Enabel

Executive summary

Final Evaluation of the project Youth Economic Empowerment in Palestine

PSE21002

Palestine

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November 2025

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1. Presentation of the evaluation

This End-Term Evaluation (ETE) assessed the implementation of the *Youth Economic Empowerment Project* (YEP), which forms part of the European Union's (EU) Palestinian Youth Empowerment Programme and was implemented by Enabel between 2022 and 2025. The evaluation examined the extent to which YEP achieved its expected results and contributed to the overarching objective of enhancing employability and economic inclusion of young Palestinians. It covered the three result areas: (i) the First Employment Facility (FEF), (ii) Work-Based Learning (WBL), and (iii) entrepreneurship and cooperative support with a cross-cutting emphasis on decent work, gender equality, and the inclusion of vulnerable youth, including persons with disabilities (PlwDs), ensuring alignment with Enabel's and the EU's cross-cutting principles.

The Project operated within a constrained political-economic environment marked by movement restrictions, fiscal leakage and limited policy sovereignty, conditions that shape private-sector dynamism, institutional capacity and employment sustainability.

The ETE responded to seven evaluation questions (EQs), structured around the OECD-DAC[1] criteria, and focused primarily on relevance, coherence, effectiveness, sustainability, and efficiency. Data collection combined an extensive document review with over 90 stakeholder interviews, focus groups with youth and employers, and a structured employer survey. Due to security constraints, the Evaluation Team conducted a hybrid data collection mission in June 2025. The findings aim to inform Enabel, the EU, and Palestinian partners about YEP's performance, providing insights for the design of future youth employment programmes in fragile contexts. It should be noted that the final six months of implementation (July–December 2025) could not be considered, as data from this period were not yet available at the time of the evaluation mission.

2. Findings

Findings by OECD-DAC Criteria

Relevance – High. The Project directly addressed binding youth-employment constraints, e.g., lack of first-job entry points, weak school-to-work transitions and limited entrepreneurship opportunities, while aligning with national strategies such as the National Employment Strategy (NES) and TVET policy, and with the EU/Enabel focus on inclusive and decent work. Targeting and outreach were strong for women and rural youth, and implementation adapted swiftly after October 2023 through online training and resource reallocation in the West Bank.

Coherence – Extensive but operational gaps. The Project fitted strategically within Enabel's portfolio (building on SYP and complementing SAWA) and within the EU's broader youth package (with UNFPA and Sharek), avoiding duplication and reinforcing shared objectives. However, referral pathways and graduated transitions between programmes remained limited, reducing the potential for cumulative impact.

Effectiveness – Meaningful yet uneven. FEF placements and WBL up- and re-skilling strengthened individual employability and institutional capabilities. Nevertheless, employer absorption beyond wage-subsidy periods was modest, and entrepreneurship outcomes remained early-stage because of market fragility and short incubation cycles.

[1] Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC)

Efficiency – Mixed. Grant modalities ensured localisation and reach but revealed major disparities in partner capacity. Contracting delays and complex compliance rules compressed delivery windows and slowed youth-facing activities, particularly under the entrepreneurship result area.

Sustainability – Partial. Manuals, SOPs (standard operating procedures), updated curricula and NGO incubation practices demonstrate institutional gains, yet long-term embedding within budgeted mandates and regulatory frameworks is still limited; fiscal space for national continuation remains fragile.

Impact – Emerging. The Project contributed to changing decent-work norms, expanding TVET responsiveness and introducing co-operative experimentation, while also promoting psychosocial empowerment and greater acceptance of women's economic roles. System-level employment effects, however, cannot yet be verified without longitudinal tracer data and given the wider macro-economic downturn.

Findings by Evaluation Question

EQ1 – FEF and WBL effectiveness. The Project substantially improved youth employability through structured first-job experiences and competency-based training. FEF placed roughly 470 youth, about 356 in the West Bank and East Jerusalem and around 90 in Gaza before the war halted operations, and enhanced job-readiness and confidence, especially among young women. WBL partnerships updated curricula and strengthened employer engagement, yet the short duration of placements and limited post-training follow-up curtailed longer-term employment outcomes. Overall effectiveness was significant at the individual level but constrained by the weak demand side of the labour market.

EQ2 – Business development and income generation. Entrepreneurship and co-operative support strengthened entrepreneurial skills and agency, testing group-based models that could evolve into collective employment solutions. Several initiatives generated short-term income, but most remained micro-scale and vulnerable to market volatility. Without access to capital and extended incubation, income gains risked being temporary. The Project nonetheless provided valuable prototypes for future co-operative and self-employment schemes.

EQ3 – Sustainability and scalability. Operational manuals, curricula and PEF SOPs offer a solid base for institutionalisation. Some elements, such as Al-Quds University's new co-operative diploma, are already embedded, but most mechanisms still depend on donor funding. Public-sector budget lines for FEF and WBL have not yet been established, and the ongoing fiscal crisis limits domestic uptake. Long-term sustainability will therefore depend on deliberate national ownership and integration into ministry plans.

EQ4 – Synergies and complementarities. The Project was coherent with other Enabel and EU initiatives, yet the absence of formal referral mechanisms or shared MEL platforms prevented systematic progression of beneficiaries from one intervention to another. Better horizontal coordination across programmes could have amplified outcomes and created multi-stage employment pathways.

EQ5 – Grant modality efficiency. Direct and competitive grants were context-appropriate, allowing local actors to reach diverse communities. However, partner capacity varied widely, and stringent EU procurement and financial procedures generated high transaction costs. While these measures ensured accountability, they sometimes slowed delivery and discouraged innovation among smaller NGOs and youth start-ups.

EQ6 – Unintended effects. Beyond expected outputs, the Project fostered psychosocial empowerment, community recognition of women's work, and improved employer attitudes toward formal contracts. Conversely, delays and heavy administrative requirements occasionally undermined youth motivation. Overall, positive spillovers outweighed negatives but remained mainly at the micro level.

EQ7 – Decent work and inclusion of vulnerable groups. Decent-work principles were mainstreamed across all components. FEF institutionalised written contracts, bank transfers and wage transparency; WBL raised awareness of occupational safety though enforcement was inconsistent; and entrepreneurship schemes promoted fair labour practices in micro-enterprises. However, monitoring systems seldom captured disability data or intersecting vulnerabilities, and insurance or grievance mechanisms were not uniform. Normative progress is evident, but operational safeguards need consolidation.

3. Conclusions and Recommendations

3.1 Institutional relevance and sustainability

The Project demonstrated strong strategic relevance and alignment with both Palestinian and European priorities. It responded directly to structural labour-market barriers, lack of first-job opportunities, limited school-to-work transitions, and constrained entrepreneurship pathways, and clearly reflected the NES (national employment strategy) and TVET reforms. Across all results, it produced durable operational assets such as manuals, curricula, and standard operating procedures that partners continue to use. Nevertheless, these achievements remain largely donor-financed and only partially embedded in national systems. Without integrating wage-subsidy schemes, work-based learning models, and entrepreneurship mechanisms into the MoL and the PEF's mandates and budgets, sustainability will remain fragile. Long-term institutional anchoring is now essential to transform these projectized approaches into nationally steered programmes.

Recommendation:
Enabel and the EU should jointly mobilise funding for a second phase anchored in national systems. This next phase should consolidate and scale the Project's models, embedding the First Employment Facility (FEF) and WBL mechanisms within public mandates and financing frameworks while deepening entrepreneurship and co-operative ecosystems. PEF should be positioned to coordinate a coherent portfolio of public employment programmes that explicitly incorporate decent-work safeguards. Formal standard operating procedures (SOPs), budget tags, and memoranda of understanding (MoUs) between MoL, PEF, and MoEHE will be essential. In Gaza and the West Bank, programming should include crisis-sensitive instruments linking short-term employment to community reconstruction.

3.2 Effectiveness and systemic mismatches

The Project effectively enhanced employability and entrepreneurial skills, reaching hundreds of young people, most of them women, with first-job placements and demand-oriented training. Yet systemic mismatches between skills supply and labour-market demand persisted, reflecting macro-economic stagnation and limited employer absorption beyond subsidies given. While the short training cycles and limited post-placement support reduced opportunities for wider institutional consolidation, the project nonetheless generated meaningful individual-level gains in employability. To achieve greater systemic impact, employment schemes require more targeted design, robust data systems, and multi-layered pathways that extend beyond temporary wage subsidies.

Recommendation:
PEF, in collaboration with MoL and with technical support from Enabel, should strengthen its capacity to design and target employment schemes through regular labour-market scans, clear eligibility criteria, and integrated frameworks that promote equity, efficiency, and impact. A real-time digital dashboard should track outcomes by gender, disability, and vulnerability, enabling responsive re-programming. Inclusion must go beyond physical disability to address all forms of vulnerability, with future partner calls explicitly assessing disability-inclusive and equity plans.

3.3 Programme coherence and coordination

YEP was well positioned within Enabel's bilateral portfolio and the EU's wider youth employment package, complementing initiatives such as SAWA, SYP, UNFPA, and Sharek. However, practical coordination remained modest. Few structured referral mechanisms linked youth from basic skills initiatives into employment schemes, and limited handovers connected graduates of YEP enterprises to more advanced incubation pipelines. This diluted the potential for cumulative, multi-stage support that could have driven stronger and more resilient outcomes. Future employment programmes will need to institutionalise coordination frameworks, shared learning systems, and graduated pathways across complementary interventions.

Recommendation:
Enabel should simplify administrative and compliance procedures for implementing partners and beneficiaries while institutionalising horizontal coordination and peer learning across programmes. Simplified documentation flows, up-front beneficiary orientation, and plain-language procurement guides should be co-designed with partners. At the same time, Enabel should establish joint technical working groups, shared monitoring platforms, and regular portfolio reviews to align approaches between YEP, SAWA, and related EU-funded initiatives. This will reduce transaction costs, improve youth experience, and enhance overall programme coherence.

3.4 Delivery efficiency and partner capacities

The grant modality was appropriate for the Palestinian context, ensuring localisation and leveraging local networks. However, it also exposed wide variations in partner capacity and created structural inefficiencies. Some IPs required intensive support to meet EU compliance standards, while more experienced actors were able to innovate and adapt. Heavy administrative requirements, multiple quotations, VAT invoices, and extensive reporting, diverted time and resources from technical quality and youth engagement. Strengthening local partners must therefore extend beyond compliance training toward the strategic capabilities required for adaptive and market-responsive delivery.

Recommendation:
Enabel should move partner support beyond compliance to develop skills in adaptive delivery, market diagnostics, and co-operative incubation. Capacity-building should include peer-learning forums, targeted coaching, and collaboration with international organisations such as the ILO, ETF, and regional co-operative federations. Drawing on global frameworks (e.g., StartCoop, ThinkCoop, GYB/SIYB/SYB), partners can benchmark quality, strengthen sustainability, and contribute to national policy and legal reforms on co-operative development.

3.5 Inclusion and decent-work standards

The Project achieved strong inclusion results for women and rural youth, exceeding participation expectations in both FEF and WBL components. However, identification and support for the most vulnerable, youth with disabilities, young caregivers, or the extreme poor, remained limited.

Reasonable accommodation practices varied among partners, and systems rarely captured intersecting vulnerabilities. While decent-work principles were widely integrated, enforcement was inconsistent: grievance mechanisms were often missing, occupational safety measures uneven, and insurance arrangements unclear. Future programmes must transform these commitments into enforceable standards that protect all participants.

Recommendation:
All future employment and training schemes should incorporate systematic vulnerability profiling, explicit scoring for inclusion plans, and standardised decent-work compliance monitoring. PEF and Enabel should ensure that partner selection criteria and MEL frameworks track and report on gender, disability, and other vulnerability dimensions, and that insurance and grievance mechanisms are embedded in all short-term placements or WBL contracts.

3.6 Normative change and policy influence

One of the Project's most valuable achievements lies in the normative sphere. Through FEF and WBL, it normalised formal contracts, wage transparency, and compliance vetting in contexts dominated by informality. Youth-led co-operative pilots, especially those facilitated by Al-Quds University, demonstrated that collective enterprises are viable beyond the agricultural sector. These innovations created local models that can now inform the modernisation of Palestine's co-operative law and future youth-employment frameworks. The next phase of support should leverage these examples to influence policy and institutional practice.

Recommendation:
Enabel should use these pilot experiences to shape policy dialogues on co-operatives and public-employment norms. Collaboration with ETF and ILO should align national approaches with international decent-work standards and co-operative toolkits. Embedding these practices within scaled, nationally steered employment programmes will extend normative gains and support broader labour-market reform.

3.7 Adaptive management and crisis preparedness

The Project displayed commendable flexibility in responding to political and security volatility, notably through rapid transitions to online delivery and adaptive scheduling. Nonetheless, cumulative contracting delays and post-October-2023 disruptions compressed implementation and limited the maturation of results. Fragile contexts like Palestine require structured preparedness to safeguard delivery continuity and maintain youth trust when shocks occur.

Recommendation:
Enabel should build systematic risk management and flexible re-programming mechanisms into future designs. This includes joint risk-mitigation protocols with implementing partners, predefined crisis modifiers and contingency reserves, and delegated decision rights that allow rapid reallocation of resources. Institutionalising these measures aligns with EU best practice for operations in fragile and conflict-affected settings and will protect programme gains while ensuring adaptive continuity during crises. Embedding these measures will also enhance donor coordination and safeguard continuity across crises.