Evaluation report on the *Final Evaluation of the project Youth Economic Empowerment in Palestine*

PSE21002

Palestine

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Particip GmbH

Final report

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enabel.be

This evaluation was carried out as part of the cooperation between the Palestinian Territory and Belgium.
The report was drawn up by independent external experts.
The opinions expressed in this document represent the views of the authors and are not necessarily shared by Enabel, the Belgian Cooperation or the authorities the Palestinian Territory.

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Acronyms

ACAD	Arab Center for Agricultural Development
AE	Administrative and Financial Expert
HCCI	Hebron Chamber of Commerce, Industry and Agriculture
CNC	Computer Numerical Control
CRPD	Convention on the Rights of Persons with Disabilities
CSO	Civil Society Organisation
DAC	Development Assistance Committee
ECA	Expert in Contracting and Administration
ETF	European Training Foundation
EU	European Union
FEF	First Employment Facility
FGD	Focus Group Discussion
GDP	Gross Domestic Product
HR	Human Resources
ILO	International Labour Organization
IP	Implementing Partner
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MSME	Micro, Small and Medium Enterprise
MoEHE	Ministry of Education and Higher Education
MoL	Ministry of Labour
MoSD	Ministry of Social Development
NES	National Employment Strategy
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
PARC	Agricultural Development Association
PCBS	Palestinian Central Bureau of Statistics
PEF	Palestinian Employment Fund
PLwD	Persons living with Disabilities
R	Result Area
ROM	Results-Oriented Monitoring
SAWA	Sawa Project (funded by the EU)
SC	Steering Committee
SDF	Skills Development Fund
SHCCI	South Hebron Chamber of Commerce, Industry and Agriculture
SO	Specific Objective
SYP	Skilled Young Palestine
TOR	Terms of Reference
TVET	Technical and Vocational Education and Training
UNFPA	United Nations Population Fund
WAPES	World Association of Public Employment Services
WB	West Bank
WBL	Work-Based Learning
YEP	Youth Economic Empowerment Project

Cooperation project/programme sheet

Title	Palestinian Youth Empowerment Programme (EU Programme) Youth Economic Empowerment in Palestine (YEP)
Portfolio code	CRIS Number (EU): ENI/2021/422-818 Codes (Enabel): PSE21002
Project zone	Palestine: West Bank (including East-Jerusalem) and Gaza strip (implementation in Gaza strip was suspended after the beginning of the war)
Priority Sector(s) Global Challenge(s)	Economic and Social Inequalities Sustainable Business Opportunities and Decent job creation
Partner Country(-ies)	Palestinian Territory
Partner institution(s)	Strategic partners: Ministry of Labour (MoL) – Palestine National TVET Commission (NTC) – Palestine Ministry of Higher Education (moHE) – Palestine Higher Council of Youth and Sports (HYC) - Palestine Implementing partners: Palestinian Employment Fund (PEF) Private Sector Umbrella Organizations (PSUOs) Vocational Training Centres (VTCs) • Business Support Organisations (BSO)
Total budget	5 million € financed under the European Neighbourhood Instrument
Start date & end date of the specific agreement	EU Agreement: 16/12/2021 – 30/06/2026 (including closure phase – maximum 6 months after the implementation period)
Start date & expected end date of implementation	01/01/2022 – 29/12/2025 47 months and 29 days (36 months + 12 months extension)
Impact	Enhanced Palestinian young people’s employability and economic empowerment
Outcome	Young women and men are better equipped to access inclusive and decent employment opportunities
Outputs	Result 1: A model First Employment Facility is developed and accessible to young women and men graduates. Result 2: Young women and men are equipped with demand-driven, quality skills;

	Result 3: Vulnerable young women and men are supported to develop micro- or small businesses that are relevant to their local economies PFM – Basket / RWA1900311 / Budget: 5.500.000 €.
Beneficiaries	Direct beneficiaries • Youth between 15-29 years, including vulnerable youth and young women • Private sector enterprises • Palestinian Employment Fund (PEF) • Private Sector Umbrella Organizations (PSUOs) • NGOs, Civil Society Organisations (CSOs) or Foundations • Business development training providers • Vocational Training Centres (VTCs) Indirect beneficiaries • Palestinian Public Employment Service (Employment • Offices, One-Stop Shops, Employment Corners) • Ministry of Labour • National TVET Commission • Education stakeholders
Period covered by the evaluation	01/01/2022 – June 2025 (indicative period of the evaluation mission)

Acknowledgements

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We are particularly grateful to the implementing partners (PEF, HCCI, SHCCI, ACAD, Al-Quds University, MAAN, and PARC), training providers (Yatta VTC and Polytechnic University), cooperatives, employers, and youth beneficiaries who engaged candidly in interviews, focus group discussions, and surveys, providing the evidence base essential to understanding the project’s results and learning.

Finally, we appreciate the logistical support and responsiveness of Enabel’s project team, whose assistance facilitated interviews, stakeholder coordination, and timely access to key data. Their commitment significantly contributed to the depth and quality of this evaluation.

Evaluation team

Ms Nahed Freij, Senior National Lead Expert
Mr Amer Madi, Senior National non-lead Expert

1 Background and context

1.1 Economic and Labour Market Conditions (2022–2025)

The Youth Economic Empowerment Project (YEP) was implemented during a period of profound economic fragility, escalating human hardship and protection crisis in Palestine. Between 2022 and 2025, the Palestinian territories, the West Bank, including East Jerusalem, and Gaza, grappled with entrenched political instability, increasingly constrained fiscal space, and a stagnating economy, further strained by the protracted Israeli occupation and the movement restrictions that ensued.

The economic outlook was already bleak at the beginning of YEP in 2022, with real gross domestic product (GDP) growth in the West Bank averaging around 2%[1], insufficient to offset demographic pressures or generate meaningful employment. In Gaza, the situation was markedly worse, with a chronic humanitarian crisis and sluggish economic activity exacerbated by 17 years of blockade and several militarized escalations that caused infrastructure degradation and limited private sector recovery.

The situation deteriorated significantly following the outbreak of the war in Gaza in October 2023. The human toll was immense, with tens of thousands killed or injured, large-scale displacement, and the near-total collapse of public infrastructure. The economic impact was no less severe: widespread business destruction, a complete trade collapse, and a total paralysis of productive sectors left in Gaza's ruins. In the West Bank, political spillovers triggered increased Israeli closures, unprecedented restrictions on the movement of Palestinian workers (both within the West Bank and between the West Bank and Israel), disruptions in banking operations, and a freeze in public sector salaries. These shocks reverberated throughout Palestinian society, deepening poverty and vulnerability.

Labour market conditions, already precarious before the war, mirrored this instability. Unemployment in Palestine surged to over 25% by late 2023[2]. Youth unemployment remained one of the highest in the world, approaching 70% in Gaza and over 38% in the West Bank[3]. Among women, the situation was particularly dire: female labour force participation hovered at 19%, and unemployment rates frequently exceeded 40%[4]. University graduates continued to face limited employment prospects, often competing for scarce, low-quality jobs that did not match their qualifications, highlighting the chronic mismatch between education outcomes and labour market needs. Caught in a pervasive "no experience, no job" trap, many young people find themselves unable to secure meaningful work that builds skills or career pathways, reinforcing cycles of unemployment and underemployment.

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[1] World Bank. (2022). *West Bank and Gaza Economic Monitor, Spring 2022: Building Resilience and Creating Jobs*. Washington, DC: World Bank. Accessed via: https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099008005232226918/idu0e51dc47c0630c04f4a081460443e8498043f

[2] Palestinian Central Bureau of Statistics (PCBS). (2024). *Labour Force Survey (October–December 2023) Round (Q4/2023)*. Accessed via: https://www.pcbs.gov.ps

[3] Ibid.

[4] Ibid.

The private sector, constrained by a hostile operating environment, struggled to absorb new entrants into the labour market. It remains dominated by small and micro-enterprises, many of which operate informally, lack access to affordable finance, and face regulatory burdens and barriers to market access. Youth employment opportunities were often limited to low-wage, insecure, and informal positions in sectors like retail, construction, and agriculture. For vulnerable groups, such as women, persons with disabilities (PLwDs), and youth in marginalised areas, barriers to dignified employment were even more pronounced, owing to intersecting social, economic, and infrastructural exclusions.

The fiscal crisis affecting the Palestinian Authority further constrained the public sector's ability to respond. Sharp declines in clearance revenues and external aid, particularly after October 2023, led to delays in salary payments and the curtailment of social spending and public investment, which were already very low before October 2023. This placed additional strain on households and eroded confidence in the institutions charged with economic recovery and youth development.

Within this context, international partners, including the **European Union and Enabel, emphasized the urgency of supporting youth transitions into employment, entrepreneurship, and livelihoods.** Employment programming was increasingly seen not only as a tool for poverty reduction, but as a vital contribution to resilience, social protection and cohesion, and long-term peacebuilding.

1.2 The Youth Economic Empowerment Project (YEP)

YEP, launched in 2022 by Enabel with funding from the European Union, was a flagship initiative within the EU's Palestinian Youth Empowerment Programme. Spanning from 2022 to 2025, YEP was designed as a comprehensive and flexible response to the structural barriers preventing Palestinian youth from accessing dignified economic opportunities. A no-cost extension was granted in 2023 to accommodate delays linked to contextual volatility and to consolidate results.

YEP aimed to empower young Palestinian women and men, particularly those from vulnerable groups such as PLwDs, rural residents, and youth in East Jerusalem and Area C, to secure employment, build market-relevant skills, or start their own businesses. It did so through a multi-pronged strategy combining direct youth support, institutional capacity building, and systems-level reform.

The project's theory of change rested on the assumption that youth economic outcomes would improve if structural labour market constraints were addressed through a mix of targeted employability support and systemic interventions to enhance public and private sector service delivery. Three mutually reinforcing result areas anchored the design:

- **Result 1: Improved access to first work experiences through the First Employment Facility (FEF)**. This flagship mechanism was designed to support short-term job placements with private sector employers. Administered -through a direct grant- by the Palestinian Employment Fund (PEF), it aimed to bridge the experience gap many youths face when trying to enter the job market.

- **Result 2: Enhanced technical and soft skills through Work-Based Learning (WBL)**. This component was designed to deliver demand-driven, short-term vocational upskilling and reskilling courses via vocational training centers (VTCs), private providers, and chambers of commerce and industry. The integration of workplace exposure and soft skill development aimed to ensure training relevance and employer buy-in. This component was implemented by the Hebron and South Hebron Chambers of Commerce (HCCI and SHCCI, respectively) in partnership with Polytechnic University and the Ministry of Labor's Yatta Vocational Training Center, through a competitive process of calls for proposals.

- **Result 3: Increased entrepreneurial engagement through business development support and seed funding.** Youth interested in self-employment or group ventures were offered coaching, incubation services, and small grants. Some initiatives were grouped under cooperative models, with mixed success depending on group cohesion, feasibility, and market conditions. This component was delivered by five local NGOs (4 in the West Bank and 1 in Gaza), also following a competitive process of calls for proposals.

By embedding employment placement under R1, vocational training and R2, entrepreneurship support under R3, and integrating institutional development activities under the three results, **YEP was designed to respond to the needs of a generation of youth navigating compounding crises.** In doing so, it sought not only to equip youth for economic engagement, but also to lay the groundwork for a more inclusive, resilient, and responsive employment ecosystem in Palestine.

Each result area was embedded with **cross-cutting measures aimed at promoting inclusion (gender and disability)**, leveraging private sector involvement, and aligning with national employment and TVET strategies. The project's implementation was guided by a strong emphasis on adaptive management, adjustments in response to emerging challenges, especially following the post-October 2023 escalation, when a decision was taken to suspend the project's activities in Gaza and reallocate corresponding resources to augment and expand West Bank activities.

As a central pillar of the EU's youth programming, YEP complemented parallel initiatives implemented by UNFPA and Sharek. The project built on previous Enabel experiences (notably the Skilled Young Palestine project, SYP) and was designed to contribute to broader efforts under the Palestinian National Employment Strategy 2021-2025 (NES) and the national TVET framework.

YEP was implemented under Enabel's direct responsibility in accordance with its internal rules and systems, as validated through the EU's ex-ante "9 pillar" assessment[5]. A project Steering Committee (SC) convened by strategic Palestinian bodies including MoL, MoEHE, MoNE, the TVET Commission, Enabel, representatives from the EU Representative Office and the European Training Foundation (ETF) in an observing capacity. According to its ToR, the committee served as the project's highest oversight and advisory body, providing strategic guidance, reviewing financial and operational progress, approving annual work plans and budgets, and ensuring complementarity across the EU-funded actions.

Day-to-day management and coordination rested with a dedicated Project Unit embedded within Enabel enabling close technical, administrative and geographical synergies. This unit combined new positions under YEP, notably additional experts on employment and business development, with pooled expertise and systems developed under other projects. It operated across the West Bank and Gaza, supported by MEAL officers, financial controllers, accountants, contracting specialists, and a communication officer to ensure robust delivery, quality assurance, MEL, procurement compliance, and knowledge sharing. This layered governance structure, from the multi-stakeholder SC to the integrated Project Unit, was designed to balance strategic alignment with national policies and donor frameworks, with agile operational execution on the ground.

[5] As per Annex 1 of the EU Contribution Agreement.

2 Objectives and methodology

2.1 Purpose of the End-Term Evaluation

The End-Term Evaluation (ETE) of YEP was commissioned by Enabel **to assess the extent to which the project achieved its intended outcomes and contributed to broader youth employment and empowerment objectives in the Palestinian context**. The evaluation serves both accountability and learning purposes. On one hand, it aims to provide credible and evidence-based judgments on project performance for Enabel, the EU, and national counterparts; on the other, it seeks to generate recommendations that can inform future employment programming in fragile and conflict-affected settings like Palestine.

2.2 Evaluation Criteria and Questions

The ETE applies the **OECD-DAC evaluation framework, consistent with Enabel's evaluation policy**. While all six criteria[6]serve as guiding standards, the **ETE deliberately concentrates on those most closely tied to seven evaluation questions (EQs) stipulated in the evaluation Terms of Reference (ToR)** (see Annex 1), ensuring the analysis remains focused, practical, and directly aligned with the information needs of Enabel, the EU, national partners, and other stakeholders.

Drawing on the evaluation ToR and the detailed inception process (see Annex 2), the evaluation **gives particular attention to effectiveness, coherence, sustainability and efficiency.** It explores the extent to which YEP's interventions achieved or are on track to achieve their objectives, how well they align and complement national strategies and parallel programmes, and whether resources were used optimally to maximise results. While relevance and impact are also examined, they are primarily synthesised later in the report under global reflections on overall project performance.

The evaluation is structured around seven core EQs, each anchored in the OECD-DAC framework:

- **EQ1:** To what extent have FEF and WBL contributed to reducing the mismatch between education and labour market needs, and to increasing employability, especially for women and youth?
- **EQ2:** To what extent have the different business development initiatives (financial and non-financial, individual seed funds or via cooperatives/groups) contributed to income generation for vulnerable young women and men?
- **EQ3:** To what extent are the key project approaches sustainable beyond the implementation period, including their potential for upscaling in the current socio-economic context?
- **EQ4:** To what extent have synergies and complementarities between YEP, national policies, and other ongoing programmes or projects, led by Enabel (notably SYP and SAWA) or by other partners, enhanced the intervention's potential to achieve its results?

[6] The six OECD-DAC criteria are relevance, coherence, effectiveness, efficiency, sustainability, and impact

- **EQ5:** To what extent have grants to implementing partners been an effective and efficient mechanism for achieving the project's objectives?
- **EQ6:** What unintended effects (positive and/or negative) can be observed, and what are their implications for the project's objectives?
- **EQ7:** To what extent has the project integrated the principles of decent work into its approach, notably for the most vulnerable and for persons living with disabilities (PLwDs)?

During the inception phase, these EQs were further developed into detailed sub-questions, specific indicators and judgment criteria, and mapped data sources through an evaluation matrix. This provided a structured blueprint to guide data collection and analysis, ensuring systematic coverage of gender equality, disability inclusion, decent work principles, and local ownership across all areas of inquiry. The matrix approach also facilitated rigorous triangulation of qualitative evidence from interviews and focus groups with quantitative findings from project monitoring data and stakeholders' surveys.

2.3 Scope and Focus of the ETE

The scope of **the ETE encompasses the full period of project implementation,** from the project's launch in 2022 to June 2025, including the period covered by the no-cost extension. The evaluation covers **all three result areas**.

Geographically, **the evaluation focuses on areas of project implementation in the West Bank and East Jerusalem**, as project activities in Gaza were suspended after the war broke out and before beginning to deliver results. Nonetheless, the evaluation reflects on Gaza's situation as a critical contextual factor affecting labour markets and youth well-being across the Occupied Palestinian Territories.

2.4 Data Collection and Analysis

This ETE employed **a mixed-methods approach**, combining qualitative and quantitative evidence to ensure a comprehensive and triangulated assessment. The methodology was purposefully designed to reflect the complex Palestinian context and to capture a broad spectrum of perspectives across institutional actors, implementing partners, employers, and youth beneficiaries.

The evaluation began with an **extensive desk review**, which provided the analytical foundation for both the design of the evaluation and the interpretation of findings. This review covered the project's foundational documents, including the Description of Action (DoA), logical framework, operational manuals, and inception and annual reports. as well as monitoring data, partner workplans, progress and financial reports, institutional capacity assessments, and coordination records. Relevant Palestinian policy frameworks, such as the National Employment Strategy and national TVET strategy, Enabel's Palestine cooperation strategy, and related Enabel global strategy documents were also reviewed. This process helped refine the evaluation questions, informed the development of the detailed evaluation matrix with tailored sub-questions and indicators, and ensured that the data collection tools would be contextually relevant and aligned with project ambitions and national priorities. It also provided an essential baseline against which primary data could be analysed and tested. The list of documents reviewed can be found at Annex 3 of this report.

Primary qualitative data was collected through a wide-ranging series of key informant interviews (KIIs). These included discussions with Enabel staff in Brussels and in-country, the Ministry of

Labour, the National TVET Commission, PEF, the EU Delegation, the European Training Foundation, the ILO, and all implementing partners across all three result areas (R1–R3), including the Hebron and South Hebron Chambers of Commerce, PARC, MA'AN, ACAD, and Al-Quds University. Coordination and learning were also explored through KIIs with actors such as UNFPA and ILO. All planned interviews and meetings were successfully conducted except for the one with the Belgian Embassy, which could not be arranged due to their scheduling constraints. The list of people interviewed can be found at Annex 4 of this report.

In parallel, five focus group discussions (FGDs) were held with youth: one with FEF (R1) participants, two with WBL (R2) beneficiaries, and two with youth engaged in entrepreneurship or cooperative initiatives (R3). **Employers were consulted through three dedicated FGDs,** one with R1 employers and two with R2 employers convened by the Hebron and South Hebron Chambers. These discussions provided rich insights into how youth and businesses experienced the programme's interventions on the ground.

To capture broader quantitative and qualitative employer perspectives, **an online survey was administered using the Kobo Toolbox platform. The survey targeted firms that had participated in both R1 and R2, and a link was circulated by the respective implementing partner to all participating firms under each component. Importantly, only the evaluation team had access to the submitted responses, ensuring confidentiality and independence in data collections.** The survey gathered systematic feedback on satisfaction, hiring decisions, perceived benefits, and challenges. In total, **63 employers** responded to the survey - 32 under the FEF (R1) and 31 under the WBL (R2).

In total, the evaluation directly **engaged more than 90 people** across interviews, FGDs, and surveys, reflecting a diverse mix of institutional, private sector, and youth voices.

Analytically, the evaluation applied **a contribution analysis lens** to explore the plausible pathways through which YEP may have influenced outcomes, while also assessing the interplay of project design and external shocks, notably the socio-economic downturn following October 2023. **Findings were triangulated across desk review insights, KIIs, FGDs, and survey data** to validate emerging themes and mitigate bias.

2.5 Limitations

The ETE faced several limitations that should be considered when interpreting the findings and conclusions.

A primary constraint stemmed from **the prevailing security situation and associated movement restrictions across the West Bank and Gaza**. These conditions **prevented the evaluation team from conducting in-person visits to employers' sites or directly observing youth at their workplaces as originally planned**. As a result, most KIIs and FGDs were conducted remotely via online platforms. Only meetings with stakeholders based in Ramallah were held face-to-face. While virtual engagements allowed the team to reach a broad array of respondents across diverse locations, thus providing a sound basis for the analysis, they limited opportunities for spontaneous observation and informal interactions that often enrich qualitative analysis.

Related to this, the team **had to rely on Enabel's implementing partners to organise and invite employers and youth to participate in KIIs and FGDs**. This was a practical necessity given the security and logistical environment during the field mission, which did not lend itself to random sampling or broader community outreach. Under these circumstances, the team had to accept meetings with those who were available and willing to participate. To help mitigate potential bias, such as over-representation of particularly engaged or successful cases, the evaluation purposefully included probing questions designed to elicit critical feedback as well as positive experiences. The team further triangulated these accounts against other data sources such as project monitoring records and the employer survey.

Moreover, **direct engagement with R1 (FEF) beneficiaries was limited to a single FGD due to** time and security-related restrictions despite PEF's best coordination efforts. While this discussion was in-depth and generated valuable insights into youth perspectives on first employment experiences, a broader series of FGDs would have provided a more varied picture, given the diversity in sector placements, gender, and geographic backgrounds among FEF participants. Another important limitation was **the lack of completed tracer study data at the time of the evaluation**, which constrained the ability to draw robust conclusions on employment retention or medium-term livelihood outcomes. In the absence of this quantitative follow-up, the evaluation relied on employer reports, youth perceptions gathered during FGDs, and available monitoring data to assess employability impacts.

Additionally, **the evaluation took place while certain project processes, such as final wrap-up activities and some institutional consolidation efforts, were still ongoing**. No information beyond June 2025 was available to the evaluation team; therefore, the final six months of project implementation could not be assessed. This meant that a full appreciation of longer-term sustainability and potential scaling pathways was necessarily based on early indications and stakeholder perspectives rather than documented post-project evidence.

As with many evaluations reliant on self-reporting, there is also the potential for positive or courtesy bias, especially given that many stakeholders were closely involved in implementation or had directly benefited from the project. The team sought to mitigate this through triangulation across multiple data sources and by probing both positive and critical experiences during KIIs and FGDs.

While these limitations do not undermine the credibility of the findings, they do suggest some caution in generalising selected conclusions, particularly around effectiveness and sustainability. They also underscore areas where additional follow-up studies, such as once tracer results become available, could further deepen understanding of YEP's overall performance.

3 Analysis and findings

3.1 Performance analysis

As stipulated in the ToR, this section provides a concise analysis of the project's performance against the OECD-DAC evaluation criteria, assigning ratings as required by Enabel. The synthesis draws directly on findings from EQ1 toEQ7 presented in chapter 3.2 below.

RELEVANCE	A

YEP was highly relevant to its operational context. It highly aligned with national and donor priorities and addressed core youth employment barriers through a contextually grounded, multi-track design. The project's focus on first employment, work-based learning, and youth entrepreneurship directly reflected the priorities of the Palestinian NES, the TVET sector priorities, and Enabel's bilateral cooperation strategy. It explicitly targeted systemic constraints such as limited formal entry points for young people, weak school-to-work transitions, and persistently low female labour force participation. Moreover, YEP responded very well to Enabel's global priorities on decent work and inclusive economic growth. It also directly contributed to the EU's collective youth empowerment agenda for Palestine, positioning it within a coherent donor vision for addressing multi-dimensional youth exclusion.

Targeting was notably strong and adaptive. The programme achieved high outreach to women, with 69% of FEF beneficiaries and 86% of TVET-WBL trainees being female and extended coverage to underserved geographies including East Jerusalem, rural areas, and Area C. The cooperative component also opened alternative pathways for youth preferring collective or solidarity-based models of income generation, broadening the range of entry points into economic activity.

YEP's design was further strengthened by being explicitly informed by analytical inputs from the European Training Foundation (ETF) under the Torino Process, which identified critical skills gaps, structural barriers, and institutional needs. This ensured YEP directly **responded to evidence-based labour market constraints**, by reducing education-labour market mismatches (R2), facilitating first job opportunities (R1), and expanding youth entrepreneurship and self-employment (R3), all while building local employment service systems and mechanisms.

YEP also demonstrated **strong relevance through its responsiveness to evolving conditions on the ground**. Following the October 2023 escalation and subsequent economic downturn, the project swiftly adjusted its delivery modalities — for instance, by moving 21st Century Skills training online, reallocating resources from Gaza to deepen activities in the West Bank and modifying cooperative and enterprise support to navigate increased market and mobility constraints. This adaptive approach underscored the project's ability to remain pertinent and aligned with both the policy environment and the practical realities faced by youth and enterprises.

YEP's multi-track structure proved particularly **well-suited to the fragmented and volatile Palestinian labour market**, offering differentiated responses, from wage subsidies and WBL to entrepreneurship and cooperative development, that together addressed multiple dimensions of youth exclusion and underemployment.

COHERENCE	B

Coherence was **generally strong** in thematic alignment and careful avoidance of overlaps through design-stage differentiation, while practical operational linkages were modest.

YEP was well-integrated into Enabel's bilateral cooperation framework, building on institutional memory and learning from SYP and conceptually complementing Enabel's SAWA and PEP programmes. Thematic differentiation with ongoing projects and programmes helped avoid duplication. The project also fit within the EU's Palestinian Youth Empowerment Programme alongside interventions led by UNFPA and Sharek Youth Forum.

However, **practical operational linkages were modest**. Coordination across these EU-funded initiatives remained largely at the level of shared strategic objectives, with minimal joint delivery or systematic referrals to create graduated support pipelines. The Project Steering Committee functioned as an oversight body but was not leveraged to strengthen coherence with other national or donor initiatives. Similarly, engagement with ILO (on cooperative ecosystems) and ETF (on capacity building) was positive but limited in scope and duration.

Contributing factors included fragmented Palestinian institutional landscapes, recurrent movement restrictions, and shifting partner priorities, all of which complicated deeper operational integration. .

EFFECTIVENESS	**B**

YEP's effectiveness reflects a **solid but partial achievement of intended results**, with **meaningful contributions to individual employability and institutional capacities, yet clear limits in depth, consistency, and systemic change**.

YEP was notably **effective in addressing immediate employability barriers**. According to project monitoring data, the FEF successfully provided over 470 youth with structured, wage-subsidised placements, overcoming the entrenched "no experience, no job" constraint, especially for young women (69% participation in FEF, far above the <20% national FLFP rate[7]). The structured contracts, direct wage payments, and decent work safeguards were widely valued. Similarly, TVET-WBL initiatives aligned short courses with employer-identified needs, introduced ten updated curricula, and reached high female participation (86%). These achievements were consistently validated by youth and employers in qualitative interviews.

However, the effectiveness of these interventions in reducing deeper education-to-labour market mismatches was more constrained. Under FEF, most employers cited external financial or market uncertainty, not youth skills, as reasons placements were not extended. Under WBL, the brevity of courses and informal employer attachments often left youth feeling insufficiently prepared for direct employment, with no systematic post-training pathways.

Business development interventions under R3 were transformative at the individual level, with youth describing major shifts in confidence, planning, and market understanding. The R3 approach also innovated cooperative literacy and pre-cooperative incubation, especially at Al-Quds University. Yet the fragile, early-stage ventures faced macroeconomic and regulatory hurdles that sharply limited immediate income impacts.

Effectiveness was tempered by limited operational synergies with complementary EU and Enabel programmes, meaning that the project did not fully leverage opportunities to build stepped support pipelines from first employment or early entrepreneurship into more advanced market linkages.

The grants modality was well suited to the context and enabled local ownership, it also led to uneven effectiveness due to varied capacities among implementing partners. Delays in disbursement and contracting slowed delivery, compressing implementation windows and reducing the opportunity to mature results, particularly under R3.

The project clearly met key targets around outreach and participation. HCCI alone received over 4,490 applications, and both HCCI and SHCCI reported that the majority of selected participants came from vulnerable groups, including youth from marginalised areas, low-income households and people with disabilities. The project also succeeded in piloting innovative models, and made substantial contributions to improving individual employability and institutional delivery capacities. However, these successes were tempered by shallow employer absorption, early-stage business fragility, the lack of robust tracer evidence on sustained outcomes, and missed chances to integrate with other programmes for more durable pathways.

[7] World Bank. (2025). *Labor force participation rate, female (% ages 15+) – West Bank and Gaza*. Retrieved from World Bank national estimates.

EFFICIENCY	C

Efficiency was reasonable through appropriate modality choices and adaptive delivery under highly challenging circumstances. **However, notable delays, uneven partner capacities, and high transaction costs significantly affected the overall operational efficiency.**

The **grant modality** was **well-justified and contextually appropriate**. Direct grants to PEF under R1 strengthened nationally mandated structures for wage subsidies, while competitive grants under R2 and R3 enabled Enabel to harness diverse local organisations, adapt to local realities, and respect localisation and subsidiarity principles. This design avoided the need for an impractically large Enabel direct implementation footprint, preserved institutional ownership, and expanded geographic reach, especially into Gaza during the first year of operation, and to marginalised communities in the West Bank.

However, efficiency was undermined by **recurrent delays in contracting and disbursement**, especially under R3 competitive grants, which **slowed** the rollout of training and seed funding, but also **key MEL processes** such as the Action Research and the tracer study. Some partner NGOs and beneficiary youth receiving seed funds required intensive handholding on EU compliance, MEL, and procurement. This applied both to Enabel's support to its implementing partners and, in turn, to those partners' support to their trainee-entrepreneurs. These multi-level demands stretched implementing partner organisations and Enabel's team capacity and reduced the space for strategic coordination, programmatic follow-up, and learning (see also Sections 3.2.5 and 3.2.6 and Conclusion 4 for detailed analysis).

Moreover, the short overall project duration compounded by these delays **compressed implementation windows**, limiting how deeply interventions could mature before external shocks, such as the post-October 2023 economic downturn, imposed additional disruptions.

While the project was nimble in adapting to context shifts and leveraged grants well to extend local delivery, the cumulative inefficiencies and high transaction demands constrained overall performance.

SUSTAINABILITY	C

Sustainability reflects **contributions to building technical capacities, piloting promising models, and reinforcing local institutional ownership, but with continued heavy dependence on external funding, weak systemic embedding, and fragile enabling conditions**.

Under R1, the FEF created a robust operational blueprint for wage subsidies, anchored under PEF with standardised manuals and transparent SOPs. WBL similarly strengthened local TVET capacities, developing new curricula and instructor competencies. The entrepreneurship and cooperative models under R3 embedded even deeper local ownership: NGOs retained trained staff, incorporated YEP methodologies into ongoing programmes, and in the case of Al-Quds, formally institutionalised cooperative learning through a diploma.

However, across all components, core financing, policy anchoring, and national system integration remain incomplete by design. The FEF still lacks a clear sustainable budget line within the PA, and debates over whether PEF or MoL will own future job matching systems, plus limited fiscal space, make continuation uncertain. WBL gains, especially at public institutions like Yatta VTC, are vulnerable to operating budget shortfalls.

R3 stands out slightly more positively with evidence pointing to concrete mechanisms for continuity at the organisational level: For example, **MA'AN** has established an Entrepreneurship & Innovation Hub for ongoing coaching and follow-up; **ACAD** has launched a mini-business incubator in Tulkarem to provide continued mentoring; **Al-Quds University** has set up cooperative incubation mechanisms linked to ILO and AICS support; and **PARC** is integrating youth cooperative initiatives into its broader programmes. These developments indicate that practices initiated under YEP are being embedded within partner systems beyond the project cycle. All four NGOs intend to keep offering advisory support. Yet these too are contingent on new donor cycles, and youth ventures continue to face a hostile market environment — with inflation, regulatory fragmentation, and limited access to credit.

IMPACT

While impact is not formally scored here, the OECD-DAC framework calls for consideration of long-term effects. This evaluation, constrained by the absence of counterfactual data, limited tracer systems, and an unstable operating environment, cannot conclusively demonstrate systemic or population-level employment impacts. Nonetheless, **qualitative findings across EQ1 to EQ6 suggest intermediate impacts**: enhanced youth market literacy and confidence, new cooperative pilots with potential to inform future legislation, modest support to local supplier ecosystems, and shifts in institutional incubation models at Al-Quds University. These represent important stepping stones toward more resilient youth economic participation.

3.2 In-depth analysis

This chapter provides a comprehensive examination of how YEP performed against its intended results and strategic aims, as framed by the EQs derived from the evaluation ToR. The findings offer a focused discussion and analysis of the evidence related to a specific EQ, while also reflecting on cross-cutting dynamics.

3.2.1 EQ1: The contribution of FEF and TVET-WBL to reducing mismatch and enhancing employability (criteria: Relevance, Effectiveness and Sustainability)

Summary of key findings on EQ1:

Both FEF and TVET-WBL made meaningful but partial contributions to reducing education-labour market mismatches and boosting youth employability in Palestine. The FEF effectively helped overcome the "no experience, no job" barrier, especially for young women, but struggled to drive sustained employer demand under fragile economic conditions. The TVET-WBL strengthened training relevance and institutional capacity, yet short courses and weak employment linkages limited deeper impacts. Together they functioned as complementary responses, consistent with the National Employment Strategy's twin aims of activation and structural alignment.8

3.2.1.1 FEF

The FEF was intentionally designed as a wage subsidy mechanism to reduce employer hesitation in hiring inexperienced young people, thereby tackling one of the most entrenched barriers to youth employment in Palestine. Implemented under the stewardship of the PEF and governed by a comprehensive operational manual co-developed with the MoL and social partners, the FEF's structure was robust: it combined rigorous employer vetting, transparent youth matching, standardised contracting, and direct wage payments into youth bank accounts — a notable driver of financial inclusion. All participants also received 30 hours of training on labour rights, decent work and foundational soft skills, delivered by PEF staff previously trained under the SYP project[9].

[8] Enabel. YEP Annual Results Reports 2022-2024.
[9] Enabel. FEF Operational Manual. Palestinian Territories.

At the time of the evaluation, 356 youth had completed four-month FEF placements, with roughly 245 being young women[10], a striking achievement in a context where female labour force participation remains below 20%[11]. These figures do not fully capture the scale of engagement: an additional 95 youth in Gaza began placements that were cut short by the October 2023 war, and about 22 in the West Bank also saw early contract termination due to employers' economic strain[12]. Altogether, this means more than 470 youth enrolled under FEF[13], underlining both the programme's reach and the fragility of such pathways amid shocks.

Feedback from youth was overwhelmingly positive, with many describing the programme as their critical break from the pervasive "no experience, no job" trap. Several reported it enabled them to pivot toward roles better aligned with their qualifications or aspirations. For young women in particular, the structured, time-bound design and PEF's institutional backing made employment more acceptable to families, even in more conservative communities. However, typical placements often mirrored prevailing occupational gender segregation, clustering women in roles like administration, childcare or beauty services, shaped by household concerns over mobility and safety as much as by employer demand[14].

Employer survey results broadly corroborated these positive impressions. An overwhelming 97% of firms found the FEF relevant to their business needs, and fully 100% indicated they would recommend the programme to peers, affirming its clear value proposition from the demand side. Additionally, 88% confirmed they had received clear procedural orientation from PEF, suggesting that operational roll-out, at least from the employers' perspective, was largely smooth.

Despite these clear individual employability gains, **the extent to which FEF reduced deeper structural mismatches between education outputs and private sector needs was more limited.** Employers did not primarily cite youth underperformance or skill gaps when explaining why hires were not extended beyond the subsidy period; rather, decisions were driven by financial constraints, market uncertainty and the deteriorating business climate post-October 2023. **This aligns closely with survey findings: only 3% of employers pointed to youth performance or skill issues, while 75% did not extend contracts, mainly citing affordability and uncertainty.** This underscores that while FEF effectively smoothed immediate hiring frictions, it did not fundamentally change employer demand or skill structures.

Interestingly, while qualitative interviews with youth, employers, and some institutional stakeholders suggested that employers wanted stronger workplace support from PEF to integrate young hires, this was less strongly echoed in the employer survey itself, where 66% highlighted the value of accessing additional labour and 47% appreciated having a low-risk way to assess youth suitability. This nuance suggests that while employers clearly welcomed the short-term benefits, their desire and appetite for deeper or more intensive support –like structured coaching, onboarding, or workplace mentorship for youth- may vary depending on their size, capacity, or business context. Such variations may be worth exploring more systematically in future programmes to better tailor interventions to employers' needs**. The additional training on soft skills, labour rights, and Decent Work principles under the 21st Century Skills component was generally valued by youth, particularly the modules on the**

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[10] Enabel, YEP Monitoring Tracking Tables.
[11] PCBS. (2024). Labour Force Survey Annual Report 2023. Palestinian Territories
[12] Interviews with PEF.
[13] Evaluation interview with PEF.
[14] Based on primary data: key informant interviews and focus group discussions conducted with youth, employers, and PEF staff.

Palestinian labour law. However, several limitations were evident in its delivery and design. Due to movement restrictions and security risks following the October 7 escalation, the training, originally conceived as an interactive, face-to-face learning experience, had to be delivered online. This format shift, combined with the fact that the content was not initially designed for virtual delivery, resulted in sessions that were predominantly lecture-based with limited interaction. Youth frequently described this as reducing the depth of learning, noting that opportunities for individual and group exercises, a key feature meant to drive active learning and skill acquisition, were largely absent.

Perceptions of the training's usefulness also differed among youth interviewed: first-time job seekers generally found it more relevant and supportive in preparing them for their placements, whereas those with prior work experience tended to view the material as basic and less immediately applicable. Moreover, the training did not reach all beneficiary cohorts before their placements as originally intended; for most interviewed youth, it occurred only after they had already begun their jobs, which reduced its preparatory value. Employers likewise struggled to identify clear short-term productivity gains from the training and often expressed a desire for more hands-on HR support from PEF to help integrate young workers effectively. It is notable that these qualitative perceptions did not appear as direct concerns in the employer survey, perhaps reflecting that businesses were primarily focused on the financial and staffing relief provided by the subsidies, rather than training spillovers. Noteworthy is that Enabel has recognised these challenges and responded by developing a new training manual specifically tailored for online delivery, aiming to strengthen content engagement and impact in future iterations — a constructive adaptation that directly addresses these implementation gaps going forward.

A critical insight from the evaluation concerns **the targeting approach.** Although the FEF was explicitly designed to support unemployed youth transitioning into their first jobs, the project's monitoring system and beneficiary profiling tools did not systematically track participants' prior employment status or capture complete transition-to-work trajectories. Corroborating findings from the consultant conducting the action research on PEF, the evaluation found some evidence that certain participating companies enrolled youth who had already been working for them on a daily basis, typically as informal, waged employees without protections, effectively using the subsidy to formalize or stabilize these pre-existing arrangements. This meant the programme inadvertently served two distinct groups: truly unemployed youth needing an initial foothold and employed youth pursuing better matches or formalisation. While both trajectories carry value, they require different instruments. Wage subsidies are well justified to offset employer risks for first-time entrants but are less efficient for facilitating career shifts or regularising informal workers, which might be better supported through targeted upskilling or advisory services. The operational manual did not differentiate between these pathways, instead applying a broad "catch-all" model that missed opportunities to tailor support and maximise systemic impact.

Initial uptake also reflected these dynamics. Rigorous employer eligibility criteria[15], demanding valid registration, wage capacity, and compliance with decent work standards, naturally concentrated participation in relatively formal urban hubs like Ramallah, Hebron and Nablus. In interviews, PEF staff noted that early in the programme, there were even cases where vacancies posted through the system received no youth applicants, underscoring limited initial traction on both the supply and demand sides. **The employer survey partially nuances this:** while it confirmed most participants were small

[15] Enabel (2023). *FEF Operational Manual. Palestinian Territories*.

firms heavily weighted toward trade (59%) and services (31%), the relatively high share of micro-enterprises (over 78% with fewer than 10 workers) indicates that even within formal urban settings, the FEF mainly reached the most fragile segment of registered businesses.

While these constraints led to a slow start, **demand grew substantially in the aftermath of the October 2023 escalation.** The sharp economic downturn and heightened uncertainty pushed more employers to seek wage subsidy support as a way to mitigate business risks and reduce labour costs, while increased economic vulnerability drove more youth to actively register for opportunities. **Yet** survey data also reveal that **only about 25% of employers extended contracts post-subsidy,** suggesting that the programme, though highly valued, functioned more as a temporary risk buffer than a bridge to sustainable employment under prevailing conditions. This reinforces the view that future wage subsidies might need to be paired with broader demand-side or market stimulation measures or structured with graduated incentives that help businesses transition toward absorbing youth on their own.

Box 1 Key Findings from FEF Employer Survey

A total of 32 companies that participated in the First Employment Facility (FEF) responded to the online questionnaire, which was sent to all employers engaged under the programme. According to the Palestinian Employment Fund (PEF), this represents approximately 47% of all firms that hosted FEF placements. These responses provide a valuable, though partial, window into how employers viewed the wage subsidy mechanism, its alignment with their needs, and areas for improvement.

The survey confirmed that most participating firms were small: over 78% employed fewer than 10 workers, and only around 6% had more than 20 employees. Sectorally, 59% were active in trade, 31% in services, and just 9% in manufacturing, reflecting the dominant structure of the Palestinian private sector.

Overall satisfaction was strikingly high. 97% of employers found the FEF relevant to their business needs, and 100% indicated they would recommend such a programme to other companies. When asked about key benefits, 78% highlighted reduced hiring costs, 66% cited access to additional labour, and 47% appreciated the chance to assess youth suitability before committing to longer contracts. Moreover, 88% confirmed they had received clear orientation on programme procedures from the Palestinian Employment Fund (PEF), indicating generally strong operational communication.

However, sustained employment outcomes were far more limited. Only 25% of companies reported that they had extended youth contracts beyond the subsidy period, with the majority pointing to financial constraints and continued market uncertainty as primary barriers, not dissatisfaction with the youth themselves. Indeed, only 3% mentioned mismatches in youth skills or performance as a reason for not continuing employment. Looking forward, 94% of employers said they would be willing to hire youth again if similar wage subsidies were offered, underscoring that **the programme was largely viewed as an effective tool to reduce short-term hiring risks rather than to fundamentally change long-term employment patterns**.

A critical insight emerging from these findings is that while the FEF successfully reduced immediate employer risk and was highly appreciated, it did not fundamentally alter the structural constraints linked to weak demand and limited business confidence. This suggests that for future wage subsidy schemes to translate into more durable employment impacts, they may need to be coupled with broader market stimulation measures or designed with graduated models that extend support beyond the initial subsidy period, helping firms bridge the gap toward sustainable hiring under challenging economic conditions.

The project also included important design elements aimed at strengthening institutional capacities and influencing sectoral policy frameworks. A central pillar of this was the envisioned development of a centralized job matching platform under PEF, intended to institutionalize first employment matching and build more robust labour intermediation systems. **However, progress on this front**

proved limited[16]**.** Following a preliminary study that mapped the status of existing platforms and identified future needs, the MoL shifted its priorities, formally requesting Enabel's support to instead develop a more advanced, AI-enabled platform under MoL itself. This pivot inevitably delayed the original plans tied to PEF, but it also reflected an evolving national strategy to centralize labour market information systems under the Ministry's direct mandate. Enabel responded by supporting this reorientation, with a platform expected to become operational by the first quarter of 2026, an outcome that, while differing in institutional anchorage, some stakeholders find it still advances the broader objective of strengthening Palestinian labour market intermediation capacities.

Linked to this, the project facilitated a **technical study visit to Belgium** on the theme of "AI and the Labour Market," involving senior officials from MoL, PEF and Enabel. According to Enabel and MoL this visit had several "notable results" that reinforce prospects for institutional development: it helped the joint MoL-PEF-Enabel technical team working on the platform to align their vision and operational priorities; an MoU was signed between the MoL and the trade organisation Hub Brussels to enable selected Palestinian entrepreneurs to explore pathways for accessing European markets; MoL and PEF reconnected with the World Association of Public Employment Services (WAPES), reactivating discussions around moving from observer status to full membership; and collaboration between MoL and the European Training Foundation (ETF) was strengthened, paving the way for tailored capacity-building sessions. These outcomes **represent meaningful steps toward embedding Palestinian institutions more deeply in global employment networks and practices**.

Additionally, the project design incorporated a policy influencing dimension aimed at promoting a more systematic approach to youth employment and first job facilitation, through sustained engagement with MoL, PEF, and private sector bodies. This was intended to foster stronger alignment with national strategies such as the NES 2021–2025 and the broader labour sector strategy. By the time of the evaluation, **two of three planned policy papers,** focusing on the potential of green enterprises and inclusion of PwDs had been developed and discussed with relevant labour market stakeholders. The third and final policy dialogue co-organised with MoL, AICS and the ILO, was planned on the 28th of June but was postponed to September due to the active hostilities between Israel and Iran. Beyond feeding discussion and identifying ways to improve the ecosystem (including through future projects), **tangible results of the project's policy work and its continuity were not evident to the evaluation team.**

3.2.1.2 WBL

The TVET-WBL initiatives took a different yet complementary track. Implemented through competitive grants to the Hebron and South Hebron Chambers of Commerce and their partner TVET providers, these interventions anchored short up/reskilling courses in clear labour market demand[17]. Rapid assessments informed course offerings, CNC design and hybrid car maintenance to resin crafts and gypsum décor, among others, tailored to local needs identified by employers.

In total, 256 youth completed such courses, with approximately 86% being women, illustrating strong outreach to groups typically underrepresented in TVET and formal employment. This heavy female participation owed both to deliberate targeting and to the sectoral choices of implementing partners. All participants under R2 also received the 21st Century Skills training, delivered online. The same general observations noted under FEF above apply here, it was often delivered in a less

[16] EU (2024). Results Oriented Monitoring (ROM) Review Report. Palestinian Territories.
[17] Enabel (2022-2024). *YEP Annual Results Reports 2022, 2023, 2024. Palestine*

interactive format than intended and perceived as more valuable by first-time job seekers than by those with prior experience.

These initiatives also significantly strengthened institutional capacity: they resulted in ten new or updated curricula, upgraded training facilities, and trained instructors, critical gains for Palestinian TVET centres operating under severe financial constraints. Providers noted that these interventions expanded their continuous learning portfolios and improved their responsiveness to market shifts.

However, the short course durations (often dictated by budget ceilings) and brief workplace attachments meant many youth felt insufficiently trained to transition directly into employment or self-employment. This was also clearly borne out by the employer survey: 81% of firms reported that youth placements lasted less than a month, and only 9% hosted youth for three to six months — durations too brief to fully embed skills or allow employers to justify permanent hiring. Employers largely participated out of social commitment, citing limited capacity to hire under current conditions, and often noted that expectations of structured on-the-job learning over such short periods were unrealistic.

Despite these structural constraints and limited placement durations, the employer feedback collected through the survey was generally positive and reinforced qualitative inputs for chambers and employers interviewed (see Box 2 below). Respondents highlighted youth's enthusiasm, adaptability and soft skills as positive features, which helped challenge the common biases about inexperienced entrants to the labour market. While the short placements durations limited the extent to which skills could be developed and tested in real world settings, most firms found the experience worthwhile and cited improved perceptions of youth capabilities.

However, the brevity of work-based learning attachments — often under one month — constrained their impact on longer-term employment decisions. Employers welcomed the opportunity to access temporary labour and assess youth in a low-risk setting, but many lacked the financial or operational capacity to extend contracts beyond the subsidized period. This helps explain why relatively few firms retained youth after placements, with retention decisions shaped less by candidate quality and more by external limitations such as hiring freezes or absent vacancies. The fact that very few employers identified performance or conduct concerns reinforces that the issue was structural, not individual.

From a systems perspective, the TVET-WBL component thus succeeded in building institutional resilience and aligning training more closely with local demand, even as the Gaza war deepened economic distress. This contrasted with the FEF, which proved more exposed to market volatility. Yet the TVET-WBL by itself did not create direct job placements on any large scale, nor did it establish robust post-training pathways into employment or business start-up, gaps magnified by the absence of completed tracer data to systematically track outcomes.

Importantly, despite these constraints, the employer survey revealed a significant **attitudinal shift:** Participating firms reported a greater willingness to hire inexperienced youth in the future and expressed strong interest in repeating or recommending similar initiatives. This suggests that while short WBL placements did not translate into immediate large-scale employment, they **effectively reduced employer hesitations and built trust in hiring youth**, laying critical groundwork for future interventions that might combine longer placements or layered business incentives to overcome entrenched financial barriers.

Box 2 Key Findings from Employer Survey on TVET-WBL Placements

A total of 31 companies that hosted youth under the TVET-WBL component (R2) responded to the employer survey circulated by HCCI and SHCCI. Nearly all were small businesses: 70% employed fewer than 10 workers, 27% between 10–49, with only a single medium-sized firm. Sectorally, they spanned primarily services (51%), manufacturing (21%) and a small share in construction (6%). While 33% of firms were fully involved in selecting the youth and another 46% partially involved, most placements were extremely brief: 81% of companies indicated youth stayed less than one month, and only 9% reported stays of three to six months.

The overall perceptions were positive. 55% rated the technical preparation of youth as highly suitable, with the remaining 45% finding it somewhat suitable, and 68% expressed satisfaction with youth's technical skills. Even higher approval was recorded for soft skills, with 88% satisfied or very satisfied with teamwork and time management. Most firms (75%) felt they received full project support in coordination and follow-up, while 16% reported partial support.

Yet, the short duration limited impacts: only 47% were satisfied with the length of the training period, and 27% were explicitly dissatisfied.

Longer-term hiring was limited. 58% did not retain any youth after the placement ended, while 32% retained one and 10% retained two. Critically, this was not due to youth shortcomings: none cited inadequate skills, and only 3% flagged professional conduct issues. Instead, employers overwhelmingly pointed to external constraints, with 52% reporting no vacancies and another 52% citing financial incapacity to hire without continued subsidy support (multiple reasons could be selected).

Despite limited direct employment outcomes, the programme meaningfully shifted attitudes: 71% of employers said they are now more willing to hire inexperienced youth, 94% would participate in similar programmes again, and a full 100% would recommend the initiative to other companies. This underscores that while short WBL placements effectively lowered initial hesitations and built trust, addressing structural barriers through longer engagements or broader business support will be essential for turning these positive attitudes into sustained job creation.

3.2.1.3 Is one more effective than the other at addressing the mismatch?

The two modalities functioned as complementary, but not alternative responses to Palestine's acute education-to-employment challenges. The FEF catalysed immediate private sector engagement, particularly before October 2023, by directly offsetting hiring risks, while the TVET-WBL interventions invested in longer-term supply-side improvements, enhancing institutional capacity and nurturing individual confidence and skills. Both align closely with the Palestinian National Employment Strategy's dual pillars of activating short-term employment and structurally improving training systems. This dual track was also consistently validated by nearly all stakeholders, who stressed that neither approach alone could suffice in such a fragmented and fragile labour market — and that the relative value of each depends on the specific objective, whether it be short-term employment generation, skills exposure, or systems strengthening.

3.2.2 EQ2: Contribution of business development initiatives to income generation (criteria: Effectiveness, Coherence, Sustainability)

Summary of findings on EQ2:

YEP's business development support under R3 broadened youth economic engagement in the West Bank, with strong inclusion of young women and extensive outreach through tailored coaching, seed grants and innovative cooperative and social solidarity enterprise models. Innovative approaches, especially by Al-Quds University, showed the potential of genuine collective enterprises. However, the impact of these economic ventures on youth's income cannot be ascertained due to the fragile, early-stage nature of most ventures at the time of the evaluation. Sustained mentorship, cooperative capacity-building and ecosystem support remain essential.

YEP's **third result area** sought to tackle a different facet of the youth employment challenge by fostering income generation through self-employment and collective enterprises. This was particularly relevant in Palestine's highly constrained labour market, where many youth, especially women, persons with disabilities, and those in rural or Area C communities, face structural barriers to formal wage employment. The interventions combined individual micro-business support (training, coaching, seed funding) and group-based models such as cooperatives, implemented by four CSOs with geographically coordinated mandates that maximised reach and reduced duplication.

Substantial outreach was achieved, especially to young women. Across all partners, about 290 youth engaged in structured business development services, progressing from ideation and pitching to business planning and mentoring. Approximately 67% were young women, reflecting both deliberate targeting and the appeal of entrepreneurship pathways for women facing mobility or cultural constraints on wage work. Geographic spread was a notable strength: Al-Quds University reached youth in East Jerusalem; ACAD in Tulkarem and Nablus; MAAN in Hebron and Bethlehem; PARC in Jenin and Qalqilya — collectively covering diverse socio-economic contexts.

Youth across the different implementing partners described their experience under Result 3 as transformative. In focus groups, many highlighted how the process of developing tangible livelihood plans, engaging in market assessments, and participating in pitching competitions substantially boosted their confidence. This was often their first exposure to formal business processes, and the iterative cycles of concept refinement and tailored coaching helped shift entrepreneurial ambitions from abstract ideas to actionable ventures. Youth also spoke positively about the content of training and mentoring, especially sessions on market analysis, labour rights, and strategies for personal resilience in the face of economic uncertainty.

All participants under R3 also received the 21st Century Skills training, though the mode of delivery differed across partners. Beneficiaries supported by ACAD, MAAN, and Al-Quds University were trained online by a facilitator contracted by Enabel, mirroring the experience described under EQ1 for FEF and WBL participants — where delays meant many completed the training after starting their ventures, and online delivery limited interactive engagement. By contrast, PARC staff, previously trained as trainers under Enabel's SYP project, adapted and delivered the modules themselves, creatively integrating interactive digital resources. Feedback from youth under PARC pointed to a more engaging experience with clearer perceived benefits compared to peers trained under the external facilitator model.

However, the process of administering seed funding, which was critical for operationalising these new businesses was not unified across the four implementing partners. Three partners (ACAD, MAAN, and Al-Quds University) provided seed grants directly to youth entrepreneurs or groups, typically disbursed in one to three instalments depending on the nature of the business, procurement needs, and progress milestones. These grants were transferred through banks against contracts, purchase orders, and documented price quotations. This direct approach forced youth to navigate real-world administrative and financial systems, negotiating with suppliers, managing paperwork, and complying with procurement rules. While many found this challenging and it sometimes led to delays, it ultimately proved highly instructive. Youth frequently described how these experiences sharpened their market literacy and cultivated a strong sense of ownership and accountability over their ventures.

By contrast, PARC adopted a distinctly different model. Rather than transferring funds to the youth or groups they supported, PARC managed all procurement centrally on their behalf, leveraging the organisation's robust institutional purchasing systems. This approach was well-suited to the business models selected, many of which had relatively common input needs that enabled collective procurement. It also reflected a deliberate do-no-harm strategy in light of the operating environment: by handling procurement directly, PARC minimised the risks youth might otherwise face travelling to secure quotations or place orders, including exposure to movement restrictions and potential settler attacks. Importantly, youth were still actively involved in the process, participating in defining specifications, inspecting goods, and formally accepting deliveries, but did not bear the administrative burden of compliance or engage directly in supplier negotiations. This model allowed PARC to finalise the grant delivery process considerably faster than the other partners, who often contended with youth struggling to meet complex financial procedures.

These variations highlight how different implementation modalities carried trade-offs. Direct grant disbursement to youth enhanced practical learning and entrepreneurial autonomy, embedding critical skills that extend beyond the immediate lifespan of the businesses themselves. However, it also introduced administrative hurdles that slowed execution. Meanwhile, PARC's approach reduced operational risks and expedited delivery but curtailed some opportunities for youth to develop hands-on procurement and negotiation experience. Together, these experiences underscore the importance of balancing empowerment objectives with context-specific risk management, suggesting that future programmes might consider hybrid models that combine protective institutional safeguards with structured opportunities for youth to engage more directly in financial and supplier interactions, tailored to the security and mobility realities of different localities.

YEP activities under R3 lacked a shared vulnerability targeting framework. Although YEP was explicitly framed to address the resilience needs of the most excluded youth, no common criteria were applied across partners to systematically identify or prioritise those with multiple barriers (e.g., youth from households in severe economic distress, out-of-school youth, or PLwDs). As a result, while many participants were indeed women or from marginalised localities due to proactive targeting of young women by implementing partners and the priority they were given in selection, it cannot be robustly concluded that the intervention primarily reached those least likely to benefit from standard labour market programmes.

Cooperative and group-based ventures revealed critical differences in design quality and sustainability prospects. PARC supported existing cooperatives to establish youth-oriented income streams, but these initiatives lacked clear ownership by young members. They were typically registered under the parent cooperative's legal entity, with uncertain general assembly approval[18] and limited youth involvement in governance or profit-sharing in the cooperative. By the time of the evaluation, none had generated income. In contrast, ACAD facilitated informal solidarity groups, granting €10,000 to each collective. These lacked formal cooperative structures but represented meaningful first steps in shared economic activity and joint risk-taking.

[18] In Palestinian cooperative law and practice, the **general assembly**—comprising all registered cooperative members—holds ultimate authority over key decisions, including financial arrangements, asset ownership, and approval of new activities. Without formal endorsement from the general assembly (or in some cases the Board, if formally delegated), any youth-targeted initiative technically lacks legal standing within the cooperative, meaning that youth participants do not have guaranteed rights to profits, governance participation, or long-term access to assets generated by the initiative.

The most promising cooperative model emerged from Al-Quds University. It invested heavily in pre-cooperative literacy through ILO StartCoop and ThinkCoop workshops and multiple sensitisation rounds, leading to genuinely youth-driven ideas. Of 18 groups pitching, five received funding. Examples included artistic collectives offering workshops, integrated fashion-business ventures, mutual marketing groups for home-based goods, and IT cooperatives providing training and services. By the time of the evaluation, one was formally registering in Jerusalem, and others were actively building membership. This underlined that where youth-led cooperative principles were consciously nurtured, with time and capacity-building, collective models could evolve into authentic engines of decent work.

However, all of these ventures remain in very nascent stages, facing intense external constraints. The macroeconomic environment, marked by inflation, restricted market access, complex permits and fragmented regulatory spaces, profoundly limited what these micro- and group enterprises could achieve. Many youth expressed aspirations to grow or diversify but acknowledged that systemic barriers would likely cap their progress without continued mentorship, market facilitation, and linkages to financing mechanisms.

3.2.3 EQ3: Sustainability of Core Project Modalities (criteria: Sustainability, Coherence, Effectiveness)

Summary of key findings on EQ3:

The evaluation finds that YEP's core approaches under R1 (FEF), R2 (WBL), and R3 (business development and cooperatives) have laid a meaningful technical and institutional foundation for continued employment and self-employment support in Palestine. However, long-term sustainability remains uneven and largely contingent on external funding, with partial institutional embedding and varying degrees of formal integration into national systems. The project's investments under R3 stand out for cultivating local NGO capacities, operational platforms, and follow-up commitments that modestly enhance prospects for continuity — though these too are bounded by broader market and resource constraints.

YEP's sustainability landscape is best understood by tracing how each of the core interventions, namely FEF, WBL, and youth business development and cooperatives, has positioned local institutions, systems, and youth to carry forward impacts.

Across all three result areas, YEP established valuable technical and organisational foundations. Under R1 and R2, Enabel's collaboration with the PEF, the Ministry of Labour, and chambers of commerce and TVET institutions produced structured operating manuals, standard procedures, and robust employer engagement models. These assets significantly improved transparency and process quality during implementation. Under R3, the project worked through four local CSOs, PARC, MAAN, ACAD, and Al-Quds University, each of which adopted and delivered comprehensive entrepreneurship curricula, coaching protocols, and competitive grant selection processes that offered youth repeated cycles of pitching, refinement, and mentoring.

Importantly, the NGO partners under R3 demonstrated a higher degree of immediate institutional ownership and operational readiness. Each of the four NGOs has retained staff trained under YEP and has integrated elements of YEP's training and mentoring materials into their ongoing programming. PARC, MAAN, and Al-Quds University all maintain functioning business incubation spaces that continue to serve as hubs for youth mentoring, networking, and follow-on technical support. ACAD, while structured somewhat differently as a development finance and business support organisation, expressed a clear commitment to deepen work with solidarity groups and to continue supporting youth businesses launched under YEP, including by leveraging ACAD Finance (a microfinance institution in which it holds equity) to facilitate access to tailored financial products.

Al-Quds University offers a particularly notable example of institutional embedding and scale-up intentions as a result of YEP. Beyond continuing to use cooperative facilitation tools introduced under YEP, the university has taken concrete steps to institutionalise these experiences. It mobilised additional funding for a follow-up initiative that will expand tailored technical assistance and grant support for youth, and launched a formal diploma in cooperative management, directly translating YEP's learning into an accredited academic pathway. This stands out as a strong case of sustainability through mainstreaming into educational offerings, with potential spillovers into both employability and the broader cooperative sector.

The commitment to follow-up and ongoing coaching among all four R3 partners is an encouraging foundation. Each NGO has indicated plans to continue periodic check-ins, advisory support, and networking facilitation for the youth and groups established under YEP. This sustained accompaniment, though contingent on each organisation's operational resources, mitigates the risk of abrupt disengagement that often follows the close of donor-funded interventions. The broad adoption of YEP's training content and the continued availability of mentors trained through the project further reinforces prospects for keeping alive the entrepreneurial momentum initiated.

Yet broader systemic and financial underpinnings remain fragile. Like R1 and R2, the continuation of these initiatives beyond the immediate NGO project cycles depends heavily on the availability of new funding streams. None of the business development activities under R3 has yet secured public co-financing or been linked into national policy frameworks for youth enterprise development. The market environment remains harsh: youth entrepreneurs continue to face constrained local demand, regulatory complexities, and limited access to affordable credit, challenges that incubators and coaches can only partially buffer. These macro-level constraints mean that while the institutional capabilities are stronger, the ecosystem into which youth businesses emerge still poses formidable barriers.

Across FEF, WBL, and R3, the sustainability landscape reveals common patterns. Technical tools and local capacities were clearly strengthened. Operational relationships among PEF, TVET centres, private sector actors, and community NGOs grew more sophisticated, with many local institutions expressing clear intent to build on YEP's approaches. However, without formal mandates, integrated budget lines, and stronger connections to national tracking and certification systems, these modalities remain at risk of stagnation once immediate project funds conclude.

What distinguishes the R3 portfolio is the relative maturity of local delivery systems and the evidence of diversified follow-up pathways. NGOs have embedded much of YEP's methodology into their operating models and continue to deploy staff trained under the project. In several cases, these organisations are actively innovating on sustainability solutions: such as ACAD linked youth groups to its microfinance arm, Al-Quds University mainstreamed cooperative education, PARC and MAAN planned to extend business development services to YEP beneficiaries, and PARC embedded the 21st Century Skills training into its broader youth empowerment programmes. While this does not eliminate their vulnerability to financial shocks, it does indicate that the networks, tools, and local ownership built around business development and cooperative support may provide a somewhat sturdier bridge to continued youth economic engagement than is presently the case under FEF or WBL, which rely more heavily on national system mandates that have yet to fully materialise.

The overall takeaway that YEP has seeded promising institutional and technical capabilities across all modalities, with R3 showing some of the clearest, but still uncertain indications of near-term continuity through NGO systems and follow-up commitments. Nonetheless, across FEF, WBL, and the business development/cooperative tracks, sustainability remains partial and fragile, heavily reliant on future project investments and the political economy of aid in Palestine. Unlocking fuller sustainability will require concerted policy action to embed these approaches into core mandates and budgets, stronger linkages to national employment and certification systems, and ecosystem-level interventions that ease market, regulatory, and financing constraints for youth ventures.

3.2.4 EQ4: Synergies and Complementarities with Other Initiatives and Policies (criteria: Coherence, Relevance, Effectiveness)

Summary of key findings on EQ4:

The evaluation finds that YEP was strongly aligned with Palestinian national strategies, Enabel's cooperation framework, and the EU's collective youth empowerment agenda, building on ETF data analysis and previous SYP investments. This strategic coherence enhanced its relevance and ensured a clear thematic fit within broader employment and resilience efforts. However, operational synergies remained limited. Coordination with complementary programmes, both within Enabel's portfolio and across EU and partner initiatives, was mostly ad-hoc and constrained by movement restrictions, security volatility, and shifting institutional priorities. While duplication was avoided through thematic differentiation, the lack of structured mechanisms for joint delivery or systematic linkages meant YEP's contributions to broader system-wide impact were partial. This highlights the need for future designs to translate strategic alignment into more deliberate, integrated operational collaboration.

Alignment with national strategies and institutional systems was a notable strength of YEP. YEP was explicitly designed to advance key objectives of the Palestinian NES 2021–2025 and the priorities of the TVET strategy that was in place at the time of YEP's design and implementation. **Its design was also directly informed by analytical inputs from the European Training Foundation (ETF)**, particularly through data and diagnostics generated under the Torino Process, which highlighted critical skills gaps, labour market mismatches, and institutional needs. The project addressed several NES priorities such as enhancing youth and women's access to the labour market, reducing the mismatch between supply and demand in the labour market, operationalising active labour market measures like wage subsidies and entrepreneurship support, and building the capacity of national institutions, notably the MoL and the PEF. The integration of the FEF under PEF's operational purview, partnerships with the TVET Commission, and supporting the alignment of training content with private sector needs under the WBL modality demonstrated this strong strategic fit. YEP also advanced national policy aims around gender equality, disability inclusion, and decent work, further reinforcing labour sector modernisation efforts.

At the same time, YEP reflected Enabel's global strategic commitment to fostering decent work and inclusive growth through interventions that combine individual support with systemic capacity building. Its technical outputs, such as the co-developed FEF operational manual positioned as a national reference for wage subsidy schemes, directly contributed to Enabel's emphasis on durable, nationally anchored solutions.

Complementarities and overlaps with Enabel's other programmes were most evident with the SYP programme. YEP built naturally on SYP's earlier investments in demand-driven TVET, institutional strengthening, and the forging of public-private skill development partnerships. It advanced these by more explicitly linking training and placement to employment outcomes, incorporating wage subsidies to overcome demand-side hiring constraints, and adding entrepreneurship and cooperative support through R3. The same local staff capacities and institutional networks developed under SYP were leveraged under YEP, ensuring a continuity of practice, for example, with PEF personnel trained under SYP delivering 21st century skills modules to FEF beneficiaries. However, **as SYP and YEP ran consecutively, complementarities were realised mainly through sequential learning and institutional memory** rather than through concurrent operational integration.

YEP also complemented the EU-funded SAWA programme implemented by Enabel, though mainly at a strategic level. While both projects formed part of the EU's broader vision for fostering inclusive, resilient economic growth in Palestine, they were intentionally structured to target different market segments: YEP focused on foundational challenges, facilitating first work experiences, offering short-cycle upskilling, and supporting early-stage entrepreneurship, whereas SAWA targeted more advanced green entrepreneurship and private sector innovation. This thematic differentiation helped prevent duplication. However, the evaluation found limited operational synergies: there were no systematic referral mechanisms to transition youth enterprises nurtured under YEP into SAWA's higher-value incubation and investment pipelines. Coordination largely occurred through shared donor and steering committee structures, rather than through joint delivery frameworks, missing an opportunity to create more robust, graduated support pathways.

The governance arrangements under YEP, notably the functioning of the SC, reinforced operational coordination among key actors but fell short of leveraging this platform to deepen strategic coherence or forge systematic complementarities with other initiatives. The SC, established as foreseen under the Contribution Agreement, met regularly and provided an important forum that brought together the EU, Enabel, MoL, NTC and other institutional stakeholders. These meetings often included substantive and frank discussions on project challenges. However, the topics addressed were largely operational in nature, such as how to manage project activities in Gaza after October 2023 or whether to reallocate budgets from Gaza to West Bank interventions. While this demonstrated responsive, practical coordination, it meant that the SC did not significantly function as a platform for driving broader strategic integration or for exploring systematic synergies with other EU-funded or national employment initiatives. **This operational focus was reinforced by high turnover in the representation of key government institutions, which required repeated re-briefing of project specifics and absorbed meeting time, as well as by the wider political context that necessitated senior-level operational decisions.**

In relation to other partners, YEP was positioned as a key pillar of the EU's Palestinian Youth Empowerment Programme, alongside complementary interventions led by UNFPA and Sharek Youth Forum. This collective initiative sought to tackle intersecting dimensions of youth exclusion, with UNFPA emphasising civic participation, sexual and reproductive health and rights (SRHR), and psychosocial wellbeing, while Sharek focused on community engagement and cultural empowerment. This multi-actor architecture was conceptually strong, ensuring that different facets of youth resilience were addressed in parallel. In practice, however, coordination between these pillars was more thematic than operational. **Unfortunately, being situated under different EU teams and having no common objectives meant that contact was limited.** While periodic EU-hosted meetings created opportunities for information exchange, they did not evolve into structured, cross-programmatic work streams.

The broader **context of implementation — marked by recurrent movement restrictions, security risks that escalated post-October 2023, and shifting institutional priorities among key Palestinian actors — further constrained opportunities for stronger operational coordination.** Movement restrictions and economic volatility complicated routine coordination limited the ability to convene joint activities and often forced programme actors to adapt operational plans in ways that reduced space for structured collaboration. Institutional fragility, including leadership turnover in partner entities and the ongoing restructuring of the National TVET Commission (NTC) within the Ministry of Labour, also meant priorities frequently shifted, complicating sustained alignment. While at the time of the field mission the NTC's reabsorption suggested possible dissolution, subsequent updates indicate that the Commission is pursuing a comprehensive reorganisation rather than a permanent closure. Coordination with ILO was reported in relation to cooperative ecosystem development in East Jerusalem, and some engagement took place with the ETF. However, these relationships were largely initiative-specific and lacked broader strategic alignment. The post-October 2023 shift in donor priorities toward humanitarian response, especially in Gaza, further diluted the space for coordinated planning in the West Bank. **Moreover, the ILO itself expressed a desire for stronger collaboration and coordination with Enabel in general, suggesting missed opportunities to synergise with YEP,** particularly as the ILO had been simultaneously supporting PEF capacity development, including in designing public employment programmes. Following the evaluation fieldwork, Enabel and ILO co-hosted a third policy dialogue on cooperatives and initiated discussions with the new ILO representative to explore broader collaboration opportunities, steps which—while outside the immediate evaluation cut-off—may strengthen future strategic alignment**. Despite these limitations, the lack of operational overlap meant duplication was effectively avoided.** Each programme maintained a distinct but mutually reinforcing focus, collectively helping address the multifaceted drivers of youth vulnerability. The experience under YEP underscores the broader development lesson that while strategic alignment and avoidance of duplication are critical, the full potential of complementary interventions is best realised through deliberate co-planning, joint monitoring frameworks, or linked funding instruments that incentivise integrated delivery.

On the balance, YEP demonstrated strong strategic coherence and was well-aligned with Palestinian national priorities, Enabel's cooperation framework, and the EU's collective youth empowerment agenda. These factors enhanced the programme's relevance and positioned it as a technically robust intervention within Palestine's fragmented labour market ecosystem. However, the evaluation also highlights how operational synergies were modest, with most complementarities materialising through thematic alignment and sequential programme learning rather than structured joint implementation. This suggests that future programme designs could benefit from more explicit planning for cross-initiative pipelines, for instance, systematically linking first-work placements and entrepreneurship starters under YEP to advanced market and investment support under initiatives like SAWA. Such approaches could maximise the collective impact of EU and Enabel investments on youth resilience and employment in Palestine.

3.2.5 EQ5: Effectiveness of the Grant Modality for Implementing Partners (criteria: Effectiveness, Efficiency, Sustainability, Relevance)

Summary of key findings on EQ5:

Grants were the core operational modality of YEP — deployed in different forms to advance each of the project's strategic pillars. Direct grants to institutional partners like PEF under R1 and chambers under R2 were designed to bolster nationally mandated functions and leverage local employer linkages, while competitive calls for proposals under R3 were used to select NGOs best placed to deliver grassroots business development and cooperative support. This flexible use of grants allowed the project to adapt to local contexts, reinforce national mandates, and support the localisation agenda. However, the effectiveness and efficiency of the grants varied, with each approach carrying distinct advantages and operational trade-offs. While the model generally succeeded in broadening outreach and tailoring delivery, it also demanded intensive oversight from Enabel, revealed uneven institutional capacity, and left long-term sustainability dependent on continued donor financing. Looking forward, a refined approach blending direct grants, competitive calls, and selectively using service contracts could optimise future programming. While YEP already combined direct grants and competitive calls for proposals, **service contracts were not tested in practice**. A next phase could build on this foundation by (i) defining criteria for when to use service contracts—e.g., for highly standardised or technical components such as digital skills bootcamps or independent tracer studies; (ii) setting clear quality-control benchmarks for contracted services; and (iii) integrating a learning loop to periodically assess the balance between grants and contracts. This would preserve flexibility for innovation while enhancing efficiency and accountability.

YEP used two main forms of grants:

- **Direct grants** to PEF under R1 (to implement the First Employment Facility): were non-competitive and reflected a strategic choice to anchor interventions in national systems and employer networks already recognised in the NES.
- **Competitive grants** under R2 and R3, awarded through calls for proposals that allowed Enabel to identify local labour market institutions and NGOs with strong community reach and technical capacities to support WBL approaches and youth business development and cooperative initiatives.

Both approaches were contextually appropriate. Direct grants aligned with the localisation agenda and NES priorities by enabling institutions like PEF to fulfil their mandated roles in managing wage subsidies and active labour market programmes, and by empowering chambers to connect training directly with private sector needs. Competitive grants allowed Enabel to harness the diversity and specialisations of Palestinian private sector umbrella organizations and NGOs, ensuring tailored delivery models that reflected local market realities and specific vulnerabilities (e.g. youth in rural or Area C communities, women, persons with disabilities).

This strategy also respected political and operational sensitivities. Full direct implementation by Enabel would have required a dramatically larger staff footprint and potentially undercut local ownership, while risking reduced access to conservative communities where local actors hold critical trust.

Yet efficiency varied. Delays in contracting and disbursement were common, especially under competitive grants in R3, slowing the rollout of training and seed funding. Some NGOs, and, by extension, beneficiary youth, under R3 needed extensive support to navigate both Enabel and EU compliance, financial management, and reporting systems. This stretched Enabel's project team and reduced time for higher-level coordination and learning. Meanwhile, **PEF received an original direct grant**, which benefited from institutional scale and a clear public mandate but still faced capacity gaps, such as integrating FEF data into national MIS or standardising WBL documentation across TVET providers, requiring close technical accompaniment. **The two chambers of commerce (HCCI and SHCCI) were initially selected through a competitive procedure, although HCCI later received a limited top-up via direct grant.**

Across both direct and competitive grants, capacity building was pivotal. Enabel invested in strengthening MEL, financial systems, gender-responsive programming, and reporting capacities. PEF under R1 improved its SOPs and adopted a more rigorous approach to placement monitoring. Chambers under R2 developed rotation plans and documentation for WBL, though unevenly. NGOs under R3 institutionalised entrepreneurship curricula, coaching protocols, and competitive selection processes for youth businesses.

However, the translation of this capacity support into deeper institutional change was mixed. More mature partners, such as Al-Quds University, HCCI and PARC, incorporated new tools into broader programmes and continued to use trained staff beyond YEP. Others, especially smaller NGOs, such as ACAD remain project-dependent, with capacity advances often tied to individual staff rather than embedded organisational systems yet.

Most stakeholders agreed that grants, both direct and competitive, were well-suited to Palestine's fragmented context. They enabled local adaptation, extended geographic reach (particularly in Gaza and underserved West Bank areas), and facilitated trust-building with youth and employers. They also allowed delivery to be tailored to diverse sub-groups, from university cooperatives to solidarity groups in marginalised villages.

At the same time, a design opportunity was missed within the core delivery mechanisms. Service contracts were not used as a deliberate modality for standardised or highly technical components, even though Enabel did use them for some internal functions. Service contract could have been valuable for example to directly procure specialised digital-skills bootcamps for youth businesses under R3, commission independent tracer studies to systematically track employment impacts, or carry out quality-assurance audits of cooperative governance. A **hybrid approach**, blending grants for ownership and flexibility with targeted service contracts for specialized functions, may offer greater consistency, efficiency, and quality control. In practice, this would mean maintaining competitive calls for innovative models and local ownership, while using service contracts where strong standardisation and strict quality assurance are required. Clear criteria for when to deploy each mechanism, agreed ex-ante with partners and periodically reviewed, would help ensure the right balance of flexibility, accountability and transaction costs.

Meanwhile, direct implementation by Enabel was considered unrealistic: it would have required vastly expanded staffing, local offices across multiple governorates, and could have undermined the NES goal of building national and local institutional mandates. The chosen approach respected both the principle of subsidiarity, and the localisation commitments embedded in EU development policy.

Experience under YEP generated clear insights for refining grant modalities. More rigorous pre-award due diligence could better differentiate NGOs needing extensive capacity support from those ready for lighter-touch accompaniment, allowing compliance and MEL obligations to be calibrated accordingly and preventing smaller partners from being overwhelmed by administrative demands. Longer and more predictable implementation cycles were also seen as crucial to embed new systems and achieve outcome-level changes beyond immediate outputs.

3.2.6 EQ6: Unintended Effects — Positive and Negative (criteria: Effectiveness, Coherence, Sustainability)

Summary of key findings on EQ6:

YEP produced a range of unintended effects. Many were positive — advancing youth agency, household acceptance of new economic roles, financial inclusion, modest local market stimulation, piloting new cooperative models that could inform future law reforms and even bolstering business resilience by temporarily offsetting labour costs. At the institutional level, a striking effect was how Al-Quds University fundamentally reshaped its incubation and business support approach, adopting more tailored, rigorous models informed by YEP learning. At the same time, rigid compliance demands nudged some youth into bending good business practices, integration into existing cooperatives occasionally diluted cooperative mandates, weak coordination missed opportunities to amplify impact, and market concentration risks emerged in common micro-business sectors. These findings highlight both the wider developmental dividends and the subtle risks that accompany such complex interventions.

3.2.6.1 Positive unintended effects

The analysis highlighted several positive unintended effects of the YEP programme. Among others, it:

1. **Strengthened individual agency and psycho-social gains.** One of the most pronounced effects was how youth described becoming more confident, organised, and vocal, not only in workplaces but also in family and social spheres. In focus groups, young women in particular spoke of feeling better able to "*state what we want and why*" after navigating business planning, pitching competitions, or structured wage placements. This self-assurance extended well beyond immediate economic transactions, with one participant remarking: "Before this, I hesitated to speak, now I can convince my family and friends when something matters to me."
2. **Ensured greater financial inclusion and market literacy.** FEF placements required youth to open bank accounts, often for the first time, while R3 entrepreneurs had to manage contracts, invoices, and procurement documents. Although sometimes burdensome, these processes built financial know-how that youth widely valued. As one young man from Tulkarem put it: "Now I know how to compare offers, how to get things documented, even if it's stressful, it's real business learning."
3. **Indirectly boosted business resilience.** Employers hosting FEF and WBL placements repeatedly highlighted how subsidised youth labour helped them cope during economic downturns. A small business owner in Hebron noted: "The support helped us take more orders without the fear of not paying salaries if things turned." This suggests the project's immediate wage subsidy and free training placements served not only youth but also shored up small businesses' short-term viability in a fragile market.
4. **Introduced new cooperative models and potential policy influence.** Al-Quds University's intensive cooperative literacy process under YEP led to youth-driven worker cooperative prototypes, largely new in Palestine, where cooperatives are mainly agricultural marketing entities. This stands as a practical pilot demonstrating that worker or multi-stakeholder cooperative models can thrive, providing a critical reference point for future advocacy to amend cooperative laws to formally accommodate such structures. As one cooperative expert from ACAD reflected: "Seeing these young people organise their own cooperative ideas opens the door to push for legal frameworks we never had."
5. **Contributed to the transformation of institutional approaches at Al-Quds.** A particularly significant unintended institutional outcome was how the experience under YEP drove Al-Quds University to fundamentally rethink its incubation and business development services. Previously structured as broad, lightly guided hubs, these are now more targeted and rigorous, with carefully staged pitching, mentorship, and business viability checks, explicitly shaped by what staff learned from YEP's challenges and successes. Combined with launching a formal diploma in cooperative management, this embeds YEP's lessons into sustainable educational offerings and potentially influences broader cooperative and entrepreneurship ecosystems.

3.2.6.2 Negative unintended effects

However, some unintended negative effects were also linked to the YEP programme. In particular:

1 **The pressure from compliance demands led to risky coping behaviours.** EU compliance requirements, while ensuring rigour, proved overwhelming for many youth entrepreneurs. Several struggled to get three formal price quotations or VAT invoices, particularly in rural or informal markets. This led a few to find workarounds, like asking friends to draft pseudo-official paperwork simply to unlock grant disbursements. While there was no evidence of misuse or fraud, it does reveal how stringent systems can push emerging entrepreneurs toward practices that skirt the transparency norms healthy businesses require.

2 **The programme caused the distortion of cooperative mandates under PARC's model.** PARC's approach of integrating youth income streams into existing cooperatives, though well-intentioned, sometimes inadvertently shifted these cooperatives away from their original purpose. In Jenin, for instance, a marketing cooperative designed to aggregate and sell members' farm produce began operating a youth-funded greenhouse. This effectively turned it into a producer itself, competing with its member farmers, thereby muddying cooperative principles even as it created short-term work for youth.

3 **Weak coordination limited broader synergistic impacts.** As seen under EQ4, although YEP was conceptually aligned with initiatives like UNFPA's civic programming and Enabel's SAWA project, practical handover mechanisms were absent. Opportunities to systematically guide youth from civic engagement or basic employability initiatives into YEP's economic tracks, or from YEP start-ups into SAWA's more advanced incubation, were missed. This left potential multiplier effects unrealised.

4 **Too many doing the same:** Without strong market steering, some youth gravitated (including those that R2 beneficiaries who chose to become self-employed) toward similar ventures, such as resin crafts, home snacks, or beauty services, saturating already narrow local demand. Youth in several focus groups expressed frustration that "*too many are doing the same thing*," underlining the need for more deliberate diversification support in future initiatives, similar to the support provided by MAAN and Al-Quds University through market research to advise youth on market demand and business ventures that hold promise

3.2.7 EQ7: Integration of Decent Work Principles, Especially for Vulnerable Youth and Persons with Disabilities (PLwDs) (criteria: Effectiveness, Coherence, Sustainability)

Summary of key findings on EQ7:

YEP clearly embedded decent work principles into its design, notably under R1 (FEF) where legal compliance, formal contracts, direct wage payments, and explicit decent work vetting created strong safeguards in a context often marked by informality and precarious work. Under R2 (WBL) and R3 (youth enterprises and cooperatives), these standards were partially integrated but less systematically enforced, with inconsistent protections around occupational safety, insurance, and rights-based workplace practices. While many elements contributed meaningfully to decent work, like targeted sessions on labour law, OSHA topics under the 21st Century Skills modules, and collective empowerment through cooperative pathways, the project fell short of comprehensive institutionalisation. Notably, there were no structured grievance or complaints systems, insurance arrangements for short WBL attachments were unclear and contested by stakeholders and differentiated outreach and adjustments for **PLwDs** remained modest. Taken together, YEP made important advances in promoting safer, fairer, more dignified economic participation, but highlighted the challenges of consistently embedding full decent work standards across diverse modalities and fragile systems.

3.2.7.1 Integration of decent work principles across modalities

Under R1 (FEF), decent work was most explicitly operationalised. Employers underwent a rigorous vetting process requiring legal registration, compliance with minimum wage laws, and formal contracts aligned with decent work standards. Wages were deposited directly into youth bank accounts, promoting transparency and financial inclusion. Participants also received 30 hours of training that included sessions on labour law, occupational health and safety (OSHA), and gender-sensitive workplace norms, raising awareness of rights and responsibilities. This structured approach helped youth, especially young women, overcome social and family resistance to employment by providing a secure, regulated entry point. Employers likewise reported that the formal structure reduced ambiguity. The FEF technical committee deliberately opted for a uniform wage subsidy and training duration across sectors, prioritising administrative simplicity and equity. While this choice ensured consistency and avoided potential distortions, it may also have limited the scheme's ability to provide market-based wage incentives that reflect differing sectoral conditions.

In R2 (TVET-WBL), decent work standards were integrated more unevenly. While youth also received the 21st Century Skills modules covering labour rights and OSHA concepts, the short nature of attachments and reliance on informal agreements with employers meant that decent work assurances were weaker. Insurance coverage was particularly ambiguous: TVET providers claimed their accident insurance extended to employer sites for these short-term trainings, whereas employers argued this only applied to longer diploma placements. Youth feedback underlined that OSHA standards were not always observed, both at TVET centres and in workplaces, contradicting provider assurances, with no systematic monitoring data available to verify conditions.

For R3 (entrepreneurship and cooperatives), the approach advanced decent work in a more aspirational, values-based sense. Cooperatives were positioned as vehicles for collective ownership, dignity and non-discrimination. Al-Quds' ILO-linked cooperative literacy processes actively taught decent work principles, embedding them into group charters and encouraging equitable decision-making. However, with most groups informal or in early stages, robust internal application of decent work norms, like profit-sharing rules, written agreements, OSHA adherence, remained inconsistent. Individual youth micro-enterprises similarly learned about contract management and safe procurement practices, but there was no framework ensuring these ventures internalised decent work standards as employers.

3.2.7.2 Specific shortfalls and tensions

No grievance or complaints systems were embedded under any component, despite the project's strong emphasis on decent work. While there was no evidence of abuse or serious disputes, the absence of formal channels meant youth lacked safe recourse had problems arisen.

Compliance pressures under R3, as seen in EQ6, ironically risked eroding good business norms: some youth entrepreneurs facing heavy documentation demands resorted to informal workarounds, like pseudo-invoices, underscoring how rigid systems without tailored capacity support can push nascent businesses into corner-cutting behaviours.

For PLwDs, integration was partial. YEP partners made efforts to include youth with disabilities, adapting training spaces, providing assistive devices, and reaching some youth with special needs. But there was no distinct decent work strategy tailored to PLwDs, such as workplace adjustments, dedicated monitoring of discrimination, or targeted coaching on their rights as workers or entrepreneurs. Tracking systems across implementing partners did not consistently capture disability status, meaning the degree of differentiated support is uncertain.

3.2.7.3 Contribution to broader decent work norms

Even with these gaps, YEP made meaningful contributions to embedding decent work ideals in Palestine's fragmented economic landscape. Under R1 and to a lesser extent R2, it normalised formal wage contracts, insurance discussions, direct bank payments, and compliance with wage standards. Youth gained first-time exposure to documented employment processes, often bringing new expectations of fairness into future job searches. Under R3, cooperative experimentation offered a practical pilot for extending decent work beyond traditional employment, illustrating new forms of dignified, participatory economic engagement.

YEP advanced the principles of safety, dignity, rights awareness, and fair pay most consistently under FEF, with partial integration under WBL and emerging cooperative models under R3. It did so while also extending these values into new institutional and community spaces. However, the lack of grievance systems, unclear insurance arrangements, mixed OSHA compliance, and underdeveloped differentiated support for PLwDs point to critical areas for improvement. Future programming would benefit from formalised monitoring of decent work compliance, systematic protections for vulnerable groups, and grievance redressal pathways that make decent work not just an ambition, but an enforceable standard across all modalities.

4 Conclusions

This section synthesises the key cross-cutting conclusions drawn from the evaluation findings presented in Chapter 3.2, providing a holistic interpretation of YEP's performance. The conclusions are clustered thematically, each offering insight into underlying drivers of success or limitation and setting the stage for the recommendations that follow.

4.1 CONCLUSION 1: The project was highly relevant and strategically aligned, but deeper institutional embedding is needed for sustainability.

YEP responded directly to clearly identified labour market constraints in Palestine, notably the lack of first job opportunities, weak linkages between training and private sector demand, and limited avenues for youth entrepreneurship, all of which were highlighted by ETF's Torino process and national strategies such as the NES and TVET policies. The programme's strong fit with Enabel's and the EU's inclusive growth priorities further underpinned its relevance. Across all results, YEP left behind strengthened tools, manuals, and operating models, from PEF's wage subsidy SOPs to NGO-owned incubation hubs. Some partners, notably Al-Quds, went further, embedding YEP methodologies into curricula and planning new diploma streams.

However, while YEP successfully piloted important mechanisms like the FEF and localised WBL models, these innovations have yet to be fully anchored within public financing lines, regulatory systems, or sectoral frameworks (e.g., MoL operational budgets, MoEHE's formal TVET tracks). This underscores a critical need to move from donor-supported schemes toward institutionalised, nationally owned mechanisms to secure long-term impact, a shift requiring deliberate strong national ownership, political commitment, operational roadmaps and cross-ministerial buy-in.

4.2 CONCLUSION 2: YEP demonstrated meaningful but uneven effectiveness across modalities, with partial progress on systemic mismatches.

The project effectively addressed immediate employment and employability barriers: the FEF provided over 470 youth with structured, formal first work experiences, overcoming entrenched "no experience, no job" hurdles. This total includes approximately 356 youth in the West Bank and East Jerusalem who fully completed training (exceeding the war-adjusted target of 310), plus about 90 youth in Gaza who had completed their 21st century skills training and begun their first month of on-the-job training when the war interrupted further implementation While TVET-WBL improved training alignment with employer needs and updated key curricula. Business support under R3 fostered entrepreneurial agency and tested cooperative models that could seed longer-term collective approaches to decent work. Beyond intended outcomes, YEP also fostered psychosocial empowerment, household acceptance of new economic roles for young women, and modest local market stimulation. However, these gains were largely confined to the individual or institutional level. Structural mismatches between education outputs and private sector absorption persisted, compounded by market volatility and limited employer willingness to hire beyond subsidies. Moreover, the short durations and absence of robust post-training or business incubation pipelines curtailed transformative shifts in labour market dynamics.

4.3 CONCLUSION 3: Operational coherence was solid at the design level but missed opportunities for deeper programmatic synergy.

YEP was well-positioned within Enabel's bilateral portfolio and conceptually complemented initiatives like SAWA and earlier SYP investments. It also formed part of the EU's broader youth empowerment package alongside UNFPA and Sharek. However, practical coordination remained modest: there were few structured referrals or graduated pathways linking youth from basic civic or skills programming into YEP, or from YEP enterprises into higher-value incubation and market linkages under SAWA. This diluted the potential for cumulative, multi-stage support that could more sustainably lift youth into resilient economic roles. Internal coordination mechanisms, including common tools and learning loops across Enabel programmes, were limited, suggesting a need for more systematic synergy frameworks and shared platforms that institutionalise horizontal collaboration.

4.4 CONCLUSION 4: The grant modality was contextually appropriate but revealed structural inefficiencies and capacity imbalances.

The use of direct grants to PEF and chambers, and competitive grants to NGOs, was a pragmatic choice that respected localisation commitments, leveraged local networks, and extended reach into diverse geographies and communities. However, it also exposed substantial partner capacity variations. Many NGOs required heavy technical accompaniment just to meet compliance standards, stretching Enabel's management bandwidth and slowing execution. Meanwhile, transaction costs, particularly around EU procurement and documentation rules for youth grants, were high, sometimes pushing fledgling entrepreneurs into risky workarounds. This underscores the importance of balancing rigorous financial safeguards with adaptive delivery models that maintain youth trust and momentum. It also highlights the need to elevate capacity building from narrow compliance training to more holistic support for adaptive delivery, market analysis, and cooperative incubation.

4.5 CONCLUSION 5: Inclusion was strong for women and rural youth, but uneven and insufficiently tailored for the most vulnerable.

YEP achieved notably high female participation, especially under FEF (69%) and TVET-WBL (86%), and effectively reached marginalised localities across the West Bank and East Jerusalem. Yet systematic identification and tailored support for the most vulnerable, including youth with disabilities, young caregivers, and the extreme poor, remained limited. Tracking systems often did not capture intersecting vulnerabilities, and reasonable accommodation practices varied by partner and context. This left some groups without the differentiated pathways or support intensity needed to secure equitable outcomes. Similarly, while decent work principles were broadly integrated, the absence of grievance mechanisms, mixed OSHA compliance, and unclear insurance arrangements under short-term WBL pointed to critical gaps in translating decent work commitments into enforceable standards.

4.6 CONCLUSION 6: YEP made important contributions to decent work norms and cooperative experimentation, offering pilots for future scaling.

Under FEF, YEP normalised formal contracts, wage transparency, and compliance vetting in a context typically marked by informality. TVET-WBL introduced decent work awareness even if enforcement lagged. The cooperative pilots, especially under Al-Quds University, demonstrated that youth-driven worker cooperatives are possible, signalling pathways to expand Palestine's cooperative laws beyond traditional agricultural marketing. These examples created local references that can now be leveraged to inform policy dialogues, cooperative sector modernisation, and new public employment or youth enterprise schemes.

4.7 CONCLUSION 7: Adaptive delivery under volatile conditions underscored the importance of crisis preparedness and procedural flexibility.

YEP demonstrated commendable adaptability, for instance shifting to online training amid security escalations, but the cumulative delays from partner contracting, compliance hurdles, and post-October 2023 disruptions still compressed implementation windows, limiting how deeply results could mature. This experience highlighted the critical value of embedding flexible reprogramming instruments, shared risk mitigation protocols, and simplified procurement or subsidy flows that maintain youth trust and programme momentum even under shock scenarios.

5 Recommendations

The following recommendations have been formulated based on the project's performance against the OECD DAC criteria, as synthesised in section 3.1 and detailed through the evaluation questions in section 3.2. The recommendations are anchored in the key conclusions drawn, and have been refined through iterative analysis of evidence from implementing partners, youth and employers, complemented by validation sessions with Enabel staff and local actors.

5.1 RECOMMENDATION 1: Mobilise funding for a second phase.

Recommendation	Related conclusion(s)	Targeted actor(s)	Level	Priority	Type
Mobilise funding for a second phase to deepen and scale YEP models, institutionalise systems, and secure long-term PEF-led Public Employment Programmes, in order to consolidate initial impacts and ensure sustainability.	**CO1 (main conclusion);** CO3, CO5, CO6 (related)	**Lead:** Enabel and EU **In collaboration with:** MoL and PEF	3 and 4	Long-term	Strategic

Given the meaningful yet partial contributions of YEP across employability, entrepreneurship, and institutional strengthening, coupled with the groundwork laid through operational manuals, pilot cooperative models, and new TVET curricula, a second phase of support should consolidate and scale these achievements. Such a next phase would cement the FEF and WBL schemes within national systems, deepen youth entrepreneurship and cooperative ecosystems, and critically position the Palestinian PEF to lead, coordinate, and set standards for programmatic Public Employment Programmes. This directly advances the NES priorities, aligns with the EU's agenda on sustainable youth employment, and strengthens the resilience of national labour market institutions.

A future programme must go beyond sustaining existing operational models. It should place far greater emphasis on the programmatic design of employment schemes, such as building robust frameworks that move from ad hoc subsidy delivery to systematic, targeted interventions that explicitly address decent work deficits and key labour market distortions. This means developing clear methodologies, eligibility and targeting criteria, standard operating procedures, and monitoring systems that enable PEF not only to run individual schemes but to coordinate a broader portfolio of public employment interventions, tailored to tackle structural labour market gaps.

Importantly, this also lays the foundation for PEF to serve as a credible anchor for donor-financed PEPs, essential in a context where the PA's fiscal crisis severely limits the prospects for state-funded employment programmes. By building these programmes programmatically and institutionally, rather than merely operationally, the groundwork is established to mobilise external financing in a coherent, less fragmented way, reducing the proliferation of parallel initiatives and channelling resources through nationally owned systems.

Such an approach should also integrate more systematic strategic and operational coordination with other actors supporting employment policy and programming, including the ILO, ETF, and other relevant technical agencies. This would facilitate shared standards on decent work safeguards, harmonised approaches to employer engagement, and joint policy dialogues, thus maximising synergies, avoiding duplication, and strengthening Palestine's overall employment promotion architecture.

Moreover, future PEPs could be explicitly designed to address post-conflict recovery and reconstruction needs in both the West Bank and Gaza, offering livelihoods while rebuilding critical community assets, thereby simultaneously tackling economic and social cohesion objectives.

Finally, embedding the programme within the Ministry of Labour's evolving strategic framework, and aligning closely with Enabel's wider cooperation portfolio (including initiatives like SAWA), will ensure that interventions contribute to a coherent, mutually reinforcing system. This approach must be underpinned by crisis-sensitive design, incorporating flexible programming tools, contingency plans, and crisis modifiers to safeguard progress and maintain youth trust during inevitable fiscal or political shocks.

5.2 RECOMMENDATION 2: Strengthen PEF-led employment scheme design and targeting.

Recommendation	Related conclusion(s)	Targeted actor(s)	Level	Priority	Type
Strengthen PEF's capacity to design and target employment schemes through robust data systems, clear eligibility criteria, and coordinated frameworks to promote equity, efficiency, and systemic impact across future Public Employment Programmes.	**CO2 (main conclusion)**; CO1, CO3, CO5 (related)	**Lead:** PEF (for design and targeting) **In collaboration with:** Ministry of Labour (MoL) and Enabel Palestine (technical support and donor coordination)	2	Medium-term	Strategic

The evaluation confirmed that YEP's FEF manual provides strong operational foundations but that PEF still lacks programmatic and analytical capacity to design and steer national PEPs that systematically tackle labour-market mismatches and decent-work deficits. Future support should enable PEF to institutionalise periodic labour-market scans—mapping priority employment deficits by sector, geography and group (including women, persons living with disabilities and the long-term unemployed)—and to use these data to design tailored schemes combining wage subsidies, WBL and entrepreneurship pathways. A real-time PEP dashboard would track schemes and outcomes, strengthen transparency and donor confidence, and allow integration of flexible crisis-response tools (e.g., crisis modifiers) so that programmes adapt rapidly to shocks.

Inclusion should go beyond physical disability to all disability types, with future calls for proposals explicitly scoring implementation partners on disability-inclusion plans. This builds on NES priorities and supports Palestine's obligations under the CRPD, transforming PEF into a national platform capable of mobilising and coordinating donor-funded employment interventions that are strategic, well-targeted and embedded in national systems.

5.3 RECOMMANDATION 3: Simplify compliance and institutionalize coordination and learning mechanisms.

Recommendation	Related conclusion(s)	Targeted actor(s)	Level	Priority	Type
Simplify administrative and compliance procedures for IPs and youth while institutionalising horizontal coordination and peer-learning mechanisms among Enabel projects and partners, in order to **reduce administrative burden, enhance programme coherence, and improve youth experience.**	**CO3 (main conclusion)**; CO4, CO5, CO7 (related)	**Lead:** Enabel Palestine (procedural reform and inter-programme coordination) **In collaboration with:** implementing partners and relevant EU-funded initiatives (SYP, SAWA, ETF, ILO)	1	Short-term	Operational

YEP youth often struggled with complex EU/Enabel compliance rules—such as triple quotations and VAT-invoice requirements—which delayed implementation and sometimes prompted informal workarounds, eroding trust and compressing timelines.

To **safeguard financial integrity while reducing stress and dropout risk**, future programmes should **co-design simplified documentation flows with implementing partners**, provide up-front orientation sessions for beneficiaries on subsidy conditions and expected timelines, and develop a FAQ-style guide that demystifies requirements.

In parallel, Enabel should **institutionalise cross-programme coordination and learning** through joint technical working groups, shared MEL platforms and periodic learning reviews. These mechanisms would create structured handovers (e.g. from YEP-supported initiatives to SAWA incubation), align designs with ETF diagnostics and ILO standards, and enable adaptive management across Enabel's portfolio and with key partners.

This dual strategy—procedural flexibility plus stronger institutional coordination—will lighten implementation burdens, improve the beneficiary experience and deepen systemic coherence and sustainable impact.

5.4 RECOMMENDATION 4: Strengthen partner capacities and leverage international expertise.

Recommendation	Related conclusion(s)	Targeted actor(s)	Level	Priority	Type
Move beyond compliance strengthen partner capacities in adaptive delivery, market diagnostics, and incubation, including peer learning forums, while systematically leveraging global expertise and networks) to anchor youth enterprise and	**CO1 (main conclusion)**; CO2, CO3, CO5, CO6 (related)	**Lead:** Enabel Palestine **In collaboration with:** IPs and international organisations (as ILO, ETF, and regional cooperative federations)	1	Medium-term	Operational

cooperative and models in proven frameworks and support policy and legal reforms.					

Under YEP, smaller NGOs struggled with compliance requirements, leaving less space for market analysis or innovative cooperative design, while stronger partners adapted creatively. To **empower all implementing partners as technical innovators**, future programming should:

- **Reorient capacity-building from compliance-heavy oversight to strategic capabilities**, including market diagnostics, agile delivery methods and inclusive cooperative design.
- **Institutionalise peer learning**—for example, regular R2–R3 exchange sessions and targeted coaching—to spread adaptive, demand-driven delivery approaches.
- **Leverage international expertise and networks** such as the ILO (StartCoop, ThinkCoop, SYB/SIYB, GYB), ETF and regional cooperative federations to benchmark incubation strategies, strengthen quality assurance, and inform national policy papers and cooperative law reform.

5.5 RECOMMENDATION 5: Strengthen MEL systems to enable targeted programming, outcome tracking and adaptive learning.

Recommendation	Related conclusion(s)	Targeted actor(s)	Level	Priority	Type
Strengthen (MEL) by institutionalising tracer tools, vulnerability-targeting tracking, and outcome-focused metrics, in order to inform programme adaptation, sharpen targeting of youth employment schemes, and support evidence-based policy influence.	**CO1 (main conclusion)**; CO3, CO4, CO6, CO7 (related)	**Lead:** Enabel Palestine (MEL system design and integration) **In collaboration with:** Ministry of Labour (MoL), Palestinian Employment Fund (PEF), and implementing partners (data collection and use)	2	Medium-term	Operational

The evaluation found that while YEP had standard activity tracking, it lacked systematic tracer systems to document sustained employment or business outcomes, did not consistently capture disability or vulnerability profiles, and had no structured compliance monitoring on decent work across modalities. This situation limits learning and undercuts evidence for policy dialogue or scaling. This limits programme learning and weakens the evidence base for policy dialogue and scaling.

Future programming should institutionalise tracer studies (at 6, 12, 18 months), incorporate digital dashboards for real-time tracking by demographic group, e.g. women, PwDs, long-term unemployed, and embed joint MEL reviews across related programmes, YEP, SAWA, etc. and partners to enable adaptive management and coherent portfolio learning. Complementary qualitative feedback loops—such as focus groups and rapid digital surveys—will capture youth experiences and inform course corrections. Strengthened MEL will not only sharpen programme steering and targeting but also provide credible evidence to influence policy, refine national employment strategies and mobilise donor investment. Strengthened MEL not only sharpens programme steering and targeting, but also provide rigorous evidence to influence policy, refine national employment strategies and mobilise donor investment.

5.6 RECOMMENDATION 6: Build systematic risk management and flexible reprogramming into design.

Recommendation	Related conclusion(s)	Targeted actor(s)	Level	Priority	Type
Develop joint risk-mitigation protocols with implementing partners and institutionalise flexible reprogramming processes, such as pre-defined crisis modifiers and contingency reserves, in order to ensure continuity of youth employment interventions and protect programme gains during shocks or political and economic disruptions.	**CO3 (Main Conclusion)** CO5, CO6 (related)	**Lead:** Enabel Palestine (programme design and contracting) **In collaboration with:** (MoL), (PEF), and implementing partners	2	Medium-term	Strategic

The post-October 2023 downturn forced abrupt adaptations, underscoring the urgent need for structured risk planning in fragile contexts like Palestine. During YEP implementation, Enabel and partners already piloted several mutual learning measures—such as online intervision sessions, a joint BSO/PEP exchange at the Mahani Ramallah Business Hub, and a planned PAL-Jordan peer learning event with representatives from all three result areas and relevant government institutions. These positive but ad-hoc experiences confirm the value of a more formalised and budgeted peer-learning mechanism in a next phase. Future programmes should jointly develop with implementing partners robust risk mitigation protocols, covering delivery shifts, contract contingencies, and coordination roles during disruptions. Critically, they should also institutionalise flexible programming measures, such as crisis modifiers or contingency reserves that predefine triggers and mechanisms for reallocating resources in response to shocks, e.g. currency collapse, renewed conflict, large-scale movement restrictions.

This is increasingly recognised by the EU as best practice for operations in fragile and conflict-affected situations, aligning with EU INTPA's emphasis on adaptive programming, resilience mainstreaming, and risk-informed management. Embedding such tools into contractual frameworks not only protects project gains but also sustains youth and stakeholder trust by ensuring interventions can pivot rapidly to meet evolving needs without bureaucratic delays.