between different interventions within the portfolio and other complementing interventions*
- *Lack of flexibility in implementation modalities and internal operational procedures affecting quality of implementation and/or opportunities to explore*
- *Internal procedures and systems not supporting a portfolio approach resulting in inefficient and ineffective implementation of interventions*
- *Insufficient expertise in certain technical areas or key staff suddenly leaving the organization resulting in a knowledge gap*
- *Insufficient M&E tools and systems to assess performance at the portfolio level (qualitative and quantitative tools)*

#### External

- *Collapsed/severely eroded public services, unemployment and poor livelihood, spike in prices, aid dependency influencing willing to invest and engage in innovative approaches among institutions and communities as well as cost of implementing projects*
- *Implications of the war in Ukraine and political volatility on the global and national economy*
- *COVID-19 worsen, outbreak of new pandemics*
- *Israeli military operations and increased settler violence*
- *Increased tensions in the West Bank and Gaza escalate into further crackdown, clashes, and hostilities*
- *Blockade on Gaza affects timely procurement of needed material / inputs (for infrastructure et al.)*
- *Further restrictions on movement within Palestinian territories and lack of access to marginalized areas (Area C and East Jerusalem)*
- *Further instability of political and governmental structures, including political division*
- *Discriminatory laws against women and rooted socio-cultural patriarchal norms*
- *Poor synergies with UN agencies and development actors in economic development efforts.*

# Key Concepts



# Key Concepts under Outcome I (1/4)

---

**Democratic governance**: a democratic governance system is one that adopts/embodies democracy as “a universal value based on the **freely expressed will** of people to determine their **own political, economic, social and cultural systems** and their **full participation** in all aspects of their lives” ([UN Democracy Fund](#)).

**Equality and inclusivity**: all citizens enjoy **equal rights and freedoms**, that are **respected** and **protected** by government officials/public institutions. **Equitable access** to services, information and political participation is guaranteed to all citizens.

**Accountability**: government officials and public institutions are **responsible** for their actions and are ultimately **accountable** to citizens, who in turn can have **a say in decision-making** and can hold decision-makers to account.

**Transparency**: transparency of government officials and public institutions, **with access to information guaranteed to citizens** on all aspect of governance and decision-making, are key elements needed to ensure accountability.



# Key Concepts under Outcome I (2/4)

---

Quality public and basic services are ([UN Democracy Fund](#)):

**Effective:** Service providers have the capacity/ability to **deliver the intended services** to citizens.

**Efficient:** Service providers have the capacity/ability to deliver its services in a way that **minimize waste of resources** (incl. time and financial resources), **without compromising on the services** fulfilling citizens' needs and the expected timeline for delivering such services.

**Responsive:** Service providers explicitly **acknowledge, adapt to and fulfill the heterogeneity of citizens' needs**. Rather than adopting a “one-size-fits-all” approach, services are tailored to respond to the diverse needs of citizens (including gender, age and disability-specific needs), and include mechanisms that proactively seek and take into account citizens' feedback or complaints. In addition, services seek to be timely, responding as quickly as possible and minimising delays.

# Key Concepts under Outcome I (3/4)

---

**Capacities:** The ability of people, organizations and society as a whole to manage their affairs successfully. Capacities can be grouped in three levels: individual, organizational and enabling environment, which altogether are interdependent and mutually reinforcing ([UNDG](#)).

**Capacity development:** as “the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt, and maintain capacity over time,”<sup>2</sup> in order to achieve development results.

**Individual capacity development:** Improving individual skills, knowledge and performance through training, experiences, motivation and incentives;

**Organizational capacity development:** Improving organizational performance through strategies, plans, rules and regulations, partnerships, leadership, organizational politics and power structures, and strengthening organizational systems, processes, and roles and responsibilities. (note on infrastructure)

**Enabling environment capacity development:** Improving policy framework to address economic, political, environmental and social factors including economic growth, financing, labour markets, political context, policy and legislative environment, class structures, and cultural aspects in a coherent and mutually reinforcing fashion.

## Key Concepts under Outcome I (4/4)

---

**Participation:** Effectively and fully participate in political and public life on an equal basis with others, directly or through freely chosen representatives, including the right and opportunity to vote and be elected, regardless of race, colour, descent, sex, language, religion, political or other opinion, national, ethnic or social origin, property, birth, disability, nationality or other status ([OHCHR](#)).

# Key Concepts under Outcome II (1/2)

**Equal:** Each individual or group of people is given the **same** resources or opportunities ([UN RoL](#)).

**Equity:** Recognizes that each person has different circumstances and allocates the **exact resources and opportunities needed to each an equal outcome** ([UN RoL](#)).

## Equitable

**Non-discriminatory:** efforts made to ensure safeguarding of **no distinction, exclusion or preference made** on the basis of race, colour, sex, religion, political opinion, national extraction or social origin ([ILO](#)).

**Inclusive:** efforts made to **improve the terms of participation** to exclude any consideration towards age, sex, disability, race, ethnicity, origin, or other status ([ILO](#)).

**Decent jobs:** occupations which is based on decent work principles, i.e. “opportunities for everyone to get work that is **productive** and **delivers a fair income, security** in the workplace and **social protection** for families, **better prospects** for personal development and social integration” ([SDG 8](#)).

**Livelihood:** comprises the **capabilities, assets** (including both material and social resources) and **activities** required for a means of living ([ILO](#)).

**Sustainable jobs:** achieving conditions that support people in **engaging and remaining** in work throughout an extended working life. Work must be transformed to eliminate the factors that discourage or hinder workers from staying in or entering the workforce

**Sustainable Livelihood:** able to cope with and recover from stress and shocks and **maintain or enhance its capabilities** and assets both now and in the future, while not undermining the natural resource base.

# Key Concepts under Outcome II (2/2)

---

**Business Enabling Environment**: the combination of conditions that affect an **enterprise's capacity** to start up, grow, and create decent jobs, and are of political, economic, social, and environmental nature ([ILO](#)).

**Adaptability**: capacities and willingness to **adjust to changing/new conditions** to maintain or expand ([ILO](#)).

**Employable**: portable competencies and qualifications that enhance an **individual's capacity** to make use of the education and training opportunities available in order to secure and retain decent work, to progress within the enterprise and between jobs, and to cope with changing technology and labour market conditions ([UNESCO](#); [ILO](#))

**Competitive**: The ability of a business to deliver better value to customers than comparable competitors ([ILO](#)). Competitors can be with a local, national, regional or global focus.

**Entrepreneurial**: **Skillset enable individuals** to identify opportunities and create small sustainable businesses that can in turn create employment ([ILO](#)).

**Productive**: a main measurement used to assess a business competitiveness level ([ILO](#)) and consists of the quantity and quality of what is being produced in relation to the resources used, both human and physical such as equipment, infrastructure, materials. Hence, the concept includes the productivity level of labor, materials, energy and capital ([ILO](#))

**Innovative**: being original and creative in thinking and able to introduce new ideas.

# Key Concepts under Outcome III (1/2)

---

**Climate Resilient: capacity** to anticipate climate risks and hazards, absorb shocks and stresses, and reshape and transform development pathways **in the longer term** ([UNFCCC, 2021](#)).

**Ecosystem:** A dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting **as a functional unit** ([UNEP-LEAP](#))

**Natural Resources:** features or components of the natural environment that are of economic or non-economic value in serving human needs. Consists of **renewable** (soil, water, sunlight, wildlife, etc.) and **non-renewable** natural resources (oil, minerals and gas, etc.) ([Oxford](#))

**Ecosystem Management:** Ecosystem management **is a process** that aims to **conserve major ecological services and restore natural resources** while meeting the socioeconomic, political and cultural needs of current and future generations. The principal objective of ecosystem management is the efficient maintenance and ethical use of natural resources ([UNEP-LEAP](#)).

**Ecosystem services:** The benefits people obtain from ecosystems. These include **products obtained** from ecosystems (e.g. freshwater, food, fuel, genetic resources, natural medicines, etc.); **benefits obtained** from the regulation of ecosystem processes (e.g. water erosion, waste, climate and natural hazards); cultural services (e.g., cultural diversity, educational values, social relations, heritage, etc.) and **services that are necessary for the production of other ecosystem services** (e.g. primary production, nutrient cycling, and water cycling) ([UNEP-LEAP](#)).

# Key Concepts under Outcome III (2/2)

---

**Water supply management:** Maintaining and increasing the supply of water (arrived from the concept of ecosystem management; [UNWater](#))

**Wastewater management:** The approach to protect water resources and is defined as the collection, treatment and reuse of wastewater (arrived from the concept of ecosystem management; [UNWater](#))

**Climate changes:** The long-term shifts in temperatures and weather patterns with human activities as the main driver primarily due to burning fossil fuels like coal, oil and gas ([UN](#)).

**Waste:** Includes solid, hazardous, medical and e-waste ([UN](#)).

**Waste management:** Includes the entire life-cycle approach to waste consisting of the 3R concept (reduce, recycle, reuse)

**Climate Mitigation:** Efforts made towards reducing the sources or enhance the sinks of greenhouse gases ([IPCC](#)).

**Climate adaptation:** Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities ([IPCC](#)).