

ANNEX I

DESCRIPTION OF THE ACTION

1 THE CONCEPT

1.1. SUMMARY OF THE ACTION

Title of the action:	PURE – Productivity and Urban Renewal in East Jerusalem
Location(s) of the action:	Sultan Suleiman and Salah Eddin Streets in East Jerusalem - Palestine ¹
Total duration of the action (<i>months</i>):	30 months
Objectives of the action	<p>Overall objective of the programme is: To improve economic growth and secure social equity and cohesion through a sustainable urban revitalization of the commercial areas of East Jerusalem.</p> <p>Specific objectives of this programme are:</p> <ol style="list-style-type: none"> 1. To strengthen the Palestinian presence in East Jerusalem; 2. To preserve the characteristic Palestinian urban fabric and landscape; 3. To ensure that Palestinians are included in the development of urban plans in East Jerusalem to help meet Palestinian economic and social needs and continue to support efforts to improve commercial conditions in East Jerusalem; 4. To upgrade the existing infrastructural conditions of the buildings along Sultan Suleiman Street; 5. To improve the awareness and provide legal support against restrictions, or other issues of concern to operation of businesses, licensing, etc as well as against the Israeli restrictions on the movement of goods and services between the rest of the occupied Palestinian territory and East Jerusalem.
Target group(s)	Palestinians living in East Jerusalem, the Arab Chamber of Commerce of Jerusalem, Palestinian businessmen based in East Jerusalem and the local population at large.
Final beneficiaries	120 commercial and 50 business activities in Sultan Suleiman and the related 350-400 persons among businessmen and workers; and Palestinian community at large.
Estimated results	<ol style="list-style-type: none"> 1. Comprehensive technical studies (including town planning) for Sultan Suleiman and Salah Eddin produced; 2. Arab Chamber of Commerce and Industry in Jerusalem empowered and local business in Sultan Suleiman

¹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

	<p>strengthened and local private investment fostered;</p> <p>3. Commercial area in Sultan Suleiman street safeguarded, rehabilitated and developed;</p> <p>4. Enhanced tourist, economic and commercial potential opportunities in East Jerusalem.</p>
Main activities	<p>1. Detailed site evaluation, preliminary project development including research and town planning for Sultan Suleiman and Salah Eddin Streets;</p> <p>2. Rehabilitation, revitalization and beautification works for the buildings (shops and offices) in Sultan Suleiman Street;</p> <p>3. Economic support and legal assistance to the selected businesses from Sultan Suleiman Street;</p> <p>4. Awareness campaign, marketing and visibility plan.</p>

1.2. RELEVANCE OF THE ACTION

1.2.1. Relevance to the objectives/sectors/themes/specific priorities of the call for proposals

Jerusalem has always been and remains the political, administrative and spiritual heart of the Palestinians. Occupied East Jerusalem is the natural socio-economic and political centre for the Palestinian state given its cultural importance, commercial vitality, historical significance, and geographic centrality connecting the northern and southern parts of the Palestinian territories. It is an integral part of the Occupied Palestinian Territory (oPt), as recognized by the international community and relevant United Nations (UN) resolutions.

Only weeks after its occupation of the Palestinian Territory in 1967, Israel unilaterally and illegally expanded the municipal borders of Jerusalem, enlarging occupied East Jerusalem ten-fold to 72 square kilometres or 1.3 percent of the occupied West Bank. The new borders were drawn to incorporate Palestinian agricultural lands from other Districts, such as Ramallah and Bethlehem, while excluding main population centres. During the 1970s, Israel confiscated further Palestinian lands, including developed and agricultural land, to build Israeli settlements in blatant violation of international law. In 1980, Israel adopted the "Basic Law" on Jerusalem, which ratified the annexation of occupied East Jerusalem into Israel. The international community does not recognize this annexation, in line with the UN Security Council Resolution 478. This Resolution rejected the Israeli measures as a violation of the Fourth Geneva Convention and determined that "all legislative and administrative measures and actions taken by Israel, the occupying Power, which have altered or purport to alter the character and the status of the Holy City of Jerusalem, and in particular, the recent 'basic law' on Jerusalem, are null and void".

In line with Palestinian national plans, namely, the National Development Plan (2014-2016) Economic, Social and Infrastructure Sector Strategy Objectives, the Strategic Multi Sector Development Plan for East Jerusalem funded by the EU through the Jerusalem Unit of the Office of the President and UNDP/PAPP programming framework "Development for Freedom", UNDP/PAPP proceeded to conduct an assessment of the existing economic conditions in the main commercial centre in East Jerusalem. On that basis, UNDP/PAPP identified a number of impelling needs to improve the economic growth and ensure a social equity and cohesion through the urban revitalization of the commercial areas of East Jerusalem, as per the detailed activities listed below which focus mainly on Sultan Suleiman Street.

The current programme also foresees a second phase of interventions – specifically in Salah Eddin Street - based on the results achieved during the upcoming phase in order to ensure the holistic and sustainable economic development and urban revitalization of the commercial areas in East Jerusalem.

In summary, the private sector in East Jerusalem as a whole, demands new initiatives and new investments, in order to revive, as well as to re-start business development in the city. The first East Jerusalem Business Forum, held in September 2012, outlined the opportunities in East Jerusalem and promoted new and demand-driven investments as well as partnerships: Key sectors include trade (25%), real estate development and housing, the tourism sector (40%), as well as service provision (25%), information and technology, and small productive industries (10%).

The necessary political support to encourage actions in East Jerusalem was reiterated in the Council conclusions on 23 May 2011, by which the EU clearly recalls that it has never recognized the annexation of East Jerusalem and reaffirms its commitment to Jerusalem as the future capital of two states. Pending a final status agreement, East Jerusalem should remain an integral part of the oPt and should be maintained as a centre of life for its Palestinian population. Since 2007, the EU has dedicated a specific programme to the support of East Jerusalem entitled "Support to the delivery of community services in East Jerusalem", for the improvement of the quality of services in key sectors such as education, social services, health, urban planning and housing, human rights, culture, youth, and economic development.

Over the past ten years, UNDP/PAPP has worked actively in supporting the Palestinian living in East Jerusalem through interventions in several sectors: housing, cultural heritage, health, education, economic development, environment and rule of law. In line with the Palestinian Authority strategy (PNDP) and the United Nations Development Assistance Framework (UNDAF) in supporting East Jerusalem and the specific Strategic Multi-sector Development Plan for East Jerusalem (SMDP), UNDP/PAPP is currently implementing several projects in the culture, housing, education, economic development sectors in East Jerusalem.

1.2.3. Describe and define the target groups and final beneficiaries, their needs and constraints and how the action will address these needs

As mentioned above, the separation barrier has in effect isolated East Jerusalem from the rest of the West Bank. Due to the extremely limited access, the city has largely ceased to be a traditional Palestinian economic, urban and commercial centre. In the course of 2013 the policy of requiring entry permits and trade permits to East Jerusalem remained in place. Israeli trade regulations continued to hinder the import of goods and services from the rest of the Palestinian territory, while pharmaceutical products remained entirely banned from entering the city.

In the course of 2013 the economy of East Jerusalem, which is mainly based on small and micro enterprises, deteriorated further. The combined effect of growing Israeli administrative requirements, the aftermath of the global financial crisis, rising food and commodity prices and separation from cheaper Palestinian supplies further undermined the competitiveness of Palestinian entrepreneurs in East Jerusalem. As a result Palestinians continue to move their businesses to the rest of the West Bank or close them down. Overall the contribution of East Jerusalem to the total Palestinian GDP has declined from 15% before the Oslo Accords to 7% today.

The loss of businesses and declining trade relations have contributed to a contraction in the relative size of the East Jerusalem economy and a structural shift from entrepreneurship to wage employment. As a result the East Jerusalem labour market is increasingly focused on either the rest of the West Bank or the Israeli labour market, where Palestinian employees work under difficult conditions. Unemployment is very high, especially among the young, the uneducated and the female population. Although the per capita GDP in East Jerusalem is higher than in the rest of the West Bank, East Jerusalem Palestinians must cope with higher prices and higher taxes. The number of Palestinians in East Jerusalem living under the Israeli poverty rate is constantly growing. In 2013 it reached 80% of the total East Jerusalem Palestinian population and 85% among children.

Palestinians constitute approximately 39 percent (approx. 372, 000) of the population in Jerusalem, but the municipal budget spent on Palestinian neighbourhoods is disproportionately lower, not reaching above 10%. Public services dealing with poverty, unemployment as well as healthcare in East Jerusalem provided by the GoI and Jerusalem municipality are insufficient (three offices in East Jerusalem comparing to 18 in West Jerusalem,). Palestinian areas are characterised by poor roads, little or no street cleaning, limited sewage systems (shortage of at least 50 km of pipelines) causing health hazards and an absence of well-maintained public spaces - in sharp contrast to areas where

1.2.2. Relevance to the particular needs and constraints of the target country and relevant sectors (including synergy with other EU initiatives and avoidance of duplication)

In an increasingly urbanized world, the promotion of sustainable urbanization, encompassing issues of economic growth, social equity, cultural and ethnic cohesion and environmental protection, requires more than ever strategic planning, consensus building and conflict resolution.

The above specifically applies to the reality of East Jerusalem which has traditionally served as the focus of political, commercial, religious and cultural life for the entire Palestinian population of the occupied Palestinian territory (oPt).

Since the 1967 occupation and its annexation by the Israeli government in 1980, East Jerusalem depends de facto on the Israeli municipality for its governance and the delivery of public services, although this annexation has never been recognized by the International Community. Israel has followed a policy of isolating East Jerusalem from the rest of the West Bank, notably through the construction of the Separation Barrier and settlement expansion in and around the eastern parts of the city. This physical separation has severely affected the economic activities of East Jerusalem, as well as weakened the social fabric of its Palestinian communities. Recent trends in substantial land confiscation, increased house evictions and demolitions in highly populated urban neighbourhoods, further weaken the Palestinian community in the city. Moreover, East Jerusalem has been further marginalized by the asymmetric delivery of public services provided by the Israeli municipality to Jerusalem's Palestinian population.

East Jerusalem's economy is characterized by low labor force participation and high level of structural unemployment, low wages (relative to West Jerusalem), limited public investments in communities and infrastructure, inadequate municipal services, and limited private investment, thus resulting in unsustainable fiscal conditions and a deteriorating economic base. East Jerusalem's private sector had been facing years of neglect, lacking demand-driven investment and business development.

The root cause lies in the fact that East Jerusalem remains an isolated economy, physically and economically cut-off from the Palestinian economies of the West Bank and Gaza Strip. Closures and the isolation of the city have led to increased dependence on Israel for trade, employment and income generation to a significant level. The situation is further exacerbated by economic development being largely crippled, limited private sector investment, shortage of business services and infrastructure facilities, reduced competitiveness of Palestinian manufactured products and Israeli-imposed movement and access restrictions that further impede Palestinians' access to East Jerusalem markets.

More specifically, with regard to East Jerusalem's manufacturing and commercial activities, the separation of its markets from the West Bank and Gaza Strip, coupled with the restriction of movement of the Palestinian goods and products, as well as restrictions on population movement, has resulted in economic de-development. East Jerusalem has also faced fierce competition vis-a-vis Israel's markets; reviving East Jerusalem's commercial sector as well as re-establishing its market will require comprehensive development strategies and long-term investments.

With regards to the tourism sector, despite the sustained number of tourists that visit East Jerusalem yearly, the tourism sector as a whole falls well beyond its potential in East Jerusalem. Again, due to the physical isolation from the West Bank and Gaza, East Jerusalem struggles to maintain its importance as a Palestinian cultural, historic and religious centre, thus limiting local tourism to the city. International tourism remains of key importance, but is also highly susceptible to the political and security environment in the oPt and Israel. This is also coupled with the fact that there is a general lack of tourism products and packages that promote local businesses, as well as the under-capitalization of Palestinian heritage and cultural identity in the city. This sector also suffers from inadequate skills and infrastructure.

With regards to the real estate, construction and housing sector, East Jerusalem faces a housing gap of approximately 40,000 units (plus 9000 hotel rooms, 120 schools over the next ten years as well as business premises). Israeli policies and permit regimes have curtailed the expansion of residential neighbourhoods as well as commercial centres in East Jerusalem. Moreover, access to mortgage financing is extremely difficult in East Jerusalem, due to the lack of services offered by local banks and leasing companies. If the necessary permit conditions are met, the real estate and housing sector has the potential to become a key sector for investment in East Jerusalem, in response to the high demand of housing and commercial space.

Israelis live (in West Jerusalem as well as in East Jerusalem settlements). Access to Israeli banking and postal services in Palestinian neighbourhoods is limited.

Based on the above, the 'PURE' programme is addressing the needs and constraints of the local target groups (Palestinians living in East Jerusalem, Palestinian businessmen based in East Jerusalem and the local population at large) and final beneficiaries (120 commercial and 50 business activities in Sultan Suleiman and the related 350-400 persons among businessmen and workers; and Palestinian community at large) by improving the economic growth and securing the social equity and cohesion through a sustainable urban revitalization of the commercial areas of East Jerusalem as well as provision of economic support, legal assistance and marketing development.

Below is provided a detailed description list of the shops on Sultan Suleiman Street:

Description of the shops' activity	Number of shops
Stands/Booths (in the two squares, at the bus station and old women along the street)	30
Butcher	1
Bookshop	2
Clothing	29
Shoes	6
Pharmacy	3
Smoker shop	2
House decoration	2
Phone shops/Telecommunications	7
Cafeteria	3
Perfume	2
Photo Lab	2
Jewelry	1
Sweets	1
Household products	13
Juice	1
Restaurant	3
Taxi	2
Computer/IT	2
Storage place (Banana)	1
Bank	1
Barber	1
Food	4
Fruit and vegetable	1
TOTAL SHOPS	90

Closed offices	25
Medical centre	4
Arab bank building - offices - Lawyer, Dentist and Taylor	13
Hindiye building - offices - accounting, dentist and lawyer	6
TOTAL OFFICES	48
Hotel (120 rooms)	1
Internal courtyards	4
Squares / Open public spaces	2

1.2.4. Particular added-value elements

In order to ensure the promotion of internationally agreed goals and of international norms and standards as part of its development programming, UNDP has aimed to incorporate the following principles throughout this initiative in Jerusalem: environmental sustainability, human rights based approach, gender equality and women's empowerment, capacity development, and results based management. In addition, the following issues were also identified to be of particular relevance for the implementation of the project: refugees' protection, youth, children, people with disabilities, social protection, regional disparities, conflict sensitivity, and transition from humanitarian assistance to development.

It is also worth to mention that a particular added-value element for this project in East Jerusalem is the implementation through the United Nations agencies.

A strengths-weaknesses-opportunities-threats (SWOT) analysis carried out with UN agencies, complemented by individual interviews of UN partners, yielded the following main strengths which are vital for such important project to be implanted in the core of East Jerusalem:

1. **Impartiality.** It is recognized that the UN agencies do their best to work with all parties within the prevailing context of Israel's occupation of the oPt and are "honest brokers". This perception is stronger in the West Bank. The PA ministries, donors, and civil society generally view UN agencies as trustworthy.
2. **Human rights and advocacy.** The work of UN agencies is guided by the promotion of international norms and conventions and internationally agreed goals. Collectively, UN agencies gain force when unifying their message.
3. **In-depth field knowledge and potential leveraging power.** Because the UN has been operating for a long time in the oPt, and it covers a range of social, economic and other sectors both at the grass-root and at the national level, the UN has accumulated an in-depth collective knowledge of the local social, humanitarian, political, cultural and economic situation in the oPt.
4. **Coordination and convening power.** UN agencies have well established inter-agency coordination mechanisms. The UN's clout (brand recognition) and convening power can also be used in support of development interventions by other stakeholders. The UN has a relatively stable set of agencies. The coordination amongst UN agencies active in the oPt is seen as having improved in recent years.
5. **Technical competence.** In general, UN agencies are appreciated for their technical expertise and their ability to bring regional and global knowledge. The complementarity of their mandates and their ability to work beyond existing obstacles, provide the collective of agencies a comprehensive and specialized know-how which can be of benefit.

1.3. DESCRIPTION OF THE ACTION

The project outcome is to improve economic growth and ensure social equity and cohesion through a sustainable urban revitalization of the commercial areas of East Jerusalem.

As mentioned in the Section 1.1 above, the specific objectives of this project are to strengthen the Palestinian presence in East Jerusalem and hence preserve the characteristic Palestinian urban fabric and landscape. Furthermore, the programme will provide assistance to ensure that Palestinians are included in the development of urban plans in East Jerusalem to help meet Palestinian economic and social needs and continue to support efforts to improve commercial conditions in East Jerusalem; as well as to upgrade the existing infrastructural conditions of the buildings on Sultan Suleiman Street. Last specific objective is related to the awareness improvement and provision of legal support against restrictions, or other issues of concern to operation of businesses, licensing, etc as well as against the Israeli restrictions on the movement of goods and services between the rest of the occupied Palestinian territory and East Jerusalem.

Key stakeholders were contacted and consulted during the planning phase of the programme in order to get their comments and endorsement to the programme document. Specific key stakeholders are: Waqf General Department and the merchants' committees.

At this stage, UNDP/PAPP identifies within the PURE overall programme – which is targeting Sultan Suleiman and Salah Eddin Streets – a priority in targeting specifically the commercial centres around Sultan Suleiman Street (from Damascus Gate to Herod's Gate) to enhance the organizational set up of the market as well as to upgrade the market appearance and its infrastructure in line with modern international standards. All conservation work and project planning will be undertaken according to the highest international standards of conservation. A second phase will target Salah Eddin Street and a third one the construction of the third floor for the commercial buildings.

In line with the above, foreseen activities – which will be implemented over 30 months - are namely: 1. Detailed site evaluation, preliminary project development including research and town planning for Sultan Suleiman and Salah Eddin Streets; 2. Rehabilitation, revitalization and beautification works for the buildings (shops and offices) in Sultan Suleiman Street; 3. Economic support and legal assistance to the selected businesses from Sultan Suleiman Street; and 4. Awareness campaign, marketing and visibility plan.

2 THE ACTION

2.1. BUDGET OF THE ACTION, AMOUNT REQUESTED FROM THE CONTRACTING AUTHORITY AND OTHER EXPECTED SOURCES OF FUNDING

See in Annex III of the Contract the following information:

- the budget of the action (worksheet 1), for the total duration of the action and for its first 12 months;
- justification on the budget (worksheet 2), for the total duration of the action and,
- amount requested from the Contracting Authority and other expected sources of funding for the action for the total duration (worksheet 3).

2.2. DESCRIPTION OF THE ACTION

2.2.1. Description

In line with the above mentioned overall objective and specific objectives, the expected results will be:

1. Comprehensive technical studies (including town planning) for Sultan Suleiman and Salah Eddin produced;

2. Arab Chamber of Commerce and Industry empowered and local business in Sultan Suleiman strengthened and local private investment fostered;
3. Commercial area in Sultan Suleiman street safeguarded, rehabilitated and developed;
4. Enhanced tourist, economic and commercial potential opportunities in East Jerusalem.

This program will focus on the following components that will have an impact on the above indicated goal through:

1. **Commercial Restoration:** It converges on the architecture of the Sultan Suleiman Street in East Jerusalem, ensuring the future presence of imperilled historic landmarks and adopting urgent measures of remedial conservation to prevent their collapse. Central to its revitalization and at the core of this initiative, is the highly successful restoration of several housing units, local shops and markets as well as Libraries such as the Bahraini Library, the Hammams Al Shifa and Al Ayn, and Al Madrasa Al Killaniya in the Old City of Jerusalem. In addition, the rehabilitation of one of the main commercial streets in East Jerusalem will strengthen the integrity of the Palestinian commercial core and complement its essential function and charismatic architectural details.
2. **Urban Preservation:** A holistic strategy for cultural conservation and economic growth will be devised to accommodate the rising number of tourists and satisfy the emerging needs of local residents. Upscale hotels, proper location of the daily street market and the restoration of adjacent landmarks are among several projects aimed at strengthening the urban infrastructure (Under Public-Private Partnership scheme and in line with the ongoing EU pilot initiatives such as “Support to Development of Cultural Tourism” implemented by UNDP).
3. **Sustainable Urban Development:** It addresses the cultural and natural landscape, introducing expanded tourist infrastructure and public services to East Jerusalem. The aim is to create a master plan – in line with the ongoing activities (i.e. UNHABITAT) - that organizes the inherent wealth of this specific commercial area into a symbiotic relationship with all East Jerusalem as a capital of the future Palestinian State. A system of support maximizing on these resources and the managed growth of tourism provide unparalleled opportunity for substantial investment, solid return and the long-term development of East Jerusalem and Palestine overall. Specific measures include creation of a Commercial Trail in East Jerusalem and the creation of a formal footpath facilitating access to remote heritage and cultural venues spread in East Jerusalem (also connecting the commercial centres in the Old City with those outside).
4. **Poverty Alleviation:** It introduces financial incentive to reduce the incidence of poverty among Palestinians living in East Jerusalem. Managed tourism, local enterprise and heritage protection are seen as valuable sources of cultural capital capable of generating unprecedented opportunity within the community. A system of economic support and legal assistance will be established to encourage maximum participation and strengthened initiative in cultural conservation and small business ownership (In coordination with other EU initiatives in East Jerusalem, UNDP’s DEEP Programme and with the Jerusalem Arab Chamber of Commerce & Industry).
5. **Dissemination:** It recognizes the importance of public relations and media broadcast in gaining widespread support. Various activities are organized and the use of multimedia is employed to gain standing in the press, raise awareness among the public and enhance knowledgeable exchange among specialists (In coordination with other EU-funded initiatives like the Jerusalem Visitor Guide Web Portal).

The above mentioned components will be arranged and implemented as per the following activities:

1. Detailed site evaluation, preliminary project development including research and town planning for Sultan Suleiman and Salah Eddin Streets

In the initial stage, the site (Sultan Suleiman and Salah Eddin Streets) will be studied in details to ensure a meticulous preparation of all the specific infrastructure activities while permits will be secured by the Israeli Authorities either for restoration and construction activities. Along these lines, this activity is composed of the following sub-activities:

1	Activity	Description
1.1	Architectural and urban survey	<p>The principal purpose of an urban and architectural survey is to gather information needed to plan for the wise use of a community's resources. The historic resources of the neighbourhood (Sultan Suleiman and Salah Eddin areas) give it special character and cultural depth. To use those resources effectively and to respect their value and extend their lives, it is necessary to integrate historic preservation into community planning. Detailed survey information – implemented through an high-definition 3D laser scanning - at the urban and architectural level can be used to prepare a preservation/beautification/revitalization plan that helps the community establish policies, procedures, and strategies for maintaining and enhancing those resources that make the community special. This activity will be completely funded by the Islamic Development Bank.</p>
1.2	Town Planning - TABA	<p>Town planning (urban, city, and town planning) will be a technical and political process concerned with the use of land and design of the urban environment, including transportation networks, to guide and ensure the orderly development of commercial activities and communities. It will concern itself with research and analysis, strategic thinking, architecture, urban design, public consultation, policy recommendations, implementation and management. This sub-activity will be coordinated with the Israeli Authorities and based on the Collaborative Strategic Goal Oriented Programming (CoSGOP) which is a collaborative and communicative way of strategic programming, decision-making, implementation, and monitoring oriented towards defined and specific goals. CoSGOP is not a planning method but a process model: It provides a framework for communication and joint decision-making, in a structured process characterized by feedback loops. The essential elements of CoSGOP are analysis of stakeholders (identifying stakeholders' perceptions of problems, interests, and expectations); analysis of problems and potentials (including objective problems and problems and potentials perceived by stakeholders); development of goals, improvement priorities, and alternatives (requiring intensive communication and active stakeholder participation); specification of an improvement program and its main activities (based on priorities defined with the stakeholders); assessment of possible impacts of the improvement program; definition and detailed specification of key projects and their implementation; continuous monitoring of improvement activities, feedback, and adjustment of the programme (including technical and economic information and perceptions of stakeholders). CoSGOP has been applied in European cross-border policy programming, as well in local and regional development programming. In 2004, the CoSGOP model was applied in the EU-funded Large Urban Distressed Areas - LUDA Project, starting with an analysis of the European experience of urban regeneration projects. It will include the planning for the 30 dunums (not yet planned) in the area of Sultan Suleiman and Salah Eddin Streets and the underground</p>

		parking lot in Sultan Suleiman along with its preliminary technical design. The parking lot will provide a suitable solution to access the local commercial centre and will indeed release some stress provided by the intense traffic. The town planning will also include the additional volumes (extra floors) in the selected buildings in Sultan Suleiman and Salah Eddin Streets.
1.3	Study & testing of the structure of the buildings	Based on the results of the urban and architectural survey (1.1), all the buildings on Sultan Suleiman Street will undergo a structural testing and study to verify its adequate quality, stability and structural performance. It also includes the soil test for the area where the underground parking lot in Sultan Suleiman Street should be constructed. This activity is completely financed by the Islamic Development Bank outside the scope of this Action.
1.4	Architectural and urban design including structural rehabilitation design	Based on the previous sub-activities, urban design for Sultan Suleiman and Salah Eddin Streets will establish connections between people and places, movement and urban form, nature and the built fabric. Urban design will draw together the many strands of place-making, environmental stewardship, social equity and economic viability into the creation of places with distinct beauty and identity for a Palestinian East Jerusalem. It will merge planning and transportation policy, architectural design, development economics, engineering and landscape. It will draw these and other strands together creating a vision for an area and then deploying the resources and skills needed to bring the vision to life. Along with the engineering and architectural designs, full set of tender documents will be prepared. It will also include the landscape design for the cemetery and the structural design and tender documents.
1.5	Production of a GIS and 3D model for the commercial centre	Based on the results of the 3D laser scanning, 3D/GIS integrated model for the evaluation of the image of the landscape, from urban and architectural design to the territorial design, will be developed. Moreover, a 'Virtual World' will be established to plan, visualise, analyse and better manage the planned developments. The Virtual World involves a realistic 3D GIS, which supports master planning scenarios with ePlanning workflows and storytelling. Virtual urban city models are assisting those in the planning process to better understand the development and then communicate outcomes to the various stakeholders.
1.6	Coordination and supervision with the local Authorities	All the above mentioned sub-activities will be coordinated with the local stakeholders, the Palestinian authorities (Governorate) and the Israeli authorities (Municipality of Jerusalem). This activity will also include the payment of related licensing fees for the construction of an extra floor in Sultan Suleiman Street's buildings.

2. Rehabilitation, revitalization and beautification works for the buildings (courtyards, shops and offices) in Sultan Suleiman Street

This activity will mainly focus on the implementation of the rehabilitation and revitalization works of the buildings and open areas on Sultan Suleiman Street, including beautification of the facades, structural upgrading of the buildings, rehabilitation of the shops, offices and urban infrastructure in general. Related sub-activities are:

2	Activity	Description
2.1	Structural strengthening of the buildings	The seismic behaviour of old existing buildings is affected by their original structural inadequacies, material degradation due to time, and alterations carried out during use over the years such as making new openings, addition of new parts inducing dissymmetry in plan and elevation, etc. The possibility of substituting them with new earthquake resistant buildings is generally neglected due to historical, artistic, social and economic reasons. The complete replacement of the buildings in a given area will also lead to destroying a number of social and human links. Therefore seismic strengthening of existing undamaged buildings is a definite requirement for the buildings along Sultan Suleiman Street.
2.2	Strengthening of the retaining walls	Due to the landscape and geomorphologic conditions of the area, a strengthening intervention of the cemetery's retaining walls (especially on the South side) will be implemented.
2.3	Internal and external rehabilitation of the buildings	The rehabilitation design (1.4) will identify the form and detail those architectural materials and features that are important in defining the building's historic character and which must be retained in order to preserve that character typical of the Sultan Suleiman Street which is located in front of the historical wall of the Old City of Jerusalem. Therefore, the intervention will focus on the rehabilitation/conservation of all the buildings (shops, offices, courtyards, etc.) along the Street and namely on their exterior materials, such as masonry, wood, and metal; exterior features, such as roofs, porches, and windows; interior materials, such as plaster and paint; and interior features, such as mouldings and stairways, room configuration and spatial relationships, as well as structural and mechanical systems. Similar complementary interventions on the Salah Eddin Street will be financed by IDB outside the scope of this Action.
2.4	Urban beautification, landscaping and revitalization of yards, external pathways and public spaces	In line with the design (1.4) and the further coordination with the local authorities, the intervention will focus on the revitalization of all the public spaces along Sultan Suleiman Street (4 internal courtyards, 2 main cross-road areas, sidewalks, parking lots, etc.)
2.5	Coordination and quality supervision	All the above mentioned sub-activities will be coordinated with the local stakeholders, the Palestinian authorities (Governorate) and the Israeli authorities (Municipality of Jerusalem) and while implemented they will be supervised against the initial quality criteria by UNDP through a local consulting company.

3. Economic support and legal assistance to the selected businesses from Sultan Suleiman Street

A system of legal support and economic support will be established to encourage the maximum participation as well as to safeguard and promote the local investment in East Jerusalem. Related sub-activities are:

3	Activity	Description
3.1	Economic support	It will be directed to existing businesses and as a start-up instrument for new businesses. Specifically it will promote and facilitate new investments while strengthening the public-private partnerships.
3.2	Establishment of a legal aid unit for financial related problems	In coordination with the Wall and Settlements Unit established in January 2004 within the Prime Minister's Office, the Jerusalem Unit at the President's Office, and the EU-funded project implemented by the Palestinian Counselling Centre "Protect the Rights and Improve the Resilience of Vulnerable Communities in East Jerusalem"; UNDP/PAPP will establish a clinic at the Chamber of Commerce and hire legal and tax firms/individuals to work through the Chamber of Commerce for providing legal and tax support services and advise to the shop owners on financial related problems due to the Israeli discriminatory practices in East Jerusalem; including the restrictions on the movement of goods and services between the rest of the occupied Palestinian territory and East Jerusalem.
3.3	Establishment of a legal aid unit for urban planning related problems	In coordination with the Wall and Settlements Unit established in January 2004 within the Prime Minister's Office, the Jerusalem Unit at the President's Office, and the EU-funded project implemented by the Palestinian Counseling Center "Protect the Rights and Improve the Resilience of Vulnerable Communities in East Jerusalem"; UNDP/PAPP will establish a clinic at the Chamber of Commerce and hire legal firms/urban planning experts to work through the Chamber of Commerce for providing legal and expert support services to shop owners on urban planning and construction licensing related issues linked to the Israeli discriminatory practices in East Jerusalem.

4. Awareness campaign, marketing and visibility plan

This activity will focus on the improvement of the visibility and marketing for the commercial centres in East Jerusalem.

4	Activity	Description
4.1	Visibility actions	Successful regional and urban redevelopment very much depends upon the creation of a positive image of the target area. As such, many visibility actions will be organized during the implementation of the programme to re-launch the brand of Sultan Suleiman and Salah Eddin Streets as main commercial centres in East Jerusalem. A visibility plan will be developed in order to ensure that UN actions funded by the European Union (EU) incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for and impact of

		the UN-EU cooperation, and identify EU support for the action in the oPt, as well as the impact of this particular project in East Jerusalem. Among others, visibility activities will focus on: internet webpage presenting the Sultan Suleiman shops, e-marketing, e-commerce, etc.
4.2	Awareness campaign	Fostering social cohesion, against the background of growing socio-spatial segregation, should be progressed as a central issue. Specifically the campaign, implemented in collaboration with the Chamber of Commerce, will seek to raise awareness amongst EU citizens and businesses on the risks related to economic and financial activities in the settlements, including financial transactions, investments, purchases, procurements and services; while promoting the Palestinian commercial centres at the EU and local level. Moreover, the campaign will call on Israel to remove restrictions on the movement of goods and services between the rest of the occupied Palestinian territory and East Jerusalem; and promoting economic development in East Jerusalem.
4.3	Marketing plan	A marketing plan will be developed for the two commercial areas of Sultan Suleiman and Salah Eddin Streets while providing detailed marketing assistance to individual shop owners including advertising and promotional plans.

2.2.2. Methodology

The funding relation between the UNDP and the EU is governed by the 2003 Financial and Administrative Framework Agreement (FAFA). UNDP/PAPP will work in close coordination with the Waqf General Department (which owns the majority of the buildings) and the local stakeholders. The programme will be managed by the Infrastructure & Engineering Unit (I&E) of UNDP/PAPP.

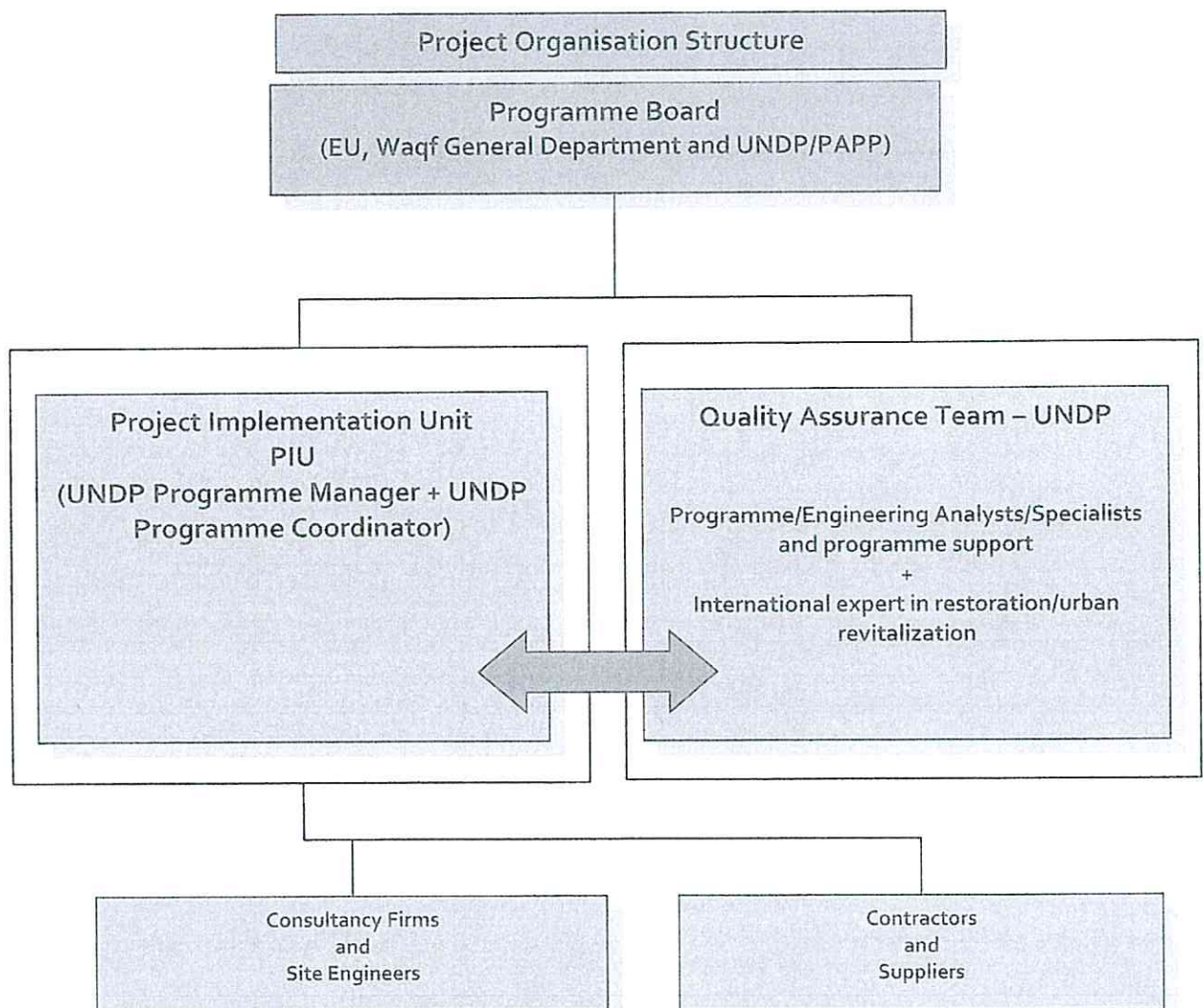
UNDP/PAPP will be responsible for the overall implementation of the programme. In particular, availing of the Infrastructure and Engineering (I&E) Unit, UNDP/PAPP will design, implement and monitor the proposed interventions. UNDP/PAPP will be responsible for regular and final reporting to the EU, according to established procedures.

Specific responsibilities of UNDP/PAPP

UNDP acts as the Designated Institution for the Programme responsible thereafter for the following:

- The establishment and administration of the Programme, achievement of Programme outcomes and output;
- To directly implement the programme activities and ensure safety and security measures during the construction works in accordance with the local practice and standards; To lead the technical and operational aspects of the project while ensuring proper documentation and upper supervision of the construction works;
- To prepare the project overall work-plans and provide regular progress reports to the Steering Board of the programme;
- To undertake the intervention in accordance with UNDP policies and procedures as set out in the UNDP Programming Manual and in the 2004 EU Project Cycle Management Guidelines;
- To appoint competent staff and experts for the quality assurance of the programme;
- To organize the bidding according to UNDP procurement rules and regulations, and in conformity to this agreement, sign contracts with contractors on behalf of UNDP/PAPP;

- To provide upper supervision responsibilities of the implementation and management of the programme;
- To submit the request for fund disbursement to the EU in line with the progress of the work and disbursements, and assure the funds are utilized as per the Programme Document;
- To provide monitoring, quality assurance and quality control of the implementation activities and use of fund in accordance with the regulations, rules procedures and directives of UNDP, maintain separate financial records, and submit the operational and financial progress to the Donor on a quarterly basis;
- Upon the completion and internal check and acceptance of the project, submit the related report for final as-built acceptance by the EU.



The programme supervision will be undertaken by UNDP proposed team while the final evaluation will be undertaken by an external consultant/firm.

On-line bi-weekly meetings will be held among teams and experts involved to evaluate the undertaken works, and contribute inputs to the intermediate reports, including:

- Progress of the programme in terms of the timeframe and expected outcomes;
- Quality of the completed work and areas to be improved;
- Obstacles and problems during the previous phase, reasons and solutions;
- Unexpected outcomes and their effects on the programme in the next stage;
- Feasibility of the work plan, and necessary modification of the plan;
- Potential difficulties and possible solutions.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the programme will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Programme Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the programme implementation.
- Based on the above information recorded in Atlas, a Programme Progress Reports (PPR) shall be submitted by the Programme Manager to the Programme Board through Programme Assurance, using the standard report format available in the Executive Snapshot.
- Programme Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

Annual Review Report. An Annual Review Report shall be prepared by the Programme Manager and shared with the Programme Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

Annual Programme Review. Based on the above report, an annual programme review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the programme and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Programme Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

A comprehensive terminal report and a final financial statement will be prepared within six months after the end of the implementation period.

Moreover a visibility plan will be developed in line with and the “Joint Visibility Guidelines for EC-UN Actions in the Field” in order to ensure that UN actions funded by the European Union (EU) incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for and impact of the UN-EU cooperation, and identify EU support for the action in the oPt, as well as the impact of this particular project in the Old City of Jerusalem. On top of general communication activities, the plan also foresees a final conference presenting the results of the project along with a publication, and a comprehensive historic study/research.

2.2.3. Duration and indicative action plan for implementing the action

The duration of the action will be 30 months.

Indicative action plan:

Year 1													
	Semester 1						Semester 2						
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
Detailed site evaluation, preliminary project development including research and town planning for Sultan Suleiman and Salah Eddin Streets													UNDP, Local consultants
Rehabilitation, revitalization and beautification works for the buildings (shops and offices) in Sultan Suleiman Street													UNDP, Local and contractors
Economic support and legal assistance to the selected businesses from Sultan Suleiman Street													UNDP, Local consultants
Awareness campaign, marketing and visibility plan													UNDP, Local consultants

Year 2													
	Semester 1						Semester 2						
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
Detailed site evaluation, preliminary project development including research and town planning for Sultan Suleiman and Salah Eddin Streets													UNDP, Local consultants and local contractors
Rehabilitation, revitalization and beautification works for the buildings (shops and offices) in Sultan Suleiman Street													UNDP, Local consultants and local contractors
Economic support and legal assistance to the selected businesses from Sultan Suleiman Street													UNDP, Local consultants and local contractors
Awareness campaign, marketing and visibility plan													UNDP, Local consultants and local contractors

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Year 3													
Activity	Semester 1						Semester 2						Implementing body
	Month 1	2	3	4	5	6	7	8	9	10	11	12	
Detailed site evaluation, preliminary project development including research and town planning for Sultan Suleiman and Salah Eddin Streets													UNDP, Local consultants
Rehabilitation, revitalization and beautification works for the buildings (shops and offices) in Sultan Suleiman Street													UNDP, Local consultants and contractors
Economic support and legal assistance to the selected businesses from Sultan Suleiman Street													UNDP, Local consultants
Awareness campaign, marketing and visibility plan													UNDP, Local consultants

2.2.4. Sustainability of the action

UNDP plays a significant role in the social, public and economic infrastructure sector in the occupied Palestinian territory including East Jerusalem. The expected impact of this programme could be summarized as follow:

- Protection of the Palestinian presence and development of the main Palestinian commercial centre (Salah Eddin and Sultan Suleiman Streets) in East Jerusalem;
- Improvement of the commercial standards and living conditions in addition to creating a sustainable economic development for many Palestinians in East Jerusalem;
- Enhancement of the performance of some of the Palestinian institutions (Waqf General Department and Arab Chamber of Commerce and Industry in Jerusalem);
- Provision of about 16,000 working days for Palestinians and preservation of permanent job opportunities related to the existing local business;

- Increase of businesses' financial income and local investments and thus reduction of the businesses' migration from East Jerusalem to the West Bank and/or Israel.

There are serious risks that may hinder the implementation of the programme, or may affect the achievement of expected results and outcomes. These risks are related to:

- Problems in timely implementation due to issuing permits from the Municipality of Jerusalem and Israel Antiquities Authority;
- Unforeseeable difficulties to bring the materials at the work site, or for the workers to be allowed to work on regular basis due to Israeli decisions;
- Hostile Settlers activities;
- Instability of internal political conditions;
- The increase in cost of construction materials. With a fluctuating dollar and decreased access, the cost of materials has increased well beyond initial budget projections. Working to increase the flow of goods and materials will help mitigate rising costs;
- Weather conditions.

Risk	Likelihood of Risk Occurring Probability: 1-Low / 5-High	Mitigation
Problems in timely implementation due to the interference of the Government of Israel	2	Discuss possible scenarios with Donor and Beneficiary to address the solution at a political level
Unforeseeable difficulties to bring the materials and workers at the work site due to Israeli authorities decision	1	Discuss possible scenarios with Donor and Beneficiary to address the solution at a political level
Hostile Settlers activities	1	Discuss possible scenarios with Donor and Beneficiary to address the solution at a political level
Instability of internal political conditions	1	Discuss possible scenarios with Donor and Beneficiary to avoid delay on the timeframe and related costs
Increase in cost of construction materials (with a fluctuating dollar the cost of materials has increased well beyond initial budget projections).	3	Develop a contingency plan and possibly sign the civil works contract in related donor received currency.
Weather conditions	3	Develop a contingency plan including two months buffer during the rehabilitation works period

The programme is aiming at ensuring sustainability in many dimensions (financial, institutional and environmental) through the direct involvement of the beneficiaries, target groups and stakeholders since the planning stage and the very beginning of the project until the completion of the activities and the handover to the local actors. The programme aims at establishing an enabling environment including institutional, administrative and financial frameworks to facilitate replication.

Financial Sustainability

The programme document sets the basis for the financial sustainability of the activities envisaged by the programme itself. Through tailored infrastructure interventions, legal assistance and marketing development initiatives to the already existing businesses will improve the financial sustainability. Potential opportunities to increase revenues include, amongst others are: tourist routes, commercial footpaths, cultural and social activities and private and public sponsorships.

Social Sustainability

The social sustainability of the project, i.e. the ownership, builds on the following components:

- Awareness and visibility campaign which will target the owners, businessmen, residents and local professionals;
- Implementation of the project through building sustainable systems and human capacities of local counterparts to internalize the participatory approaches and innovative ideas developed during planning and implementation phase;
- Fully merging the international and the local capacities in the conceptualization, design, implementation and monitoring and evaluation;
- Incorporation of gender-equality and youth-focused policies for the business development plan.

Institutional Sustainability

The project proposal aims at undertaking all activities and decisions in a transparent and participatory manner including all relevant stakeholders, therefore ensuring the institutional sustainability of the project in a full collaboration and partnership with the Waqf General Department and the Arab Chamber of Commerce and Industry in Jerusalem;

In detail, the owner of the buildings on Sultan Suleiman Street is the Waqf General Department which participated since the beginning in the planning phase of this programme. Waqf General Department will remain on board as an active partner during the entire implementation of the activities so that a full financial and institutional sustainability will be secured by the end of the project.

Further institutional sustainability will be secured by the empowerment of the Arab Chamber of Commerce and Industry in Jerusalem.

Environmental Sustainability

The programme document aims at ensuring environmental sustainability through the implementation of eco-sustainable interventions strategies:

- Sustainable management of the main resources needed: water and electricity: conservation, energy efficiency and consumption reduction strategies, provision through renewable/alternative sources i.e. solar panels;
- Eco-sustainable construction materials aimed at preserving the temperature inside the building, use of low cost/low maintenance features;
- Integration of an environmental-friendly/local development oriented management protocol, which builds on good practices such as: use of non-polluting detergents and disinfectants through specific market agreement with distributors; use of locally produced olive oil soap; waste management protocol.

2.2.5. Logical Framework

See attached table.